
Date of Report (date of earliest event reported):

(Exact name of registrant as specified in its charter)

(State or other jurisdiction of
incorporation or organization)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code:

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

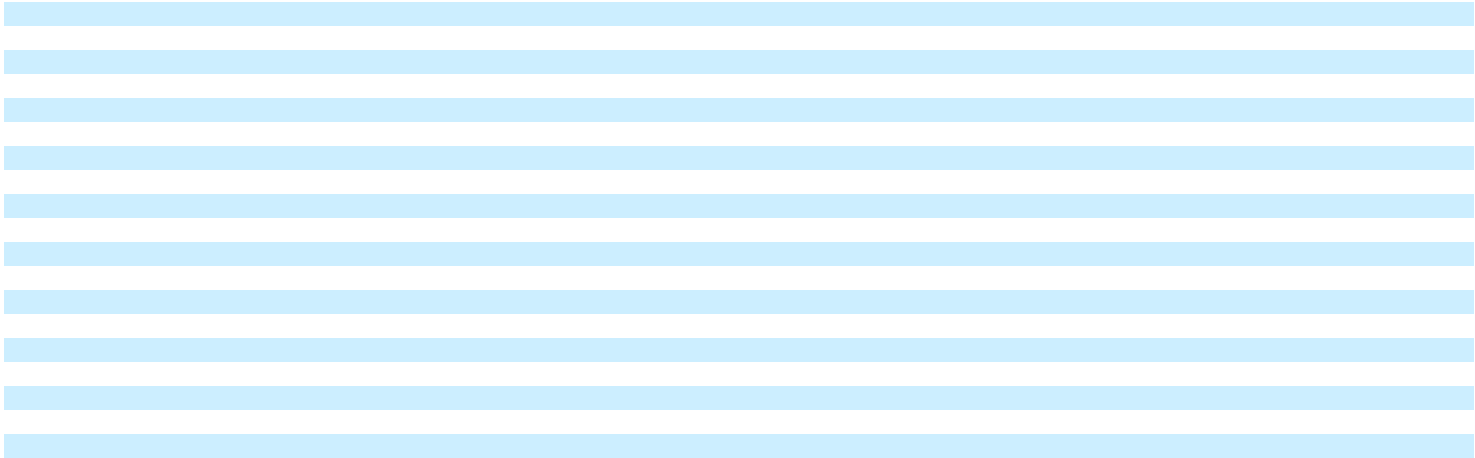
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to apparel, which has a higher return rate. QVC UK's adjusted OIBDA in local currency decreased 6% and 1% for the fourth quarter and full year, respectively. QVC UK's adjusted OIBDA margin decreased 136 basis points and 47 basis points for the fourth quarter and

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and 71. The decrease in adjusted OIBDA margin for both periods was primarily due to increased freight costs and higher programming distribution costs associated with their second channel, QVC Beauty Channel. These increases were partially offset by favorable product margins.

QVC Germany's revenue grew 2% and 7%



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Englewood, Colo, Feb 21 - Liberty Interactive Corporation (Nasdaq: LINTA, LINTB) announced that Greg Maffei, President and CEO of Liberty Interactive, will be presenting at the Deutsche Bank 2012 Media and Telecom Conference on Monday, February 27th at 6:15 p.m., Eastern Time at The Breakers Hotel in Palm Beach, FL. During his presentation, Mr. Maffei may make observations regarding the company's financial performance and outlook.

The presentation will be broadcast live via the Internet. All interested persons should visit the Liberty Interactive Corporation website at <http://www.libertyinteractive.com/events> to register for the webcast. An archive of the webcast will also be available on this website for 30 days.

About Liberty Interactive Corporation

Liberty Interactive (Nasdaq: LINTA, LINTB) owns interests in a broad range video and online commerce businesses including QVC, Provide Commerce, Backcountry.com, Celebrate Interactive, Bodybuilding.com, Evite, Expedia and TripAdvisor.

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description of their respective direct and indirect interests, by security holdings or otherwise, will be available in the proxy materials to be filed with the SEC.

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Rationale

- Increases transparency and investor choice
 - Liberty Interactive
 - Increases focus/clarity on Liberty Interactive as video and eCommerce operating business
 - Highlights operations and financial strength of these businesses
 - Further simplifies story
 - Better aligns Liberty Interactive with retail, eCommerce comp universe
 - Isolates complexity discount to Liberty Ventures
 - Liberty Ventures
 - Better highlights investments at Liberty Ventures that were previously overlooked because of the size of QVC
 - Liberty Ventures is similar to Liberty Capital, bet on management's ability to
 - Tax efficiently monetize investments
 - Make attractive investments
- Better capital raising prospects at both tracking stock groups
- Tracking stock structure maintains tax efficiency

Highlights

- Announcing plan to recapitalize Liberty Interactive into two tracking stocks — Liberty Interactive and Liberty Ventures

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Priorities

- Liberty Interactive
 - Complete recapitalization of Liberty Interactive into two tracking stocks
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We hope you've seen our announcement this morning on our plan to recapitalize Liberty Interactive into two tracking stocks — Liberty Interactive and Liberty Ventures.

Attributing to Liberty Interactive, we will have in it QVC, our eCommerce companies, our 34% interest in HSN, cash of about \$500 million, QVC's debt, which is comprised of the bank debt it has and the bonds it's issued, and the senior notes that were issued by Liberty.

Attributing to Liberty Ventures, we're going to have all of our non-consolidated interests, excluding HSN, but including Expedia, Trip, Time Warner, our green investments, and more. This entity will have cash of about \$1.25 billion. We're also attributing all of our exchangeable debentures, including those associated with the Time Warner entities, and at the time we complete the split-off of Liberty Ventures, or the creation of Liberty Ventures, we'll have some subscription rights handed out to each of the shareholders, which will allow you to acquire more Liberty Ventures stock at a discount. We'll talk more about that going forward. The reason for that is to raise capital for investments in new business opportunities and to ensure the balance sheet strength of Liberty Ventures.

Regarding the process, we need to file an S-4 with the SEC. We need a shareholder vote on a meeting, and a meeting, and we will not be required to get an IRS ruling. Our anticipation is that we'll close sometime, hopefully early, this summer.

The rationale for this recapitalization is not because, as some have suggested, we want to maintain our market leading share in trackers, but instead, to increase transparency and investor choice. With Liberty Interactive, you're going to be able to get a pure-play video and eCommerce company, better aligned with our retail e-commerce peers. We hope to highlight the operations and financial strengths of these very good businesses to further simplify this operating story, and to isolate the complexity, which Liberty has some of, to Liberty Ventures.

With Liberty Ventures, we hope to better highlight some of the investments we have here that may have been overlooked due to their relative small size compared to QVC, to give us some flexibility, the same way we have with Liberty Capital, to bet on our ability to tax efficiently, monetize some of these investments and make other attractive investments. We also hope to have better capital raising prospects for both tracking stocks and, as always, given the tracking stock structure, we're able to maintain tax efficiency.

Our priorities remain mostly the same, with the addition of completing the recapitalization of Liberty Interactive into the two tracking stocks; at QVC we're focusing on differentiated product offering, with compelling marketing and programming, and expanding the business with new customers in new markets.

We're looking to continue to grow our eCommerce companies and capitalize on their continued success. And we'll focus on rationalizing the non-core investments, particularly those at the newly established or to be established Liberty Ventures.

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[O]n the new Ventures tracking stock, obviously, there's going to be a decent amount of capital there, especially with the rights offering planned for after the separation. How do you think about uses of capital there, in terms of — you noted that there would be some investment in, or new investments. Will those be, you know, focused on any particular industry, or is it a broader pool of capital to explore?

I don't think we're going to contain ourselves with a particular focus. Obviously, most of Liberty's experience is in TMT, so I think that's probably where we'll concentrate, but that's not dispositive. What we're really saying is that Ventures has a much more wide open charter and Liberty Interactive has a very focused charter. And investors rightly want to see the focus of those operating companies and the bet at Liberty Ventures is a little more broad. It's about our ability to be smart in working through the tax issues. It's about our ability to be smart in working through some of the non-consolidated investments in which we have interesting control positions or potential control positions, but not the ability to capitalize on them today, and our ability to reinvest smartly in things like the green deals that we cut and other areas. And it is a lot more

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concern about what future is, but it's a bet on our ability to be smart.

[C]ould you give us a little bit more color on any sense of how much capital you would look to be raising at Ventures and when you'd look to do that? And is that purely just capital for capacity for investments, or are there some other kind of liquidity constraints there?

Well, I think the only capital that we're anticipating raising is under the subscription rights, which are going to be issued to each of the holders of Liberty Interactive at the time. So our anticipation is we'll have a reverse split, just because of the relative low value on a per share basis likely at Liberty Ventures, and that we will issue a new — after that split, we'll issue a new subscription right — for every 3 shares, you'll get a subscription right, which will entitle you to buy more Liberty Ventures at a 20% discount over the first 20 trading days. So that's the only capital that we're anticipating. That amount of capital will be somewhat dependent on whether ... the subscription rights get exercised, which I suspect will largely happen, and what is the trading price over those first 20 days, because the math will dictate that, if it trades at a higher price, we're going to raise more capital than if it trades at a lower price. And so — but if you think about that, it's going to be a few hundred million dollars, just looking at the math and what it's likely to be.

One could surmise different numbers if you had very high or very low numbers for the trading price of Ventures, but just guessing, it's going to be in the hundreds of millions of dollars range, not more. And that's the only capital we're anticipating raising today.

Okay. And again, this is more nice to have for investments as opposed to need to have for liquidity?

Well, the one thing I would note is that we're here to present to investors a clean Liberty Interactive. If you think about the nature of the tracking stocks from the fact that we're still under one indenture and both sides are liable for each other's debt, one of the things that's ofx ~ 1 ~ 1 ~ 1 ~ 1 ~ 1 1
