

The following table provides zulily's stand-alone financial and operating results for the third quarter of 2017. Revenue was up 2% in the third quarter, primarily attributed to a 6% increase in orders placed driven by an increase in active customers, partially offset by increased backlog due to timing of orders within the quarter. In addition, units per order increased but was offset by lower ASP. An active customer is defined as an individual who has purchased at least once in the last twelve months, measured from the last date of a period. Operating income margin improved, driven primarily by decelerating amortization of intangible assets related to purchase accounting. Adjusted OIBDA margin decreased primarily due to a decline in ASP, increased promotional offers, and increased supply chain expenses resulting from an increase in international shipping, a shift in product mix, and ramping of zulily's Pennsylvania fulfillment center.

(amounts in millions unless otherwise noted)

	3Q16	3Q17	% Change
<b>zulily</b>			
<b>Financial Metrics</b>			
Net Revenue	\$ 359	\$ 367	2 %
Gross Margin	28.4 %	25.9 %	(250)bps
Operating Income (Loss)	\$ (52)	\$ (44)	15 %
Operating Income Margin (%)	(14.5)%	(12.0)%	250 bps
Adjusted OIBDA	\$ 18	\$ 12	(33)%
Adjusted OIBDA Margin (%)	5.0 %	3.3 %	(170)bps
<b>Operating Metrics</b>			
Mobile % of Total Orders	65.5 %	67.3 %	180 bps
LTM Total Customers	5.0	5.3	6 %

(1) LTM: Last twelve months.

### **Share Repurchases**

From August 1, 2017 through October 31, 2017, Liberty Interactive repurchased approximately 21.0 million Series A QVC Group shares (Nasdaq:QVCA) at an average cost per share of \$22.69 for total cash consideration of \$477 million. Since the creation of the QVC Group stock (including its predecessor, Liberty Interactive Group) in May 2006, Liberty Interactive has repurchased shares for aggregate cash consideration of \$7.5 billion, representing approximately 49% of the shares outstanding at the time of the creation of the QVC Group stock. All repurchases up to August 9, 2012, the date on which the QVC Group stock was recapitalized to create the Liberty Ventures common stock, were comprised of shares of the combined stocks. On September 19, 2017, Liberty Interactive's board of directors authorized the repurchase of an additional \$1 billion of Series A QVC Group common stock. The remaining repurchase authorization acommon st



**LIBERTY VENTURES GROUP** – Approximately \$10 million of corporate level SG&A expense (including stock-based compensation expense) was allocated to Liberty Ventures Group in the third quarter of 2017.

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 Liberty. Additional information is available in the amended registration statement on Form S-4 that GCI filed with the SEC on September 26, 2017.

The transactions between Liberty Interactive and GCI are expected to be completed during the first quarter of 2018, subject to customary closing conditions including, among other things, the requisite shareholder approvals. In June 2017, the Federal Trade Commission granted early termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act. In November 2017, the Regulatory Commission of Alaska and the Federal Communications Commission granted requisite approvals to complete the acquisition.

Pursuant to a recent amendment to the reorganization agreement with GCI, Liberty Interactive's outstanding 1.75% Charter exchangeable debentures due 2046 (the "1.75% debentures") will now be reattributed to the QVC Group at the closing of the GCI transactions and Liberty Interactive will not conduct the previously contemplated exchange offer for Al ex 9eb d

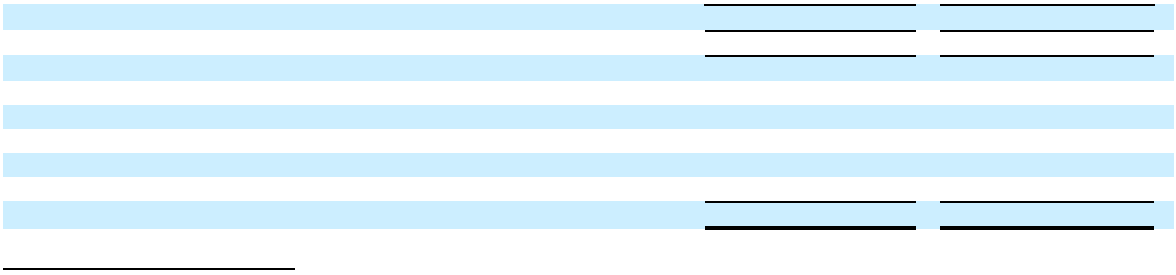


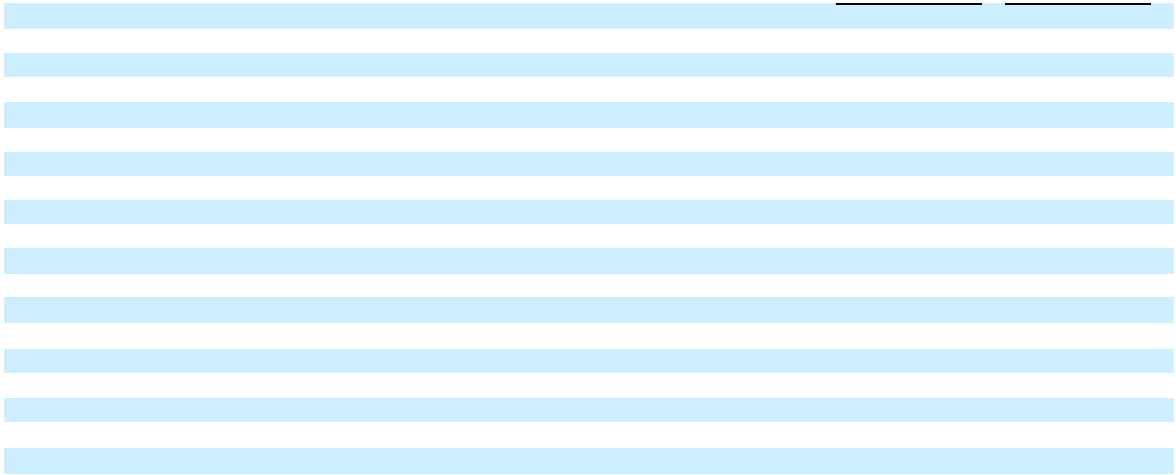
GCI Liberty may (but is not required to) complete an offering of Charter exchangeable debentures, proceeds of which may be used to reimburse Liberty Interactive with respect to the aforementioned tender offer. Absent a concurrent offering, GCI Liberty will fund its payment obligations with funds available under the \$1 billion LBRDK margin loan.

Simultaneous with the closing of the transactions with Liberty Interactive and GCI, the QVC Group, including wholly-owned subsidiaries QVC, Inc., zulily and HSNi (or, if the HSNi acquisition has not yet closed, following such closing), will become an asset-backed stock and Liberty Interactive will be renamed QVC Group, Inc. Nei uc cI e an a



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*hedge certain of our financial risks, the availability of investment opportunities, the satisfaction of conditions to complete each of the HSNi acquisition and the proposed transactions and market conditions conducive to stock repurchases. These forward-looking statements speak only as of the date of this press release, 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 and 10-Q, 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 press release.*

*Additional Information*

*Nothing in this press release shall constitute a solicitation to buy or an offer to sell shares of GCI Liberty, GCI common stock or any of Liberty Interactive's tracking stocks. The offer and issuance of shares in the proposed transactions will only be made pursuant to GCI Liberty's effective registration statement. Liberty Interactive stockholders, GCI stockholders and other investors are urged to read the registration statement and the joint proxy statement/prospectus regarding the proposed transactions (a preliminary filing of which has been made with the SEC) and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they contain important information about the proposed transactions. Copies of these SEC filings will be available free of charge at the SEC's website (<http://www.sec.gov>). Copies of the filings together with the materials incorporated by reference therein will also be available, without charge, by directing a request to Liberty Interactive Corporation, 12300 Liberty Boulevard, Englewood, Colorado 80112, Attention: Investor Relations, Telephone: (720) 875-5420. GCI investors can access additional information at [ir.gci.com](http://ir.gci.com).*

*Participants in a Solicitation*

*The directors and executive officers of Liberty Interactive and GCI and other persons may be deemed to be participants in the solicitation of proxies in respect of proposals to approve the proposed transactions. Information regarding the directors and executive officers of Liberty Interactive is available in its definitive proxy statement, which was filed with the SEC on April 20, 2017. Information regarding the directors and executive officers of GCI is available as part of its Annual Report on Form 10-K filed with the SEC on March 2, 2017. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be available in the proxy materials regarding the foregoing to be filed with the SEC. Free copies of these documents may be obtained as described in the preceding paragraph.*

**NON-GAAP FINANCIAL MEASURES**

This press release includes a presentation of adjusted OIBDA, which is a non-GAAP financial measure, fiH









**LIBERTY INTERACTIVE CORPORATION**  
**BALANCE SHEET INFORMATION**  
September 30, 2017 - (unaudited)

	Attributed		Consolidated Liberty
	QVC Group	Ventures Group	
	amounts in millions		
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 383	512	895
Trade and other receivables, net	908	37	945
Inventory, net	1,197	—	1,197
Other current assets	79	2	81
<b>Total current assets</b>	<b>2,567</b>	<b>551</b>	<b>3,118</b>
Investments in available-for-sale securities and other cost investments	4	2,477	2,481
Investments in affiliates, accounted for using the equity method	236	337	573
Investment in Liberty Broadband measured at fair value	—	4,068	4,068
Property and equipment, net	1,116	1	1,117
Intangible assets not subject to amortization	9,396	29	9,425
Intangible assets subject to amortization, net	631	4	635
Other assets, at cost, net of accumulated amortization	30	—	30
<b>Total assets</b>	<b>\$ 13,980</b>	<b>7,467</b>	<b>21,447</b>
<b>Liabilities and Equity</b>			
Current liabilities:			
Intergroup payable (receivable)	\$ 46	(46)	—
Accounts payable	833	—	833
Accrued liabilities	621	20	641
Current portion of debt	17	994	1,011
Other current liabilities	158	3	161
<b>Total current liabilities</b>	<b>1,675</b>	<b>971</b>	<b>2,646</b>
Long-term debt	6,158	892	7,050
Deferred income tax liabilities	1,024	2,991	4,015
Other liabilities	137	40	177
<b>Total liabilities</b>	<b>8,994</b>	<b>4,894</b>	<b>13,888</b>
Equity/Attributed net assets (liabilities)	4,871	2,583	7,454
Non-controlling interests in equity of subsidiaries	115	(10)	105
<b>Total liabilities and equity</b>	<b>\$ 13,980</b>	<b>7,467</b>	<b>21,447</b>









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**Excerpts from the Earnings Press Release, Dated November 8, 2017, of Liberty Interactive Corporation**

Englewood, Colorado, November 9, 2017



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