
Item 2.02. Results of Operations and Financial Condition.

On March 1, 2018, Liberty Interactive Corporation (the "Company") issued a press release (the "Earnings Release") setting forth information, including financial information, which is intended to supplement the financial statements and related Management's Discussion and Analysis of Financial Condition and Results of Operations contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, filed with the Securities and Exchange Commission (the "SEC") on March 1, 2018.

This Item 2.02 and the Earnings Release attached hereto as Exhibit 99.1, insofar as they disclose historical information regarding the Company's results of operations or financial condition for the year ended December 31, 2017, are being furnished to the SEC.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On February 28, 2018, the Board of Directors of the Company approved the following changes to management and its board of directors, which will be effective upon the closing the proposed transactions with GCI Liberty, Inc., currently expected to occur at 4:01 p.m. ET on March 9, 2018:

Gregory B. Maffei will no longer serve as President and Chief Executive Officer of the Company. Mr. Maffei has served as a director of our company since November 2005 and will become Chairman of our Board of Directors. John C. Malone, the current Chairman of our Board of Directors, will remain a director of the Company.

Michael A. George will be appointed President and Chief Executive Officer of the Company. Mr. George, age 56, has served as a director of the Company since



LIBERTY INTERACTIVE CORPORATION REPORTS FOURTH QUARTER AND YEAR END 2017 FINANCIAL RESULTS

Englewood, Colorado, March 1, 2018 - Liberty Interactive Corporation ("Liberty Interactive") (Nasdaq: QVCA, QVCB, LVNTA, LVNTB) today reported fourth quarter and year end 2017 results. Highlights include :

Attributed to QVC Group

- QVC Group to rebrand as Qurate Retail Group, Inc., containing QVC, HSN, zulily and Cornerstone Brands
- Consolidated QVC revenue up 1% to \$8.8 billion in 2017
- Revenue increased in all QVC markets in the fourth quarter for the second quarter in a row



will become President and CEO of Qurate. Mike has done a fantastic job building QVC, delighting customers and driving value for shareholders over the last twelve years. We look forward to him leading this innovative set of companies.”

“As we launch Qurate, Greg Maffei will become Executive Chairman focusing on strategy and capital deployment. The creation of the two asset-backed stocks is the result of Greg’s skilled deal-making and determination and I’m pleased that he will continue to provide strong leadership and vision, EE ~ 2



In April, 2016, the Financial Accounting Standards Board (“FASB”) issued further guidance on revenue from contracts 7)



The following table provides QVC's consolidated financial and operating results for the fourth quarter of 2017. US Dollar denominated results were impacted favorably by exchange rate fluctuations in the fourth quarter. The Dollar weakened versus the Euro and British Pound 9% and 7%, respectively, and strengthened against the Japanese Yen 3%. The following table also provides a comparison of the year-over-year percentage change in QVC's

\$

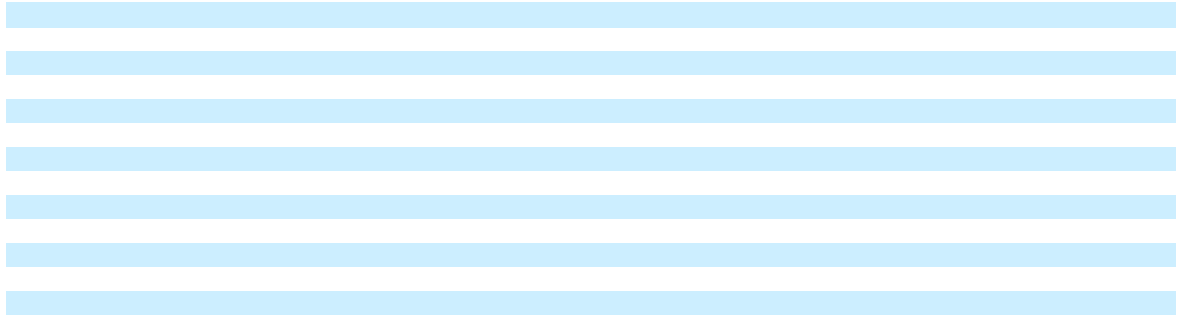
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The following table provides QVC US's financial and operating results for the fourth quarter of 2017.

(amounts in millions unless otherwise noted)

	4Q16	4Q17	% Change
QVC – US			
Financial Metrics			
Revenue	\$ 1,947	\$ 2,029	4 %
Cost of Sales % of Revenue	65.9 %	66.4 %	50 bps
Operating Income	\$ 303	\$ 367	21 %
Operating Income Margin (%)	15.6 %	18.1 %	250 bps
Adjusted OIBDA	\$ 438	\$ 436	0 %
Adjusted OIBDA Margin (%)	22.5 %	21.5 %	(100)bps
Operating Metrics			
Average Selling Price	\$ 56.78	\$ 55.60	(2)%
Units Sold			7 %
Return Rate	15.6 %	15.5 %	(10)bps
eCommerce Revenue	\$ 1,084	\$ 1,198	11 %
eCommerce % of Total Revenue	55.7 %	59.0 %	330 bps
Mobile % of eCommerce Revenue	58.6 %	63.5 %	490 bps

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HSN revenue declined in all categories except home for the full year 2017. Average selling price declined, primarily driven by product mix shift away from electronics. The sales return rate improved due to a continued positive trend in several categories. The decrease in operating income margin and adjusted OIBDA margin was

[Redacted]

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On April 4, 2017, Liberty Interactive entered into an agreement and plan of reorganization with GCI, the largest communications provider in Alaska, whereby Liberty Interactive will acquire GCI through a reorganization in which certain Liberty Ventures Group assets and liabilities will be contributed to GCI in exchange for a controlling interest in GCI, followed by a subsequent split-off of the combined company. GCI is a public company and its financial information is available in its proxy statement filed by Liberty Interactive with the SEC on December 29, 2017.

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On Company, all the holders of Liberty Ventures Common Stock and GCI Common Stock approved the change in its

QVC GROUP FINANCIAL METRICS - FULL YEAR

(amounts in millions)

	2016	2017	% Change
Revenue			
QVC US	\$ 6,120	\$ 6,140	0 %
QVC International	2,562	2,631	3 %
Total QVC revenue	8,682	8,771	1 %
HSN	NA	-	NA
zulily	1,547	1,613	4 %
Intergroup eliminations	(10)	(3)	70 %
Total QVC Group Revenue	\$ 10,219	\$ 10,381	2 %

Operating Income

QVC US	\$ 903	\$ 911	1 %
QVC International	288	353	23 %
Total QVC Operating Income	1,203	1,347	12 %
HSN International	NA	(38)	NA
zulily	(152)	(129)	19 %

Cash and Debt

The following presentation is provided to separately identify cash and liquid investments and debt information. Balance sheet items as of December 31, 2017 include HSNi.

<i>(amounts in millions)</i>	9/30/2017	12/31/2017
Cash and Liquid Investments Attributable to:		
QVC Group	\$ 383	\$ 330
Liberty Ventures Group	512	573
Total Liberty Consolidated Cash and Liquid Investments	\$ 895	\$ 903
Debt:		
Senior notes and debentures	\$ 791	\$ 791
QVC senior notes	3,550	3,550
QVC bank credit facility	1,690	1,763
HSNi revolving credit facility	NA	460
Other	177	170
Total Attributed QVC Group Debt	\$ 6,208	\$ 6,734
Unamortized discount, fair market value adjustment and deferred loan costs	(33)	(31)
Total Attributed QVC Group Debt (GAAP)	\$ 6,175	\$ 6,703
Senior exchangeable debentures	\$ 1,949	\$ 1,947
Total Attributed Liberty Ventures Group Debt	\$ 1,949	\$ 1,947
Fair market value adjustment	(63)	(101)
Total Attributed Liberty Ventures Group Debt (GAAP)	\$ 1,886	\$ 1,846
Total Liberty Interactive Corporation Debt (GAAP)	\$ 8,061	\$ 8,549

- 1) Face amount of senior notes and debentures with no reduction for the unamortized discounts.
- 2) Face amount of senior exchangeable debentures with no reduction for the fair market value adjustment.

Total cash and liquid investments attributed to the QVC Group decreased by approximately \$53 million during the fourth quarter. Share repurchases more than offset cash from operations. Total debt attributed to the QVC Group increased by \$526 million primarily due to the addition of the HSNi revolving credit facility. The QVC, Inc. leverage ratio, which includes both QVC and zulily, was 2.7x as of December 31, 2017.

Total cash and liquid investments attributed to the Liberty Ventures Group increased \$61 million in the fourth quarter, primarily due to intercompany tax payments received. Total debt attributed to Liberty Ventures Group decreased by \$2 million.

Important Notice: Liberty Interactive (Nasdaq: QVCA, QVCB, LVNTA, LVNTB) President and CEO, Greg Maffei, will discuss Liberty Interactive's earnings release on a conference call which will begin at 11:00 a.m. (E.S.T.) on March 1, 2018. The call can be accessed by dialing (866) 548-4743 on 3/1/2018 or 794-2093, passcode 9151576, at least 10 minutes prior to the start time. The call will also be broadcast live across the Internet and archived on our website. To access the webcast go to <http://www.libertyinteractive.com/events>. Links to this press release and call transcript are available on our website.

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February 28, 2018

QVC, Inc. to Present at UBS Global Consumer & Retail Conference

ENGLEWOOD, Colo.--(BUSINESS WIRE)-- Liberty Interactive Corporation
