



Fourth Quarter and Year End 2013 Earnings Call

February 28, 2014

Forward Looking Statements

This presentation includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about business strategies, market potential, the proposed recapitalization of our capital stock and potential spin-off of our interest in TripAdvisor, future financial prospects, international expansion, new service and product offerings, the monetization of our non-core assets, the continuation of our stock repurchase program, the completion of the Liberty Ventures stock split, and the ability of invested cash flows to meet obligations under the debentures and other matters that are not historical facts. These forward-looking statements involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including, without limitation, the ability of Liberty to complete the Liberty Ventures stock split, possible changes in market acceptance of new products or services, competitive issues, regulatory matters affecting our businesses, continued access to capital on terms acceptable to Liberty Interactive, changes in law and government regulations that may impact the derivative instruments that hedge certain of our financial risks, our ability to satisfy the conditions to the proposed recapitalization and spin-off and market conditions conducive to stock repurchases. These forward-looking statements speak only as of the date of this presentation, and Liberty Interactive expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in Liberty Interactive's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Please refer to the publicly filed documents of Liberty Interactive, including the most recent Forms 10-K, for additional information about Liberty Interactive and about the risks and uncertainties related to Liberty Interactive's business which may affect the statements made in this presentation.

On today's call we will discuss certain non-GAAP financial measures including adjusted OIBDA and adjusted OIBDA margin. The required definitions and reconciliations (Preliminary Note and Schedules 1 - 4) can be found at the end of this presentation. Unless otherwise noted, this presentation compares financial information for the year ended December 31, 2013 to the same period in 2012.

Highlights

- Attributed to Liberty Interactive Group
 - Grew QVC US revenue by 6% and adjusted OIBDA⁽¹⁾ by 2% in the fourth quarter
 - QVC US operating income increased by 4%
 - QVC.com revenue as a percent of total US revenue increased to 45%, a 246 bps increase
 - QVC US mobile penetration was 32% of QVC.com orders
 - Grew QVC US revenue 5% and adjusted OIBDA by 5% in 2013
 - QVC US operating income increased 4%
 - Achieved revenue growth of 12% for the eCommerce group in 2013
 - Repurchased \$309 million LINTA shares from November 1, 2013 to January 31, 2014 and \$1.1 billion in 2013
 - On February 28, 2014, the Board of Directors voted to increase the stock repurchase authorization by \$1 billion
- Attributed to Liberty Ventures Group
 - Reported strong fourth quarter results at both TripAdvisor and Expedia
 - Announced a two for one stock split of the Liberty Ventures stock

1) See reconciling schedules (Preliminary Note, Schedule 1, Schedule 2 and Schedule 3) at the end of this presentation.

Liberty Interactive Group Balance Sheet

	Sept 30, 2013	Dec 31, 2013
<u>Attributed Cash and Public Holdings⁽¹⁾</u>		
HSN ⁽²⁾	\$ 1,073	\$ 1,247
Cash and Liquid Investments	455	598
Total Cash and Public Holdings	\$ 1,528	\$ 1,845
<u>Attributed Debt (at face)⁽¹⁾</u>		
Liberty senior notes and debentures ⁽³⁾	\$ 792	\$ 791
Senior exchangeable debentures ⁽⁴⁾	400	400
QVC senior notes ⁽³⁾	2,819	2,819
QVC bank credit facility	673	922
Other	153	141
Total Debt	\$ 4,837	\$ 5,073

1) See Reconciling Schedules (Schedule 4) at the end of this presentation.

2) Represents fair value of Liberty Interactive Group's investment in HSN. In accordance with GAAP, Liberty Interactive Group accounts for this investment using the equity method of accounting and includes this investment in its attributed balance sheet at its historical carrying value which aggregated \$283 million and \$293 million at September 30, 2013 and December 31, 2013, respectively.

3) Face amount of Senior Notes and Debentures with no reduction for the unamortized discounts.

4) Face amount of Senior Exchangeable Debentures with no reduction for the fair market value adjustment.

Liberty Interactive Group

Full Year - 2013

	Revenue	Percent Change	Adjusted OIBDA ⁽¹⁾	Percent Change	Operating Income	Percent Change
QVC	\$ 8,623	1%	\$ 1,841	1%	\$ 1,245	-2%
eCommerce businesses	1,684	12%	85	-11%	(50)	38%
Corporate and other	-	NM	(20)	26%	(64)	-2%
Total Liberty Interactive Group	\$ 10,307	3%	\$ 1,906	0%	\$ 1,131	1%

Q4 - 2013

	Revenue	Percent Change	Adjusted OIBDA ⁽¹⁾	Percent Change	Operating Income	Percent Change
QVC	\$ 2,741	2%	\$ 595	-1%	\$ 441	-2%
eCommerce businesses	487	8%	25	-29%	(21)	46%
Corporate and other	-	NM	(2)	83%	(16)	43%
Total Liberty Interactive Group	\$ 3,228	3%	\$ 618	-1%	\$ 404	6%

1) See reconciling schedules (Preliminary Note, Schedules 1-3) at the end of this presentation.

QVC Q4 Results

	Revenue	Adj. OIBDA ⁽¹⁾
US	6%	2%
International	<u>-6%</u>	<u>-9%</u>
Consolidated	2%	-1%

- US: ASP increased 4% and units sold increased 2% compared to Q4-12
- US gross margin increased 9 bps and adjusted OIBDA margin⁽¹⁾ decreased 85 bps
- US return rate was unfavorable by 25 bps
- eCommerce penetration increased to 45% of US revenue from 43% in Q4-12
- Consolidated operating income was down 2%

Local Currency	Revenue	Adj. OIBDA ⁽¹⁾	ASP	Units Sold
International⁽²⁾	<u>-1%</u>	<u>-3%</u>	<u>-2%</u>	<u>2%</u>
Japan	-3%	-14%	0%	-1%
Germany	-4%	-3%	-7%	2%
UK	5%	10%	5%	1%
Italy	17%	67%	0%	20%
China JV⁽³⁾	39%	7%		

- 1) See reconciling schedules (Preliminary Note, Schedule 2) at the end of this presentation.
- 2) Calculated on a constant currency basis due to the inclusion of multiple currencies. Excludes China JV.
- 3) This joint venture is being accounted for as an equity method investment.

QVC Year End 2013 Results

	Revenue	Adj. OIBDA ⁽¹⁾
US	5%	5%
International	<u>-5%</u>	<u>-9%</u>
Consolidated	1%	1%

- US: ASP increased 5% and units sold were flat compared to 2012
- US gross margin increased 38 bps and adjusted OIBDA margin⁽¹⁾ was flat
- US return rate improved by 33 bps
- eCommerce penetration increased to 43% of US revenue from 40% in 2012
- Consolidated operating income declined 2%

Local Currency	Revenue	Adj. OIBDA ⁽¹⁾	ASP	Units Sold
International ⁽²⁾	<u>2%</u>	<u>-1%</u>	<u>-1%</u>	<u>4%</u>
Japan	0%	-7%	-1%	4%
Germany	-2%	-6%	-3%	4%
UK	4%	14%	6%	-2%
Italy	41%	49%	-1%	45%
China JV ⁽³⁾	43%	30%		

1) See reconciling schedules (Preliminary Note, Schedule 3) at the end of this presentation.

2) Calculated on a constant currency/local currency basis due to the inclusion of multiple currencies. Excludes China JV.

3) This joint venture is being accounted for as an equity method investment.

Liberty Ventures Group

(\$ in millions)

	Sept 30, 2013	Dec 31, 2013
<u>Attributed Cash and Public Holdings</u>		
Expedia ⁽¹⁾	\$ 1,196	\$ 1,608
Interval Leisure Group and Tree.com ⁽²⁾	466	606
Other public holdings ⁽³⁾	947	1,095
Total	\$ 2,609	\$ 3,309
Cash and liquid investments ⁽⁴⁾⁽⁵⁾⁽⁶⁾	1,470	1,603
Total Cash and Public Holdings	\$ 4,079	\$ 4,912
<u>Attributed Debt (at face)</u>		
Senior exchangeable debentures ⁽⁷⁾	\$ 2,091	\$ 2,091
TripAdvisor debt facilities	376	369
Total Debt	\$ 2,467	\$ 2,460

- 1) Represents fair value of Liberty Ventures Group's investment in Expedia. In accordance with GAAP, Liberty Ventures Group accounts for this investment using the equity method of accounting and includes this investment in its attributed balance sheet at its historical carrying value which aggregated \$465 million and \$477 million at September 30, 2013 and December 31, 2013, respectively.
- 2) Represents fair value of Liberty Ventures Group's investments. In accordance with GAAP, Liberty Ventures Group accounts for these investments using the equity method of accounting and includes these investments in its attributed balance sheet at their historical carrying values which aggregated \$98 million and \$101 million at September 30, 2013 and December 31, 2013, respectively.
- 3) Represents Liberty Ventures Group's other public holdings which are accounted for at fair value. Excludes \$392 million and \$402 million of long-term marketable securities as of September 30, 2013 and December 31, 2013, respectively.
- 4) Includes \$552 million and \$543 million of short-term marketable securities with an original maturity greater than 90 days as of September 30, 2013 and December 31, 2013, respectively.
- 5) Includes \$392 million and \$402 million of marketable securities with an original maturity greater than one year as of September 30, 2013 and December 31, 2013, respectively, which are reflected in investments in available-for-sale securities in Liberty Ventures Group's attributed balance sheet.
- 6) Includes \$596 million and \$670 million of cash and liquid investments held at TripAdvisor as of September 30, 2013 and December 31, 2013, respectively.
- 7) Face amount of Senior Exchangeable Debentures with no reduction for the fair market value adjustment.

Reconciling Schedules

Preliminary Note

This presentation includes references to adjusted OIBDA, which is a non-GAAP financial measure, for each of Liberty Interactive, QVC (and certain of its subsidiaries), and the eCommerce businesses. Liberty Interactive defines adjusted OIBDA as revenue less cost of sales, operating expenses and selling, general and administrative expenses (excluding stock and other equity-based compensation) and excludes from that definition depreciation and amortization, restructuring and impairment charges and legal settlements that are included in the measurement of operating income pursuant to GAAP. Further, this presentation includes adjusted OIBDA margin, which is also a non-GAAP financial measure. Liberty Interactive defines adjusted OIBDA margin as adjusted OIBDA divided by revenue.

Liberty Interactive believes adjusted OIBDA is an important indicator of the operational strength and performance of its businesses, including the ability to service debt and fund capital expenditures. In addition, this measure allows management to view operating results and perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. Because adjusted OIBDA is used as a measure of operating performance, Liberty Interactive views operating income as the most directly comparable GAAP measure. Adjusted OIBDA is not meant to replace or supersede operating income or any other GAAP measure, but rather to supplement such GAAP measures in order to present investors with the same information that Liberty Interactive's management considers in assessing the results of operations and performance of its assets. Please see the attached schedules for a reconciliation of adjusted OIBDA to operating income (loss) calculated in accordance with GAAP for Liberty Interactive (Schedule 1) and for QVC (and certain of its subsidiaries) and the eCommerce businesses (Schedule 2 and 3).

Reconciling Schedules (Schedule 1)

(\$ in millions)

	4Q-12	1Q-13	2Q-13	3Q-13	4Q-13
Liberty Interactive Group⁽¹⁾					
Adjusted OIBDA	\$ 626	\$ 437	\$ 455	\$ 396	\$ 618
Depreciation and amortization	(159)	(153)	(158)	(156)	(165)
Stock compensation	(32)	(24)	(29)	(22)	(35)
Impairment of intangible assets	(53)	-	-	(19)	(14)
Operating Income	\$ 382	\$ 260	\$ 268	\$ 199	\$ 404

	2012	2013
Liberty Interactive Group⁽²⁾		
Adjusted OIBDA	\$ 1,897	\$ 1,906
Depreciation and amortization	(596)	(632)
Stock compensation	(85)	(110)
Impairment of intangible assets	(92)	(33)
Operating Income	\$ 1,124	\$ 1,131

- 1) A reconciliation for the Liberty Interactive Group of adjusted OIBDA to operating income calculated in accordance with GAAP for the three months ended December 31, 2012, March 31, 2013, June 30, 2013, September 30, 2013, and December 31, 2013, respectively.
- 2) A reconciliation for the Liberty Interactive Group of adjusted OIBDA to operating income calculated in accordance with GAAP for the years ended December 31, 2012 and 2013, respectively.

Reconciling Schedules (Schedule 2)

(\$ in millions)

Liberty Interactive Group	4Q-12	1Q-13	2Q-13	3Q-13	4Q-13
QVC Adjusted OIBDA					
QVC US	\$ 429	\$ 291	\$ 320	\$ 304	\$ 437
QVC Japan	79	54	57	46	55
QVC Germany	58	43	35	37	58
QVC UK	42	19	26	26	47
QVC Italy	(5)	(3)	(4)	(5)	(2)
QVC International adjusted OIBDA	\$ 174	\$ 113	\$ 114	\$ 104	\$ 158
Consolidated QVC adjusted OIBDA	\$ 603	\$ 404	\$ 434	\$ 408	\$ 595
Depreciation and amortization	(141)	(134)	(140)	(139)	(145)
Stock compensation	(13)	(10)	(9)	(10)	(9)
Operating Income	\$ 449	\$ 260	\$ 285	\$ 259	\$ 441
QVC Operating Income					
QVC US	\$ 312	\$ 180	\$ 207	\$ 191	\$ 323
QVC International	137	80	78	68	118
Total QVC Operating Income	\$ 449	\$ 260	\$ 285	\$ 259	\$ 441
eCommerce Businesses					
Adjusted OIBDA	\$ 35	\$ 39	\$ 26	\$ (5)	\$ 25
Depreciation and amortization	(19)	(18)	(18)	(19)	(18)
Stock compensation	(2)	(2)	(10)	(3)	(14)
Impairment of intangible assets	(53)	-	-	(19)	(14)
Operating Income (Loss)	\$ (39)	\$ 19	\$ (2)	\$ (46)	\$ (21)

The information shown above provides a reconciliation for QVC and eCommerce businesses of adjusted OIBDA to operating income calculated in accordance with GAAP for the three months ended December 31, 2012, March 31, 2013, June 30, 2013, September 30, 2013, and December 31, 2013, respectively.

Reconciling Schedules (Schedule 3)

(\$ in millions)

Liberty Interactive Group	2012	2013
QVC Adjusted OIBDA		
QVC US	\$ 1,292	\$ 1,352
QVC Japan	279	212
QVC Germany	179	173
QVC UK	104	118
QVC Italy	(26)	(14)
QVC International adjusted OIBDA	\$ 536	\$ 489
Consolidated QVC adjusted OIBDA	\$ 1,828	\$ 1,841
Depreciation and amortization	(526)	(558)
Stock compensation	(34)	(38)
Operating Income	\$ 1,268	\$ 1,245
QVC Operating Income		
QVC US	\$ 870	\$ 901
QVC International	398	344
Total QVC Operating Income	\$ 1,268	\$ 1,245
eCommerce Businesses		
Adjusted OIBDA	\$ 96	\$ 85
Depreciation and amortization	(70)	(73)
Stock compensation	(15)	(29)
Impairment of intangible assets	(92)	(33)
Operating Income (Loss)	\$ (81)	\$ (50)

The information shown above provides a reconciliation for QVC and eCommerce businesses of adjusted OIBDA to operating income calculated in accordance with GAAP for the years ended December 31, 2012 and 2013, respectively.

Reconciling Schedules (Schedule 4)

(\$ in millions)

	9/30/13	12/31/13
Cash and Liquid Investments Attributable to:		
Liberty Interactive Group	\$ 455	\$ 598
Liberty Ventures Group ⁽¹⁾⁽²⁾⁽³⁾	1,470	1,603
Total Liberty Consolidated Cash and Liquid Investments	\$ 1,925	\$ 2,201
Less:		
Short-term marketable securities - Liberty Ventures	\$ 552	\$ 543
Long-term marketable securities - Liberty Ventures	392	402
Total Liberty Consolidated Cash (GAAP)	\$ 981	\$ 1,256
Debt:		
Senior Notes & Debentures ⁽⁴⁾	\$ 792	\$ 791
Senior exchangeable debentures ⁽⁵⁾	400	400
QVC Senior Notes ⁽⁴⁾	2,819	2,819
QVC Bank Credit Facility	673	922
Other	153	141
Total Attributed Liberty Interactive Group Debt	\$ 4,837	\$ 5,073
Unamortized Discount and Fair Market Value Adjustment	(2)	10
Total Attributed Liberty Interactive Group Debt (GAAP)	\$ 4,835	\$ 5,083
Senior Exchangeable Debentures ⁽⁵⁾	\$ 2,091	\$ 2,091
TripAdvisor Debt Facilities	376	369
Total Attributed Liberty Ventures Group Debt	\$ 2,467	\$ 2,460
less: Fair Market Value Adjustment	(268)	(159)
Total Attributed Liberty Ventures Group Debt (GAAP)	\$ 2,199	\$ 2,301
Total Liberty Interactive Corporation Debt (GAAP)	\$ 7,034	\$ 7,384

- 1) Includes \$552 million and \$543 million of short-term marketable securities with an original maturity greater than 90 days as of September 30, 2013 and December 31, 2013, respectively.
- 2) Includes \$392 million and \$402 million of marketable securities with an original maturity greater than one year as of September 30, 2013 and December 31, 2013, respectively which are reflected in investments in available-for-sale securities in Liberty Ventures Group's attributed balance sheet.
- 3) Includes \$596 million and \$670 million of cash and liquid investments held at TripAdvisor as of September 30, 2013 and December 31, 2013, respectively.
- 4) Face amount of Senior Notes and Debentures with no reduction for the unamortized discounts.
- 5) Face amount of Senior Exchangeable Debentures with no reduction for the fair market value adjustment.