

Item 3. Source and Amount of Funds or Other Consideration

Pursuant to the terms of a Stock Purchase Agreement (the "Stock Purchase Agreement"), dated as of July 30, 2014, by and among Liberty, FTD and Provide Commerce Inc. ("Provide Commerce"), a Delaware corporation and wholly owned subsidiary of Liberty prior to the closing of the transactions contemplated by the Stock Purchase Agreement (the "Transaction"), the Issuer acquired from the Reporting Person all of the issued and outstanding shares of common stock, par value \$0.001 per share, of Provide Commerce, and in consideration therefor, the Issuer

delivered to the Reporting Person the FTD Shares, together with cash in the amount of \$145 million, as described in Exhibit 2

following



After the expiration of the restricted period, Liberty may sell the FTD Shares, subject to FTD's right of first refusal as described below, provided that in no event may Liberty sell the FTD Shares to any person if, after giving effect to such transaction, such person would beneficially own in excess of 15% of the total outstanding shares of Common Stock, subject to certain exceptions. If a transfer of the FTD Shares is (1) in a sale directly into the market pursuant to a registration statement or (2) in a sale on a securities exchange pursuant to Rule 144, then FTD has a right of first refusal with respect to such transfer, and may exercise such right at a price per share equal to the five-day volume weighted average price of Common Stock prior to the delivery of the notice of Liberty's intent to sell, subject to certain restrictions and conditions.

Beginning December 31, 2017, subject to certain limitations, Liberty will be permitted to transfer shares of Common Stock in a block sale to a single party, who, following such transfer would own greater than 15% of the Common Stock, provided that Liberty also owns less than 5% of the Common Stock (a "block transfer"). Prior to any such block transfer, FTD would have a right of first offer to repurchase the applicable shares of Common Stock, subject to certain restrictions and conditions. In connection with a block transfer, FTD has agreed to amend any stockholder rights provision applicable to the transferee's ownership of the Common Stock and approve the transferee as an "interested stockholder" under Section 203 of the DGCL so long as such transferee, after giving effect to the transfer of Common Stock to it, would not own shares in excess of the Ownership Cap. The transferee, FTD and Liberty will also enter into an amendment to the Investor Rights Agreement to substitute the transferee for Liberty as the Investor under the Investor Rights Agreement and to assign all rights and obligations of Liberty under the Investor Rights Agreement to the transferee (other than FTD's right of first refusal and right of first offer).

The Investor Rights Agreement also includes limitations on pledging, stock lending and hedging transactions by Liberty of shares of Common Stock. Liberty may engage in stock lending and pledging transactions, subject to certain caps, restrictions and conditions that apply both during and after the restricted period. Following the restricted period, Liberty may engage in stock hedging transactions, subject to certain caps and restrictions.

Registration Rights

Pursuant to the terms of the Investor Rights Agreement, Liberty is entitled to customary demand and piggyback registration rights.

Participation Rights

In connection with certain issuances of Common Stock by FTD, Liberty will have certain rights to acquire such number of shares of Common Stock as is necessary to maintain its proportionate ownership interest in FTD for cash on the same terms and conditions as such issuance to third parties.

Notice of Certain Transactions

The Investor Rights Agreement provides that, for so long as Liberty owns at least 15% of the outstanding shares of Common Stock, FTD is required to provide advance notice to Liberty before entering into an agreement regarding a merger, consolidation, change of control or other business combination transaction. So long as Liberty beneficially owns 15% of the Common Stock, in the event FTD provides such notice, or solicits or enters into discussions regarding a proposed merger, consolidation, change of control or other business combination transaction or a sale of a material portion of FTD's assets, in each case, Liberty is entitled to engage in private discussions with, and make private proposals to, the FTD Board or management of FTD with respect to such proposed transaction or a competing proposal made by Liberty. In addition, if FTD enters into an agreement with a third party that would result in a change of control of FTD, FTD may issue to such third party, outside of Liberty's participation right described above, a number of shares of Common Stock equal to 19.9% of the total number of shares of Common Stock then outstanding. However, such issuance will not dilute Liberty's right to representation on the FTD Board and will be excluded from the calculation of the Minimum Condition in a Permitted Offer.

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Item 7.

**ANNEX A
DIRECTORS AND EXECUTIVE OFFICERS OF
LIBERTY INTERACTIVE
CORPORATION**

The name and present principal occupation of each director and executive officer of Liberty Interactive Corporation are set forth below. Unless otherwise noted, the business address for each person listed below is c/o Liberty Interactive Corporation, 12300 Liberty Boulevard, Englewood, Colorado 80112. To the knowledge of Liberty Interactive Corporation, all executive officers and directors listed on this Annex A are United States citizens, except for M. Ian G. Gilchrist, who is a citizen of the United States and Canada.

Name and Business Address (If Applicable)	Principal Occupation and Principal Business (If Applicable)
John C. Malone	Chairman of the Board and Director of Liberty
Gregory B. Maffei	President and Chief Executive Officer of Liberty; Director of Liberty
Michael A. George	Director of Liberty; President and Chief Executive Officers, QVC, Inc.
M. Ian G. Gilchrist	Director of Liberty
Evan D. Malone	Director of Liberty
David E. Rapley	Director of Liberty
M. LaVoy Robison 1727 Tremont Place Denver, Colorado 80202	Director of Liberty
Larry E. Romrell	Director of Liberty
Andrea L. Wong	Director of Liberty
Richard N. Baer	Senior Vice President and General Counsel of Liberty
Albert E. Rosenthaler	Senior Vice President of Liberty
Christopher W. Shean	Senior Vice President and Chief Financial Officer of Liberty