



FOR IMMEDIATE RELEASE

APRIL 24, 2002

USA REPORTS STRONGEST GROWTH IN ITS HISTORY

*58% EBITDA Growth from Operating Businesses
Margins Expand Dramatically*

NEW YORK, April 24, 2002 – USA Networks, Inc. (NASDAQ: USAI), to be renamed USA Interactive upon closing of the contribution of USA Entertainment to a joint venture to be controlled by Vivendi Universal, reported results today for its quarter ended March 31, 2002. On a comparative pro forma basis reflecting the pending Vivendi transaction, USA reported the following (\$ in millions, except per share):

	Q1 2002	Q1 2001	Growth
Revenue:			
Operating Businesses	\$926.6	\$751.1	23%
Total	1,007.1	877.9	15%
Adjusted EBITDA (a):			
Operating Businesses	\$155.6	\$98.6	58%
Total	131.6	74.3	77%
EPS:			
Diluted EPS from Continuing Operations (b)	\$0.00	(\$0.05)	NM
Cash Net Income EPS (a)	0.05	0.01	400%

(a) See definitions on page 2.

(b) 2001 data is pro forma for the adoption of FAS 141/142, the new accounting rules which eliminate amortization of goodwill. 2002 results are before after-tax expense of \$310.6 million related to the cumulative effect of adoption of FAS 141/142. See page 7 for further details.

(c) All references to EBITDA refer to Adjusted EBITDA, as defined on page 2.

HIGHLIGHTS

- HSN-U.S. grew EBITDA^(c) by 26% to \$57.7 million on 13% higher revenue. HSN's operating margin expanded to 14.6% from 13.1% in the previous year, due primarily to higher gross margins. HSN currently expects to meet its EBITDA budget of \$285 million for 2002.
- Ticketmaster grew ticketing EBITDA by 11% to \$33.7 million on 2% higher revenue. Ticketing's operating margin expanded to 22% from 20% in the previous year, due primarily to lower variable costs and leveraging its fixed cost base.
- Match.com grew EBITDA over 25 times to \$6.9 million on 196% higher revenue. Match.com ended the quarter with 527,662 subscribers, a 178% increase over Q1 2001.
- USA's online travel companies continue to experience robust growth. Expedia maintains its status as the world's leading online travel service, with \$1.1 billion in gross bookings in Q1. Expedia grew EBITDA over six-fold to \$34.6 million on 103% higher revenue. HRN grew EBITDA 63% to \$25.8 million on 57% higher revenue.
- USA's operating margins improved dramatically. The operating businesses expanded EBITDA margins to 16.8% from 13.1%, and the combined businesses grew margins to 13.1% from 8.5%.
- USA currently expects to exceed its budgeted 2002 operating revenue by 2% and operating EBITDA by 11%. This would bring 2002 growth in operating EBITDA to 50%, vs. budgeted growth of 34%. Further, USA expects to exceed its budgeted 2002 operating income by 2%.

SEGMENT FINANCIAL RESULTS

On a comparative pro forma basis reflecting pending transactions, USA reported the following (\$ in millions):

	<u>Q1 2002</u>	<u>Q1 2001</u>	<u>Growth</u>
Revenues - Operating Businesses			
HSN - U.S.	\$396.2	\$349.2	13%
Ticketing	153.4	150.1	2%
Hotel Reservations Network	165.7	105.3	57%
Expedia	116.0	57.2	103%
PRC	70.1	80.7	-13%
Match.com	25.3	8.5	196%
Sub-total	\$926.6	\$751.1	23%
Revenues - Emerging Businesses			
Citysearch and related	7.3	12.4	
ECS / Styleclick	12.1	8.6	
HSN - international and other (a)	81.5	83.4	
Sub-total	\$100.9	\$104.4	
Euro's exchange rate fluctuation (b)	(16.5)	(13.7)	
Disengaged HSN Homes (c)	(0.9)	36.2	
Intersegment Elimination	(3.0)	0.0	
Total	\$1,007.1	\$877.9	15%
Adjusted EBITDA - Operating Businesses			
HSN - U.S.	\$57.7	\$45.7	26%
Ticketing	33.7	30.2	11%
Hotel Reservations Network	25.8	15.8	63%
Expedia	34.5	4.5	661%
PRC	5.7	10.0	-43%
Match.com	6.9	0.3	2503%
Corporate and other	(8.7)	(7.9)	-10%
Sub-total	\$155.6	\$98.6	58%
Adjusted EBITDA - Emerging Businesses			
Citysearch and related	(10.7)	(11.8)	
ECS / Styleclick	(8.5)	(16.9)	
HSN - international and other (a)	(4.6)	(0.8)	
Sub-total	(\$23.8)	(\$29.4)	
Euro's exchange rate fluctuation (b)	(0.3)	(0.9)	
Disengaged HSN Homes (c)	0.0	6.0	
Total	\$131.6	\$74.3	77%
Attributable Adjusted EBITDA - Operating Businesses	\$116.7	\$80.6	45%

(a) HSN Germany reported revenue and EBITDA (net of Euro's exchange rate fluctuation), respectively, of \$59.6 million and \$1.0 million in Q1 2002, vs. \$65.2 million and \$4.7 million in Q1 2001.

(b) In order to present comparable results for HSN Germany, the results have been translated from Euros to U.S. dollars at a constant exchange rate.

(c) 2001 amounts reflect estimated results generated by homes lost by HSN following the sale of USA Broadcasting to Univision. 2002 amounts reflect disengagement related sales rebates offered to customers impacted by disengagement.

Adjusted EBITDA, also referred to as EBITDA in this release, is defined as operating income plus (1) depreciation and amortization, (2) amortization of cable distribution fees (\$13.0 million & \$8.8 million, in Q1 2002 and 2001, respectively), (3) amortization of non-cash distribution, marketing, and compensation expense, and (4) disengagement related payments to cable operators, marketing expenses and sales rebates (\$11.5 million in Q1 2002) related to the transfer of HSN's distribution to cable (which has been accomplished).

Cash net income ("CNI") is defined as net income available to common shareholders plus (1) amortization of non-cash distribution, marketing, and compensation expense (2) amortization of goodwill (in 2001) and intangibles and (3) minority interest related to Holdco. Shares outstanding to compute CNI EPS is defined as actual shares outstanding plus 33.2 million shares of Holdco that are exchangeable into USA common stock. Related to Holdco, the Company has the right to issue common stock for all remaining exchangeable shares. CNI EPS amounts are shown on a fully diluted, treasury method basis, including the impact of dilutive securities.

Attributable Adjusted EBITDA - Operating Businesses is defined as Adjusted EBITDA from Operating Businesses, less the percentage of Adjusted EBITDA attributable to minority shareholders of USA's public subsidiaries. This percentage is determined based on fully diluted, treasury method shares as of March 31, 2002.

CAPITALIZATION

The company reported shares outstanding, as of April 15, 2002, and net cash and other securities, as of March 31, 2002, of the following (amounts in millions):

	Pro Forma for Vivendi Deal	Pre- Vivendi Deal
Fully Diluted Shares Outstanding (a)	477	796
Consolidated Net Cash (b)	\$2,917	\$1,298
Face Value of Preferred Issued in Expedia Transaction	\$656	\$656
Securities in Vivendi Universal Entertainment (“VUE”) (c)	\$3,264	\$0

USA’s aggregate market capitalization, pro forma for the pending Vivendi transaction, was \$15.2 billion as of April 15, 2002.

- (a) Fully diluted shares. Includes treasury method options and warrants, exchangeable shares and other dilutive securities, and includes Vivendi’s remaining 56.6 million USA shares that may be delivered to USA in connection with USA's Series B preferred interest in VUE, which will be issued to USA in the pending Vivendi transaction.
- (b) Includes USA's consolidated cash including that of USA's public subsidiaries and an advance receivable to Universal of \$19.7 million which will be paid at the close of the Vivendi transaction. Excludes cash due to clients at Ticketmaster. Pro forma attributable net cash is \$2.6 billion, which accounts for minority ownership of USA's public subsidiaries on a fully diluted, treasury method basis.
- (c) Includes securities to be issued to USA in the pending Vivendi transaction, as follows: Series A preferred interest and 5.4% common interest in VUE at balance sheet carrying values, and Series B preferred interest in VUE, at the lesser of the March 31, 2002 market value of 56.6 million shares (\$1.8 billion), and the accreted face value of the Series B Preferred interest (initially \$1.75 billion).

OPERATING HIGHLIGHTS**HSN – U.S.**

- HSN’s gross profit increased 200 basis points to 35.5%, driven by a stronger inventory position in 2002, with inventory levels declining 12% year over year, and a shift toward higher margin products.
- Off-air revenue increased 40% over last year, driven by record upsells and roll-out of the new waitlist business. Customer take rates on upsells are up 26% since last year.
- HSN.com grew revenue 128% over Q1 2001 to \$43 million.
- HSN continues to improve the customer experience, reducing its customer service related calls by 13%. In addition, since opening the fulfillment center in Fontana, CA, HSN is shipping packages to West Coast customers 40% faster than in the year-ago period.
- Health and beauty products grew sales 20% over last year, driven by the popularity of the Andrew Lessman, Serious Skin Care and Elariia brands.
- Emmy-Award winner Christopher Lowell successfully debuted 10 new products on HSN, 6 of which sold out completely, generating sales that were more than 100% above plan. Christopher's after-show online chat attracted the largest such audience on HSN.com, illustrating the powerful link between HSN's on air and online channels.

Ticketmaster/Match.com/Citysearch

- Ticketing continues to migrate online at a fast clip. 38% of tickets were sold online in Q1, versus 30% last year. This trend increased during the quarter, with 40% of tickets sold online in March, and Ticketmaster is on track to meet its goal of 45% of ticket sales online by year-end.
- Ticketmaster was named the official ticketing provider and supporter of the 2004 Olympic Games in Athens.
- Top-selling events were U.S. Hot Rod Association Monster Truck Events, Ringling Brothers, Blink 182, N*SYNC and *John Hancock Champions on Ice 2002 Olympic Tour*.
- TicketFast™, Ticketmaster's electronic ticketing product, is now installed in 70 venues.
- Match.com ended the quarter with 527,662 subscribers, a 178% increase over the year ago period and a 38% increase over Q4 2001.
- Match.com accelerated its international expansion with the acquisition of Soulmates Technology, a global provider of online dating services in approximately 25 countries.
- Citysearch significantly increased monthly unique users to 7.1 million in March 2002 from 4.0 million in March 2001, and was named a "50 Best Website" by Time Magazine.
- Evite sent 7.7 million invitations this quarter, up 60% from last year. Evite increased monthly unique users 81% to 1.5 million in March.

Hotel Reservations Network

- On March 25, HRN unveiled its new brand and website, www.hotels.com, with superior technology and improved tools such as personalization, mapping functions, and enhanced customer service.
- HRN also launched a multi-million dollar marketing campaign, which has demonstrated great results in drawing people to the new site. Already, hotels.com is producing 7-10% of HRN's bookings, and most of these sales appear to be incremental.
- HRN beat its daily booking record on February 27th, with over \$3 million in bookings.
- In total, HRN sold over 1.4 million room nights in Q1, a 76% increase over the previous year.
- HRN now has over 6,000 properties, gaining a record 1,500 properties in Q1. This is as many properties as the company added in its first 9 years in business.
- HRN and Spirit Airlines announced that HRN will be the exclusive lodging provider for Spirit, which is the largest privately-held airline in the world.
- HRN announced that Hilton Hotels Corporation approved the participation by all of its corporately owned and managed Hilton and Doubletree branded hotels in the HRN distribution network.

Expedia

- On February 4th, USA closed its acquisition of a majority stake in Expedia.
- Merchant revenues were \$57.7 million, or 50% of revenues, surpassing agency revenues for the first time. Agency revenues were \$51.7 million, or 44% of revenues.
- Expedia expanded its average reach to 11 million monthly unique users, and at the same time increased its conversion ratio to 5.8% from 5.7% in the year-ago quarter.
- Expedia announced marketing agreements with major airlines including Continental Airlines, Delta Airlines and Alaska Airlines — providing consumers with values such as exclusive promotions, better deals within packages and discounted webfares.
- Expedia.com® launched the Walt Disney World Resort store, a one-stop shop where travelers can create vacation packages to the Orlando area, including stays at Walt Disney World Resort Hotels and theme park tickets.
- Expedia's WWTE continued its growth. In January, Expedia launched WWTE with Frontier Airlines for hotel and car. In February, British Airways became the first international partner to have local language private label versions of Expedia's lodging services on its US, UK, French and German sites.
- Expedia closed its acquisition of Classic Custom Vacations, the premier packager of high end Hawaii vacations, adding to its vacations business and expanding its distribution channels to traditional travel agents.

Precision Response Corporation

- PRC's business continues to be affected by the economy-related slowdown in the outsourcing of customer care programs, particularly in the telecom and financial services industries. However, PRC did grow Q1 revenue by 1% from Q4, reversing the negative sequential trend that existed in 2001.
- During the quarter, PRC signed customer service deals with Target, BillPoint, Lodging.com, and expanded existing client relationships with American Express, AT&T and Federal Express.

Other Highlights

- USA announced plans to purchase TV Travel Group, which operates 24-hour travel commerce TV networks in the U.K. and Germany. Management of TV Travel Group will oversee USA's planned travel commerce network.

OPERATING METRICS*All household numbers for HSN as of end of period.*

	<u>Q1 2002</u>	<u>Q1 2001</u>	<u>Growth</u>
HSN - U.S.			
Units Shipped (mm)	9.6	8.6	12%
Gross Profit %	35.5%	33.5%	
Return Rate	19.0%	19.6%	
Average price point	\$45.41	\$50.06	
Product mix:			
Homegoods	39%	41%	
Jewelry	24%	26%	
Health / Beauty	24%	19%	
Apparel / Accessories	13%	14%	
HSN cable / DBS homes (mm)	72.6	68.4	6%
HSN total homes (mm)	74.9	80.2	
HSN total homes pro forma for disengagement (mm)	74.9	68.9	9%
America's Store FTE's (mm)	11.2	8.4	33%

HSN - International and Other - Households*Consolidated Services:*

				<u>Avg. Live</u>	<u>Stake</u>
				<u>Hrs. Daily</u>	
HSE - Germany (includes Austria/Switzerland)	29.8	29.7	0.3%	16	42%
Home Shopping Espanol (U.S.)	4.7	4.5	4.4%	9	100%
Home Shopping Espanol (Mexico)	2.4	--	NM	3	100%

Unconsolidated Services:

TVSN (China) (HH airing at least 14 hrs/week)	16.9	16.8	0.7%	10	21%
Shop Channel (Japan)	11.9	9.4	26.6%	16	30%
HSE - Italy	9.4	9.4	0.0%	11	41%
HSE - Netherlands (includes Belgium)	3.6	1.6	125.0%	8	47%
HSE - France (includes Belgium / Luxembourg)	3.5	1.5	133.3%	5	47%
HSE - U.K. (launched 10/01)	6.0	--	NM	12	47%

TICKETMASTER

Number of tickets sold (mm)	23.9	23.6	1.5%
Gross value of tickets sold (mm)	\$997	\$937	6.4%
Revenue per ticket	\$5.97	\$5.96	0.2%
Share of tickets sold online	37.8%	29.5%	
Online ticketing revenue	\$62.2	\$49.6	25.4%

MATCH

Paid Subscribers	527,662	189,532	178.4%
New Registrations	2,911,700	1,054,729	176.1%
New Subscriptions	342,405	121,659	181.4%
Conversion rate (registration to subscription)	11.8%	11.5%	

HOTEL RESERVATIONS NETWORK

Hotel room nights sold (000s)	1,408	799	76.2%
Average daily rate	\$115.70	\$124.35	-7.0%
Cities served	218	135	61.5%
Properties	6,058	3,084	96.4%
Affiliates (including TravelNow)	25,755	18,649	38.1%

EXPEDIA

Gross bookings (000s)	(a) \$1,107,000	\$674,000	64.2%
Total transactions (000s)	(b) 3,045	1,780	71.1%
Average Media Metrix reach (000s)	(c) 11,242	6,969	61.3%
Expedia.com conversion	(d) 5.8%	5.7%	
New purchasing customers (000s)	(e) 1,316	671	96.1%
Cumulative purchasing customers (000s)	(f) 7,610	3,603	NM
Unique purchasing customers (000s)	(g) 1,874	1,007	86.1%

Please see footnotes on next page.

FOOTNOTES

- (a) Gross bookings represents the total value of travel booked through the Expedia, VacationSpot, and WWTE sites.
- (b) Transactions represents the number of reservations and purchases transacted through the Expedia and WWTE sites.
- (c) Average monthly Media Metrix reach represents the unduplicated reach for the Expedia and VacationSpot sites.
- (d) Conversion represents the monthly average Expedia.com unique monthly purchasers divided by the monthly average Media Metrix reach for the Expedia.com site.
- (e) Expedia new purchasing customers represents the number of new customers transacting through the Expedia sites in a quarter.
- (f) Expedia cumulative purchasing customers represents the cumulative number of customers that have ever transacted through the Expedia sites as of the end of a quarter.
- (g) Expedia quarterly unique purchasing customers represents the number of unique customers transacting through the Expedia sites over the course of a quarter.

USA ENTERTAINMENT

On April 23, USA shareholders overwhelmingly approved the transaction in which the Company's Entertainment Group would be contributed to a joint venture with Vivendi Universal called Vivendi Universal Entertainment ("VUE"). The transaction is expected to close in early May. Below are summary results for USA Entertainment (consists of USA Cable, Studios USA and USA Films):

	<u>Q1 2002</u>	<u>Q1 2001</u>	<u>Growth</u>
Revenue	\$405.0	\$492.1	-17.7%
EBITDA	116.3	160.7	-27.6%

ADOPTION OF NEW ACCOUNTING RULES FOR GOODWILL

As USA has stated in previous publicly filed documents, effective January 1, 2002, all calendar year companies were required to adopt FAS 141/142, the new accounting rules for goodwill and other intangible assets. The new rules eliminated amortization of goodwill and other intangible assets with indefinite lives and established new measurement criterion for these assets. The company recorded a pre-tax write-off of \$499 million related to the Citysearch and Precision Response (PRC) businesses. Although Citysearch and PRC are expected to generate positive cash flows in the future, due to cash flow discounting techniques required by the new rules, the future cash flows do not support current carrying values. The Citysearch write-off was \$115 million, and the PRC write-off was \$384 million. Goodwill recorded in Q1 2001 was \$58.4 million.

Analyst Conference Call

USA Networks, Inc. will audiocast its conference call with analysts and investors discussing the company's fourth quarter financial results on Wednesday, April 24, 2002, at 11:00 a.m. Eastern Time (ET). The live audiocast is open to the public, and a replay will be available approximately one hour after its completion, at www.usanetworks.com/investor.relations.

Important Disclosures / Legend and Forward Looking Statements / Footnotes

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are necessarily estimates reflecting the best judgment of the senior management of USA and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements should, therefore, be considered in light of various important factors, including those set forth herein and in the documents USA files with the Securities and Exchange Commission. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation: material adverse changes in economic conditions generally or in the markets served by USA, material changes in inflation, future regulatory and legislative actions affecting USA's operating areas, competition from others, product demand and market acceptance, the ability to protect proprietary information and technology or to obtain necessary licenses on commercially reasonable terms, the ability to expand into and successfully operate in foreign markets, and obtaining and retaining skilled workers and key executives. The words "estimate," "project," "intend," "expect," "believe" and similar expressions are intended to identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. USA does not undertake any obligation to update or revise these forward-looking statements, whether as a result of new information, future events or any other reason. The financial, statistical and other information contained in this press release and its attachments is unaudited.

About USA Networks, Inc.

USA Networks, Inc. (Nasdaq: USAI), to be renamed USA Interactive upon the close of its pending transaction with Vivendi Universal, is organized into two groups, the Interactive Group and the Entertainment Group. The Interactive Group consists of Expedia, Inc. (Nasdaq: EXPE), Home Shopping Network (including HSN International and HSN Interactive); Ticketmaster (Nasdaq: TMCS), which operates Citysearch and Match.com; Hotel Reservations Network (Nasdaq: ROOM); Electronic Commerce Solutions; Styleclick (OTC: IBUYA); Precision Response Corporation; and will include TV Travel Group upon the close of the USA/TV Travel Group transaction. The Entertainment Group consists of USA Cable, including USA Network, SCI FI Channel, TRIO, Newsworld International, and Crime; Studios USA, which produces and distributes television programming; and USA Films, which produces and distributes films.

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USA Interactive and Subsidiaries
All Amounts Exclude Entertainment Assets to be Contributed in the Pending Vivendi Transaction
and Include Expedia for the Full Period
Unaudited Business Segment Information
(\$ in thousands)

Three Months Ended March 31,

	<u>Pro Forma</u> <u>2002</u>	<u>Pro Forma</u> <u>2001</u>
Revenues - Operating Businesses		
HSN - U.S.	\$ 396,183	\$ 349,220
Ticketing	153,379	150,109
Hotel Reservations Network	165,712	105,286
Expedia	116,006	57,222
PRC	70,089	80,692
Match.com	25,265	8,544
Sub-total	926,634	751,073
Revenues - Emerging Businesses		
Citysearch and related	7,275	12,384
ECS/Styleclick	12,084	8,572
HSN - international and other	81,534	83,408
Sub-total	100,893	104,364
Euro's exchange rate fluctuation ^(a)	(16,545)	(13,705)
Disengaged HSN homes ^(b)	(857)	36,152
Intersegment Elimination	(2,989)	-
Total	\$ 1,007,136	\$ 877,884
Adjusted EBITDA - Operating Businesses ^(c)		
HSN - U.S.	\$ 57,717	\$ 45,706
Ticketing	33,685	30,233
Hotel Reservations Network	25,794	15,822
Expedia	34,549	4,539
PRC	5,732	10,017
Match.com	6,872	264
Corporate and other	(8,701)	(7,937)
Sub-total	155,648	98,644
Adjusted EBITDA - Emerging Businesses ^(c)		
Citysearch and related	(10,740)	(11,751)
ECS/Styleclick	(8,465)	(16,918)
HSN - international and other	(4,572)	(769)
Sub-total	(23,777)	(29,438)
Euro's exchange rate fluctuation ^(a)	(279)	(936)
Disengaged HSN homes ^(b)	-	6,029
Total	\$ 131,592	\$ 74,299
Attributable Adjusted EBITDA- Operating Businesses ^(d)	\$ 116,729	\$ 80,622

(a) In order to present comparable results for HSN Germany, the results have been translated from Euros to U.S. dollars at a constant exchange rate.

(b) 2001 amounts reflect estimated results generated by homes lost by HSN following disengagement of USA Broadcasting to Univision. 2002 amount reflects disengagement related sales rebates offered to customers impacted by disengagement.

(c) Adjusted EBITDA, is defined as operating income plus, (1) depreciation and amortization, (2) amortization of cable distribution fees (\$13,000 and \$8,756, in Q1 2002 and 2001, respectively), (3) amortization of non-cash distribution and marketing expense and non-cash compensation expense and (4) disengagement related payments to cable operators, marketing expenses and sales rebates (\$11,538 in Q1 2002) related to the transfer of HSN's distribution to cable (which has been accomplished).

(d) Attributable Adjusted EBITDA- Operating Businesses is defined as Adjusted EBITDA from Operating Businesses, less the percentage of Adjusted EBITDA attributable to minority shareholders of USA's public subsidiaries. This percentage is determined based on fully diluted, treasury method shares as of March 31, 2002.

USA Interactive and Subsidiaries
All Amounts Exclude Entertainment Assets to be Contributed in the Pending Vivendi Transaction
and Include Expedia for the Full Period
Unaudited Business Segment Information
(\$ in thousands, except per share data)

Three Months Ended March 31,

	Pro Forma	Pro Forma
	2002	2001
Revenues, net	\$ 1,007,136	\$ 877,884
Operating costs and expenses:		
Costs related to revenues	628,134	568,167
Other costs and expenses	248,267	235,418
Disengagement costs ^(a)	10,681	-
Amortization of non cash distribution and marketing expense ^(b)	11,023	8,017
Amortization of non cash compensation expense ^(c)	4,738	9,332
Amortization of cable distribution fees	13,000	8,756
Depreciation and amortization ^(d)	66,986	64,853
Total operating costs and expenses	982,829	894,543
Operating income	24,307	(16,659)
Interest expense, net	(4,224)	(2,615)
Other, net	12,873	18,597
Earnings before income taxes and minority interest	32,956	(677)
Income tax expense	(21,650)	(24,730)
Minority interest	(4,072)	8,363
Earnings/(loss) before preferred dividend	\$ 7,234	\$ (17,044)
Preferred dividend ^(e)	(3,264)	(3,264)
Net earnings/(loss) available to common shareholders from continuing operations ^(d)	\$ 3,970	\$ (20,308)
Diluted net loss available to common shareholders from continuing operations	\$ (451)	\$ (20,308)
Cash net income from continuing operations	\$ 25,535	\$ 4,057
Weighted average diluted shares	471,832	397,842
Weighted average CNI shares	471,832	456,277
EPS Available to Common Shareholders from continuing operations		
Diluted loss per share available to common shareholders	\$.00	\$ (.05)
Cash net income per share	\$.05	\$.01
Adjusted EBITDA ^(f)	\$ 131,592	\$ 74,299

(a) Represents costs incurred related to the disengagement of HSN from the USA Broadcasting stations. Amounts primarily relate to payments to cable operators and related marketing expenses in the disengaged markets. Note that an additional \$857 of disengagement related sales rebates offered to customers impacted by disengagement is reflected net of revenue.

(b) Amortization of warrants and stock issued in exchange for distribution and marketing services.

(c) Expense relates to the Company's bonus stock purchase program, restricted stock awards and certain stock option grants.

(d) Q1 '02 excludes cumulative effect expense from adoption of FAS 141/142 of \$310,587 after tax and minority interest. Including this non-operating charge results in a diluted EPS of \$(0.75) for Q1 '02. Q1 '01 is presented as if the new accounting rules for goodwill were effective as of January 1, 2001. The amount of goodwill in Q1 '01 was \$37,702, after tax and minority interest. Including this goodwill results in a diluted EPS of \$(0.15) for Q1 '01.

(e) In relation to Expedia, the Company issued preferred stock with a dividend of 1.99%, payable in cash or stock.

(f) Adjusted EBITDA, is defined as operating income plus, (1) depreciation and amortization, (2) amortization of cable distribution fees (\$13,000 and \$8,756, in Q1 2002 and 2001, respectively), (3) amortization of non-cash distribution and marketing expense and non-cash compensation expense and (4) disengagement related payments to cable operators, marketing expenses and sales rebates (\$11,538 in Q1 2002) related to the transfer of HSN's distribution to cable (which has been accomplished).

USA Interactive and Subsidiaries
EPS and Cash Net Income Reconciliation Information
Unaudited
(\$ in thousands, except per share data)

Three Months Ended March 31,

	<u>Pro Forma</u> <u>2002</u>	<u>Pro Forma</u> <u>2001</u>
DILUTED LOSS PER SHARE:		
Net earnings/(loss) before preferred dividend	\$ 7,234	\$ (17,044)
Impact of exchangeable shares and dilutive securities	(4,421)	-
Preferred Dividend	(3,264)	(3,264)
Diluted net loss available to common shareholders	\$ (451)	\$ (20,308)
Weighted average diluted shares	471,832	397,842
Diluted loss per share available to common shareholders	\$.00	\$ (.05)
CASH NET INCOME:		
Net loss before preferred dividend	\$ 7,234	\$ (17,044)
Impact of exchangeable shares and dilutive securities	(4,421)	340
Preferred Dividend	(3,264)	(3,264)
Impact of non-cash items, net of tax and minority interest	25,986	24,025
Cash net income	\$ 25,535	\$ 4,057
Weighted average CNI shares	471,832	456,277
Cash net income per share	\$.05	\$.01
Reconciliation of Basic and Cash Net Income Outstanding Shares		
Basic weighted average shares	408,364	397,842
Exchangeable Holdco shares	33,217	33,217
Treasury Method Stock Options and Warrants	30,251	25,218
	<u>471,832</u>	<u>456,277</u>

USA Networks, Inc. and Subsidiaries
Business Segment Information - Continuing Operations
Unaudited
(\$ in thousands)

Three Months Ended March 31,

	<u>Actual</u> <u>2002</u>	<u>Actual</u> <u>2001</u>
Revenues - Operating Businesses		
Cable and studios	\$ 367,259	\$ 434,972
HSN - U.S.	396,183	349,220
Ticketing	153,379	150,109
Hotel Reservations Network	165,712	105,286
Expedia	80,519	-
PRC	70,089	80,692
Match.com	25,265	8,544
Sub-total	1,258,406	1,128,823
Revenues - Emerging Businesses		
Citysearch and related	7,275	12,384
ECS/Styleclick	12,084	8,572
HSN - international and other	81,534	83,408
USA Films	30,743	51,006
Trio, NWI, Crime, other emerging media	6,976	6,163
Sub-total	138,612	161,533
Euro's exchange rate fluctuation ^(a)	(16,545)	(13,705)
Disengaged HSN homes ^(b)	(857)	36,152
Intersegment Elimination	(7,048)	-
Total	\$ 1,372,568	\$ 1,312,803
Adjusted EBITDA - Operating Businesses ^(c)		
Cable and studios	\$ 126,324	\$ 163,406
HSN- U.S.	57,717	45,706
Ticketing	33,685	30,233
Hotel Reservations Network	25,794	15,822
Expedia	25,371	-
PRC	5,732	10,017
Match.com	6,872	264
Corporate and other	(9,293)	(7,937)
Sub-total	272,202	257,511
Adjusted EBITDA - Emerging Businesses ^(c)		
Citysearch and related	(10,740)	(11,751)
ECS/Styleclick	(8,465)	(16,918)
HSN - international and other	(4,572)	(769)
USA Films	(6,069)	(1,033)
Trio, NWI, Crime, other emerging media	(3,409)	(1,697)
Sub-total	(33,255)	(32,168)
Euro's exchange rate fluctuation ^(a)	(279)	(936)
Disengaged HSN Homes ^(b)	-	6,029
Intersegment Elimination	(4,059)	-
Total	\$ 234,609	\$ 230,436

(a) In order to present comparable results for HSN Germany, the results have been translated from Euros to U.S. dollars at a constant exchange rate.

(b) Reflects estimated results generated by homes lost by HSN following disengagement of USA Broadcasting to Univision. 2002 amount reflects disengagement related sales rebates offered to customers impacted by disengagement.

(c) Adjusted EBITDA, is defined as operating income plus, (1) depreciation and amortization, (2) amortization of cable distribution fees (\$13,000 and \$8,756, in Q1 2002 and 2001, respectively), (3) amortization of non-cash distribution and marketing expense and non-cash compensation expense and (4) disengagement related payments to cable operators, marketing expenses and sales rebates (\$11,538 in Q1 2002) related to the transfer of HSN's distribution to cable (which has been accomplished).

USA Networks, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
Unaudited
(\$ in thousands, except per share data)

Three Months Ended March 31,

	Actual 2002	Actual 2001
Revenues, net	\$ 1,372,568	\$ 1,312,803
Operating costs and expenses:		
Costs related to revenues	822,452	799,849
Other costs and expenses	316,364	282,518
Disengagement costs ^(a)	10,681	-
Amortization of non cash distribution and marketing expense ^(b)	6,964	8,017
Amortization of non cash compensation expense ^(c)	3,808	2,855
Amortization of cable distribution fees	13,000	8,756
Depreciation and amortization ^(d)	62,853	54,234
Total operating costs and expenses	1,236,122	1,156,229
Operating income	136,446	156,574
Interest expense, net	(11,758)	(11,416)
Other, net	(12,132)	(6,522)
Earnings before income taxes and minority interest	112,556	138,636
Income tax expense	(32,180)	(33,742)
Minority interest	(54,476)	(79,075)
Net earnings/(loss) from continuing operations	\$ 25,900	\$ 25,819
Preferred dividend ^(e)	(1,967)	-
Net earnings available to common shareholders ^(d)	\$ 23,933	\$ 25,819
Diluted net income available to common shareholders	\$ 22,838	\$ 25,819
Cash net income	\$ 64,419	\$ 95,373
Weighted average diluted shares	421,959	396,894
Weighted average cash net income shares	783,112	758,047
EPS from continuing operations		
Diluted loss per share available to common shareholders	\$.05	\$.07
Cash net income per share	\$.08	\$.13
Adjusted EBITDA ^(f)	\$ 234,609	\$ 230,436

(a) Represents costs incurred related to the disengagement of HSN from the USA Broadcasting stations.

Amounts primarily relate to payments to cable operators and related marketing expenses in the disengaged markets.
Note that the additional \$857 of disengagement related sales rebates offered to customers impacted by disengagement is reflected net of revenue.

(b) Amortization of warrants and stock issued in exchange for distribution and marketing services.

(c) Expense relates to the Company's bonus stock purchase program, restricted stock awards and certain stock option grants.

(d) Q1 '02 excludes cumulative effect expense from adoption of FAS 141/142 of \$310,587 after tax and minority interest. Including this non-operating charge results in a diluted EPS of \$(0.73) for Q1 '02. Q1 '01 is presented as if the new accounting rules for goodwill were effective as of January 1, 2001. The amount of goodwill in Q1 '01 was \$43,201, after tax and minority interest. Furthermore, Q1 '01 excludes cumulative effect expense from adoption of the new accounting rules for film accounting of \$9,187, net of tax and minority interest. Including the goodwill and cumulative effect adjustment results in a diluted EPS of \$(0.07) for Q1 '01.

(e) In relation to Expedia, the Company issued preferred stock with a dividend of 1.99%, payable in cash or stock.

(f) Adjusted EBITDA, is defined as operating income plus, (1) depreciation and amortization, (2) amortization of cable distribution fees (\$13,000 and \$8,756, in Q1 2002 and 2001, respectively), (3) amortization of non-cash distribution and marketing expense and non-cash compensation expense and (4) disengagement related payments to cable operators, marketing expenses and sales rebates (\$11,538 in Q1 2002) related to the transfer of HSN's distribution to cable (which has been accomplished).

USA Networks, Inc. and Subsidiaries
EPS and Cash Net Income Reconciliation Information - Continuing Operations
Unaudited
(\$ in thousands, except per share data)

Three Months Ended March 31,

	<u>Actual</u> <u>2002</u>	<u>Actual</u> <u>2001</u>
DILUTED LOSS PER SHARE:		
Net earnings before preferred dividend	\$ 25,900	\$ 25,819
Impact of exchangeable shares and dilutive securities	(1,095)	-
Preferred Dividend	(1,967)	-
Diluted income available to common shareholders	\$ 22,838	\$ 25,819
Weighted average diluted shares	421,959	396,894
Diluted earnings per share available to common shareholders	\$.05	\$.07
CASH NET INCOME:		
Net loss before preferred dividend	\$ 25,900	\$ 25,819
Impact of exchangeable shares and dilutive securities	24,123	50,637
Preferred Dividend	(1,967)	-
Impact of non-cash items, net of tax and minority interest	16,363	18,917
Cash net income	\$ 64,419	\$ 95,373
Weighted average CNI shares	783,112	758,047
Cash net income per share	\$.08	\$.13
Reconciliation of Basic and Cash Net Income Outstanding Shares		
Basic weighted average shares	393,736	370,176
Exchangeable Holdco shares	361,153	361,153
Treasury Method Stock Options	28,223	26,718
	<u>783,112</u>	<u>758,047</u>