



Spin-Off Update

United Online (UNTD) Completes Spin-Off of FTD Companies (FTD)

United Online Inc (Nasdaq: UNTD)

Parent: United Online Inc (UNTD)

Sector: E-Commerce

Target Price: \$15.75

Share Price: \$12.99*

Recommendation: Buy

Upside: 21%

Spin-Off: FTD Companies, Inc. (FTD)

Sector: E-Commerce

Target Price: \$31.75

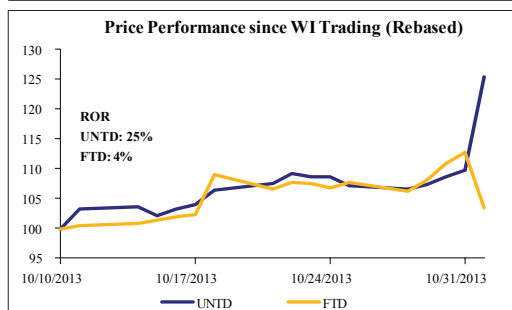
Share Price: \$32.20*

Recommendation: Hold

Downside: 1%

*as of November 1, 2013

Price Performance



Source: Bloomberg

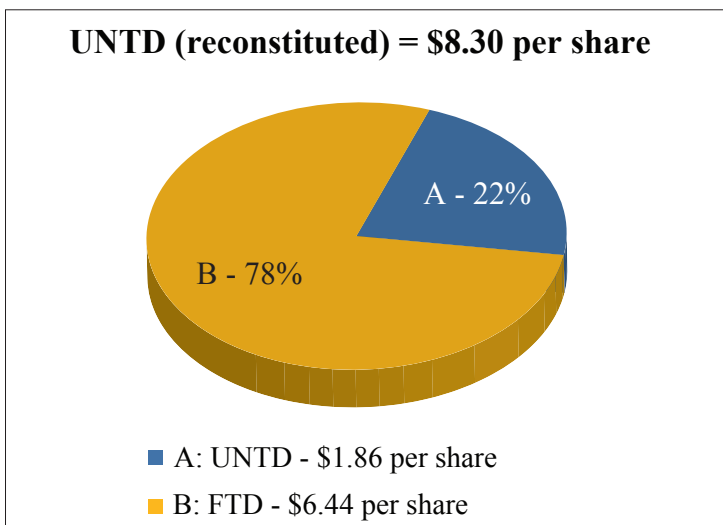
Spin-Off Details

Announced	August 1, 2012
Form-10 Filing	April 30, 2013
Latest Filing	September 30, 2013
Spin-Off Ratio	5:1
Record Date	October 10, 2013
When-Issued Trading	October 10, 2013
Distribution Date	November 1, 2013
Regular-way Trading	November 1, 2013
Tax Status	Tax-Free
Index Impact	FTD in S&P SmallCap 600

On November 1, 2013, United Online, Inc. (NASDAQ: UNTD, \$12.99, Market Capitalization \$172 million) announced completion of the spin-off of FTD Companies, Inc (NASDAQ: FTD, \$32.20, Market Capitalization \$597 million), following the distribution of FTD shares to UNTD stockholders. On the same day, UNTD and FTD shares commenced regular-way trading on the Nasdaq. UNTD opened at \$11.66 and closed 11% higher at \$12.99, while FTD opened at \$34.60 and closed 7% lower a \$32.20. Post spin-off, UNTD retains the Content & Media and Communications businesses, while FTD is a leading provider of floral, gift and related products to consumers and retail florists.

Earlier on October 10, 2013, UNTD and FTD commenced when-issued trading on the Nasdaq. The spin-off ratio was 5:1, implying that each UNTD shareholder received one FTD share for every five UNTD shares held as of record date, October 10, 2013. The spin-off is structured to qualify as a tax-free dividend to UNTD shareholders for US federal income tax purposes. On October 31, UNTD completed its one-for-seven reverse stock split. On the same day, FTD replaced UNTD in the S&P SmallCap 600 index.

Our target price for UNTD is \$15.75 per share, implying a 21% upside from the current market price of \$12.99 per share and we maintain our Buy rating on the stock. Our fair value estimate for FTD is \$31.75 per share, implying 1% downside from the current market price of \$32.20 and we maintain our Hold rating on the stock. UNTD and FTD have gained 25% and 4% respectively since the commencement of when-issued trading on October 10, 2013.



UNTD un-adjusted for 1-for-7 reverse stock split; FTD adjusted for the spin-off ratio of 5:1
Source: Spin-Off Research