1-800-flowers.com[SM]

2003 Annual Report

Special Bonus

2004 Celebrations Planning

CALENDAR

About 1-800-FLOWERS.COM®

For more than 25 years, 1-800-FLOWERS.COM has helped millions of customers connect with the people they care about through a broad range of thoughtful gifts, award-winning customer service and its unique technology and fulfillment infrastructure. The Company's product line includes flowers, plants, gourmet food, candies, gift baskets and other unique gifts available to customers around the world via: the Internet (www.1800flowers.com), by calling 1-800-FLOWERS® (1-800-356-9377) 24 hours a day, or by visiting one of its Company-operated or franchised stores. 1-800-FLOWERS.COM's collection of thoughtful gifting brands includes home decor and garden merchandise from Plow & Hearth® (1-800-627-1712 and www.plowandhearth.com); premium popcorn, confections and other food gifts from The Popcorn Factory® (1-800-541-2676 and www.thepopcornfactory.com); gourmet food products from GreatFood.com® (www.greatfood.com); and children's gifts from HearthSong® (www.hearthsong.com) and Magic Cabin℠ (www.magiccabin.com).

Our Mission Statement

"1-800-FLOWERS.COM will be the leading provider of thoughtful gifts, helping our customers connect with the important people in their lives. We will continue to build on the trusted relationships with our customers by providing them with ease of access, tasteful and appropriate gifts and superior service."

Special Note Regarding Forward-Looking Statements

A number of statements contained in this report, other than statements of historical fact, are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the applicable statements. These risks and uncertainties include, but are not limited to: the Company's ability to achieve cost efficient growth; its ability to maintain and enhance its online shopping web sites to attract customers; its ability to successfully introduce new products and product categories; its ability to maintain and enhance profit margins for its various products; its ability to provide timely fulfillment of customer orders; its ability to cost effectively acquire and retain customers; its ability to continue growing revenues; its ability to compete against existing and new competitors; its ability to manage expenses associated with necessary general and administrative and technology investments; its ability to cost effectively manage inventories; its ability to improve its bottom line results; its ability to leverage its operating infrastructure; its ability to achieve its stated results guidance for fiscal 2004, and general consumer sentiment and economic conditions that may affect levels of discretionary customer purchases of the Company's products. For a more detailed description of these and other risk factors, please refer to the Company's SEC filings including the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The Company expressly disclaims any intent or obligation to update any of the forward looking statements made in this report or in any of its SEC filings except as may be otherwise stated by the Company.

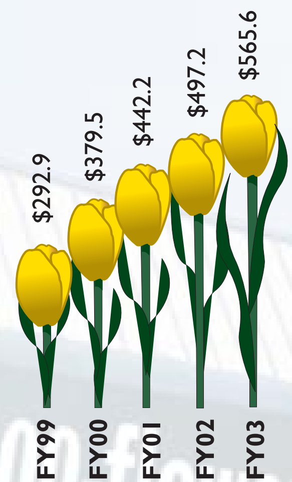
Financial Highlights

	Years Ended				
	June 29, 2003	June 30, 2002	July 1, 2001	July 2, 2000	June 27, 1999
	(in thousands, except percentages and customer data)				
Total Net Revenues	$565,618	$497,205	$442,239	$379,528	$292,852
Telephonic Revenues	271,071	248,931	230,723	227,380	201,467
Online Revenues	265,278	218,179	182,924	116,810	52,668
Non-floral Revenues*	49%	46%	41%	32%	25%
Gross Profit Margin Percentage	42.6%	41.0%	39.4%	37.4%	38.6%
EBITDA	27,510	11,396	(23,757)	(59,102)	214
EPS	0.18	(0.02)	(0.64)	(1.10)	(0.27)
Customer Base (millions)	21.2	18.1	13.4	9.1	6.6

* As a percentage of combined online and telephonic net revenues

Total Revenues

(in $ millions)

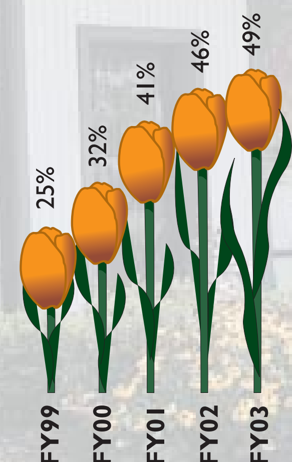


Rapid Online Revenue Growth

(in $ millions)

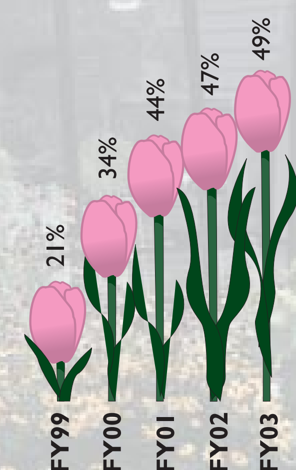
Growing Non-Floral Gifting

As % of combined online and telephonic revenues



Growing Online Demand

As % of combined online and telephonic revenues



Fiscal 2003 Achievements

- Increased total revenues 13.8 percent to $565.6 million in a difficult retail environment.
- Grew online revenues 21.6 percent to $265.3 million, representing 49.5 percent of combined online and telephonic revenues.
- Increased Gross Profit Margin by 160 basis points to 42.6 percent.
- Achieved EPS of $0.18 per diluted share, compared with a loss of $0.02 per share in the prior year.
- Increased Free Cash Flow three-fold to approximately $12 million.
- Cost effectively attracted 3.1 million new customers while simultaneously deepening our relationship with existing customers and increasing annual repeat order rate to approximately 43 percent.

To Our Shareholders

Fiscal 2003, while challenging, was a successful year for our company. I'm pleased to report that we did many things right – including growing our revenues by approximately 14 percent despite a difficult retail environment and substantially increasing the key bottom-line metrics of earnings per share and free cash flow. Just as important, during the year we identified several areas where we can improve our performance and provide new growth opportunities for the future.

Key Achievements

Key among the year's achievements was our ability to grow revenues while simultaneously driving down our operating expense ratio. We did this through cost-effective marketing programs designed to achieve two goals: attract a significant number of new customers as well as deepen our relationships with existing customers. The success of these efforts can be seen in the more than three million new customers that we attracted to our collection of brands during the year, as well as a repeat order rate that increased to approximately 43 percent for the year compared with 40 percent last year. As a result, we were able to grow earnings per share to $0.18 per diluted share, compared with a loss of $0.02 per share last year, and increase free cash flow three-fold to approximately $12 million.

In addition, during the year we made progress in several of our key business initiatives:

- We completed the integration of the customer service and web functions for The Popcorn Factory®, which we acquired in May of 2002. In so doing, we achieved significant costs savings and reinvigorated their revenue growth by leveraging our existing infrastructure.
- We expanded the roll out of our Local Fulfillment Center or "LFC" strategy through our Bloomnet® Florist Network. At the end of fiscal 2003, more than 60 of these "mini-distribution centers" were up and running, covering most of the top 50 markets in the country. Other than the few we originally built, all of the LFCs are owned and operated by independent Bloomnet florists. This further hybridization of our unique fulfillment system offers several important benefits including:
  - Increasing our same-day and next-day delivery capabilities for both floral gifts and selected non-floral gifts;
  - Providing in-market branding through our packaging and our logos on delivery vans;
  - And further enhancing our ability to deliver the best possible product and service quality.
- On the product front, we expanded our relationships with leading premium gift brands including Lenox®, Waterford® and Godiva®. Customer response to these brands has been very positive, and we will continue to look for additional branded gift offerings that provide our customers with enhanced gifting value. We made good progress in several important product initiatives including plush toys and gourmet gift baskets, as well as our continuity gift programs. We also successfully launched our own Mama Moore's™ brand in our bakeshop gift line. The plush toys and gift food categories represent two exciting growth areas for our business.

Opportunities for Improvement

There are several areas in which we believe we can improve our results. Among these areas is Corporate Gifting where we have the opportunity to significantly grow our market share. During fiscal 2003, corporate gift-giving was particularly hard hit by the weak economy, notably in the financial services sector, which is traditionally our most robust business-gifting segment. As a result, we did not achieve the growth we expected in this area. However, during the year we enhanced the size and focus of our Corporate Gifting sales team and successfully opened hundreds of new corporate accounts. These efforts, coupled with our expanded gift offering, position us well to achieve strong growth in this area, especially as the overall business economy improves.

Another area where we can improve our performance is in database management and cross-brand marketing. Through a combination of electronic dialog and direct marketing programs, we can effectively introduce customers to our expanded collection of great brands – including Plow & Hearth® and P&H Country Home for home and garden décor products, HearthSong® and Magic Cabin℠ for unique children's gifts and The Popcorn Factory® for delicious treats – and thereby increase the number of occasions that they come to us for their gifting needs.

Customer Engagement

By utilizing increasingly sophisticated database marketing tools we can create a level of customer engagement that enhances customer retention and repeat rates. During fiscal 2003, we launched our improved reminder service, offering customers electronic reminders of important occasions in their lives that they have specified. By year-end, our customers had already provided millions of reminder dates. Reaching our customers at the appropriate time, with gifts, information and services tailored to their specific “celebratory” needs, increases customer satisfaction and enhances brand awareness and appreciation. Interaction is also growing as more customers participate in our contests, provide content for our gift cards and greetings services, make product suggestions and even rate gifts. This interaction helps build customer loyalty and increases repeat order rates.

Sustainable Revenue Growth

Looking ahead into fiscal 2004, we anticipate growing our total revenues in a range of 7-to-10 percent. This “same-store” or organic growth demonstrates our ability to generate solid top-line performance despite continued uncertainty in the overall economy. We will accomplish this through innovative marketing and merchandising programs combined with an emphasis on our multi-channel customer access strategy. We will also seek to enhance our organic growth rate by developing new and expanded business relationships in both existing and new gift categories. Additionally, we will be proactive in identifying and acting on potential acquisition opportunities that can further leverage our existing infrastructure and customer relationships and will be accretive to both our top and bottom line results.

Increasing Margin – Decreasing Expense Ratio

Gross profit margin for the year is expected to increase to approximately 43 percent. We anticipate growing our gross profit margin by approximately 50 basis points per year for the next several years towards a target of 44-to-45 percent. This reflects the growth of our higher margin, non-floral gifts as a percent of total revenues, combined with enhanced operating efficiencies and the Company’s focus on providing excellent customer service.

During fiscal 2004 we also expect to achieve further reductions in our operating expense ratio by leveraging prior investments in our brand, technology platform, unique fulfillment system and growing customer base. As a result, combined with anticipated revenue growth and increased gross profit margin, we expect to grow earnings per share for the year in excess of 75 percent.

At 1-800-FLOWERS.COM®, we know that customers and shareholders alike appreciate value added. That’s why this year’s annual report offers a special bonus: The 2004 Celebrations Planning Calendar. As unique as our company’s business model, this year’s colorful report/calendar features holiday legends and lore, unique promotional offers and helpful planning tips for many of your celebratory occasions. There are even discount coupons and reminder stickers for birthdays, anniversaries, and more located in the back pages. So enjoy the calendar and don’t forget to visit us online, call us, or stop by one of our stores so we can help you connect with all the important people in your life.

Note: Promotional offers may change without notice. Please visit our website for updates and additional information.

Solid Balance Sheet – Growing Cash Position

Our balance sheet will get even stronger in fiscal 2004 as we anticipate generating more than $30 million in free cash flow. This will be driven by three factors:

1. The anticipated increase in earnings;
2. Our low working capital needs, and;
3. Our low capital investment requirements. We expect capital expenditures for the next few years to be in the $10-$12 million range. While we are able to leverage prior capital expenditures, we will continue to invest to further enhance our technology platform and overall infrastructure.

In terms of uses for our growing cash position, we plan to continue our focus on growing our business through a combination of “intra-preneurial” new business development and leveragable acquisition opportunities. In addition, we will look at various ways of conveying to our shareholders the value of any cash generated in excess of our growth needs.

We have reached an inflection point in our development from which we believe we will be able to deliver solid, sustainable top-line growth and increasingly strong bottom-line results. We will continue to focus our efforts on cost-effectively attracting new customers while simultaneously deepening our relationship with our existing customers. Longer-term, we believe we can become a valuable resource and guide for all of our customers’ celebratory occasions. In so doing, we can expand our business, drive increasing profitability and build shareholder value.

For their continued support, we thank our customers, investors, associates and business partners.

Sincerely

Jim McCann
Chairman & CEO

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December 2003

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20 *Hanukkah*
21	22 *First Day of Winter*	23	24	25 *Christmas Day*	26 *First Day of Kwanzaa*	27
28	29	30	31			

Happy Holidays, From Our Family To Yours

Moments that everyone always remembers. Gathering together with loved ones and friends, sharing gifts, gazing in wonder at festive decorations, enjoying delectable treats as you celebrate a most special time of year.

Everyone at 1-800-FLOWERS.COM wishes you and yours a happy and healthy holiday season! Christmas and Hanukkah come but once a year yet, 1-800-FLOWERS.COM can help the celebrations and the memories last and last.

Visit www.1800flowers.com during December for offers on Crabtree & Evelyn® gift baskets, the uniquely personal collections that are certain to be on the list of someone special in your life. Also look for collectible Lenox® holiday ornaments. And, receive a free decorative hanger when you purchase a holiday wreath. For even more savings, check the back pages of this calendar and take advantage of our coupon offers on great gifts from 1-800-FLOWERS.COM as well as The Popcorn Factory®, HearthSong® and Plow & Hearth®!

Check the back pages of this calendar for reminder stickers and money-saving coupons!

January 2004

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Celebrate New Year's Resolutions

A time for new beginnings. Welcome in another year. Toast the possibilities. And, as always, make promises to do something better.

The New Year holiday is perhaps the world's oldest celebration, dating back more than two thousand years. Among the most endearing traditions is the singing of Auld Lang Syne, written in the eighteenth century and sung in almost every English-speaking country each year at the stroke of midnight on January 1st. The title means "old long ago" or simply "the good old days."

1-800-FLOWERS.COM is pleased to make the entire month of January an occasion for celebration! Visit www.1800flowers.com for savings on beautiful tulips, sure to put a smile on the face of someone you care about. Also save on adorable Bobbee Bear• It™ teddy bears. Plus, log on now to sign up for our "Happy New You" Gift Reminder Program – and never forget an important occasion again!

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1 *New Year's Day*	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19 *Martin Luther King, Jr.'s Birthday (Observed)*	20	21	22	23	24
25	26	27	28	29	30	31

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February 2004

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 *Ground Hog Day*	3	4	5	6	7
8	9	10	11	12	13	14 *Valentine's Day*
15	16 *Presidents' Day*	17	18	19	20	21
22	23	24	25	26	27	28
29						

Love Is In The Air

One of the earliest observations of the celebration of Valentine's Day can be traced back to Charles, Duke of Orleans, who penned what is believed to be the first valentine – romantic verses for his wife, written from the heart in 1415.

Named for Saint Valentine, the patron saint of love, Valentine's Day means so much to so many people, an opportunity to show how we truly care about those special someones in our lives.

And whether it's flowers, jewelry, candies or a myriad of other ways to say "I Love You," 1-800-FLOWERS.COM makes it so easy to capture just the right sentiment, and save money at the same time!

As February begins, visit www.1800flowers.com for "early order" offers on Valentine's Day gifts, including our gorgeous roses. Plus, look for luscious Godiva® chocolates and take 15% off selected jewelry gifts. And, don't forget to enter our "Hand Us A Line For Your Valentine" Contest. You could win a romantic trip along with other great prizes!

March 2004

Irish Eyes Are Smiling

The legend of one of our favorite celebrations began in 385 A.D. with the birth of Ireland's patron saint, Patrick. Ordained a priest, Patrick is thought to have brought Christianity to Ireland and among the folklore surrounding him is driving snakes from the Emerald Isle. Saint Patrick died in 461 on March 17th, and that's why his memory is honored on that date. The first American observance of the day was in 1737 in Boston.

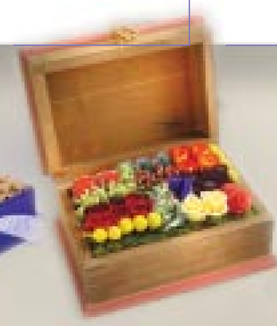
Among the symbols of Saint Patrick's Day is the three-petal shamrock, believed to represent the Holy Trinity. The day is also marked by the color green, a sign of spring and renewal.

During March, 1-800-FLOWERS.COM celebrates Saint Patrick's Day with whimsical gifts such as plush teddy bears and tasty shamrock cookies from The Popcorn Factory®. Early spring is also the time to visit www.plowandhearth.com for great values on home and garden decor gifts. Also, get special savings throughout the month on tulips, gift baskets, crystal and more!

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17 *St. Patrick's Day*	18	19	20 *First Day of Spring*
21	22	23	24	25	26	27
28	29	30	31			





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April 2004

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1 *April Fool's Day*	2	3
4	5	6 *Passover*	7	8	9	10
11 *Easter*	12	13	14	15	16	17
18	19 *Administrative Professionals Week Begins*	20	21 *Administrative Professionals Day*	22	23	24
25	26	27	28	29	30	

Spring Is Popping Up All Over

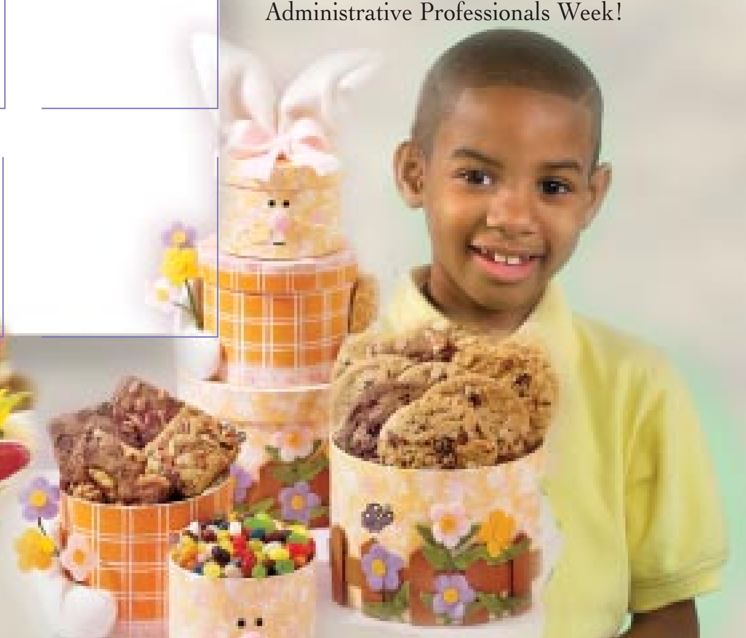
The air is getting warmer. Flowers are blooming. It's April, time to grow even closer to those we love and celebrate family traditions.

Passover is an eight-day observance in remembrance of the Jewish peoples' struggle and emancipation in ancient Egypt. The occasion is marked by many traditions, including the Seder, held on the first two nights of Passover to recall the story of the flight from Egypt.

Easter, the Christian observance of the Resurrection of Christ, is a divine celebration of eternal life. Among the most recognizable traditions is the Easter bunny, believed to have originated in German literature during the 16th century.

Throughout April, 1-800-FLOWERS.COM invites you to make the most of your own family traditions. Visit www.1800flowers.com and choose from heartwarming gifts for Passover, Easter and the entire spring season.

And don't forget to recognize the dedication and hard work of the office professionals in your life during National Administrative Professionals Week!



May 2004

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Show Mom How Much You Care

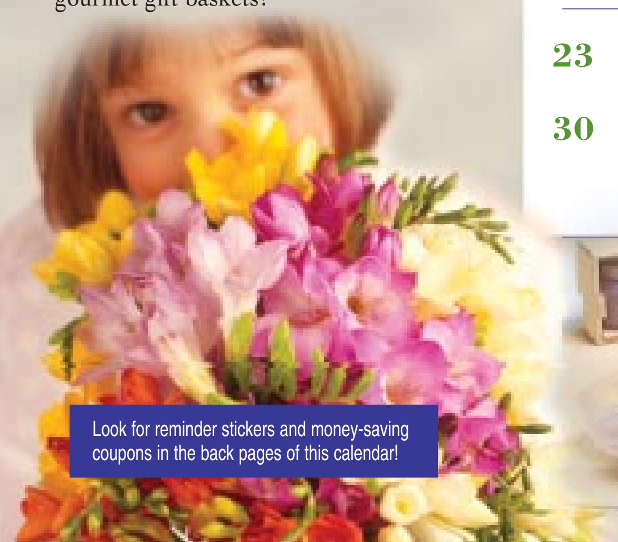
Mother's Day officially became an American holiday in 1914 when President Woodrow Wilson proclaimed the second Sunday in May as a national day to celebrate the women who gave us life.

However, the customs behind the day go back many centuries. The ancient Greeks celebrated a spring festival for Rhea, mother of many deities, while the Romans honored the goddess Cybele. Today, the occasion often includes breakfast in bed for Mom, along with lots of hugs and words of thanks from the heart.

To help celebrate moms everywhere you can participate in the national Bring Your Mom To Work Day[SM] on May 6. 1-800-FLOWERS.COM also invites you to take part in our "Marvelous Moms" contest. Visit www.1800flowers.com and tell us why your mom is the best! You could win great prizes chosen especially to pamper Mom.

What's more, check our site throughout the beginning of May for gifts that Mom is sure to treasure, including beautiful floral arrangements available in collectible Lenox® and Waterford® vases, as well as blooming plants, bath and spa collections, and gourmet gift baskets!

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3	4	5 *Cinco de Mayo*	6 *National Bring Your Mom To Work Day*	7	8
9 *Mother's Day*	10	11	12	13	14	15
16	17	18	19	20	21	22
23 / 30	24 / 31 *Memorial Day (Observed)*	25	26	27	28	29



Look for reminder stickers and money-saving coupons in the back pages of this calendar!

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June 2004

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4	5
6	7	8	9	10	11	12
13	14 *Flag Day*	15	16	17	18	19
20 *Father's Day*	21 *First Day of Summer*	22	23	24	25	26
27	28	29	30			

Dedicated To Dear Old Dad

June is a month filled with celebrations. Weddings, graduations, the start of summer, and a day to honor the man we'll always look up to.

Father's Day is believed to have started in 1909, first observed in Spokane, Washington to recognize Sonora Louise Smart Dodd's dad who raised a family of five following his wife's passing.

Soon after, President Coolidge declared a national observation of the third Sunday in June as a day set aside just for fathers. But it wasn't until 1966 that President Lyndon Johnson actually made dad's day official.

Throughout June, 1-800-FLOWERS.COM celebrates this special day with our "Dynamite Dads" salute – visit www.1800flowers.com and share your stories about your pop, telling us why you're glad he's your dad.

In addition, browse through our vast assortment of Father's Day gifts at www.plowandhearth.com and www.thepopcornfactory.com, thoughtfully chosen to make it easy for you to show dad how much you care.

July 2004

Enjoy A Star Spangled Celebration

Independence Day, the Fourth of July, commemorates the signing of the Declaration of Independence by the Continental Congress in 1776.

The day has come to symbolize the very spirit of America, a time to remember our past and contemplate all that our country stands for.

On this day each year, millions of American flags adorn homes and businesses. The first U.S. flag was, as most people know, sewn by Betsy Ross – however, it was designed by Francis Hopkinson, a member of the Continental Congress.

Traditionally, many Americans observe the Fourth of July by attending a parade and then gathering for family get-togethers involving delicious food cooked on an open grill, creating memorable moments that last through the summer and beyond.

During the month of July, 1-800-FLOWERS.COM celebrates "The Fourth" and the entire summer season with our "Summer Celebrations" program. Visit www.1800flowers.com, and tell us your favorite summer memory for a chance to win fabulous prizes!

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4 *Independence Day*	5	6	7	8	9	10
11	12	13	14 *Bastille Day*	15	16	17
18	19	20	21	22	23	24
25 *Parents' Day*	26	27	28	29	30	31

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August 2004

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16 *National Friendship Week Begins*	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Fun In The Sun

Visits to the beach, pool parties, block parties, backyard barbeques, picnics, vacation excursions to exciting destinations near and far. Good times with friends and family. There's so much to celebrate in August, so many memories just waiting to happen.

This month, visit www.1800flowers.com and share your fondest summer recollections by participating in our "Summer Celebrations" program. You could win wonderful prizes!

Perhaps you'll relive that glorious two weeks you spent as a child with Mom, Dad and your brother in Maine. Maybe your mind will take you back to that trip to the coast where you first learned to swim. Or, you might even recall that week at summer camp when a certain girl or boy of your dreams stole your heart.

And while you're on our site, look through our incredible selection of gifts, including many ideas to help you touch the heart of someone close to you during National Friendship Week, which begins August 16th!

September 2004

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Birthday Wishes, All Year

Think about all the people on your birthday list; your spouse, in-laws, mom, dad, brothers, sisters, friends, business associates, even your old college roommate.

1-800-FLOWERS.COM makes it easy to pass along thoughtful birthday sentiments to anyone, at any time of the year! During September, we invite you to visit www.1800flowers.com – and register your own birthday and those of your friends, family and acquaintances.

You'll never miss an important birthday again because once your birthday celebrations are registered, you'll be reminded automatically via personalized emails sent throughout the year!

And that's not all. When you select a birthday gift from 1-800-FLOWERS.COM, you'll be confident that your gift will always be remembered...whether it's our unique "Birthday Flower Cake®," one of our entertaining and educational HearthSong® children's gifts, a friendly stuffed bear, a gift for the home from Plow & Hearth®, or thousands of other choices. And don't forget The Popcorn Factory®, for delicious tins of popcorn treats perfect for back to school gifts and for Grandparents' Day!

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6 *Labor Day*	7	8	9	10	11 *Patriot Day*
12 *Grandparents' Day*	13	14	15 *Rosh Hashanah Begins at Sunset*	16	17	18
19	20	21	22 *First Day of Fall*	23	24 *Yom Kippur Begins at Sunset*	25
26	27	28	29	30		

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October 2004

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4	5	6	7	8	9
10 *National Children's Day*	11 *Columbus Day (Observed)*	12	13	14	15	16 *Sweetest Day* *National Bosses' Day*
17	18	19	20	21	22	23
24 / 31 *Halloween*	25	26	27	28	29	30

Ghosts and Goblins and Goodies, Oh My

The celebration of Halloween began more than two thousand years ago in Europe as a way of remembering the dead and recognizing the presence of their spirits. The name itself is derived from "hallow," an old English term meaning to sanctify.

It is believed that the Scottish and Irish brought many of the traditions of Halloween to America in the 19th century, including the mischief-making often associated with the occasion. To encourage children not to become too mischievous and play any "tricks" on the community, local civic leaders suggested giving "treats." Today, of course, the tradition of trick-or-treating continues, complete with colorful costumes.

Visit www.1800flowers.com throughout October for a magnificent selection of Halloween gifts – from our cute stuffed Pumpkin Bear with its bag of candy corn to baskets of gourmet treats to frighteningly beautiful floral arrangements!

And don't forget great popcorn treats at www.thepopcornfactory.com.

November 2004

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Giving Thanks, Giving Of Ourselves

Basking in the love that surrounds a family Thanksgiving dinner table. Reminiscing about times past, contemplating future plans. Pausing to say thank you for all that has blessed us. These are just some of the ways that this special holiday is celebrated in millions of homes each year.

As we all know from our elementary school lessons, the first Thanksgiving was observed by the Pilgrims at Plymouth Rock in Massachusetts in 1620 – highlighted by a feast to give thanks for the gifts of the new land and for the kindness of the Native Americans who befriended the Pilgrims.

This month, 1-800-FLOWERS.COM would like to give thanks of our own, and we invite you to join us. Visit www.1800flowers.com and www.plowandhearth.com during November for generous savings on many beautiful Thanksgiving gifts. It's a great way to make your holiday even more special this year.

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2 *Election Day*	3	4	5	6
7	8	9	10	11 *Veteran's Day*	12	13
14	15	16	17	18	19	20
21	22	23	24	25 *Thanksgiving Day*	26	27
28	29	30				

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December 2004

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8	9 *Hanukkah*	10	11
12	13	14	15	16	17	18
19	20	21 *First Day of Winter*	22	23	24	25 *Christmas Day*
26 *First Day of Kwanzaa*	27	28	29	30	31	

Add Some Sparkle To Your Holiday Season

As we celebrate the holidays, a magical world takes shape around us. Glowing lights shining bright, joyous decorations everywhere, radiant trees boasting gleaming ornaments.

It feels like that's the way the holidays have always been, yet, it wasn't until the 1890s that Christmas ornaments actually came to the United States from Germany and other parts of Europe.

Prior to that, Americans had decorated their trees with the simplicity of fruits, nuts, sweets and candles. Of course, the tree has long since become a seasonal centerpiece. Indeed, the Christmas tree at Rockefeller Center has been a national treasure since 1933, sparkling with unrivaled beauty.

As December begins, 1-800-FLOWERS.COM wants to add even more sparkle to your holidays. Visit www.1800flowers.com, see our beautiful selection of thoughtful seasonal gifts, and enter our "Sparkling Holiday Contest" – you could win a magical holiday experience. And don't forget to visit www.hearthsong.com and www.magiccabin.com for great educational and nature-based toys perfect for all the children on your holiday list.

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Selected Financial Data

1-800-FLOWERS.COM, Inc. and Subsidiaries

The following tables summarize the Company's consolidated statement of operations and balance sheet data. The Company acquired The Popcorn Factory in May 2002, The Children's Group in June 2001, disposed of Floral Works in January 2000, and acquired GreatFood.com and TheGift.com in November 1999. The following financial data reflects the results of operations of these subsidiaries since their respective dates of acquisition and up through the date of disposition. This information should be read together with the discussion in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Company's consolidated financial statements and notes to those statements included elsewhere in this Annual Report.

	Years Ended				
	June 29, 2003	June 30, 2002	July 1, 2001	July 2, 2000	June 27, 1999
	(in thousands, except per share data)				
Consolidated Statement of Operations Data:					
Net revenues:					
Telephonic	**$271,071**	$248,931	$230,723	$227,380	$201,467
Online	**265,278**	218,179	182,924	116,810	52,668
Retail/fulfillment	**29,269**	30,095	28,592	35,338	38,717
Total net revenues	**565,618**	497,205	442,239	379,528	292,852
Gross profit	**241,053**	203,936	174,460	142,035	113,155
Operating income (loss)	**12,121**	(3,665)	(45,473)	(75,581)	(8,171)
Net income (loss)	**12,238**	(1,511)	(41,321)	(66,830)	(6,846)
Net income (loss) applicable to common stockholders	**$ 12,238**	$ (1,511)	$(41,321)	$(66,830)	$(12,061)
Net income (loss) per common share applicable to common stockholders:					
Basic	**$ 0.19**	$ (0.02)	$ (0.64)	$ (1.10)	$ (0.27)
Diluted	**$ 0.18**	$ (0.02)	$ (0.64)	$ (1.10)	$ (0.27)

	As of				
	June 29, 2003	June 30, 2002	July 1, 2001	July 2, 2000	June 27, 1999
	(in thousands)				
Consolidated Balance Sheet Data:					
Cash and equivalents and short-term investments	**$ 61,218**	$ 63,399	$ 63,896	$111,624	$ 99,183
Working capital	**26,875**	23,301	27,409	82,129	85,619
Investments	**19,471**	9,591	16,284	1,918	984
Total assets	**214,796**	207,157	195,257	224,641	182,355
Long-term liabilities	**12,820**	15,939	16,029	12,947	37,766
Total stockholders' equity	**137,288**	123,908	117,816	158,918	109,003

Overview

For more than 25 years, 1-800-FLOWERS.COM has helped millions of customers connect to the people they care about through a broad range of thoughtful gifts, award-winning customer service and its unique technology and fulfillment infrastructure. The Company's product offering reflects a carefully selected assortment of high quality merchandise chosen to accommodate customer needs in celebrating a special occasion or conveying a personal sentiment. Most products are available for same-day or overnight delivery and all come with the Company's 100% satisfaction guarantee.

The Company's product line includes flowers, plants, gourmet foods, candies, gift baskets and other unique gifts available to customers around the world via: the Internet (www.1800flowers.com); by calling 1-800-FLOWERS® (1-800-356-9377) 24 hours a day; or by visiting one of the Company-operated or franchised stores. The Company's collection of thoughtful gifting brands includes home décor and garden merchandise from Plow & Hearth® (phone: 1-800-627-1712 and web: www.plowandhearth.com), premium popcorn, confections and other food gifts from The Popcorn Factory® (phone: 1-800-541-2676 and web: www.thepopcornfactory.com), gourmet food products from GreatFood.com® (www.greatfood.com), and children's gifts from HearthSong® (www.hearthsong.com) and Magic Cabin® (www.magiccabin.com).

Most of the Company's floral orders are fulfilled through BloomNet® (comprised of independent florists operating retail flower shops and Local Fulfillment Centers ("LFC's"), Company-owned stores and fulfillment centers and franchise stores). The Company transmits its orders either through BloomLink, its proprietary Internet-based electronic communication system, or the communication system of a third-party. A portion of the Company's floral and gift merchandise as well as its home and garden merchandise, non-floral gift products and gourmet food merchandise are shipped by the Company, members of BloomNet® or third parties directly to the customer using common carriers. Most of the Company's home and garden products are fulfilled from its Madison, Virginia fulfillment center or its Vandalia, Ohio distribution facility, while the Company's children's merchandise is fulfilled from its Vandalia facility. The Company's gourmet popcorn and related merchandise is fulfilled primarily from its Lake Forest, Illinois manufacturing facility.

As of June 29, 2003, the Company-owned retail fulfillment operations consisted of 25 retail stores and six fulfillment centers. Retail fulfillment revenues also include fees paid to the Company by members of its BloomNet® network and royalties, fees and sublease rent paid to the Company by its 80 franchise stores. Company-owned stores serve as local points of fulfillment and enable the Company to test new products and marketing programs. As such, a significant percentage of the revenues derived from Company-owned stores and fulfillment centers represent fulfillment of its telephonic and online sales channel floral orders and are eliminated as inter-company revenues.

Results of Operations

The Company's fiscal year is a 52- or 53-week period ending on the Sunday nearest to June 30. Fiscal years 2003, 2002 and 2001 which ended on June 29, 2003, June 30, 2002 and July 1, 2001, respectively, consisted of 52 weeks.

Net Revenues

	Years Ended				
	June 29, 2003	% Change	June 30, 2002	% Change	July 1, 2001
	(in thousands)				
Net Revenues:					
Telephonic	**$271,071**	8.9%	$248,931	7.9%	$230,723
Online	**265,278**	21.6%	218,179	19.3%	182,924
Retail/fulfillment	**29,269**	(2.7%)	30,095	5.3%	28,592
	$565,618	13.8%	$497,205	12.4%	$442,239

Net revenues consist primarily of the selling price of the merchandise, service or outbound shipping charges, less discounts, returns and credits. The Company's combined telephonic and online revenue growth during the fiscal years ended June 29, 2003 and June 30, 2002 was due primarily to an increase in order volume resulting from increased effectiveness of the Company's marketing efforts, strong brand name recognition and the Company's continued expansion of its non-floral product lines. The Company's non-floral offerings include a broad range of items such as home décor and garden merchandise, plants, candies, specialty gifts, gourmet foods, including the Popcorn Factory line of products which was acquired in May 2002, and children's gifts, offered through the HearthSong and Magic Cabin brands, which were acquired in June 2001. Non-floral gift products accounted for 49.3%, 45.8% and 40.7% of total combined telephonic and online net revenues during the fiscal years ended June 29, 2003, June 30, 2002 and July 1, 2001, respectively.

The Company fulfilled approximately 8,681,000, 7,172,000 and 6,520,000 orders through its combined telephonic and online sales channels during the fiscal years ended June 29, 2003, June 30, 2002, and July 1, 2001, respectively, representing increases of 21.0% and 10.0% over the respective prior fiscal years. This growth resulted from increases in both online order volume, which increased 24.1% and 14.8%, during the years ended June 29, 2003 and June 30, 2002, respectively, in comparison to prior years, driven by traffic increases through the Company's Web sites as well as through third-party portals and Web sites, and telephonic order volume, which during the years ended June 29, 2003 and June 30, 2002 increased 17.7% and 5.2% over the respective prior years, resulting from the acquisitions of the Company's gourmet popcorn product line in May 2002, and the Company's children's gift product line in June 2001. The Company's combined telephonic and online sales channel average order value decreased 5.1% to $61.79 during the fiscal year ended June 29, 2003, primarily as a result of the impact of the Popcorn Factory product line which has a lower average order value ($65.01 excluding The Popcorn Factory). During the fiscal year ended June 30, 2002 the average order increased 2.5% to $65.02. The Company's online sales channel contributed 49.5%, 46.7% and 44.2% of the total combined telephonic and online revenues during the fiscal years ended June 29, 2003, June 30, 2002 and July 1, 2001, respectively. The Company intends to continue to drive revenue growth through its online business, and continue the migration of its customers from the telephone to the Web for several important reasons: (i) online orders are less expensive to process than telephonic orders, (ii) online customers can view the Company's full range of gift offerings – including non-floral gifts, which yield higher gross margin opportunities, (iii) online customers can utilize all of the Company's services, such as the various gift search functions, order status check and reminder service, thereby deepening its relationship with them and leading to increased order rates, and (iv) when customers visit the Company online, it provides an opportunity to engage them in an electronic dialog via cost efficient e-mail marketing programs.

Retail/fulfillment revenues for the fiscal year ended June 29, 2003 decreased as compared to the prior year period primarily as a result of the sale, closure, or conversion of certain company-owned retail stores into franchised operations. The increase in retail/fulfillment revenues for the fiscal year ended June 30, 2002, in comparison to the prior fiscal year, was primarily due to the November 2001 opening of a new home and garden outlet store in Williamsburg, VA, and an increase in same store sales, offset in part by the reduction in retail stores late in the fiscal year.

Gross Profit

	Years Ended				
	June 29, 2003	% Change	June 30, 2002	% Change	July 1, 2001
	(in thousands)				
Gross profit	**$241,053**	18.2%	$203,936	16.9%	$174,460
Gross margin %	**42.6%**		41.0%		39.4%

Gross profit consists of net revenues less cost of revenues which is comprised primarily of florist fulfillment costs (fees paid directly to florists and fees paid to wire service entities that serve as clearinghouses for floral orders, net of wire service rebates), the cost of floral and non-floral merchandise sold from inventory or through third parties, and associated costs including inbound and outbound shipping charges. Additionally, cost of revenues include labor and facility costs related to direct-to-consumer merchandise production operations, as well as facility costs on properties that are sublet to the Company's franchisees. Gross profit increased during the fiscal years ended June 29, 2003 and June 30, 2002 as a result of increased order volume, and an improved gross margin percentage. Gross margin percentage increased by 160 basis points during each of the fiscal years ended June 29, 2003 and June 30, 2002 due to several factors including: (i) increased non-floral product sales, which were further complemented by the acquisitions of The Popcorn Factory line of products in May 2002, and the HearthSong and Magic Cabin product lines in June 2001, all of which generate higher gross margins, (ii) improvements in product shipping costs, inventory management and product sourcing, (iii) increases in the Company's service charge, aligning it with industry norms, and (iv) the Company's continued focus on customer service, whereby stricter control standards and enforcement methods reduced the rate of product credits/returns and replacements.

As the Company continues to grow its higher margin, non-floral business, the Company expects that gross margin percentage, while varying by quarter due to seasonal changes in product mix, will continue to increase.

Marketing and Sales Expense

	Years Ended				
	June 29, 2003	% Change	June 30, 2002	% Change	July 1, 2001
	(in thousands)				
Marketing and sales	**$170,013**	12.9%	$150,638	(2.4%)	$154,321
Percentage of sales	**30.1%**		30.3%		34.9%

Marketing and sales expense consists primarily of advertising and promotional expenditures, catalog costs, online portal agreements, retail store and fulfillment operations (other than costs included in cost of revenues) and customer service center expenses, as well as the operating expenses of the Company's departments engaged in marketing, selling and merchandising activities. Marketing and sales expenses decreased to 30.1% and 30.3% of net revenues during the fiscal years ended June 29, 2003 and June 30, 2002, respectively, as a result of volume related operating efficiencies and targeted cost-effective advertising, coupled with the Company's strong brand name and order processing cost reduction initiatives. The decrease in marketing and sales expenses in fiscal 2002, from 34.9% (33.3%, exclusive of the non-recurring charge discussed below) of net revenues in fiscal 2001 to 30.3% in fiscal 2002, was also due to a non-recurring charge of $7.3 million ($0.11 per share), as a result of the modification of an interactive marketing agreement with one of the Company's portal providers. As a result of the Company's cost efficient customer retention programs, of the 5.4 million customers who placed orders during the fiscal year ended June

29, 2003, approximately 42.4% represented repeat customers compared to 39.2% in the prior fiscal year. In addition, as a result of the strength of the Company's brands, combined with its cost-efficient marketing programs, the Company added approximately 3.1 million new customers during the fiscal year ended June 29, 2003, as compared to 3.0 million during the fiscal year ended June 30, 2002.

In order to further execute its business plan, the Company expects to continue to invest in its marketing and sales efforts to acquire new customers, while also leveraging its already significant customer base through cost effective, customer retention initiatives. Such spending will be within the context of the Company's overall marketing plan, which is continually evaluated and revised to reflect the results of the Company's most recent market research, including changing economic conditions, and seeks to determine the most cost-efficient use of the Company's marketing dollars. Although the Company believes that increased spending in the area of marketing and sales will be necessary for the Company to continue to grow its revenues, the Company expects that on an annual basis, marketing and sales expense will decline as a percentage of net revenues.

Technology and Development Expense

	Years Ended				
	June 29, 2003	% Change	June 30, 2002	% Change	July 1, 2001
	(in thousands)				
Technology and development	**$13,937**	1.6%	$13,723	(18.6%)	$16,853
Percentage of sales	**2.5%**		2.8%		3.8%

Technology and development expense consists primarily of payroll and operating expenses of the Company's information technology group, costs associated with its Web sites, including hosting, design, content development and maintenance and support costs related to the Company's order entry, customer service, fulfillment and database systems. Technology and development expense increased during the year ended June 29, 2003, in comparison to the prior year, as a result of the incremental costs associated with the addition of The Popcorn Factory, acquired in May 2002, but decreased as a percentage of net revenues due to the continuing benefit realized by in-sourcing technology applications and by bringing the Company's disaster recovery Web-hosting platform in-house. The decrease in technology and development expenses during fiscal 2002, in comparison to fiscal 2001, was primarily due to cost efficiencies realized by bringing both the Company's primary Web-hosting and application development capabilities in-house during the latter half of fiscal 2001. Internalizing the Company's hosting and development functions has enabled the Company to cost effectively enhance the content and functionality of its Web sites and improve the performance of the Company's fulfillment and database systems, while adding improved operational flexibility and supplemental back-up and system redundancy. During the fiscal years ended June 29, 2003, June 30, 2002, and July 1, 2001, the Company expended $22.2 million, $24.5 million and $30.7 million on technology and development, of which $8.3 million, $10.8 million and $13.8 million, respectively, has been capitalized.

Although the Company believes that continued investment in technology and development is critical to attaining its strategic objectives, the Company expects that its spending in comparison to prior fiscal years will continue to decrease as a percentage of net revenues due to the expected benefits from previous investments in the Company's current technology platform.

General and Administrative Expenses

	Years Ended				
	June 29, 2003	% Change	June 30, 2002	% Change	July 1, 2001
	(in thousands)				
General and administrative	**$29,593**	5.0%	$28,179	4.2%	$27,043
Percentage of sales	**5.2%**		5.7%		6.1%

General and administrative expense consists of payroll and other expenses in support of the Company's executive, finance and accounting, legal, human resources and other administrative functions, as well as professional fees and other general corporate expenses. The increase in general and administrative expenses during the fiscal years ended June 29, 2003 and June 30, 2002, in comparison to their respective prior years, was primarily attributable to the incremental costs associated with the acquisitions of The Popcorn Factory in May 2002 and The Children's Group in June 2001, and increased insurance costs resulting from overall market conditions, partially offset by various cost reduction initiatives.

The Company believes that its current general and administrative infrastructure is sufficient to support existing requirements, and as such, while increasing in absolute dollars, general and administrative expenses on an annual basis are expected to remain consistent as a percentage of net revenues.

Depreciation and Amortization

	Years Ended				
	June 29, 2003	% Change	June 30, 2002	% Change	July 1, 2001
	(in thousands)				
Depreciation and amortization	**$15,389**	2.2%	$15,061	(30.6%)	$21,716
Percentage of sales	**2.7%**		3.0%		4.9%

Depreciation and amortization expense increased during the fiscal year ended June 29, 2003, in comparison to the prior year, primarily as a result of incremental depreciation and amortization associated with The Popcorn Factory, acquired in May 2002, offset in part by the impact of the Company's declining rate of capital additions, and the fact that certain software components of the Company's order entry, customer service, fulfillment and database systems, implemented in fiscal 2000, are now fully depreciated. The decrease in depreciation and amortization expense during the fiscal year ended June 30, 2002, in comparison to the prior fiscal year, was primarily the result of the Company's early adoption of SFAS No. 142, *Goodwill and Other Intangible Assets*, which requires the discontinuance of amortization of goodwill and other intangible assets with indefinite useful lives. As a result, depreciation and amortization expense for the year ended July 1, 2001 includes $7.5 million ($0.12 per share) of goodwill amortization which is not included in fiscal 2002.

Although the Company believes that continued investment in its infrastructure, primarily in the areas of technology and development, is critical to attaining its strategic objectives, the Company expects that depreciation and amortization will continue to decrease as a percentage of net revenues in comparison to prior years.

Other Income (Expense)

	Years Ended				
	June 29, 2003	% Change	June 30, 2002	% Change	July 1, 2001
	(in thousands)				
Interest income	**$1,157**	(57.0%)	$2,688	(55.0%)	$ 5,971
Interest expense	**(982)**	21.1%	(1,245)	1.5%	(1,264)
Other, net	**(58)**	(126.0%)	5	100.9%	(555)
	$ 117	(91.9%)	$1,448	(65.1%)	$ 4,152

Other income (expense) consists primarily of interest income earned on the Company's investments and available cash balances, offset by interest expense, primarily attributable to the Company's capital leases and other long-term debt. The decrease in interest income for the years ended June 29, 2003 and June 30, 2002 was primarily due to the decline in cash and investment balances in order to fund capital expenditures and the acquisitions of The Popcorn Factory in May 2002, and the HearthSong and Magic Cabin brands in June 2001, as well as for fiscal 2002 a decline of the Company's average rate of return on its investments due to prevailing market conditions. The reduction in interest expense was primarily due to the decline of interest rates associated with the Company's variable rate long-term debt. During fiscal 2001, the Company recorded a non-recurring charge of $1.0 million (included above in "Other, net") associated with the write-down of the Company's minority investment in a technology partner, purchased in fiscal 2000. Offsetting this write-down was a gain of $0.3 million, recognized by the Company in November 2000, on the sale of its investment in American Floral Services, Inc. ("AFS").

Income Taxes

During the fiscal year ended June 29, 2003, the Company provided no income tax provision due to the availability of net operating loss carryforwards. However, during the fiscal year ended June 30, 2002, the Company recovered previously paid income taxes of approximately $0.7 million as a result of tax law changes which extended the period for which companies were allowed to carry-back losses. The Company has provided a full valuation allowance against the remaining portion of its net deferred tax assets, consisting primarily of net operating losses, because of uncertainty regarding its future realization.

Liquidity and Capital Resources

At June 29, 2003, the Company had working capital of $26.9 million, including cash and equivalents and short-term investments of $61.2 million, compared to working capital of $23.3 million, including cash and equivalents and short-term investments of $63.4 million, at June 30, 2002. The increase in working capital resulted primarily from earnings, adjusted for non-cash items primarily consisting of depreciation and amortization, offset in part by capital expenditures, repayment of long-term debt and capital lease obligations and the final payment on a long-term online marketing contract. In addition to its cash and short-term investments, at June 29, 2003 and June 30, 2002, the Company maintained approximately $19.5 million and $9.6 million of long-term investments, respectively, consisting primarily of investment grade corporate and U.S. government securities.

Net cash provided by operating activities of $19.5 million for the fiscal year ended June 29, 2003 was primarily attributable to earnings, adjusted for depreciation and amortization and other non-cash charges which in total amounted to $28.1 million, partially offset by changes in working capital, primarily due to seasonal increases in inventory, a contractual payment on a long-term online marketing agreement and a reduction in accounts payable and accrued expenses.

Net cash used in investing activities of $9.1 million for the fiscal year ended June 29, 2003 was principally comprised of capital expenditures related to the Company's technology infrastructure and purchases of short-term investment grade government and corporate securities, offset in part by net maturities and sales of long-term investments.

Net cash used in financing activities was $1.9 million for the fiscal year ended June 29, 2003, resulting primarily from the repayment of amounts outstanding under the Company's credit facilities and long-term capital lease obligations, offset in part by the net proceeds received upon the exercise of employee stock options and purchases of stock under the Company's Employee Stock Purchase Plan.

At June 29, 2003, the Company's material capital commitments consist of:

- obligations outstanding under capital and operating leases (including guarantees of $0.4 million) as well as a commercial note relating to obligations arising from, and collateralized by, the underlying assets of the Company's warehousing/fulfillment facility in Madison, Virginia ($11.0 million – 2004, $9.2 million – 2005, $6.1 million – 2006, $3.9 million – 2007, $2.5 million – 2008, $8.1 million – thereafter);

- inventory commitments principally related to the upcoming Thanksgiving through Christmas holiday season ($18.0 million).

On September 16, 2001, the Company's Board of Directors approved the repurchase of up to $10.0 million of the Company's Class A common stock. Although no repurchases have been made as of September 23, 2003, any such purchases could be made from time to time in the open market and through privately negotiated transactions, subject to general market conditions. The repurchase program will be financed utilizing available cash.

Critical Accounting Policies and Estimates

The Company's discussion and analysis of its financial position and results of operations are based upon the consolidated financial statements of 1-800-FLOWERS.COM, Inc., which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management evaluates its estimates, including those related to revenue recognition, inventory and long-lived assets, including goodwill and other intangible assets related to acquisitions. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Management believes the following critical accounting policies, among others, affect its more significant judgments and estimates used in preparation of its consolidated financial statements.

Revenue Recognition

Net revenues are generated by online, telephonic and retail fulfillment operations and primarily consist of the selling price of merchandise, service or outbound shipping charges, less discounts, returns and credits. Net revenues are recognized upon product shipment.

Accounts Receivable

The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Inventory

The Company states inventory at the lower of cost or market. In assessing the realization of inventories, we are required to make judgments as to future demand requirements and compare that with inventory levels. It is possible that changes in consumer demand could cause a reduction in the net realizable value of inventory.

Goodwill and Other Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of the net assets acquired and is evaluated annually for impairment. The cost of intangible assets with determinable lives is amortized to reflect the pattern of economic benefits consumed, on a straight-line basis, over the estimated periods benefited, ranging from 3 to 16 years.

The Company periodically evaluates acquired businesses for potential impairment indicators. Judgment regarding the existence of impairment indicators is based on market conditions and operational performance of the Company. Future events could cause the Company to conclude that impairment indicators exist and that goodwill and other intangible assets associated with our acquired businesses is impaired.

Capitalized Software

The carrying value of capitalized software, both purchased and internally developed, is periodically reviewed for potential impairment indicators. Future events could cause the Company to conclude that impairment indicators exist and that capitalized software is impaired.

Income Taxes

The Company has established deferred income tax assets and liabilities for temporary differences between the financial reporting bases and the income tax bases of its assets and liabilities at enacted tax rates expected to be in effect when such assets or liabilities are realized or settled. The Company records a valuation allowance on the deferred income tax assets to reduce the total to an amount management believes is more likely than not to be realized. Valuation allowances were principally to offset certain deferred income tax assets for operating loss carryforwards.

Quantitative and Qualitative Disclosures About Market Risk

The Company's earnings and cash flows are subject to fluctuations due to changes in interest rates primarily from its investment of available cash balances in money market funds and investment grade corporate and U.S. government securities. Under its current policies, the Company does not use interest rate derivative instruments to manage exposure to interest rate changes.

Cautionary Note Regarding Forward-Looking Statements

Certain of the matters and subject areas discussed in this Annual Report contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical information provided herein are forward-looking statements and may contain information about financial results, economic conditions, trends and known uncertainties based on the Company's current expectations, assumptions, estimates and projections about its business and the Company's industry. These forward-looking statements involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of several factors, including those more fully described in the Company's SEC filings. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis, judgment, belief or expectation only as of the date hereof. The forward-looking statements made in this Annual Report relate only to events as of the date on which the statements are made. The Company undertakes no obligation to publicly update any forward-looking statements for any reason, even if new information becomes available or other events occur in the future.

Quarterly Results of Operations

The following table provides unaudited quarterly consolidated results of operations for each quarter of fiscal years 2003 and 2002. The Company believes this unaudited information has been prepared substantially on the same basis as the annual audited consolidated financial statements and all necessary adjustments, consisting of only normal recurring adjustments, have been included in the amounts stated below to present fairly the Company's results of operations. The operating results for any quarter are not necessarily indicative of the operating results for any future period.

	Three Months Ended							
	June 29, 2003	Mar. 30, 2003	Dec. 29, 2002	Sept. 29, 2002	June 30, 2002	Mar. 31, 2002	Dec. 30, 2001	Sep. 30, 2001
	(in thousands)							
Net revenues:								
Telephonic	$ 62,254	$ 52,287	$113,999	$ 42,531	$ 63,699	$ 50,715	$ 93,550	$ 40,967
Online	84,133	64,595	75,750	40,800	68,468	56,874	60,497	32,340
Retail fulfillment	8,456	7,239	7,680	5,894	8,120	7,835	8,278	5,862
Total net revenues	154,843	124,121	197,429	89,225	140,287	115,424	162,325	79,169
Cost of revenues	91,588	73,095	107,335	52,547	83,076	70,690	91,626	47,877
Gross Profit	63,255	51,026	90,094	36,678	57,211	44,734	70,699	31,292
Operating expenses:								
Marketing and sales	40,372	35,710	64,978	28,953	37,529	31,533	54,945	26,631
Technology and development	3,621	3,323	3,415	3,578	3,279	3,222	3,532	3,690
General and administrative	7,381	7,343	7,462	7,407	7,353	6,847	7,065	6,914
Depreciation and amortization	3,698	3,594	4,068	4,029	3,912	3,788	3,767	3,594
Total operating expenses	55,072	49,970	79,923	43,967	52,073	45,390	69,309	40,829
Operating income (loss)	8,183	1,056	10,171	(7,289)	5,138	(656)	1,390	(9,537)
Other income (expense), net	79	127	(84)	(5)	322	115	420	591
Income tax benefit	–	–	–	–	–	706	–	–
Net income (loss)	$ 8,262	$ 1,183	$10,087	$ (7,294)	$ 5,460	$ 165	$ 1,810	$ (8,946)
Net income (loss) per share:								
Basic	$ 0.13	$ 0.02	$ 0.15	$ (0.11)	$ 0.08	$ 0.00	$ 0.03	$ (0.14)
Diluted	$ 0.12	$ 0.02	$ 0.15	$ (0.11)	$ 0.08	$ 0.00	$ 0.03	$ (0.14)

The Company's quarterly results may experience seasonal fluctuations. Due to the Company's expansion into gift, home, gourmet and other related products, the Thanksgiving through Christmas holiday season, which falls within the Company's second fiscal quarter, generates the highest proportion of the Company's annual revenues. Additionally, as the result of a number of major floral gifting occasions, including Mother's Day, Administrative Professionals Week and Easter, revenues also rise during the Company's fiscal fourth quarter, in relation to its fiscal first and third quarters.

Consolidated Balance Sheets

1-800-FLOWERS.COM, Inc. and Subsidiaries

(in thousands, except share data)

	June 29, 2003	June 30, 2002
Assets		
Current Assets:		
Cash and equivalents	**$ 49,079**	$ 40,601
Short-term investments	**12,139**	22,798
Receivables, net	**7,767**	9,345
Inventories	**20,370**	15,647
Prepaid and other	**2,208**	2,220
Total current assets	**91,563**	90,611
Property, plant and equipment, net	**46,500**	51,002
Investments	**19,471**	9,591
Capitalized investment in leases	**276**	465
Goodwill	**37,692**	37,772
Other intangibles, net	**3,211**	4,074
Other assets	**16,083**	13,642
Total assets	**$214,796**	$207,157
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	**$ 61,663**	$ 64,156
Current maturities of long-term debt and obligations under capital leases	**3,025**	3,154
Total current liabilities	**64,688**	67,310
Long-term debt and obligations under capital leases	**9,124**	12,244
Other liabilities	**3,696**	3,695
Total liabilities	**77,508**	83,249
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $.01 par value, 10,000,000 shares authorized, none issued	**—**	—
Class A common stock, $.01 par value, 200,000,000 shares authorized, 28,679,848 and 28,319,677 shares issued in 2003 and 2002, respectively	**287**	283
Class B common stock, $.01 par value, 200,000,000 shares authorized, 42,399,915 and 42,480,925 shares issued in 2003 and 2002, respectively	**424**	425
Additional paid-in capital	**247,636**	246,497
Retained deficit	**(107,951)**	(120,189)
Treasury stock, at cost – 52,800 Class A and 5,280,000 Class B shares	**(3,108)**	(3,108)
Total stockholders' equity	**137,288**	123,908
Total liabilities and stockholders' equity	**$214,796**	$207,157

See accompanying notes.

Consolidated Statements of Operations

1-800-FLOWERS.COM, Inc. and Subsidiaries

(in thousands, except per share data)

	Years Ended		
	June 29, 2003	June 30, 2002	July 1, 2001
Net revenues	**$565,618**	$497,205	$442,239
Cost of revenues	**324,565**	293,269	267,779
Gross profit	**241,053**	203,936	174,460
Operating expenses:			
Marketing and sales	**170,013**	150,638	154,321
Technology and development	**13,937**	13,723	16,853
General and administrative	**29,593**	28,179	27,043
Depreciation and amortization	**15,389**	15,061	21,716
Total operating expenses	**228,932**	207,601	219,933
Operating income (loss)	**12,121**	(3,665)	(45,473)
Other income (expense):			
Interest income	**1,157**	2,688	5,971
Interest expense	**(982)**	(1,245)	(1,264)
Other, net	**(58)**	5	(555)
Total other income, net	**117**	1,448	4,152
Income (loss) before income taxes	**12,238**	(2,217)	(41,321)
Benefit from income taxes	**—**	706	—
Net income (loss)	**$ 12,238**	$ (1,511)	$ (41,321)
Net income (loss) per common share:			
Basic	**$ 0.19**	$ (0.02)	$ (0.64)
Diluted	**$ 0.18**	$ (0.02)	$ (0.64)
Shares used in the calculation of net income (loss) per common share:			
Basic	**65,566**	64,703	64,197
Diluted	**67,670**	64,703	64,197

See accompanying notes.

Consolidated Statements of Stockholders' Equity

1-800-FLOWERS.COM, Inc. and Subsidiaries

Years ended June 29, 2003, June 30, 2002, and July 1, 2001
(in thousands, except share data)

	Common Stock				Additional	Retained	Deferred	Treasury Stock		Total
	Class A		Class B		Paid-In	Deficit	Compensation			Stockholders'
	Shares	Amount	Shares	Amount	Capital			Shares	Amount	Equity
Balance at July 2, 2000	26,362,068	$ 264	43,141,645	$ 431	$239,476	$ (77,357)	$ (788)	5,332,800	$ (3,108)	$158,918
Exercise of stock options	97,175	1	—	—	299	—	—	—	—	300
Employee stock purchase plan	14,512	—	—	—	75	—	—	—	—	75
Amortization of deferred compensation	—	—	—	—	—	—	(156)	—	—	(156)
Forfeiture of employee stock options	—	—	—	—	(944)	—	944	—	—	—
Conversion of Class B common stock into Class A common stock	113,120	1	(113,120)	(1)	—	—	—	—	—	—
Total comprehensive loss	—	—	—	—	—	(41,321)	—	—	—	(41,321)
Balance at July 1, 2001	26,586,875	266	43,028,525	430	238,906	(118,678)	—	5,332,800	(3,108)	117,816
Exercise of stock options	788,008	8	—	—	2,228	—	—	—	—	2,236
Employee stock purchase plan	44,191	—	—	—	382	—	—	—	—	382
Issuance of shares of common stock in connection with the acquisition of The Popcorn Factory	353,003	4	—	—	4,981	—	—	—	—	4,985
Conversion of Class B common stock into Class A common stock	547,600	5	(547,600)	(5)	—	—	—	—	—	—
Total comprehensive loss	—	—	—	—	—	(1,511)	—	—	—	(1,511)
Balance at June 30, 2002	28,319,677	283	42,480,925	425	246,497	(120,189)	—	5,332,800	(3,108)	123,908
Exercise of stock options	**228,666**	**2**	**––**	**––**	**842**	**––**	**––**	**––**	**––**	**844**
Employee stock purchase plan	**50,495**	**1**	**––**	**––**	**297**	**––**	**––**	**––**	**––**	**298**
Conversion of Class B common stock into Class A common stock	**81,010**	**1**	**(81,010)**	**(1)**	**––**	**––**	**––**	**––**	**––**	**––**
Total comprehensive income	**––**	**––**	**––**	**––**	**––**	**12,238**	**––**	**––**	**––**	**12,238**
Balance at June 29, 2003	**28,679,848**	**$ 287**	**42,399,915**	**$ 424**	**$247,636**	**$(107,951)**	**$ ––**	**5,332,800**	**$ (3,108)**	**$137,288**

See accompanying notes.

Consolidated Statements of Cash Flows

1-800-FLOWERS.COM, Inc. and Subsidiaries

(in thousands)

	Years Ended		
	June 29, 2003	June 30, 2002	July 1, 2001
Operating activities:			
Net income (loss)	**$ 12,238**	$ (1,511)	$ (41,321)
Reconciliation of net income (loss) to net cash provided by (used in) operations:			
Depreciation and amortization	**15,389**	15,061	21,716
Bad debt expense	**426**	107	377
Credit to/amortization of deferred compensation	**—**	—	(156)
Other non-cash items	**72**	425	743
Changes in operating items, excluding the effects of acquisitions:			
Receivables	**1,152**	(1,031)	(204)
Inventories	**(4,723)**	(7)	(1,622)
Prepaid and other	**12**	(215)	2,499
Accounts payable and accrued expenses	**(2,493)**	2,264	7,226
Other assets	**(2,555)**	(3,544)	(1,875)
Other liabilities	**1**	59	(13)
Net cash provided by (used in) operating activities	**19,519**	11,608	(12,630)
Investing activities:			
Acquisitions, net of cash acquired	**—**	(7,037)	(4,892)
Capital expenditures, net of non-cash expenditures – $0, $2,894 and $4,176 in 2003, 2002 and 2001, respectively	**(10,269)**	(11,994)	(15,791)
Purchases of investments	**(56,412)**	(22,798)	(16,284)
Proceeds from sales of investments	**57,191**	6,693	1,194
Other	**390**	495	76
Net cash used in investing activities	**(9,100)**	(34,641)	(35,697)
Financing activities:			
Proceeds from employee stock options/stock purchase plan	**1,142**	2,618	375
Proceeds from bank borrowings	**—**	—	16,510
Repayment of notes payable and bank borrowings	**(1,492)**	(826)	(14,827)
Payments of capital lease obligations	**(1,591)**	(2,054)	(1,459)
Net cash (used in) provided by financing activities	**(1,941)**	(262)	599
Net change in cash and equivalents	**8,478**	(23,295)	(47,728)
Cash and equivalents:			
Beginning of year	**40,601**	63,896	111,624
End of year	**$ 49,079**	$ 40,601	$ 63,896

Supplemental Cash Flow Information:

- Interest paid amounted to $982, $1,245 and $1,264 for the years ended June 29, 2003, June 30, 2002 and July 1, 2001, respectively.
- The Company received tax refunds, net of income taxes paid of approximately $0, $706 and $1,613 for the years ended June 29, 2003, June 30, 2002 and July 1, 2001, respectively.

See accompanying notes.

Note 1. Description of Business

1-800-FLOWERS.COM, Inc. ("1-800-FLOWERS.COM") is a leading gift retailer, providing a broad range of thoughtful gift products including flowers, plants, gourmet foods, candies, gift baskets, and other unique gifts to our customers around the world. The Company has extended its product offerings through several of its subsidiaries, including The Plow & Hearth, Inc. ("Plow & Hearth"), a direct marketer of home decor and garden merchandise, GreatFood.com, Inc. ("Greatfood.com"), a source for gourmet products, The Popcorn Factory, Inc., ("The Popcorn Factory") a manufacturer and direct marketer of premium popcorn and specialty food gifts, and the Children's Group, Inc., a direct marketer of unique children's toys and games operating under the HearthSong and Magic Cabin brand names. The Company operates in one business segment, providing its customers with convenient, multi-channel access via the Internet, telephone, catalogs and retail stores.

Note 2. Significant Accounting Policies

Fiscal Year

The Company's fiscal year is a 52- or 53-week period ending on the Sunday nearest to June 30th. Fiscal years 2003, 2002 and 2001, which ended June 29, 2003, June 30, 2002 and July 1, 2001, respectively, consisted of 52 weeks.

Basis of Presentation

The consolidated financial statements include the accounts of 1-800-FLOWERS.COM and its wholly-owned and majority-owned subsidiaries (collectively, the "Company"). All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Equivalents

Cash and equivalents consist of demand deposits with banks, highly liquid money market funds, United States government securities, overnight repurchase agreements and commercial paper with maturities of three months or less when purchased.

Inventories

Inventories are valued at the lower of cost or market using the first-in, first-out method of accounting.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost reduced by accumulated depreciation. Depreciation expense is recognized over the assets' estimated useful lives using the straight-line method. Estimated useful lives are based on Company averages ranging from 3 to 10 years for furniture, fixtures and equipment and 40 years for buildings. Amortization of leasehold improvements, which range from 5 to 20 years, is calculated using the straight-line method over the shorter of the lease terms, including renewal options expected to be exercised, or estimated useful lives of the improvements. Estimated useful lives are periodically reviewed, and where appropriate, changes are made prospectively.

Goodwill and Other Intangible Assets

Goodwill and indefinite-lived intangibles are not amortized, but are evaluated annually in the Company's fiscal fourth quarter for impairment. To date, there has been no impairment of these assets. Prior to fiscal 2002, goodwill was amortized over periods not exceeding 20 years.

The cost of intangible assets with determinable lives is amortized to reflect the pattern of economic benefits consumed, on a straight-line basis, over the estimated periods benefited, ranging from 3 to 16 years.

Deferred Catalog Costs

The Company capitalizes the costs of producing and distributing its catalogs. These costs are amortized in direct proportion with actual sales from the corresponding catalog over a period not to exceed 26-weeks. Included within other assets was $2.6 million and $2.7 million at June 29, 2003 and June 30, 2002, respectively, relating to prepaid catalog costs.

Investments

The Company considers all of its debt and equity securities, for which there is a determinable fair market value and no restrictions on the Company's ability to sell within the next 12 months, as available-for-sale. Available-for-sale securities are carried at fair value, with unrealized gains and losses reported as a separate component of stockholders' equity. For the years ended June 29, 2003, June 30, 2002 and July 1, 2001, there were no significant unrealized gains or losses. Realized gains and losses are included in other income. The cost basis for realized gains and losses on available-for-sale securities is determined on a specific identification basis.

Fair Values of Financial Instruments

The recorded amounts of the Company's cash and equivalents, short-term investments, receivables, accounts payable, and accrued liabilities approximate their fair values principally because of the short-term nature of these items. The fair value of investments, including available-for-sale securities, is based on quoted market prices where available. The fair value of the Company's long-term obligations are estimated based on the current rates offered to the Company for obligations of similar terms and maturities. Under this method, the Company's fair value of long-term obligations was not significantly different than the carrying values at June 29, 2003 and June 30, 2002.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and equivalents, investments and accounts receivable. The Company maintains cash and equivalents and investments with high credit, quality financial institutions. Concentration of credit risk with respect to accounts receivable are limited due to the Company's large number of customers and their dispersion throughout the United States, and the fact that a substantial portion of receivables are related to balances owed by major credit card companies. Allowances relating to accounts receivable ($1.3 million and $1.0 million at June 29, 2003 and June 30, 2002, respectively) have been recorded based upon previous experience and management's evaluation.

Revenue Recognition

Net revenues are generated by online, telephonic and retail fulfillment operations and primarily consist of the selling price of merchandise, service or outbound shipping charges, less discounts, returns and credits. Net revenues are recognized upon product shipment.

Cost of Revenues

Cost of revenues consists primarily of florist fulfillment costs (fees paid directly to florists and to wire services that serve as clearinghouses for floral orders, net of wire service rebates), the cost of floral and non-floral merchandise sold from inventory or through third parties, and associated costs including inbound and outbound shipping charges. Additionally, cost of revenues includes labor and facility costs related to direct-to-consumer merchandise production operations, as well as facility costs on properties that are sublet to the Company's franchisees.

Marketing and Sales

Marketing and sales expense consists primarily of advertising and promotional expenditures, catalog costs, online portal agreements, retail store and fulfillment operations (other than costs included in cost of revenues), and customer service center expenses, as well as the operating expenses of the Company's departments engaged in marketing, selling and merchandising activities.

The Company expenses all advertising costs at the time the advertisement is first shown. Advertising expense (including the amortization of catalog costs of $53.7 million, $37.8 million and $26.9 million for the years ended June 29, 2003, June 30, 2002 and July 1, 2001, respectively) was $88.9 million, $69.6 million and $71.0 million for the years ended June 29, 2003, June 30, 2002 and July 1, 2001, respectively.

Technology and Development

Technology and development expense consists primarily of payroll and operating expenses of the Company's information technology group, costs associated with its Web sites, including hosting, design, content development and maintenance and support costs related to the Company's order entry, customer service, fulfillment and database systems. Costs associated with the acquisition or development of software for internal use are capitalized if the software is expected to have a useful life beyond one year and amortized over the software's useful life, typically three years. Costs associated with repair, maintenance or the development of Web site content are expensed as incurred as the useful lives of such software modifications are less than one year.

Stock-Based Compensation

The Company accounts for its employee stock option and stock purchase plans under the recognition and measurement principles of Accounting Principles Board Opinion ("APB") No. 25, *Accounting for Stock Issued to Employees.* Under APB No. 25, no stock-based compensation is reflected in net income, as all options granted under the plans had an exercise price equal to or greater than the market value of the underlying common stock on the date of grant and the related number of shares granted is fixed at that point in time. The following table illustrates the effect on net income (loss) per share as if the Company had applied the fair value recognition provisions of Statement of Financial Accounting Standards ("SFAS") No. 123, *Accounting for Stock-Based Compensation,* as amended by SFAS No. 148, *Accounting for Stock-Based Compensation – Transition and Disclosure* (see Note 9, "Stock Option Plans"):

	Years Ended		
	June 29, 2003	June 30, 2002	July 1, 2001
	(in thousands, except per share data)		
Net income (loss)	**$12,238**	$ (1,511)	$(41,321)
Less: Stock based compensation	**7,803**	5,447	4,951
Pro Forma net income (loss)	**$ 4,435**	$ (6,958)	$(46,272)
Net income (loss) per share:			
Basic - As reported	**$ 0.19**	$ (0.02)	$ (0.64)
Basic - Pro forma	**$ 0.07**	$ (0.11)	$ (0.72)
Diluted - As reported	**$ 0.18**	$ (0.02)	$ (0.64)
Diluted - Pro forma	**$ 0.07**	$ (0.11)	$ (0.72)

Comprehensive Income (Loss)

For the years ended June 29, 2003, June 30, 2002 and July 1, 2001, the Company's comprehensive income (losses) were equal to the respective net income (losses) for each of the periods presented.

Net Income (Loss) Per Share

Basic net income (loss) per common share is computed using the weighted-average number of common shares outstanding during the period. Diluted net income per share is computed using the weighted-average number of common and dilutive common equivalent shares (consisting of employee stock options) outstanding during the period. Diluted net loss per common share is computed using the weighted-average number of common shares and excludes dilutive potential common shares outstanding, as their effect is antidilutive.

Note 3. Acquisitions and Disposition

Acquisition of Selected Assets of The Popcorn Factory

On May 3, 2002, the Company extended the breadth of its gourmet food product assortment when it completed the acquisition of selected operating assets and liabilities of The Popcorn Factory, a manufacturer and direct marketer of premium popcorn and specialty food gifts. The purchase price of approximately $12.6 million, including $0.3 million of transaction costs, was comprised of $7.3 million used to retire The Popcorn Factory's outstanding debt and the issuance of 353,003 shares of the Company's Class A common stock, valued at approximately $5.0 million, based upon the average closing price of the Company's common stock on the date of and the two days preceding and following the closing of the transaction. The acquisition was accounted for as a purchase and, accordingly, acquired assets and liabilities are recorded at their fair values, and the operating results of The Popcorn Factory have been included in the Company's consolidated results of operations since the date of acquisition. The excess of the purchase price over the fair market value net assets acquired of $12.0 million was allocated to goodwill.

The purchase price allocation of The Popcorn Factory business resulted in the following condensed balance sheet of assets acquired and liabilities assumed.

	The Popcorn Factory Purchase Price Allocation
	(in thousands)
Current assets	$ 1,704
Property, plant and equipment	1,061
Intangible assets	1,120
Goodwill(*)	12,001
Total assets acquired	15,886
Current liabilities	3,120
Non-current liabilities	142
Total liabilities assumed	3,262
Net assets acquired	$12,624

(*) Approximately $12.0 million is expected to be deductible for tax purposes.

The Popcorn Factory acquisition resulted in $1.1 million in total intangible assets acquired, other than goodwill, with $0.2 million allocated to trademarks with indefinite lives. The remaining $0.9 million of acquired intangibles were allocated to customer list, and is being amortized over the asset's determinable useful life of 3 years.

Acquisition of Selected Assets of The Children's Group

On June 8, 2001, the Company completed its acquisition of selected assets from subsidiaries of Foster & Gallagher, Inc., adding unique and educational children's toys and games to the Company's product offering, sold under the HearthSong and Magic Cabin brand names. The purchase price of approximately $4.9 million, paid in cash, included the acquisition of a fulfillment center located in Vandalia, Ohio, inventory, and certain other assets, as well as, the assumption of certain related liabilities. The acquisition was accounted for as a purchase and, accordingly, acquired assets and liabilities are recorded at their fair values, which approximated the purchase price, and the operating results of The Children's Group have been included in the Company's consolidated results of operations since the date of acquisition.

Pro forma Results of Operation

The following unaudited pro forma consolidated financial information has been prepared as if the acquisitions of The Popcorn Factory and The Children's Group had taken place at the beginning of fiscal year 2001. The following unaudited pro forma information is not necessarily indicative of the results of operations in future periods or results that would have been achieved had the acquisitions of The Popcorn Factory and The Children's Group taken place at the beginning of the periods presented.

	Years Ended		
	June 29, 2003 (as reported)	June 30, 2002 (pro forma)	July 1, 2001 (pro forma)
	(in thousands, except per share data)		
Net revenues (*)	**$565,618**	$528,103	$509,214
Income (loss) from operations	**$ 12,121**	$ (6,407)	$ (50,392)
Net income (loss)	**$ 12,238**	$ (4,688)	$ (46,671)
Net income (loss) per common share			
Basic	**$ 0.19**	$ (0.07)	$ (0.73)
Diluted	**$ 0.18**	$ (0.07)	$ (0.73)

(*) Pre-acquisition operations related to the Children's Group include revenues derived from six retail stores which were discontinued by the previous owners at various times during fiscal 2001. Operating results associated with these retail stores were not material to the consolidated operations of the Company during such time.

Disposition of Minority Interest in American Floral Services, Inc.

On November 21, 2000, the Company sold its minority investment in American Floral Services, Inc., a floral wire service, to Teleflora, Inc. The Company received cash proceeds of $1.2 million and recorded a gain on sale of $0.3 million as a result of this transaction.

Note 4. Goodwill and Intangible Assets

The change in the net carrying amount of goodwill is as follows:

	June 29, 2003	June 30, 2002
	(in thousands)	
Goodwill - beginning of year	**$37,772**	$25,632
Acquisition of The Popcorn Factory	**(80)**	12,081
Other	**—**	59
Goodwill - end of year	**$37,692**	$37,772

The Company's intangible assets consist of the following:

		June 29, 2003			June 30, 2002		
	Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
				(in thousands)			
Intangible assets with determinable lives:							
Investment in licenses	**14-16 years**	**$4,927**	**$2,792**	**$2,135**	$4,927	$2,468	$2,459
Customer lists	**3 years**	**910**	**354**	**556**	910	51	859
Technology	**3 years**	**1,659**	**1,659**	**—**	1,659	1,428	231
Other	**20 years**	**171**	**127**	**44**	171	122	49
		7,667	**4,932**	**2,735**	7,667	4,069	3,598
Trademarks with indefinite lives	—	**480**	**4**	**476**	480	4	476
Total intangible assets		**$8,147**	**$4,936**	**$3,211**	$8,147	$4,073	$4,074

The amortization of intangible assets for the years ended June 29, 2003, June 30, 2002 and July 1, 2001 was $0.9 million, $0.7 million and $0.9 million, respectively. Future estimated amortization expense is as follows: 2004 - $0.6 million, 2005 - $0.6 million, 2006 - $0.3 million, 2007 - $0.3 million, 2008 - $0.3 million, and thereafter - $0.6 million.

The following table provides pro forma disclosure of net loss and net loss per share for the years ended July 1, 2001, as if goodwill and indefinite-lived intangibles had not been amortized:

	July 1, 2001
	(in thousands, except per share data)
Reported net loss	$(41,321)
Amortization	7,458
Adjusted net loss	$(33,863)
Reported net loss per common share	$ (0.64)
Amortization per common share	0.11
Adjusted net loss per common share	$ (0.53)

Note 5. Property, Plant and Equipment

	June 29, 2003	June 30, 2002
	(in thousands)	
Computer equipment	**$37,429**	$33,989
Software development costs	**31,712**	27,451
Telecommunication equipment	**6,411**	6,059
Leasehold improvements	**12,267**	11,588
Building and building improvements	**11,454**	11,489
Equipment	**7,160**	6,253
Furniture and fixtures	**3,712**	3,576
Land	**666**	666
	110,811	101,071
Accumulated depreciation and amortization	**64,311**	50,069
	$46,500	$51,002

Note 6. Long-Term Debt

	June 29, 2003	June 30, 2002
	(in thousands)	
Commercial notes and revolving credit line (1-2)	**$ 6,612**	$ 7,380
Seller financed acquisition obligations (3-4)	**145**	202
Obligations under capital leases (see Note 12)	**5,392**	7,816
	12,149	15,398
Less current maturities of long-term debt and obligations under capital leases	**3,025**	3,154
	$ 9,124	$12,244

The following notes and credit lines relate to obligations arising from, and collateralized by, the underlying assets of the Company's Plow & Hearth facility in Madison, Virginia.

(1) $5,000,000 revolving credit line dated December 12, 2002, renewable on November 30, 2003 (none outstanding at June 29, 2003) bearing interest equal to the monthly LIBOR Index plus 1.75% per annum (3.07% at June 29, 2003).

(2) $6,612,000 note dated June 27, 2003 bearing interest at 5.44% per annum. The note, which resulted from the consolidation and refinancing of a series of fixed and variable rate mortgage and equipment notes in June 2003, is payable in 60 equal monthly installments of principal and interest commencing August 1, 2003.

The following notes relate to seller-financed acquisition obligations, all of which have been collateralized by either the stock or assets of various subsidiaries of the Company:

(3) $275,000 promissory note dated November 1, 1994 ($54,000 outstanding at June 29, 2003), bearing

interest at 8% per annum. The note is payable in 120 equal monthly installments of principal and interest commencing December 1, 1994.

(4) $160,000 non-interest bearing promissory note dated September 30, 1999 ($91,000 outstanding at June 29, 2003). The note is payable in 84 monthly installments commencing January 1, 2001.

As of June 29, 2003, long-term debt maturities, excluding amounts relating to capital leases, are as follows:

Year	Debt Maturities
	(in thousands)
2004	$1,136
2005	1,289
2006	1,336
2007	1,411
2008	1,466
Thereafter	119
	$6,757

Note 7. Income Taxes

Significant components of the benefit for income taxes are as follows:

	Years Ended		
	June 29, 2003	June 30, 2002	July 1, 2001
	(in thousands)		
Current:			
Federal (*)	**$ —**	$ 706	$ —
State and local	**—**	—	—
	—	706	—
Deferred	**—**	—	—
	$ —	$ 706	$ —

*As a result of tax law changes enacted in fiscal 2002, which extended the period for which companies are allowed to carry-back losses, the Company was able to recover previously paid income taxes, thereby resulting in an income tax benefit of $0.7 million.

The reconciliation of income tax computed at the U.S. federal statutory tax rates to income tax benefit is as follows:

	Years Ended		
	June 29, 2003	June 30, 2002	July 1, 2001
Tax at U.S. statutory rates	**34.0%**	34.0%	34.0%
State income taxes, net of federal tax benefit	**5.9**	3.6	4.9
Goodwill amortization	**1.0**	(13.8)	(6.8)
Change in deferred tax asset valuation	**(39.7)**	8.6	(33.0)
Other	**(1.2)**	(0.6)	0.9
	0.0%	31.8%	0.0%

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The significant components of the Company's deferred tax assets (liabilities) are as follows:

	Years Ended		
	June 29, 2003	June 30, 2002	July 1, 2001
	(in thousands)		
Deferred tax assets:			
Net operating loss carryforwards	**$34,247**	$37,946	$ 37,097
Accrued expenses and reserves	**3,624**	3,031	2,946
Valuation allowance	**(36,523)**	(38,242)	(37,447)
Deferred tax liabilities:			
Installment sales	**(53)**	(54)	(61)
Tax in excess of book depreciation	**(1,295)**	(2,681)	(2,535)
Net deferred tax assets	**$ —**	$ —	$ —

At June 29, 2003, the Company's U.S. federal and state net operating loss carryforwards for income tax purposes were approximately $85.6 million. If not utilized, these net operating loss carryforwards will begin to expire in fiscal year 2020. To the extent that net operating losses, when realized, relate to stock option deductions of approximately $13.5 million, the resulting benefits will be credited to additional paid-in capital.

Note 8. Capital Stock

Holders of Class A common stock generally have the same rights as the holders of Class B common stock, except that holders of Class A common stock have one vote per share and holders of Class B common stock have 10 votes per share on all matters submitted to the vote of stockholders. Holders of Class A common stock and Class B common stock generally vote together as a single class on all matters presented to the stockholders for their vote or approval, except as may be required by Delaware law. Class B common stock may be converted into Class A common stock at any time on a one-for-one share basis. Each share of Class B common stock will automatically convert into one share of Class A common stock upon its transfer, with limited exceptions.

On September 16, 2001, the Company's Board of Directors approved the repurchase of up to $10.0 million of the Company's Class A common stock. Any such purchases could be made from time to time in the open market and through privately negotiated transactions, subject to general market conditions. The repurchase program will be financed utilizing available cash. No repurchases have been made as of June 29, 2003.

Note 9. Stock Option Plans

The 1-800-FLOWERS.COM stock option and incentive plan, which has been approved by the Company's Board of Directors and shareholders, is a broad-based, long-term retention program that is intended to attract and retain qualified employees, and align stockholder and employee interests. The components of the plan include a discretionary option grant program, an automatic option grant program, a stock issuance program, and a salary investment option grant program.

Options granted under the plans may be either incentive stock options or non-qualified stock options. The exercise price of an option shall be determined by the Company's board of directors or compensation committee of the board at the time of grant, provided, however, that in the case of an incentive stock option the exercise price may not be less than 100% of the fair market value of such stock at the time of the grant, or less than 110% of such fair market value in the case of options granted to a 10% owner of the Company's stock. The vesting and expiration periods of options issued under the stock option plans are determined by the Company's board of directors or compensation committee as set forth in the applicable option agreement, provided that the expiration date shall not be later than ten years from the date of grant.

At June 29, 2003, the Company has reserved approximately 17,641,000 shares of common stock for issuance under common stock option plans. The shares authorized automatically increase on the first trading day in January of each calendar year, by an amount equal to 3% of the total number of shares of common stock outstanding on the last trading day in December in the preceding calendar year, but in no event will this annual increase exceed 2,000,000 shares.

In January 1999, the Company issued stock options to employees to purchase 200,000 shares of common stock at $2.00 per share, which was considered to be the fair value of the common stock at that time. Such options vested at the rate of 25% per year on the anniversary of the grant date. Soon thereafter, the Company entered into discussions with an investor to purchase shares of common stock at $10.43 per share. Accordingly, for accounting purposes, the Company used such per share value to record a deferred compensation charge of $1.7 million associated with the January 1999 option grants. During the year ended July 1, 2001, the Company reversed $0.2 million of amortization, representing previously amortized deferred compensation expense associated with unvested stock options which were forfeited upon the employee's separation from the Company.

The following table summarizes activity in stock options:

	Years Ended					
	June 29, 2003		June 30, 2002		July 1, 2001	
	Shares Under Option	**Weighted Average Exercise Price**	Shares Under Option	Weighted Average Exercise Price	Shares Under Option	Weighted Average Exercise Price
Balance, beginning of year	**8,113,144**	**$ 8.95**	6,455,262	$ 6.64	5,788,171	$ 8.53
Grants	**3,036,705**	**$ 6.55**	2,897,950	$12.43	2,143,925	$ 3.91
Exercises	**(228,666)**	**$ 3.69**	(788,008)	$ 2.72	(97,175)	$ 3.83
Forfeitures	**(919,838)**	**$ 9.43**	(452,060)	$ 9.94	(1,379,659)	$10.52
Balance, end of year	**10,001,345**	**$ 8.28**	8,113,144	$ 8.95	6,455,262	$ 6.64

The following table summarizes information about stock options outstanding at June 29, 2003:

	Options Outstanding			Options Exercisable	
Exercise Price	Options Outstanding	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Options Exercisable	Weighted-Average Exercise Price
$ 1.61 - 3.65	1,973,164	7.0 years	$ 3.32	1,106,911	$ 3.07
$ 4.02 - 6.70	4,331,585	8.4 years	$ 5.78	851,640	$ 4.55
$ 6.75 - 12.95	2,850,510	8.0 years	$12.14	824,041	$12.19
$13.00 - 17.38	174,099	6.4 years	$13.93	88,462	$13.94
$21.00 - 23.10	671,987	5.9 years	$21.08	535,323	$21.07
	10,001,345	7.8 years	$ 8.28	3,406,377	$ 8.76

Fair Value Disclosures

The exercise price of employee stock option grants is set at the closing price of the Company's common stock on the date of grant and the related number of shares granted is fixed at that point in time. Therefore, under the principles of APB No. 25, the Company does not recognize compensation expense associated with the grant of employee stock options. SFAS No. 123 requires the use of option valuation models to provide supplemental information regarding options granted after 1994. The fair value of these options was estimated at the date of grant using the minimum value option pricing model prior to the Company's initial public offering in August 1999, and the Black-Scholes option pricing model thereafter, with the following assumptions: risk free interest rate of 3.95%, 4.50% and 5.35% in 2003, 2002 and 2001, respectively; no dividend yield; 70%, 66% and 60% volatility in 2003, 2002 and 2001 respectively, and a weighted-average expected life of the options of 5 years at date of grant. These assumptions resulted in weighted average fair values of $3.95, $7.32 and $2.21 per share for employee options granted in 2003, 2002 and 2001, respectively.

Note 10. Employee Stock Purchase Plan

In December 2000, the Company's board of director's approved the 1-800-FLOWERS.COM, Inc. 2001 Employee Stock Purchase Plan (ESPP), a non-compensatory employee stock purchase plan under Section 423 of the Internal Revenue Code, to provide substantially all employees who have completed six months of service, an opportunity to purchase shares of the Company's Class A common stock. Employees may contribute a maximum of 15% of eligible compensation, but in no event can an employee purchase more than 500 shares on any purchase date. Offering periods have a duration of six months, and the purchase price per share will be the lower of: (i) 85% of the fair market value of a share of Class A common stock on the last trading day of the applicable offering period, or (ii) 85% of the fair market value of a share of Class A common stock on the last trading day before the commencement of the offering period. At June 29, 2003, the Company has reserved approximately 2,491,000 shares of common stock for issuance under its ESPP. The share pool shall be increased on the first trading day of each calendar year, by a number equal to the lesser of (i) 1% of the total number of shares of common stock then outstanding, or (ii) 750,000 shares of Class A common stock.

Note 11. Profit Sharing Plan

The Company has a 401(k) Profit Sharing Plan covering substantially all of its eligible employees. All full-time employees who have attained the age of 21 are eligible to participate upon completion of one year of service. Participants may elect to make voluntary contributions to the 401(k) plan in amounts not exceeding federal guidelines. On an annual basis the Company, as determined by its board of directors, may make certain discretionary contributions. Employees are vested in the Company's contributions based upon years of service. The Company made contributions of $0.4 million, $0.3 million and $0.2 million, for the years ended June 29, 2003, June 30 2002 and July 1, 2001, respectively.

Note 12. Commitments and Contingencies

Leases

The Company currently leases office, store facilities, and equipment under various operating leases through fiscal 2019. As these leases expire, it can be expected that in the normal course of business they will be renewed or replaced. Most lease agreements contain renewal options and rent escalation clauses and require the Company to pay real estate taxes, insurance, common area maintenance and operating expenses applicable to the leased properties. The Company has also entered into leases that are on a month-to-month basis.

The Company leases certain computer, telecommunication and related equipment under capital leases, which are included in property and equipment with a capitalized cost of approximately $18.4 million at June 29, 2003 and June 30, 2002, and accumulated amortization of $14.1 million and $12.4 million, respectively. In addition, the Company subleases land and buildings (which are leased from third parties) to certain of its franchisees. Certain of the leases, other than land leases which have been classified as operating leases, are classified as capital leases and have initial lease terms of approximately 20 years (including option periods in some cases).

The Company has a $5.0 million equipment lease line of credit with a bank. Interest under this line, which is renewable annually, is determined on the date of each commitment to borrow and is based on the bank's base rate on such date. At June 29, 2003, the Company had financed $7.1 million of equipment purchases through such lease line. The borrowings, which bear interest at rates ranging from 5.39% to 6.36% annually, are payable in 60 monthly installments of principal and interest commencing in February 2001. Borrowings under the line are collateralized by the underlying equipment purchased and an equal amount of pledged investments.

As of June 29, 2003, future minimum payments under non-cancelable capital lease obligations, lease receipts due from franchisees (shown as Capitalized Investment in Leases) and operating leases with initial terms of one year or more consist of the following:

	Obligations Under Capital Leases	Capitalized Investment In Leases	Operating Leases
		(in thousands)	
2004	$2,170	$166	$ 4,295
2005	1,933	100	4,037
2006	1,439	42	1,853
2007	368	12	1,313
2008	12	12	756
Thereafter	20	20	2,601
Total minimum lease payments	5,942	352	$14,855
Less amounts representing interest	(550)	(76)	
Present value of net minimum lease payments	$5,392	$276	

At June 29, 2003, the aggregate future sublease rental income under long-term operating sub-leases for land and buildings and corresponding rental expense under long-term operating leases were as follows:

	Sublease Income	Sublease Expense
	(in thousands)	
2004	$ 2,783	$ 2,769
2005	2,208	2,199
2006	1,884	1,877
2007	1,393	1,387
2008	987	981
Thereafter	1,698	1,680
	$10,953	$10,893

In addition to the above, the Company has agreed to provide rent guarantees for leases entered into by certain franchisees with third party landlords. At June 29, 2003, the aggregate minimum rent payable by franchisees guaranteed by the Company was approximately $0.4 million. Rent expense was approximately $9.0 million, $8.7 million and $8.4 million for the years ended June 29, 2003, June 30, 2002 and July 1, 2001 respectively.

Online Marketing Agreements

The Company has commitments under online marketing agreements with various portal providers. Such online marketing costs are capitalized and amortized on a straight-line basis over the term of the agreements. On September 1, 2000, the Company entered into a five-year $22.1 million online marketing agreement with an Internet company commencing October 1, 2001 and ending August 31, 2005. As a result of the modification of the previous agreement, the Company recorded a one-time charge of approximately $7.3 million during fiscal 2001.

Litigation

There are various claims, lawsuits, and pending actions against the Company and its subsidiaries incident to the operations of its businesses. It is the opinion of management, after consultation with counsel, that the ultimate resolution of such claims, lawsuits and pending actions will not have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity.

Report of Independent Auditors

The Board of Directors and Stockholders of
1-800-FLOWERS.COM, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of 1-800-FLOWERS.COM, Inc. and Subsidiaries (the "Company") as of June 29, 2003 and June 30, 2002, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended June 29, 2003. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of 1-800-FLOWERS.COM, Inc. and Subsidiaries at June 29, 2003 and June 30, 2002, and the consolidated results of their operations and their cash flows for each of the three years in the period ended June 29, 2003, in conformity with accounting principles generally accepted in the United States.

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of accounting for goodwill and other indefinite-lived intangible assets effective July 2, 2001 to conform with the provisions of Financial Accounting Standards Board Statement No. 142, "Goodwill and Other Intangible Assets."

Ernst & Young LLP

Melville, New York
July 31, 2003

Market for Common Equity and Related Stockholder Matters

Market Information

1-800-FLOWERS.COM's Class A common stock trades on The Nasdaq National Stock Market under the ticker symbol "FLWS." There is no established public trading market for the Company's Class B common stock. The following table sets forth the reported high and low sales prices for the Company's Class A common stock for each of the fiscal quarters during the fiscal years ended June 29, 2003 and June 30, 2002.

	High	Low
Year ended June 29, 2003		
July 1, 2002 – September 29, 2002	$ 11.25	$ 4.75
September 30, 2002 – December 29, 2002	$ 10.90	$ 5.75
December 30, 2002 – March 30, 2003	$ 7.50	$ 5.61
March 31, 2003 – June 29, 2003	$ 8.91	$ 6.45
Year ended June 30, 2002		
July 2, 2001 – September 30, 2001	$ 14.78	$ 9.90
October 1, 2001 – December 30, 2001	$ 16.50	$ 8.20
December 31, 2001 – March 31, 2002	$ 17.86	$10.72
April 1, 2002 – June 30, 2002	$ 14.68	$ 9.85

Rights of Common Stock

Holders of Class A common stock generally have the same rights as the holders of Class B common stock, except that holders of Class A common stock have one vote per share and holders of Class B common stock have 10 votes per share on all matters submitted to the vote of stockholders. Holders of Class A common stock and Class B common stock generally vote together as a single class on all matters presented to the stockholders for their vote or approval, except as may be required by Delaware law. Class B common stock may be converted into Class A common stock at any time on a one-for-one share basis. Each share of Class B common stock will automatically convert into one share of Class A common stock upon its transfer, with limited exceptions.

Holders

As of September 23, 2003, there were approximately 117 shareholders of record of the Company's Class A common stock, although the Company believes that there is a significantly larger number of beneficial owners. As of September 23, 2003, there were approximately 17 shareholders of record of the Company's Class B common stock.

Dividend Policy

Although the Company has never declared or paid any cash dividends on its Class A or Class B common stock, the Company anticipates that it will generate increasing free cash flow in excess of its capital investment requirements. As such, although the Company has no current intent to do so, the Company may chose, at some future date, to use some portion of its cash for the purpose of stock repurchases or cash dividends.

Resales of Securities

41,372,993 shares of Class A and Class B common stock are "restricted securities" as that term is defined in Rule 144 under the Securities Act. Restricted securities may be sold in the public market from time to time only if registered or if they qualify for an exemption from registration under Rule 144 or 701 under the Securities Act. As of September 23, 2003, all of such shares of the Company's common stock could be sold in the public market pursuant to and subject to the limits set forth in Rule 144. Sales of a large number of these shares could have an adverse effect on the market price of the Company's Class A common stock by increasing the number of shares available on the public market.

Stock Repurchase Plan

On September 16, 2001, the Company's Board of Directors approved the repurchase of up to $10.0 million of the Company's Class A common stock. Any such purchases could be made from time to time in the open market and through privately negotiated transactions, subject to general market conditions. The repurchase program will be financed utilizing available cash. No repurchases have been made as of September 23, 2003.

Equity Compensation Plan Information

The following table gives information about the Company's common stock that may be issued upon the exercise of options under all of the Company's equity compensation plans as of June 29, 2003. The table includes the 1-800-FLOWERS.COM 1997 Stock Option Plan and the 1-800-FLOWERS.COM, Inc. 1999 Stock Incentive Plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	10,001,345	$8.28	7,639,930
Equity compensation plans not approved by security holders	—	—	—
Total	10,001,345	$8.28	7,639,930

Company Information

BOARD OF DIRECTORS

James F. McCann
Chairman and Chief Executive Officer
1-800-FLOWERS.COM

T. Guy Minetti
Vice Chairman
1-800-FLOWERS.COM

Christopher G. McCann
President
1-800-FLOWERS.COM

Kevin J. O'Connor
Chairman
DoubleClick, Inc.

Jeffrey C. Walker
Managing Partner
JPMorgan Partners

Lawrence V. Calcano
Managing Director
Goldman Sachs & Company

Mary Lou Quinlan
CEO
JUST ASK A WOMAN

John J. Conefry
Vice Chairman
Astoria Financial Corporation

Leonard J. Elmore
President and CEO
Test University, Inc.

CORPORATE OFFICERS

James F. McCann
Chairman and Chief Executive Officer
1-800-FLOWERS.COM

T. Guy Minetti
Vice Chairman
Corporate Development
1-800-FLOWERS.COM

Christopher G. McCann
President
1-800-FLOWERS.COM

William E. Shea
Senior Vice President of Finance
and Administration, Treasurer and
Chief Financial Officer
1-800-FLOWERS.COM

Gerard M. Gallagher
Senior Vice President/General
Counsel/Secretary
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Thomas G. Hartnett
Senior Vice President of Retail
and Fulfillment
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Vincent J. McVeigh
Senior Vice President
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Peter G. Rice
President
Plow & Hearth

Enzo J. Micali
Senior Vice President of
Information Technology
1-800-FLOWERS.COM

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NASDAQ National Market
Ticker Symbol: FLWS

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SHAREHOLDER INQUIRIES

Copies of the Company's reports on Forms 10-K and 10-Q as filed with the Securities and Exchange Commission and additional information about 1-800-FLOWERS.COM may be obtained without charge by calling 516-237-6113.

Information is also available via the Internet in the Investor Relations section at www.1800flowers.com, or by writing to:
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