
Item 2.02. Results of Operations and Financial Condition.

On August 7, 2019, Qurate Retail, Inc. (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 Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, filed with the Securities and Exchange Commission (the "SEC") on August 8, 2019.

This Item 2.02 and the Earnings Release attached hereto as Exhibit 99.1, insofar as they disclose historicoi



Discussion of Results

Unless otherwise noted, the following discussion compares financial information for the three months ended June 30, 2019 to the same period in 2018. During the first quarter of 2019, Qurate Retail changed its reportable segments to combine QVC US and HSN into one QxH reportable segment and is presenting prior period information in this press release to conform to this change.

SECOND QUARTER 2019 FINANCIAL RESULTS

<i>(amounts in millions)</i>	2Q18	2Q19	% Change	% Change Constant Currency ^(a)
Revenue				
QxH	\$ 1,900	\$ 1,874	(1)%	
QVC International ^(b)	656	640	(2)%	1 %
Zulily	415	363	(13)%	
Cornerstone	262	234	(11)%	
Intersegment eliminations	-	-	NM	
Total Qurate Retail Revenue	\$ 3,233	\$ 3,111	(4)%	(3)%
Operating Income				
QxH	\$ 308	\$ 292	(5)%	
QVC International ^(b)	82	73	(11)%	(9)%
Zulily	(27)	(23)	15 %	
Cornerstone	8	6	(25)%	
Unallocated corporate cost ^(c)	(13)	(12)	8 %	
Total Qurate Retail Operating Income	\$ 358	\$ 336	(6)%	
Adjusted OIBDA				
QxH	\$ 401	\$ 395	(1)%	
QVC International ^(b)	100	106	6 %	10 %
Zulily	29	7	(76)%	
Cornerstone	19	14	(26)%	
Unallocated corporate cost ^(c)	(7)	(9)	(29)%	
Total Qurate Retail Adjusted OIBDA	\$ 542	\$ 513	(5)%	

a) For a definition of constant currency financial metrics, see the accompanying schedules.

b) Includes QVC Germany, QVC Italy, QVC Japan, QVC UK and QVC France until it was closed on March 13, 2019.

c) Includes corporate costs incurred at Qurate Retail, Inc. but not allocated to any business segment.

QVC International constant currency sales gains were driven by growth primarily in Japan, partially offset by declines in Germany and the UK. Operating income and the

NOTES

Cash and Debt

The following presentation is provided to separately identify cash and debt information.

(amounts in millions)

	3/31/2019	6/30/2019
Cash and cash equivalents (GAAP)	\$ 508	\$ 519
Indemnification Asset	\$ 110	\$ 133
Debt:		
QVC senior notes	\$ 3,775	\$ 3,375
QVC bank credit facility	1,438	1,733
Total Qurate Retail Group Debt	\$ 5,213	\$ 5,108
Senior notes	791	791
Senior exchangeable debentures	1,512	1,505
Corporate Level Debentures	2,303	2,296
Total Qurate Retail, Inc. Debt	\$ 7,516	\$ 7,404

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Important Notice: Qurate Retail, Inc. (Nasdaq: QRTEA, QRTEB) President and CEO, Mike George, and Executive Chairman, Greg Maffei, will discuss Qurate Retail's earnings



Retail's management considers in assessing the results of operations and performance of its assets. Please see the attached schedules for applicable reconciliations.

In addition, this press release includes references to adjusted net income and adjusted earnings per share, which are non-GAAP financial measures, for Qurate Retail. Qurate Retail defines adjusted net income as net income, excluding the impact of acquisition accounting amortization (net of deferred tax benefit), mark to market adjustments on certain public debt and equity securities and other one-time adjustments. Qurate Retail defines adjusted earnings per share as diluted earnings per share plus the diluted per Month's ce-



