

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934\*

Home Shopping Network, Inc.

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(Name of Issuer)

Common Stock, par value \$.01 per share

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(Title of Class of Securities)

437351109

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(CUSIP Number)

Michael Drayer, Esq.  
Silver King Communications, Inc.  
12425 28th Street North  
St. Petersburg, Florida 33716  
(813) 573-0339

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(Name, Address and Telephone Number of Person Authorized  
to Receive Notices and Communications)

November 27, 1995

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(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box [ ].

Check the following box if a fee is being paid with this statement [X]. (A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of less than five percent of such class. See Rule 13d-7.)

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

\*The remainder of this cover page should be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 437351109

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(1) Names of Reporting Persons S.S. or I.R.S. Identification Nos. of  
Above Persons

Silver King Communications, Inc.  
59-2712887

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(2) Check the Appropriate Box if a Member of a Group

(a) [ ]  
(b) [ ]

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(3) SEC Use Only

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(4) Source of Funds

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(5) Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)

[ ]

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(6) Citizenship or Place of Organization

Delaware

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Number of Shares Beneficially Owned by Each Reporting Person	(7) Sole Voting Power	0 shares
	(8) Shared Voting Power	37,566,702 shares (See Item 5.)
	(9) Sole Dispositive Power	0 shares
With	(10) Shared Dispositive Power	37,566,702 shares (See Item 5.)

(11) Aggregate Amount Beneficially Owned by Each Reporting Person

37,566,702 shares  
(See Item 5.)

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(12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares

[X]

Excludes shares of Common Stock and options to purchase Common Stock owned by the executive officers and directors of Silver King.

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(13) Percent of Class Represented by Amount in Row (11)

41%

Because each share of Class B Stock generally is entitled to ten votes per share while the Common Stock is entitled to one vote per share, the Reporting Person may be deemed to beneficially own equity securities of the Company representing approximately 80% of the voting power of the Company.

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(14) Type of Reporting Person (See Instructions)

CO

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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D

Statement of

SILVER KING COMMUNICATIONS, INC.

Pursuant to Section 13(d) of the  
Securities Exchange Act of 1934

in respect of

HOME SHOPPING NETWORK, INC.

This Report on Schedule 13D (the "Schedule 13D") relates to the common stock, par value \$.01 per share, of Home Shopping Network, Inc., a Delaware corporation (the "Company"). This Report is filed by Silver King Communications, Inc. (sometimes referred to herein as the "Reporting Person").

Item 1. Security and Issuer

The class of equity securities to which this statement relates is the common stock, par value \$.01 per share, of the Company (the "Common Stock"), which has its principal executive offices at 2501 118th Avenue North, St. Petersburg, Florida 33716.

Pursuant to Rule 13d-3 promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"), this Report also relates to the shares of Common Stock issuable upon conversion of shares of Class B Common Stock, par value \$.01 per share, of the Company (the "Class B Common Stock"). Each share of Common Stock is entitled to one vote per share. Pursuant to the Company's Amended and Restated Certificate of Incorporation (the "Company Charter"), each share of Class B Common Stock is convertible into one share of Common Stock, is generally entitled to ten votes per share and, so long as there are fewer than 22,800,000 shares of Class B Common Stock outstanding, the holders of Class B Common Stock vote together as a single class with the holders of Common Stock on all matters submitted to Company stockholders, except that the holders of Common Stock are entitled to elect 25% of the members of the Board of Directors of the Company voting as a separate class.

Item 2. Identity and Background

This Report is being filed by Silver King Communications, Inc. ("Silver King") (Commission File No. 0-20570; IRS Identification No. 59-2712887), a Delaware corporation whose principal business and office address is 12425 28th Street North, St. Petersburg, Florida 33716. Silver King is principally engaged in the ownership and operation of television stations, which stations at present primarily broadcast retail sales programming produced by a subsidiary of the Company.

The name, business address and present principal occupation or employment and the name, address and principal business of any corporation or other organization in which such employment is conducted of (i) each of the executive officers and directors of Silver King, (ii) each person controlling Silver King and (iii) the executive officers and directors of any corporation controlling Silver King are set forth in Schedule 1 attached hereto and incorporated herein by reference.

During the last five years, neither Silver King nor, to the best of its knowledge, any of the persons named on Schedule 1 (the "Schedule 1 Persons") has (i) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws. To the best knowledge of Silver King, each of its executive officers and directors is a citizen of the United States.

Item 3. Source and Amount of Funds or Other Consideration

The consideration to be paid by Silver King to the Silver Company (as defined in Item 4 below) in the Exchange (as defined in Item 4 below) is 4,855,436 shares of common stock, par value \$.01 per share, of Silver King (the "Silver King Common Stock"), for 17,566,702 shares of Common Stock, and 6,082,000 shares of Class B stock, par value \$.01 per share, of Silver King (the "Silver King Class B Stock"), for 20,000,000 shares of Class B Common Stock, all of which Company securities (the "TCI HSN Shares") will be acquired by the Silver Company immediately prior to the Exchange in the merger (the "Liberty/Silver Merger") of Liberty HSN, Inc., an indirect wholly-owned subsidiary of Tele-Communications, Inc. ("TCI"), with and into the Silver Company. The shares to be issued by Silver King in

the Exchange are sometimes referred to herein as the "Silver King Exchange Securities".

Item 4. Purpose of Transaction

Commencing in August 1995 and from time to time thereafter, Barry Diller, the Chairman of the Board of Directors and Chief Executive Officer of Silver King and a director of the Company, and representatives of TCI have discussed the possible acquisition by Silver King of TCI's equity interest in the Company, as well as the possible appointment of Mr. Diller as the Chairman of the Board of Directors of the Company. On November 27, 1995, the Company issued a press release in which it announced that Mr. Diller were appointed its Chairman of the Board. In connection therewith, Mr. Diller and certain members of his proposed Company management team had been granted options to purchase an aggregate of 16,000,000 shares of Common Stock at an exercise price of \$8.50 per share, which shares would represent approximately 15% of the outstanding Common Stock and Class B Common Stock (assuming the exercise of all such options). In addition, at separate meetings of the Boards of Directors of the Company and Silver King held on November 27, 1995, the Board of Directors of the Company (as described below) and the Board of Directors of Silver King approved the acquisition by Silver King of the TCI HSN Shares in a two step transaction. In the first step, the Silver Company (the entity controlled by Barry Diller in which Liberty Media Corp., a wholly owned subsidiary of TCI ("Liberty") owns a substantial equity stake, pursuant to a Stockholders Agreement, dated as of August 24, 1995, as amended by an amendment thereto (the "First Amendment"), dated as of November 27, 1995, by and between Mr. Diller and Liberty (as amended, the "Stockholders Agreement")) would acquire TCI's interest in the Company pursuant to an Agreement and Plan of Merger, dated as of November 27, 1995, by and among the Silver Company, Liberty Program Investments, Inc. and Liberty HSN, Inc. (the "Liberty HSN Merger Agreement"). In the second step, the TCI HSN Shares acquired by the Silver Company in the Liberty/Silver Merger would immediately thereafter be exchanged for the Silver King Exchange Securities (the "Exchange") pursuant to an Exchange Agreement, dated as of November 27, 1995, by and between Silver King and the Silver Company (the "Exchange Agreement"). Each of the Stockholders Agreement, the First Amendment, the Liberty HSN Merger Agreement, the Exchange Agreement and the Company press release is filed as an Exhibit hereto and is incorporated herein by reference.

In connection with the acquisition of the TCI HSN Shares, Silver King and Liberty requested the Board of Directors of the Company to consider the proposed transaction and to approve the acquisition of beneficial ownership of the TCI HSN

Shares by Silver King, the Silver Company, Mr. Diller and Liberty for purposes of Section 203 of the Delaware General Corporation Law. Prior to there being any agreement, arrangement or understanding relating to the acquisition of the TCI HSN Shares, Silver King was advised by the Company that the Company Board of Directors, upon the recommendation of a special committee of the independent directors, had approved such transaction for purposes of Section 203.

All of the Silver King Exchange Securities will become subject to the terms of the Stockholders Agreement. The Stockholders Agreement provides Mr. Diller with effective control over the voting of all equity securities of Silver King owned by Liberty, Mr. Diller and certain of their respective affiliates, subject to certain restrictions. For a description of the terms of the Stockholders Agreement as well as the provisions relating to voting authority over Silver King securities, see the Schedule 13D, dated August 28, 1995, filed with the Securities and Exchange Commission (the "SEC") by TCI and Barry Diller, in respect of Silver King (as amended, the "TCI/Diller Schedule 13D") and the amendment thereto, dated November 30, 1995 and filed with the SEC, which Schedule 13D and amendment are filed as Exhibits hereto and incorporated herein by reference.

Following the Liberty/Silver Merger and the Exchange and assuming the consummation of certain transactions pursuant to the Stockholders Agreement but without giving effect to (i) a pending merger transaction involving Silver King and Savoy Pictures Entertainment, Inc. (in which approximately 6,000,000 shares of Silver King Common Stock would be issued) or (ii) the exercise of options to acquire Silver King Common Stock that were granted to Mr. Diller, none of which options is currently exercisable or exercisable within 60 days, it is currently expected that Liberty, Mr. Diller and their respective affiliates (including the Silver Company) will collectively beneficially own 5,359,054 shares of Silver King Common Stock and 8,082,000 shares of Silver King Class B Stock, which shares constitute approximately 66% of the outstanding equity securities of Silver King. Such Silver King securities would, primarily by virtue of the fact that the shares of Silver King Class B Stock are entitled to ten votes per share while the Silver King Common Stock is entitled to one vote per share, represent approximately 89% of the voting power of the outstanding equity securities of Silver King.

By virtue of its acquisition of the TCI HSN Shares, Silver King would beneficially own shares of Common Stock and Class B Common Stock representing approximately 41% of the outstanding equity securities of the Company, which shares

would represent approximately 80% of the voting power of the outstanding equity securities of the Company. Because there are currently fewer than 22,800,000 shares of Class B Common Stock outstanding, pursuant to the Company Charter, the holders of the Class B Common Stock generally will vote together as a class with the holders of the Common Stock with respect to all matters presented to the stockholders of the Company. As a result, Silver King would have the power to elect a majority of the members of the Board of Directors of the Company and to determine the outcome of the vote with respect to substantially all matters presented to a vote of the stockholders of the Company or by which such stockholders act by written consent. So long as Mr. Diller is entitled to vote the shares of Silver King stock held by the Silver Company, under the terms of the Stockholders Agreement Mr. Diller will have indirect voting control of the Company by virtue of his voting control of Silver King (based upon the anticipated equity capital structure of each of Silver King and the Company upon the consummation of the foregoing transactions and certain other transactions pursuant to the Stockholders Agreement).

Pursuant to the Stockholders Agreement, Mr. Diller has agreed that, if so requested by Liberty, following the Liberty/Silver Merger and the Exchange, he will use his reasonable best efforts to cause one designee of Liberty to serve or continue to serve on the Board of Directors of the Company.

The consummation of the Liberty/Silver Merger and the Exchange is subject to the satisfaction of a number of conditions, including, but not limited to, approval of the stockholders of Silver King to authorize the shares of Silver King Common Stock and Silver King Class B Stock required to consummate the Exchange and to approve certain other amendments to its Amended and Restated Certificate of Incorporation, and the receipt of certain regulatory consents and approvals.

Subsequent to execution of the documents summarized herein, the Company announced that Mr. James G. Held was appointed by the Board of Directors of the Company as the Chief Executive Officer and President of the Company. Pursuant to the terms of Mr. Held's employment agreement with the Company, it is contemplated that Mr. Held will be elected a director of the Company.

In reaching any conclusion as to its future course of action in connection with the Company, the Reporting Person will take into consideration various factors, such as other business opportunities available to the Reporting Person, developments with respect to the business of the Company and of the Reporting Person, and general economic and stock market

conditions, including, but not limited to, the market price of the Common Stock.

Other than as described herein, neither Silver King nor, to the best of Silver King's knowledge, any of its executive officers, directors or controlling persons, has any present plans or proposals which relate to or would result in: (a) the acquisition by any person of securities of the Company, or the disposition of securities of the Company; (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Company or any of its subsidiaries; (c) a sale or transfer of a material amount of assets of the Company or of any of its subsidiaries; (d) any change in the present Board of Directors or management of the Company, including any plans or proposals to change the number or terms of directors or to fill any existing vacancies on the Board of Directors of the Company; (e) any material change in the present capitalization or dividend policy of the Company; (f) any other material change in the Company's business or corporate structure; (g) changes in the Company Charter, the Company's by-laws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Company by any person; (h) causing a class of securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in any inter-dealer quotation system of a registered national securities association; (i) a class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act; or (j) any action similar to any of those enumerated above.

Notwithstanding anything contained herein, the Reporting Person reserves the right, depending on other relevant factors, to change its intention with respect to any and all of the matters referred to in the preceding paragraph.

The foregoing summary descriptions are qualified in their entirety by reference to the Exhibits attached hereto, including the agreements referred to above and the press releases, dated November 27, 1995, issued by each of the Company and Silver King, which Exhibits are hereby incorporated by reference herein.

Item 5. Interest in Securities of the Issuer

(a)-(b) Upon consummation of the Liberty/Silver Merger and the Exchange, Silver King will own 17,566,702 shares of Common Stock and 20,000,000 shares of Class B Common Stock, which shares represent approximately 41% of the outstanding

Common Stock and Class B Common Stock and approximately 80% of the outstanding voting power of the Company stock, based upon information contained in the Company's report on Form 10-Q, dated November 6, 1995 and filed with the SEC.

As a result of the Liberty HSN Merger Agreement and the Exchange Agreement, Silver King and the Silver Company may be deemed to share beneficial ownership of the TCI HSN Shares with Liberty. Upon consummation of the Exchange, Silver King will have the sole power to vote or to direct the voting of and sole power to dispose of or direct the disposition of all shares of which it has beneficial ownership.

The amounts set forth above do not include any Company securities owned by any of the Schedule 1 Persons or that may be owned by such persons upon the exercise of outstanding options to purchase Common Stock. To the knowledge of Silver King, the number of shares of Common Stock beneficially owned by any of the Schedule 1 Persons (beneficial ownership of which is expressly disclaimed by Silver King) is set forth below:

Individual	No. of Shares of Common Stock Beneficially Owned
Barry Diller	130,000 (includes options to purchase 30,000 shares of Common Stock; excludes options to purchase 13,460,000 shares of Common Stock, none of which is currently exercisable or becomes exercisable in the next 60 days)
Lia Afriat-Hernandez	1810 (includes options to purchase 1800 shares of Common Stock)
James M. Lawless	2,000
RMS Limited Partnership	100

(c) On November 21, 1995, James M. Lawless purchased 2,000 shares of Common Stock at a purchase price of \$7.875 per share, which purchase was effected on the New York Stock Exchange (the "NYSE") through an open-market transaction. On October 4, 1995, RMS Limited Partnership sold 900 shares of Common Stock at a sale price of \$8.50 per share, which sale was effected on the NYSE through an open-market transaction.

Except as otherwise reported herein, neither the Reporting Person nor, to its knowledge, any Schedule 1 Person has executed transactions in Company securities during the past 60 days.

(d) There is no person that has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Company securities beneficially owned by the Reporting Person.

The foregoing summary descriptions in this Item 5 of certain documents are qualified in their entirety by reference to such documents, which are filed as Exhibits hereto and are incorporated herein by reference.

Item 6. Contracts, Arrangements, Understandings or Relationship with Respect to the Securities of the Issuer

The information set forth in Item 4 above is hereby incorporated herein by reference.

Pursuant to the First Amendment, Liberty and Mr. Diller have agreed, among other things, to take all actions reasonably necessary, including actions to be taken by Silver King's stockholders, to approve and consummate the transactions contemplated by the Liberty HSN Merger Agreement and the Exchange Agreement.

Pursuant to the Liberty HSN Merger Agreement, Liberty HSN will be merged with and into the Silver Company. In the Liberty/Silver Merger, the Silver Company will acquire the TCI HSN Shares, and the outstanding shares of common stock of Liberty HSN will be exchanged for additional shares of Silver Company non-voting common stock. Consummation of the merger is conditioned upon satisfaction of regulatory requirements, as well as other conditions set forth in the Liberty HSN Merger Agreement. In the Liberty HSN Merger Agreement, the Silver Company has agreed not to amend or otherwise alter or waive any of its rights or obligations under the Exchange Agreement in any material respect, without the prior written consent of Liberty HSN's parent.

Pursuant to the Exchange Agreement, the Silver Company will exchange the TCI HSN Shares received in the Liberty/Silver Merger for 4,855,436 shares of Silver King Common Stock and 6,082,000 shares of Silver King Class B Stock. Consummation of the Exchange is conditioned upon Silver King stockholder approval of matters related to the Exchange (including approval of amendments to the Amended and Restated Certificate of Incorporation of Silver King to authorize the Silver King

stock required to consummate the Exchange) and satisfaction of regulatory requirements, as well as other conditions set forth in the Exchange Agreement. The Silver Company has agreed not to amend or otherwise alter or waive any of its rights or obligations under the Liberty HSN Merger Agreement in any material respect, without the prior written consent of Silver King.

The foregoing summary descriptions of each of the First Amendment, the Liberty HSN Merger Agreement and the Exchange Agreement are qualified in their entirety by reference to such agreements, which are filed as Exhibits hereto and, together with the other Exhibits hereto, are incorporated herein by reference.

Item 7. Material to be Filed as Exhibits

1. Definitive Term Sheet regarding Stockholders Agreement, dated as of August 24, 1995, by and between Liberty Media Corporation and Mr. Diller.
2. Letter Agreement, dated November 13, 1995, by and between Liberty Media Corporation and Mr. Diller.
3. Letter Agreement, dated November 16, 1995, by and between Liberty Media Corporation and Mr. Diller.
4. First Amendment to Stockholders Agreement, dated as of November 27, 1995, by and between Liberty Media Corporation and Mr. Diller.
5. Agreement and Plan of Merger, dated as of November 27, 1995, by and among Silver Management Company, Liberty Program Investments, Inc. and Liberty HSN, Inc.
6. Exchange Agreement, dated as of November 27, 1995, by and between Silver Management Company and Silver King Communications, Inc.
7. Press Release, dated November 27, 1995, issued by Home Shopping Network, Inc.
8. Press Release, dated November 27, 1995, issued by Silver King Communications, Inc.
9. Report on Schedule 13D, dated August 28, 1995, filed by Tele-Communications, Inc. and Barry Diller, with respect to Silver King Communications, Inc. (the "TCI/Diller Schedule 13D").

10. Amendment to TCI/Diller Schedule 13D, dated November 30, 1995.

SIGNATURE

After reasonable inquiry and to the best of his knowledge and belief, the undersigned certifies that the information in this statement is true, complete and correct.

Dated: December 8, 1995

SILVER KING COMMUNICATIONS, INC.

By: /s/Steven H. Grant  
Name: Steven H. Grant  
Title: Executive Vice President

SCHEDULE 1

Directors, Executive Officers and Controlling Persons of  
Silver King Communications, Inc. ("Silver King")

Name	Principal Occupation and Business Address	Principal Business or Organization in which such Employment is Conducted
Barry Diller	Chairman of the Board and Chief Executive Officer and Director of Silver King 12425 28th Street North St. Petersburg, FL 33716	Ownership and operation of television stations
James M. Lawless	President and Director of Silver King 12425 28th Street North St. Petersburg, FL 33716	Ownership and operation of television stations
Steven H. Grant	Vice Chairman of the Board and Executive Vice President, Chief Financial/ Administrative Officer and Treasurer and Director of Silver King 12425 28th Street North St. Petersburg, FL 33716	Ownership and operation of television stations
Vincent F. Barresi	President and Chief Operating Officer, WNAB-TV Channel 58 Nashville, Inc. 3201 Dickerson Pike Nashville, TN 37207	Ownership and operation of television station
Michael A. Green	Management Consultant, A.T. Kearney Management Consulting 10877 Wilshire Boulevard Los Angeles, CA 90024	Business consulting
Kenneth T. MacDonald	Retired P.O. Box 51 Paoli, PA 19301	

Russell I. Pillar	President and Chief Executive Officer, Precision Systems, Inc. 11800 30th Court North St. Petersburg, FL 33716	Telephone communications software and technology
Michael Drayer	Executive Vice President, General Counsel and Corporate Secretary of Silver King 12425 28th Street North St. Petersburg, FL 33716	Ownership and operation of television stations
Lia Afriat-Hernandez	Executive Vice President -- Compliance/Programming of Silver King 12425 28th Street North St. Petersburg, FL 33716	Ownership and operation of television stations
Joseph J. Centorino	Senior Vice President -- Engineering of Silver King 12425 28th Street North St. Petersburg, FL 33716	Ownership and operation of television stations
Joan E. Halfaker	Vice President, Contoller and Assistant Secretary/Treasurer of Silver King 12425 28th Street North St. Petersburg, FL 33716	Ownership and operation of television stations
RMS Limited Partnership	c/o C. Thomas Burton 50 West Liberty Street Suite 650 Reno, NV 89501	Real estate development and investments
Roy M. Speer	23 Spanish Main P.O. Box F41414 Freeport, Grand Bahamas	Investor

EXHIBIT INDEX

Seq. Pg. No.

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3. Letter Agreement, dated November 16, 1995, by and between Liberty Media Corporation and Mr. Diller.
4. First Amendment to Stockholders Agreement, dated as of November 27, 1995, by and between Liberty Media Corporation and Mr. Diller.
5. Agreement and Plan of Merger, dated as of November 27, 1995, by and among Silver Management Company, Liberty Program Investments, Inc. and Liberty HSN, Inc.
6. Exchange Agreement, dated as of November 27, 1995, by and between Silver Management Company and Silver King Communications, Inc.
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10. Amendment to TCI/Diller Schedule 13D, dated November 30, 1995.

EXHIBIT 1

LIBERTY MEDIA CORPORATION  
8101 East Prentice Avenue, Suite 500  
Englewood, Colorado 80111

August 24, 1995

Mr. Barry Diller  
1940 Coldwater Canyon  
Beverly Hills, California 90120

Dear Sir:

Reference is made to the Term Sheet attached hereto pursuant to which, subject to the prior receipt of any required approvals of the Board of Directors of Silver King Communications, Inc. ("Silver") under Section 203 of the Delaware General Corporation Law, we have entered into certain agreements with respect to the equity securities of Silver, all as more fully described in the Term Sheet.

The Term Sheet contemplates that the agreements contained therein will be superseded by definitive agreements and instruments which will contain provisions incorporating and expanding upon the agreements set forth therein, together with other provisions customary in the case of transactions of this type, and such other provisions as are reasonable and appropriate in the context of the transactions contemplated hereby. Notwithstanding the foregoing, the parties expressly acknowledge that the Term Sheet and this agreement, subject to the prior receipt of any such required approvals of the Board of Directors of Silver, will constitute a binding agreement between them, subject to the terms and preconditions set forth herein and in the Term Sheet, until such definitive agreements are executed and delivered. If such definitive agreements are not executed and delivered, then, subject to the receipt of any such required approvals of the Board of Directors of Silver, the Term Sheet and this agreement shall constitute such definitive agreements.

Mr. Barry Diller

August 24, 1995

If the foregoing is acceptable to you, please execute the copy of this agreement in the space below, at which time this instrument will constitute a binding agreement between us.

Very truly yours,

LIBERTY MEDIA CORPORATION

By: /s/ Peter R. Barton  
Name: Peter R. Barton  
Title: President

ACCEPTED AND AGREED

this 24th day of August, 1995

/s/ Barry Diller  
Barry Diller

PROJECT NET TERM SHEET

Subject to the prior receipt of any required approvals of the Board of Directors of Silver King Communications, Inc., a Delaware corporation ("Silver"), for purposes of Section 203 of the Delaware General Corporation Law ("Section 203"), the following constitute the proposed terms upon which Liberty Media Corporation, a Delaware corporation ("Rockies"), and Barry Diller ("Lasorda") and/or a corporation, partnership or trust at least 90% owned and controlled by Lasorda ("Dodgers") will enter into certain agreements with respect to the equity securities of Silver. It is contemplated that, if the required Section 203 approvals are obtained from the Board of Directors of Silver, definitive agreements will be entered into containing the detailed terms of the matters set forth herein.

Transaction Overview: At a meeting of the Silver Board of Directors, Rockies will present to the Board a proposal whereby:

- (x) Dodgers and/or Lasorda will purchase the Initial Shares and the Additional Shares from Silver and will be granted the Options by Silver (each, as defined in the Silver Term Sheet);
- (y) Lasorda will agree to become initially the Chairman of the Board and Chief Executive Officer of Silver and to become a member of the Silver Board of Directors; and
- (z) Subject to the approval of the Silver Board of Directors, Rockies, Dodgers and Lasorda will enter into the Silver Stockholders Agreement.

As soon as practicable following receipt of all required approvals by the Silver Board of the arrangements contemplated by clauses (x) and (y) above (and the execution and delivery of the Silver Term Sheet by the applicable parties thereto), Rockies and Dodgers will enter into the Silver Stockholders Agreement described below.

I. Silver Company Arrangements.

Formation of Silver Company: Promptly following the date of this Term Sheet, Rockies and Dodgers will form an entity ("Silver Company"), with Rockies holding a convertible non-voting participating preferred equity interest and Dodgers holding a common equity interest initially constituting all of the voting equity interest in the Silver Company.

The capital contributions to the Silver Company will be as follows:

1. Rockies will contribute the Silver Option (as defined below) and an amount in cash equal to the aggregate exercise price of the Silver Option.
2. Dodgers will contribute [\$100] in cash.

Rockies and Dodgers will use all reasonable efforts to seek and obtain FCC approval for the exercise of the Silver Option by the Silver Company and the transactions contemplated hereby.

Following the occurrence of a Change in Law (as defined below), (i) Rockies; equity interest in the Silver Company will convert into voting common equity interest having the same pro rata rights, powers and preferences as Dodgers; equity interest in the Silver Company and (ii) Rockies or its designee shall be required to purchase (and Dodgers will be required to sell) Dodgers' entire equity interest in the Silver Company for an amount equal to the cash amount invested in the Silver Company by Dodgers plus interest on such amount at the Agreed Rate from the date of such contribution to the date of such purchase, compounded annually (the "Dodgers Interest Purchase Price"). The "Agreed Rate" shall equal the rate of interest per annum in effect from time to time and publicly announced by the Bank of New York as its prime rate of interest.

Other than as set forth above, there will be no additional contributions to the Silver Company without the consent of each holder of a voting or non-voting equity interest in the Silver Company. At all times, the percentage equity economic interest in the Silver Company of each of Rockies and Dodgers will be in proportion to the fair market value of the relative contributions that have been made by such Stockholder to the Silver Company (with the fair market value of the Silver Option determined by reference to the "spread" between the market price per share of the Silver Common Stock and the applicable exercise price per share of such option). The capitalization of the Silver Company will be structured in a manner reasonably acceptable to the parties in light of relevant tax, regulatory and capital commitment considerations.

Management: The business and affairs of the Silver Company will be managed by a Board of Directors elected by the holders of a majority of the voting equity interests in the Silver Company. Notwithstanding the foregoing, the taking of any action by the Silver Company with respect to (i) to the extent permitted by applicable law, any Fundamental Matter (as defined below) (as applied to the Silver Company, mutatis mutandis) or (ii) any acquisition or disposition (including pledges) of the Silver Option or any other Silver Securities held by the Silver Company, in either case, will require the unanimous approval of each holder of a voting or non-voting equity interest in the Silver Company.

Transfers of Interests: Except as otherwise specifically provided in this Term Sheet, no transfers or other dispositions (including pledges), directly or indirectly, of any interest in the Silver Company will be permitted without the consent of each Stockholder, provided, that Rockies shall be entitled to transfer all or part of its interest in the Silver

Company to members of the Rockies  
Stockholder Group.

At such time as (i) Lasorda is no longer the Chairman of the Board and/or Chief Executive Officer and/or President of Silver or (ii) the Dodgers Stockholder Group ceases to own its Eligible Stockholder Amount (as defined below) of Silver Securities, Dodgers shall be required to sell its entire interest in the Silver Company to Rockies (or Rockies' designee) at a price equal to the Dodgers Interest Purchase Price.

## II. Silver Stockholders Agreement.

Scope: Simultaneously with the formation of the Silver Company, Rockies and Lasorda will enter into the Silver Stockholders Agreement, which will govern, among other matters, (i) all equity securities of Silver, including any securities exercisable or exchangeable for or convertible into equity securities of Silver (collectively, the "Silver Securities") held by Rockies or Lasorda (each, a "Stockholder") and their respective controlled affiliates (such Stockholder, together with, in the case of Rockies, the controlled affiliates of Rockies and Rockies; publicly held parent corporation ("Rockies Parent"), and, in the case of Lasorda, his 90% owned and controlled affiliates, is referred to as a "Stockholder Group"), (ii) the formation and capitalization of the Silver Company, (iii) the exchange of certain shares of Silver Common Stock owned by Dodgers for shares of Silver Class B Stock owned by Rockies or the Silver Company and (iv) the right of Lasorda to vote the Silver Securities held by the Rockies Stockholder Group pursuant to the conditional proxy described below under the caption "Dodgers Management Rights," subject to the limitations described herein. Each Stockholder Group will agree that it will not enter into any other agreement with

respect to its Silver Securities other than as contemplated hereby. Notwithstanding the foregoing, prior to the time that Rockies acquires Dodgers' interest in the Silver Company in the manner described in this Term Sheet, the Silver Company shall not be deemed to be a member of either the Rockies Stockholder Group or the Dodgers Stockholder Group and, except as specifically set forth in this Term Sheet, any Silver Securities held by the Silver Company (including the option currently held by Rockies to acquire shares of Silver Class B Stock (the "Silver Option") and the shares of Silver Class B Stock subject to the Silver Option) shall not be deemed to be held by either the Rockies Stockholder Group or the Dodgers Stockholder Group.

Dodgers  
Management  
Rights:

Lasorda shall be entitled to exercise voting authority and authority to act by written consent over all Silver Securities owned by each member of the Rockies Stockholder Group, on all matters submitted to a vote of Silver stockholders or by which Silver stockholders may act by written consent pursuant to a conditional proxy (which proxy shall be valid for the full term that this Term Sheet and the Silver Stockholders Agreement that replaces this Term Sheet are effective and is irrevocable and coupled with an interest for purposes of Section 212 of the Delaware General Corporation Law); provided, that each Stockholder agrees, and agrees to cause each member of its Stockholder Group, to take or cause to be taken all reasonable actions required (including to vote or execute a written consent with respect to the Silver Securities held by the Silver Company) (i) prior to a Change in Law (as defined below), to the extent permitted by law, to prevent the taking of any action by Silver with respect to a Fundamental Matter without the consent of both Stockholders and (ii) following a Change in Law, (A) for the election of a slate of directors of Silver, two of whom will be designated by Rockies and the remainder of whom will be designated by Dodgers and (B) to prevent

the taking of any action by Silver with respect to a Fundamental Matter without the consent of both Stockholders.

Following a Change in Law, subject to applicable law and fiduciary duties and except with respect to (x) any Fundamental Matters, (y) any decision to terminate Lasorda's employment with Silver for Cause and (z) any decision relating to Lasorda's compensation by Silver (except as provided for by the Silver Term Sheet), Rockies shall be required to use its reasonable best efforts to cause its designees on the Silver Board of Directors to vote with respect to any matter presented to a vote of the Silver Board of Directors in the manner instructed by Lasorda.

For purposes of this Term Sheet and the Silver Stockholders Agreement, a "Change in Law" shall be deemed to have occurred at such time as Rockies is entitled to exercise full ownership and control over its Silver Securities (including the pro rata portion of the Silver Securities held by the Silver Company represented by Rockies equity interest in the Silver Company) notwithstanding Silver's ownership of its broadcast licenses.

Fundamental  
Matters:

1. Any transaction not in the business, launching new or additional channels or engaging in any new field of business, in any case, which will result in, or will have a reasonable likelihood of resulting in, Rockies or any member of its Stockholder Group being required under law to divest itself of all or any part of its Silver Securities, or interests therein (including its interest in the Silver Company), or any other material assets of such entity, or which will render such entity's continued ownership of such stock or assets illegal or subject to the imposition of a fine or penalty or which will impose material additional restrictions or limitations on such entity's full rights of ownership

(including, without limitation, voting) thereof or therein.

2. The acquisition, disposition (including pledges), grant or issuance, directly or indirectly, by Silver or any of its subsidiaries, of any assets (including debt and/or equity securities) or business (by merger, consolidation or otherwise), or the incurrance of any indebtedness, in any such case (in one transaction or a series of related transactions), with a value of 10% or more of the market value of Silver's outstanding equity securities at the time of such transaction.

3. Any material amendments to the Certificate of Incorporation or Bylaws of Silver.

4. Engaging in any line of business other than media, communications and entertainment products, services and programming.

5. The settlement of any litigation, arbitration or other proceeding which is other than in the ordinary course of business and which involves any material restriction on the conduct of business by Silver or its affiliates or the continued ownership of its assets by Silver or any of its affiliates (in each case, including Rockies).

6. Any transaction (other than those contemplated by this Term Sheet) between Silver and its affiliates, on the one hand, and Lasorda and his affiliates, on the other hand, subject to exceptions relating to the size of the proposed transaction and those transactions which are otherwise on an arm's length basis.

Termination of Rights:

A Stockholder shall cease to be entitled to exercise any rights under this Term Sheet and the Stockholders Agreement as of the date that its Stockholder Group collectively ceases to own the equivalent of 1,100,000 shares of Silver Common Stock

in the case of Dodgers and 1,000,000 shares of Silver Common Stock in the case of Rockies (including, in the case of Rockies, the proportionate number of Silver Securities represented by Rockies' equity interest in the Silver Company), in each case determined on a fully diluted basis (taking into account, in the case of Rockies, the shares issuable upon exercise of the Silver Option and, in the case of Dodgers, all unexercised Options, whether or not then exercisable, and all Silver Additional Shares) (as to each Stockholder, its "Eligible Stockholder Amount").

In addition, Lasorda and each member of his Stockholder Group shall cease to be entitled to exercise any rights under this Term Sheet and the Silver Stockholders Agreement with respect to the following matters at such time as Lasorda is no longer Chairman of the Board and/or Chief Executive Officer and/or President of Silver:

- (i) the matters covered under the caption "Dodgers Management Rights";
- (ii) the matters covered under the caption "Share Exchange"; and
- (iii) the Dodgers right of first refusal in connection with certain transfers of Silver Securities by the Rockies Stockholder Group pursuant to the second paragraph under the caption "Transfers of Silver Securities".

In addition, at such time as Lasorda is no longer Chairman of the Board and/or Chief Executive Officer and/or President of Silver, the Rockies Stockholder Group shall no longer have any obligations under this Term Sheet or the Silver Stockholders Agreement with respect to the matters covered under the caption "Transfers of Silver Securities", except with respect to the Silver Put.

Notwithstanding the provisions of the previous two paragraphs, in the event that prior to the date of the exercise of the Silver Option by the Silver Company, Lasorda's employment with Silver is terminated (x) by Silver without Cause (as defined in the Silver Term Sheet) or (y) Lasorda for Good Reason (as defined in the Silver Term Sheet, then to the extent that (i) during the period from such termination until the exercise of the Silver Option by the Silver Company, Lasorda continues to indicate a good faith intention to become Chairman of the Board and/or Chief Executive Officer and/or President of Silver promptly following the exercise of the Silver Option by the Silver Company and (ii) upon such exercise of the Silver Option Lasorda does become the Chairman of the Board and/or Chief Executive Officer and/or President of Silver, such termination of Lasorda's employment will not have the effects specified in the preceding two paragraphs.

Share Exchange:

So long as the Dodgers Stockholder Group holds the Eligible Stockholder Amount of Silver Securities, then Dodgers shall have the right, exercisable from time to time, to require that Rockies or the Silver Company exchange, on a share for share basis, shares of Silver Class B Stock owned by Rockies or the Silver Company, as the case may be, for vested shares of Silver Common Stock owned by Dodgers (in each case not subject to any liens (other than pursuant to the Silver Stockholders Agreement)). Notwithstanding the foregoing, neither Rockies nor the Silver Company shall be required to exchange any shares of Silver Class B Stock for shares of Silver Common Stock to the extent that, after giving effect to such exchange, Rockies will cease to own Silver Securities constituting at least 50% of the total voting power of Silver, determined on a fully diluted basis (taking into account the pro rata portion of the Silver Securities held by the Silver Company

represented by Rockies equity interest in the Silver Company).

Transfers  
of Silver  
Securities:

Subject to the other provisions of this Term Sheet and the Silver Stockholders Agreement, no Stockholder shall transfer or otherwise dispose of (including pledges), directly or indirectly, any Silver Securities other than (w) transfers of Silver Securities by Lasorda in order to pay taxes arising from the granting, vesting and/or exercise of the Options and/or the payment of bonuses on repayment of the Lasorda Note (as defined in the Silver Term Sheet), (x) transfers of Silver Securities by Rockies to members of the Rockies Stockholder Group or by Lasorda or Dodgers to members of the Dodgers Stockholder Group, (y) a pledge or grant of a security interest in vested Silver Securities (other than the pledge of the Additional Shares and the excess shares (each as defined in the Silver Term Sheet)) in connection with bona fide indebtedness in connection with which the pledgee of the applicable Silver Securities agrees that, upon any default or exercise of its rights under such pledge or security arrangement, it will offer to sell the pledged Silver Securities to the non-pledging Stockholder (or its designee) for an amount equal to the lesser of the applicable amount of such indebtedness and the fair market value of such pledged Silver Securities, and (z) transfers of Options or Silver Securities to Silver by Dodgers or its affiliates in connection with a "cashless" exercise of the Options (which shall be permitted pursuant to the terms thereof).

In addition to the foregoing, but subject to a right of first refusal of the other Stockholder (which right shall be assignable): (i) following the fifth anniversary of the date of the Silver Stockholders Agreement either Stockholder may transfer all but not less than all of the Silver Securities held by its Stockholder Group (and, in the case of

Rockies, its entire interest in the Silver Company) to an unaffiliated third party, (ii) following the time that Lasorda is no longer the Chairman of the Board and/or Chief Executive Officer and/or President of Silver, Lasorda may transfer all but not less than all of the Silver Securities held by its Stockholder Group to an unaffiliated third party, and (iii) either Stockholder may transfer any portion of the Silver Securities held by its Stockholder Group to an unaffiliated third party, provided that, following such transfer (A) such Stockholder Group retains its Eligible Stockholder Amount of Silver Securities and (B) in the case of Rockies, the outstanding shares of Silver Class B Stock and Silver Common Stock held by Rockies and Dodgers (and the members of their respective Stockholder Groups) and the Silver Company collectively represent 50.1% of the voting power of the outstanding Silver Securities on a fully diluted basis. Notwithstanding the previous sentence (but subject to the conditions contained in the proviso in clause (iii) above), either Stockholder may transfer any of its Silver Securities in one or more transactions that comply with the requirements of Rule 144 or 145 (as applicable) under the Securities Act of 1933 without regard to the right of first refusal described in the previous sentence.

Except as otherwise specifically provided in this Term Sheet, neither Stockholder shall be entitled to assign any of its rights under the Silver Stockholders Agreement; and following any transfer of Silver Securities in accordance with the provisions of the previous paragraph (other than to a member of the Stockholder Group of such Stockholder), the assignee of such Silver Securities shall not have any rights or obligations under the Stockholders Agreement with respect to such Silver Securities.

If Lasorda ceases to be the Chairman of the Board and/or Chief Executive Officer and/or

President of Silver (except as a result of a termination by Silver for Cause) following the third anniversary of the date of this Term Sheet, then during the forty-five day period following the date that Lasorda so ceases to be the Chairman of the Board and/or Chief Executive Officer and/or President of Silver, Dodgers will be entitled to elect to "put" all, but not less than all, of the Silver Securities held by its Stockholder Group to Rockies at their Appraised Value (the "Silver Put"). The purchase price for the Silver Put shall be payable, at Rockies' election, in cash or in any publicly traded class or series of common equity securities of Rockies or its parent (including any class or series of common equity securities of Rockies Parent intended to track the business and assets of Rockies), as to which securities Dodgers will receive customary registration rights. For purposes of the payment of such purchase price, the value of such common equity securities of Rockies or Rockies Parent shall be the average of the closing trading prices of such securities for the 20 trading days ending on the second complete trading day prior to the consummation of such purchase. In order to determine Appraised Value, promptly following the exercise of the Silver Put, each of Dodgers and Rockies shall select an independent investment banking firm who shall promptly make a determination of Appraised Value. If the higher of the two such determinations is greater than 110% of the lower of such determinations, then a third independent investment banking firm shall be selected by such first two investment banking firms, which third investment banking firm shall promptly determine Appraised Value. The Appraised Value shall be the average of the first two appraisals, if only two appraisals are required, or if three appraisals are required, the average of the two appraisals closest in value (or if there are not two closest appraisals, the average of all three such appraisals). In making their

determinations, such investment banking firms shall be instructed that the Appraised Value shall be equal to (i) the fair market value of Silver on a going concern basis in a transaction in which the applicable buyer acquires all outstanding Silver Securities multiplied by (ii) the fraction corresponding to the percentage of the fully diluted equity of Silver represented by the Silver Securities owned by the Dodgers Stockholder Group. Such investment banking firms shall also be instructed to assume in making their determination that (i) Lasorda is no longer the Chairman of the Board and/or Chief Executive Officer and/or President of Silver and (ii) that there is no controlling stockholder of Silver. Following the determination of the Appraised Value, Rockies shall be entitled within a 60 day period to elect to either pay the applicable purchase price in the manner set forth above for the Silver Securities held by the Dodgers Stockholder Group or, in the alternative (and notwithstanding the exercise of the Silver Put), to elect to cause Silver to conduct an "auction" in which all of the outstanding Silver Securities shall be sold to a third party (and, in the event of such an election, each Stockholder agrees to cooperate in conducting such "auction" and consummating such sale as promptly and efficiently as practicable); provided, that any member of a Stockholder Group acting alone or together with a group of bidders may bid in and/or be the purchaser in such auction.

Notwithstanding any other provision of the Term Sheet, prior to any transfer or other disposition (other than a pledge or grant of a security interest in compliance with clause (y) of the first paragraph under the caption "Transfers of Silver Securities") of Silver Class B Stock (other than pursuant to the provisions described under the caption "Share Exchange" or to a member of such Stockholder's Stockholder Group, to

the other Stockholder or, if the non-transferring Stockholder so elects, to a purchaser designated by the non-transferring Stockholder in connection with the exercise by such non-transferring Stockholder of its right of first refusal pursuant to the Silver Stockholders Agreement), all shares of Silver Class B Stock proposed to be so transferred or otherwise disposed of shall be exchanged with the non-transferring Stockholder or the Silver Company, as the case may be, for shares of Silver Common Stock, on a share for share basis, and to the extent such non-transferring Stockholder or the Silver Company, as the case may be, does not own sufficient shares of Silver Common Stock to make such an exchange, such transferring Stockholder shall convert, or cause to be converted, such shares of Silver Class B Stock into shares of Silver Common Stock (or such other Silver Securities into which such shares are then convertible) prior to such transfer.

All transfers and exchanges contemplated by this Term Sheet and the Silver Stockholders Agreement shall be subject to limited periods of suspension in order to prevent liability under the federal securities laws.

Subject to the restrictions on the transfer of its Silver Securities contained herein and in the Silver Stockholders Agreement, each Stockholder shall be entitled to customary demand and incidental registration rights with respect to the Silver Securities held by its Stockholder Group.

[Liberty Media Corporation Letterhead]

November 13, 1995

Mr. Barry Diller  
1940 Coldwater Canyon  
Beverly Hills, California 90120

Dear Sir:

Reference is made to the definitive term sheet, attached to our letter to you, dated August 24, 1995, pursuant to which you ("Diller") and we ("Liberty") have entered into certain agreements with respect to the equity securities of Silver King Communications, Inc. (the "Company"), all as described therein (the "Term Sheet"). This letter amends the Term Sheet.

Pursuant to Section I ("Silver Company Arrangements") of the Term Sheet, upon a Change in Law (as defined in the Term Sheet), will convert into voting common equity of the Silver Company having the same pro rata rights, powers and preferences as Diller's equity interest in the Silver Company. Liberty and Diller hereby agree that such conversion of Liberty's equity interest shall not be automatic and that, prior to any such conversion, the parties will promptly make all necessary filings and obtain all required consents under federal and state law, including pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder.

Except as expressly amended by the foregoing, the Term Sheet shall remain in full force and effect.

Very truly yours,

LIBERTY MEDIA CORPORATION

By: /s/ David Koff  
Name: David Koff  
Title: Vice President

Acknowledged and agreed to  
as of the date first written  
above:

/s/ Barry Diller  
Barry Diller

Barry Diller  
1940 Coldwater Canyon  
Beverly Hills, CA 90210

November 16, 1995

Liberty Media Corporation  
8101 E. Prentice Ave., Ste. 500  
Englewood, CO 80111  
Attn: President

Dear Sir:

Reference is made to the definitive term sheet, attached to your letter to me, dated August 24, 1995, as amended by your letter to me of even date herewith, pursuant to which you ("Liberty") and I ("Diller") have entered into certain agreements with respect to the equity securities of Silver King Communications, Inc. (the "Company"), all as described therein (the "Term Sheet"). This letter further amends the Term Sheet.

I agree that at such time as Liberty is permitted to convert its non-voting equity interest in the Silver Company (as defined in the Term Sheet) into a voting equity interest, I will, and will use my reasonable best efforts to cause Silver Company to, make all necessary filings (including under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder) and to otherwise obtain all required governmental and regulatory consents and approvals in connection with such conversion, in each such case as promptly as practicable.

Very truly yours,

/s/ Barry Diller  
Barry Diller

Acknowledged and agreed to as  
of the date first written above:

LIBERTY MEDIA CORPORATION

By: /s/ David Koff  
Name: David Koff  
Title: Vice President

November 27, 1995

LIBERTY MEDIA CORPORATION  
8101 East Prentice Avenue, Suite 500  
Englewood, Colorado 80111

Mr. Barry Diller  
1940 Coldwater Canyon  
Beverly Hills, California 90210

Dear Sir:

Reference is made to the agreement between Liberty Media Corporation ("Rockies") and Barry Diller ("Lasorda"), dated August 24, 1995 (including the related term sheet included therein, the "Prior Agreement"), relating to the securities of Silver King Communications, Inc. ("Silver"). Capitalized terms not otherwise defined in this letter agreement (this "Agreement") shall have the meanings ascribed to such terms in the Prior Agreement. Subject to the prior receipt of any required approvals of the Board of Directors of Home Shopping Network, Inc. ("House") under Section 203 of the Delaware General Corporation Law (the "DGCL"), Rockies and Lasorda hereby agree to the following amendments to the Prior Agreement and the additional agreements contained herein, each of which shall be incorporated in the Silver Stockholders Agreement:

1. Merger and Exchange of Securities.
  - (a) Subject to the satisfaction of certain conditions contained herein and contained in the definitive merger agreement entered into among Liberty Program Investments, Inc. ("Rockies Sub"), Liberty HSN, Inc. ("Rockies House Sub") and Silver Company in connection herewith (the "Merger Agreement"), Rockies House Sub will be merged with and into Silver Company (the "Merger"), which will be the surviving corporation in the Merger. In the Merger, Rockies Sub, the sole stockholder of Rockies House Sub, will receive 3,363,262 shares (the

"Merger Consideration Shares") of the Class B Common Stock, par value \$.01 per share, of Silver Company (the "Silver Company Non-Voting Stock"). At the time of the Merger, Rockies House Sub will own 17,566,702 shares of House Common Stock and 20,000,000 shares of House Class B Common Stock (collectively, the "House Shares"). Notwithstanding the foregoing, the Merger Consideration Shares to be received by Rockies in the Merger shall be such amount as is necessary to cause the percentage equity economic interest of each of Rockies and Dodgers in Silver Company to be in proportion to the relative fair market values of the contributions

of the parties to Silver Company; provided, that notwithstanding the provisions of the Prior Agreement the value of the Silver Option shall be determined by reference to the imputed value of a share of Silver Common Stock to be received by Silver Company in the Exchange.

- (b) Subject to the satisfaction of certain conditions contained herein and contained in the definitive exchange agreement entered into among Silver Company and Silver in connection herewith (the "Exchange Agreement"), immediately following the Merger, Silver Company will exchange (the "Exchange") the 20,000,000 shares of House Class B Common Stock for 6,082,000 shares of Silver Class B Stock and the 17,566,702 shares of House Common Stock for 4,855,436 shares of Silver Common Stock (collectively, the "Exchange Shares").
- (c) Immediately following Rockies' receipt of the Merger Consideration Shares in the Merger, Rockies will transfer up to one-third of the aggregate number of shares of Silver Company Non-Voting Stock owned by it (subject to adjustment in the event the SP Merger (as defined below) is not consummated) to a corporation ("Newco") which will be wholly owned by Lasorda in exchange for a non-interest bearing secured promissory note of Newco in the principal amount of \$1,000 (the "Note"). The Note and the related pledge and security agreement will have such terms and provisions as may be reasonably acceptable to Rockies, which terms and provisions shall include, among other matters, that the Note will (i) be non-recourse

to Newco, (ii) be secured by a pledge of all of the shares of Silver Company Non-Voting Stock transferred to Newco (the "Pledged Silver Company Shares") and by a pledge of all of the authorized and issued shares of Newco (the "Pledged Newco Shares", and collectively with the Pledged Silver Company Shares, the "Pledged Shares"), (iii) mature on the 20th anniversary of the date of issue and (iv) not be prepayable at the option of the holder. The Pledged Shares may not be assigned, transferred, sold, disposed of, pledged or otherwise encumbered in any manner (including, but not limited to, with respect to the voting thereof) and any attempted disposition of the Pledged Shares shall constitute a breach of the pledge agreement entitling Rockies to exercise upon such pledge and obtain full ownership of such Pledged Shares immediately and without any notice to Lasorda or Newco and, in the event Lasorda or Newco receive any proceeds from an attempted disposition of such Pledged Shares, then Lasorda and/or Newco shall be deemed to hold such proceeds in a constructive trust for the benefit of Rockies and shall promptly pay over to Rockies the amount of any such proceeds. In addition, in the event any dividends are paid or distributions made on the Pledged Shares, then notwithstanding the provisions of the pledge agreement, such dividends or distributions will be paid or distributed directly to Rockies. Newco will have no other assets or liabilities and will engage in no other business except as contemplated by this paragraph (c).

Rockies will have a right to purchase, and Lasorda will have a right to require Rockies to purchase, the Pledged Silver Company Shares at any time for \$1,000 in cash. Rockies will have the right to purchase all of the outstanding shares of capital stock of Newco at any time for \$1,000 in cash.

To the extent that the Pledged Shares are entitled to vote upon or consent to any matter to be presented to the stockholders of Newco or Silver Company, as the case may be, Lasorda and/or Newco hereby grants to Rockies (or any person to which the Note is transferred) an irrevocable proxy (which proxy shall be deemed coupled with

an interest) to vote such shares or consent to any action.

The Note shall be transferable at any time without the consent of Newco and any transferee shall succeed to any and all of Rockies rights with respect to the Note and the Pledged Shares and the other related arrangements contemplated by this paragraph (c).

The Note and the other arrangements described in this paragraph (c) shall have such other terms and conditions as the parties may reasonably agree in furtherance of the foregoing.

2. Restructuring Transaction. (a) At any time following the consummation of the Exchange that Rockies is no longer a subsidiary of Rockies' Parent (and provided that a Change in Law has not theretofore otherwise occurred), but in no event prior to the earliest to occur of (i) the termination of the Agreement and Plan of Merger between Savoy Pictures Entertainment, Inc. ("Savoy"), Silver and a wholly owned subsidiary of Silver (the "SP Merger Agreement"), (ii) the eighteen month anniversary of the consummation of the merger between Savoy and a wholly owned subsidiary of Silver (the "SP Merger"), and (iii) the consummation of the sale, transfer or other disposition by Silver of that number of Silver's broadcast licenses (including any such licenses acquired by Silver in connection with the SP Merger) (the "Licenses") required in connection with any divestiture of Licenses which is required pursuant to any Federal Communications Commission ("FCC") rule or regulation, or in accordance with any conditions or requirements specified in any waiver therefrom, as a result of Silver exceeding, as a result of the consummation of the SP Merger, the limitation on the number of Licenses permitted to be owned by any individual or entity, Rockies may request by written notice to Lasorda and Silver that Lasorda use all reasonable efforts to take, and, subject to any applicable fiduciary duties of Lasorda, as a director or officer of Silver, to the stockholders of Silver, use all reasonable efforts to cause Silver to take, such actions as may be reasonably necessary, including, but not limited

to, to file any required applications with the FCC and any other governmental or regulatory agency, to obtain any required FCC or other governmental or regulatory consents and approvals, and to undertake any restructuring of Silver's assets, liabilities and businesses, in order that Rockies would be permitted to exercise ownership rights (including voting rights) with respect to the Silver Securities owned by it (including its pro rata interest in any Silver Securities held by the Silver Company) (the "Restructuring Transaction").

- (b) Simultaneously with or immediately following the consummation of the Restructuring Transaction, Rockies or its designee shall be required to purchase (and Dodgers will be required to sell) Dodgers' entire equity interest in the Silver Company for an amount equal to the Dodgers Interest Purchase Price.
- (c) The terms of the Silver Company Non-Voting Stock shall provide that (i) such shares are convertible at the option of the holder thereof into a like number of shares of voting common stock of Silver Company, subject only to the receipt of any required governmental or regulatory consents or approvals and the termination of any applicable waiting period under the HSR Act required in connection with such conversion and (ii) following notice by the holder thereof to Silver Company of its intention to convert such shares, Silver Company shall, and shall cause each of its subsidiaries and affiliates (including Silver) to, seek any required consents or approvals, and make any and all required filings and obtain any and all such consents and approvals with or from any governmental or regulatory agency, including the FCC, and the termination of any applicable waiting period under the HSR Act in connection with such conversion, in each case as promptly as practicable.
- (d) If a Restructuring Transaction has not occurred within 365 days following the notice referred to in paragraph 2(a) (or, if earlier, such time as Rockies reasonably determines, after consultation with Lasorda, that Lasorda has ceased to use his reasonable efforts to

consummate a Restructuring Transaction as required by this Section 2), and a Change in Law has not otherwise occurred by such date, then notwithstanding the restrictions on transfer of the Silver Securities described under the caption "Transfers of Silver Securities" in the Prior Agreement, the Rockies Stockholder Group will be entitled to sell any and all of its Silver Securities (including its entire equity interest in the Silver Company), subject only to (i) a right of first refusal of Dodgers (or its designee), (ii) Rockies' obligation to swap shares of Silver Class B Stock so proposed to be sold for shares of Silver Common Stock owned by the Dodgers Stockholder Group pursuant to the paragraph of the Prior Agreement entitled "Share Exchange" (but without regard to the limitation in the last sentence thereof), and (iii) Rockies' further obligation to convert shares of Silver Class B Stock into shares of Silver Common Stock prior to such a sale (other than to a member of the Dodgers Stockholder Group). Such person or entity (other than a member of the Dodgers Stockholder Group) shall acquire such Silver Securities and/or interest in the Silver Company free and clear of any rights or obligations under the Prior Agreement, this Agreement or the Silver Stockholders Agreement; provided, that such person or entity shall be entitled to such reasonable demand and incidental registration rights with respect to its Silver Securities (including those shares represented by its interest in the Silver Company) as was Rockies under the Prior Agreement and/or the Silver Stockholders Agreement prior to such sale. Except as specifically provided in this paragraph, the sale by Rockies permitted herein will not otherwise alter the rights and obligations of the parties set forth in the Prior Agreement (as amended by this Agreement).

3. Management Structure. The Silver Stockholders Agreement shall provide that upon the earlier to occur of (i) the Restructuring Transaction (which will result in a Change in Law following the consummation thereof) and (ii) a Change in Law (which the parties agree shall include, for purposes of this Agreement and the Prior Agreement, any change in law, rule or

regulation, or change in the circumstances of any party or Silver (including, but not limited to, in the case of Rockies, a change in the ownership of a majority of the outstanding common stock of Rockies) or any other event, the effect of which is or would be to permit Rockies or any holder of Rockies' interest in the Silver Company to exercise ownership rights (including voting rights) with respect to the Silver Securities owned by it (including its pro rata portion of any Silver Securities held by the Silver Company)), whether before or after the Merger and/or the Exchange, the management rights of the parties with respect to Silver shall be as follows:

- (i) Lasorda thereafter would be entitled to designate a mutually agreeable number of the members of the Board of Directors of Silver and Rockies would be entitled to designate the remainder of the directors of Silver (which number designated by Rockies shall, in any event, constitute a majority of the number of directors constituting the entire Silver Board of Directors). In the event that (A) any of Rockies' designees on the Silver Board of Directors vote in a manner inconsistent with the expressed preference of Lasorda (or, unless required by applicable law, abstain from voting) with respect to any matter voted upon by the Silver Board of Directors, and the outcome of such vote is inconsistent with such preference or (B) any member of the Rockies Stockholder Group votes any of its Silver Securities with respect to any matter presented for a vote of the stockholders of Silver in a manner inconsistent with the expressed preference of Lasorda (or abstains from voting) and the outcome of such vote is inconsistent with such preference (including, except as set forth below, decisions relating to Lasorda's employment with Silver), in either case other than (x) any decision to terminate Lasorda's employment with Silver for Cause, (y) any decision relating to Lasorda's compensation by Silver or any of its subsidiaries (except as provided for by the Silver Term Sheet), or (z) any decision

relating to a Fundamental Matter (except as set forth in (x), (y) and (z) above, a "Qualifying Disagreement"), then Lasorda shall be entitled to deliver notice of his election (a "Management Election") to exercise his management rights as a result of the occurrence of such Qualifying Disagreement in the manner and to the extent set forth below.

- (ii) Following a Management Election by Lasorda:
- (A) Lasorda shall be entitled to exercise his voting authority or authority to act by written consent over all Silver Securities then owned by each member of the Rockies Stockholder Group and the Dodgers Stockholder Group on all matters submitted to a vote of Silver stockholders, or by which Silver stockholders may act by written consent, pursuant to a conditional proxy (which proxy shall be valid for the full remaining term that the Prior Agreement and the Silver Stockholders Agreement that supersedes (to the extent set forth therein) the Prior Agreement is effective and shall be irrevocable and coupled with an interest for purposes of Section 212 of the DGCL), provided, that each Stockholder agrees, and agrees to cause each member of its Stockholder Group, to take or cause to be taken all reasonable actions required (x) for the election of a slate of directors of Silver, two of whom will be designated by Rockies and the remainder of whom will be designated by Lasorda, and (y) to prevent the taking of any action by Silver or its subsidiaries with respect to a Fundamental Matter without the consent of both Stockholders; and (B) subject to applicable law and fiduciary duties and except with respect to any Fundamental Matters and any matter referred to in clause (x) or (y) under clause (i) above, Rockies shall be required to use its reasonable best efforts to cause its designees on the Silver Board of Directors to vote with respect to any matter presented to a vote of the Silver Board of Directors in the manner instructed by Lasorda.

- (iii) Lasorda shall cease to be entitled to exercise any rights under this Agreement or the Stockholders Agreement with respect to the matters set forth in this Section 3 upon the occurrence of any of the following: (x) Lasorda is no longer Chairman of the Board and/or Chief Executive Officer and/or President of Silver and (y) the Dodgers Stockholder Group ceases to own its Eligible Stockholder Amount of Silver Securities.
  
  - (iv) Each of Rockies and Lasorda agrees, and agrees to cause each member of its Stockholder Group, to take all reasonable actions required (including to vote or execute a written consent with respect to the Silver Securities held by the Silver Company) in order to give effect to the provisions of this Section 3. In this connection, (A) following the earlier to occur of the events specified in clauses (i) and (ii) of the introductory paragraph of this Section 3, if so requested by Rockies, all representatives of Lasorda and/or the Dodgers Stockholder Group on the Silver Board of Directors shall immediately resign (other than the representative(s) to be designated by Lasorda pursuant to clause (i)) and (B) following a Management Election, if so requested by Lasorda, all representatives of Rockies on the Silver Board of Directors shall resign immediately (other than two persons designated by Rockies).
4. Contribution to Silver Company. In the event that (a) a Change in Law occurs prior to the date upon which Rockies is required to transfer the Silver Option and cash to the Silver Company and (b) the change in structure described in this Section would not result in any material delay or additional review of Lasorda's application to the FCC regarding a change in control of Silver (the "CINC Approval"), or otherwise materially delay the consummation of such change in control, then Rockies shall not be required to make such contribution but shall instead exercise the Silver Option promptly following the receipt of the CINC Approval. All

shares of Silver Class B Stock received by it upon such exercise shall be held by Rockies and shall immediately become subject to the Silver Stockholders Agreement. In such event, the parties shall use their respective commercially reasonable efforts to amend the Merger Agreement and the Exchange Agreement to provide that Rockies shall exchange the House Shares directly with Silver in exchange for the Exchange Shares on the basis set forth in the Exchange Agreement, mutatis mutandis. Such transaction would be structured in a manner reasonably acceptable to the parties in light of relevant tax and regulatory considerations. In such event, the management structure described in Section 3 would apply as to the parties respective management rights as to Silver.

5. Fundamental Matters. Upon the consummation of the Merger and the Exchange, the indicated paragraphs of the definition of the term "Fundamental Matters" in the Prior Agreement shall be amended in their entirety to read as follows:

"(2) The acquisition, disposition (including pledges), directly or indirectly, by Silver or any of its subsidiaries, of any assets (including debt and/or equity securities) or business (by merger, consolidation or otherwise), the grant or issuance of any debt or equity securities of Silver or any of its subsidiaries, the redemption, repurchase or reacquisition of any debt or equity securities of Silver or any of its subsidiaries by Silver or any such subsidiary, or the incurrence of any indebtedness, or any combination of the foregoing, in any such case, in one transaction or any series of transactions in a six month period, with a value of 10% or more of the market value of Silver's outstanding equity securities at the time of such transaction."

"(4) Engaging in any line of business other than media, communications and

entertainment products, services and programming, and electronic retailing."

6. Covenant of Lasorda. Lasorda hereby covenants and agrees with Rockies that, if so requested by Rockies, following the Merger he will use his reasonable best efforts to cause one designee of Rockies to serve or continue to serve on the Board of Directors of House.
7. Consent of Rockies and Lasorda Regarding Certain Transactions. For purposes of the provisions of the Prior Agreement and this Agreement regarding Dodgers Management Rights and Fundamental Matters, each of Rockies and Lasorda hereby consents and agrees to the taking of any action by any of Lasorda, the Silver Company or Silver, which action is reasonably necessary or appropriate to approve and consummate the transactions (including the related amendments to the Silver Certificate of Incorporation and other actions to be taken by the Silver stockholders (including the approval by Silver stockholders of the additional options to purchase Silver Common Stock to be granted to Lasorda (which grant shall be made in respect of, and subject to, the consummation of each of the Exchange and the SP Merger), as approved by the Compensation Committee of the Silver Board of Directors in connection herewith)) contemplated by each of the Merger Agreement, the Exchange Agreement and the SP Merger Agreement, provided, that the applicable parties shall not enter into, or permit any material amendment to, or waiver or modification of material rights or obligations under the SP Merger Agreement without the prior written consent of Rockies (which consent shall not be unreasonably withheld).
8. Reasonable Efforts. Each of Rockies and Lasorda agrees to use, and to cause each of its respective officers, directors, employees, affiliates and representatives to use, all reasonable efforts and take all reasonable actions required or necessary to consummate the transactions contemplated by this Agreement and the Prior Agreement (including, without limitation, the Merger and the Exchange) and to

entertainment products, services and programming, and electronic retailing."

9. Liabilities under the Federal Securities Laws. The exercise of any rights hereunder or under the Prior Agreement or the Silver Stockholders Agreement by either Rockies or Dodgers and/or Lasorda shall be subject to such reasonable delay as may be required to prevent the other Stockholder Group from incurring any liability under the federal securities laws.
  
10. Miscellaneous. This agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements to be fully performed therein and without regard to principles of conflict of laws. This Agreement, together with the Prior Agreement, incorporates the entire understanding of the parties with respect to the subject matter herein and therein and supersedes all previous understandings, discussions, negotiations and agreements with respect to such subject matter. The Prior Agreement, as amended pursuant to the specific terms of this Agreement, is hereby ratified and confirmed in all respects; provided, however, that in the event of any conflict between the terms of this Agreement and the terms of the Prior Agreement, the terms of this Agreement shall be deemed to supersede the conflicting terms of the Prior Agreement. This Agreement may be executed in counterparts, (including its rights and obligations under the Prior Agreement) each of which shall be deemed an original and all of which shall constitute one and the same instrument. Except as otherwise provided herein, neither party may assign this Agreement without the prior written consent of the other party.

If the foregoing is acceptable to you, please execute the copy of this agreement in the space below, at which time this Agreement will constitute a binding agreement between us.

Very truly yours,

LIBERTY MEDIA CORPORATION

By: /s/ Robert R. Bennett  
Name: Robert R. Bennett  
Title: Executive Vice President

ACCEPTED AND AGREED  
this 27th day of November, 1995

By: /s/ Barry Diller  
Barry Diller

AGREEMENT AND PLAN OF MERGER

DATED AS OF NOVEMBER 27, 1995

BY AND AMONG

SILVER MANAGEMENT COMPANY,

LIBERTY PROGRAM INVESTMENTS, INC.

AND LIBERTY HSN, INC.

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AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER, dated as of November 27, 1995, by and among Silver Management Company, a Delaware corporation ("Silver Co."), Liberty Program Investments, Inc., a Wyoming corporation ("Rockies Sub") and an indirect wholly-owned subsidiary of Liberty Media Corporation, a Delaware corporation ("Rockies"), and Liberty HSN, Inc., a Colorado corporation and a wholly-owned subsidiary of Rockies Sub ("Rockies House Sub").

RECITALS:

WHEREAS, Rockies House Sub owns 17,566,702 shares of the Common Stock, par value \$.01 per share (the "House Common Stock"), of Home Shopping Network, Inc., a Delaware corporation ("House"), and 20,000,000 shares of the Class B Common Stock, par value \$.01 per share (the "House Class B Stock"), of House (collectively, the "House Shares");

WHEREAS, the House Board of Directors has approved the transactions contemplated hereby and the Exchange Agreement (as hereinafter defined) being entered into simultaneously herewith (including for purposes of Section 203 of the Delaware General Corporation Law (the "DGCL"));

WHEREAS, immediately following the consummation of the merger contemplated hereby, Silver Co. desires to exchange (the "Exchange") with Silver King Communications, Inc., a Delaware corporation ("Silver"), all of the shares of House Common Stock which it will acquire as a result of such merger for newly issued shares of Common Stock, par value \$.01 per share (the "Silver Common Stock"), of Silver and all of the shares of House Class B Stock which it will acquire as a result of such merger for newly issued shares of Class B Common Stock, par value \$.01 per share (the "Silver Class B Stock"), of Silver, all pursuant to that certain Exchange Agreement, dated as of the date hereof, by and between Silver Co. and Silver (the "Exchange Agreement");

WHEREAS, Rockies Sub, Rockies House Sub and Silver Co. wish to set forth their agreement as to the terms and conditions upon which Rockies House Sub will be merged with and into Silver Co., as a result of which merger Silver Co. will be the surviving corporation.

NOW, THEREFORE, in consideration of the premises and of the respective covenants, representations, warranties and agreements herein contained, the parties hereto agree as follows:

## ARTICLE I

### THE MERGER AND RELATED MATTERS

SECTION 1.1 The Merger. (a) Upon the terms and subject to the conditions of this Agreement, at the Effective Time (as such term is defined in Section 1.1(b) hereof), Rockies House Sub shall be merged with and into Silver Co. (the "Merger") in accordance with the provisions of the DGCL and the Colorado Business Corporation Act (the "Colorado Code"), the separate corporate existence of Rockies House Sub shall cease, and Silver Co. shall continue as the surviving corporation under the laws of the State of Delaware (the "Surviving Corporation").

(b) The Merger shall become effective at the time (the "Effective Time") of the later to occur of (i) the filing with the Delaware Secretary of State of a certificate of merger (the "Certificate of Merger") in such form as is required by, and executed in accordance with, the applicable provisions of the DGCL and (ii) the filing of appropriate articles of merger (the "Articles of Merger") with the Colorado Secretary of State in accordance with the provisions of Section 7-111-105 of the Colorado Code, or at such later time as may be agreed to by Rockies Sub and Silver Co. and specified in the Certificate of Merger and the Articles of Merger. Provided that this Agreement has not been terminated pursuant to Article VI, the parties will cause the Certificate of Merger to be filed with the Delaware Secretary of State and the Articles of Merger to be filed with the Colorado Secretary of State as soon as practicable after the Closing (as defined in Section 1.7).

(c) The Merger shall have the effects set forth in Sections 259, 260 and 261 of the DGCL and in Section 7-111-106 of the Colorado Code. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all the properties, rights, privileges, powers and franchises of Rockies House Sub and Silver Co. shall vest in the Surviving Corporation, and all debts, liabilities and duties of Rockies House Sub and Silver Co. shall become the debts, liabilities and duties of the Surviving Corporation. If, at any time after the Effective Time, the Surviving Corporation considers or is advised that any deeds, bills of sale, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Corporation its right, title or interest in, to or under any of the rights, properties or assets of either Rockies House Sub or Silver Co., or otherwise to carry out the intent and purposes of this Agreement, the officers and directors of the Surviving Corporation will be authorized to execute and

deliver, in the name and on behalf of each of Rockies House Sub and Silver Co., all such deeds, bills of sale, assignments and assurances and to take and do, in the name and on behalf of each of Rockies House Sub and Silver Co., all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Surviving Corporation or otherwise carry out the intent and purposes of this Agreement.

SECTION 1.2 Conversion of Stock. At the Effective Time:

(a) By virtue of the Merger and without any action on the part of the holder thereof, the outstanding shares of common stock of Rockies House Sub, par value \$1.00 per share, shall be converted into and represent the right to receive, and shall be exchangeable for, as provided in Section 1.3 hereof, an aggregate of 3,363,262 newly issued, fully paid and nonassessable shares of the Class B Common Stock, par value \$.01 per share of Silver Co. (the "Silver Co. Class B Common Stock"). The shares of Silver Co. Class B Common Stock to be issued as consideration in the Merger are collectively referred to herein as the "Merger Consideration Shares." At the Effective Time, all such shares of common stock of Rockies House Sub shall automatically be cancelled and retired and cease to exist. Following the Effective Time, such shares shall no longer be deemed to be outstanding, and each holder of a certificate representing any such shares shall cease to have any rights with respect thereto, except the right to receive the shares of Silver Co. Class B Common Stock to be issued in consideration therefor upon the surrender of such certificate in accordance with Section 1.3 hereof, without interest.

(b) Each share of Class A Common Stock, par value \$.01 per share of Silver Co. (the "Silver Co. Class A Common Stock") then issued and outstanding shall remain issued and outstanding and unchanged by the Merger.

(c) Each share of Class B Common Stock, par value \$.01 per share, of Silver Co. (the "Silver Co. Class B Common Stock") then issued and outstanding shall remain issued and outstanding and unchanged by the Merger.

SECTION 1.3 Exchange of Certificates. At the Closing (as defined below), upon surrender to Silver Co. of the certificates which immediately prior to the Effective Time represented the outstanding shares of common stock of Rockies House Sub, Silver Co. shall deliver to Rockies Sub the Merger Consideration Shares payable in respect of such shares. The stock certificate or certificates representing the Merger

Consideration Shares delivered to Rockies Sub pursuant to this Agreement shall be dated the Closing Date (as defined below) and shall be issued to and registered in the name of Rockies Sub, or a designee of Rockies Sub, if Rockies Sub so directs.

SECTION 1.4 Certificate of Incorporation of the Surviving Corporation. The certificate of incorporation of Silver Co. as in effect immediately prior to the Effective Time shall be the certificate of incorporation of the Surviving Corporation after the Merger until thereafter amended as provided by law.

SECTION 1.5 Bylaws of the Surviving Corporation. The bylaws of Silver Co. as in effect immediately prior to the Effective Time, shall be the bylaws of the Surviving Corporation after the Merger until thereafter amended as provided by law.

SECTION 1.6 Directors and Officers of the Surviving Corporation. The directors and officers of Silver Co. immediately prior to the Effective Time shall be (until their respective successors are elected and qualified) the directors and officers of the Surviving Corporation after the Merger.

SECTION 1.7 Closing. The Closing of the transactions contemplated by this Agreement (the "Closing") shall take place (i) at the offices of Baker & Botts, L.L.P., 885 Third Avenue, New York, New York 10022, at 10:00 a.m., local time, on the second business day following the day on which the last of the conditions set forth in Sections 5.1(c), 5.1(d), 5.1(e), 5.2(b) (other than any actions to be taken at the Closing), 5.2(c), 5.2(e), 5.2(1) and 5.3(b) (other than any actions to be taken at the Closing) hereof is fulfilled or waived (subject to applicable law) or (ii) at such other time and place and on such other date as Silver Co. and Rockies Sub shall agree (the "Closing Date").

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES OF SILVER CO.

Silver Co. hereby makes the following representations and warranties to Rockies Sub and Rockies House Sub:

SECTION 2.1 Organization and Qualification. Silver Co. (i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation; (ii) has all requisite corporate power and authority to carry on its business as it is now conducted and to own, lease and operate the properties it now owns, leases or

operates at the places currently located and in the manner currently used and operated and (iii) is duly qualified or licensed and in good standing to do business in each jurisdiction in which the properties owned, leased or operated by it or the nature of the business conducted by it makes such qualification or license necessary. Silver Co. has delivered or made available to Rockies Sub true and complete copies of its certificate of incorporation and bylaws, each as amended to date and currently in effect (respectively, the "Silver Co. Charter" and the "Silver Co. Bylaws").

SECTION 2.2 Authorization and Validity of Agreement. The execution, delivery and performance of this Agreement by Silver Co. and the consummation of the transactions contemplated hereby have been duly and validly authorized by the board of directors of Silver Co. and by the requisite vote of the stockholders of Silver Co. entitled to vote thereon. Silver Co. has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the Merger and the other transactions contemplated hereby. No other corporate proceedings on the part of Silver Co. or any of its subsidiaries are necessary to authorize the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Silver Co. and, assuming the due authorization, execution and delivery of this Agreement by Rockies Sub and Rockies House Sub, constitutes a legal, valid and binding obligation of Silver Co. enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally or by principles governing the availability of equitable remedies.

SECTION 2.3 Validity of Merger Consideration Shares. The shares of Silver Co. Class B Common Stock to be issued to Rockies Sub pursuant to the Merger, upon issuance and delivery in accordance with the terms and conditions of this Agreement, will be duly authorized, validly issued, fully paid and non-assessable, and except as contemplated by this Agreement or the definitive term sheet attached to the letter to Barry Diller ("Lasorda") from Rockies, dated August 24, 1995, as amended by the letter to Lasorda, dated as of the date hereof, pursuant to which Rockies and Lasorda have entered into certain agreements with respect to the equity securities of Silver, all as described therein (as amended, the "Term Sheet"), will be free of any liens, claims, charges, security interests, pledges, voting or stockholder agreements, encumbrances or equities of any kind whatsoever, will not be issued in violation of any

preemptive rights and will vest in Rockies Sub full rights with respect thereto, including the right to vote such Merger Consideration Shares on all matters properly presented to the stockholders of Silver Co. or to consent to the taking of certain actions, all to the extent set forth in the Silver Co. Charter. The shares of Silver Co. Class B Common Stock to be issued in the Merger will have identical rights, powers, privileges and preferences as the Silver Co. Class B Common Stock outstanding immediately prior to the Closing Date.

SECTION 2.4 Capitalization. As of the Closing Date, the authorized capital stock of Silver Co. shall consist of (i) 1 share of Silver Co. Class A Common Stock, of which 1 share shall be issued and outstanding and held beneficially and of record by Arrow Holdings, LLC, a California limited liability company ("Arrow") and (ii) 3,978,262 shares of Silver Co. Class B Common Stock, of which 615,000 shares shall be issued and outstanding and held beneficially and of record by Rockies Sub (assuming the contribution of the Silver Option and cash equal to the exercise price thereof pursuant to (and as defined in) the Term Sheet); as of the Closing Date, no other shares of capital stock of Silver Co. shall be issued and outstanding or held by Silver Co. in its treasury. The respective rights, preferences, privileges, limitations and restrictions of the Silver Co. Class A Common Stock and the Silver Co. Class B Common Stock shall be as set forth in the Silver Co. Charter. Except pursuant to this Agreement and the transactions contemplated by the Term Sheet, as of the Closing Date, there shall be no outstanding or authorized subscriptions, options, warrants, calls, rights, commitments or any other agreements of any character to or by which Silver Co. will be a party or by which it shall be bound which, directly or indirectly, will obligate Silver Co. to issue, deliver or sell or cause to be issued, delivered or sold any shares of capital stock or other equity interests of Silver Co. or any securities convertible into, or exercisable or exchangeable for, or evidencing the right to subscribe for any such shares of capital stock or other equity interests of Silver Co. or obligating Silver Co. to grant, extend or enter into any such subscription, option, warrant, call or right. All shares of Silver Co. Class A Common Stock and Silver Co. Class B Common Stock subject to issuance as aforesaid, upon issuance on the terms and conditions specified in the instruments pursuant to which they are issuable, shall be duly authorized, validly issued, fully paid and non-assessable and not subject to preemptive rights. Other than as contemplated by the Term Sheet or the Silver Co. Charter, as of the Closing Date, there shall be no obligations, contingent or otherwise, of Silver Co. or any of its subsidiaries to repurchase, redeem or otherwise acquire any shares of Silver Co. Class A Common Stock or Silver Co. Class B

Common Stock or the capital stock of any subsidiary or to provide funds to make any material investment (in the form of a loan, capital contribution or otherwise) in any such subsidiary or any other entity other than guarantees of obligations of subsidiaries entered into in the ordinary course of business.

SECTION 2.5 No Approvals or Notices Required; No Conflict with Instruments. The execution and delivery by Silver Co. of this Agreement do not, and the performance by Silver Co. of its obligations hereunder and the consummation of the transactions contemplated hereby, including the issuance of the Merger Consideration Shares, will not:

(i) conflict with or violate the Silver Co. Charter or the Silver Co. Bylaws or the charter or bylaws of any subsidiary of Silver Co., in each case as amended to date;

(ii) require any consent, approval, order or authorization of or other action by any court, administrative agency or commission or other governmental authority or instrumentality, foreign, United States federal, state or local (each such entity a "Governmental Entity" and each such action a "Governmental Consent") or any registration, qualification, declaration or filing with or notice to any Governmental Entity (a "Governmental Filing"), in each case on the part of or with respect to Silver Co., the absence or omission of which would, either individually or in the aggregate, have a material adverse effect on the transactions contemplated hereby or on the business, assets, results of operations or financial condition of Silver Co., except for (A) the filing of the Certificate of Merger with the Delaware Secretary of State, (B) the filing of the Articles of Merger with the Colorado Secretary of State, and (C) the Governmental Filings required pursuant to the pre-merger notification requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder (the "HSR Act") and the expiration or termination of any applicable waiting period with respect to the Merger under the HSR Act;

(iii) require, on the part of Silver Co., any consent by or approval of (a "Contract Consent") or notice to (a "Contract Notice") any other person or entity (other than a Governmental Entity), the absence or omission of which would, either individually or in the aggregate, have a material

adverse effect on the transactions contemplated hereby or on the business, assets, results of operations or financial condition of Silver Co.;

(iv) conflict with, result in any violation or breach of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or the loss of any material benefit under or the creation of any lien, security interest, pledge, charge, claim, option, right to acquire, restriction on transfer, voting restriction or agreement, or any other restriction or encumbrance of any nature whatsoever on any assets pursuant to (any such conflict, violation, breach, default, right of termination, cancellation or acceleration, loss or creation, a "Violation") any "Contract" (which term shall mean and include any note, bond, indenture, mortgage, deed of trust, lease, franchise, permit, authorization, license, contract, instrument, employee benefit plan or practice, or other agreement, obligation, commitment or concession of any nature) to which Silver Co. is a party, by which Silver Co. or any of its assets or properties is bound or pursuant to which Silver Co. is entitled to any rights or benefits, except for such Violations which would not, either individually or in the aggregate, have a material adverse effect on the transactions contemplated hereby or on the business, assets, results of operations or financial condition of Silver Co.; or

(v) assuming that the Governmental Consents and Governmental Filings specified in clause (ii) of this Section 2.5 are obtained, made and given (and any related waiting period is terminated or otherwise expires), result in a Violation of, under or pursuant to any law, rule, regulation, order, judgment or decree applicable to Silver Co. or by which any of its properties or assets are bound.

SECTION 2.6 Brokers or Finders. No agent, broker, investment banker, financial advisor or other person or entity is or will be entitled, by reason of any agreement, act or statement by Silver Co. or any of its directors, officers, employees or affiliates, to any financial advisory, broker's, finder's or similar fee or commission, to reimbursement of expenses or to indemnification or contribution in connection with any of the transactions contemplated by this Agreement, except as set forth in Schedule 2.6 hereto.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF ROCKIES SUB  
AND ROCKIES HOUSE SUB

Each of Rockies Sub and Rockies House Sub hereby makes the following representations and warranties to Silver Co.:

SECTION 3.1 Organization and Qualification. Each of Rockies Sub and Rockies House Sub (i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation; (ii) has all requisite corporate power and authority to carry on its business as it is now conducted and to own, lease and operate the properties it now owns, leases or operates at the places currently located and in the manner currently used and operated and (iii) is duly qualified or licensed and in good standing to do business in each jurisdiction in which the properties owned, leased or operated by it or the nature of the business conducted by it makes such qualification or license necessary. Each of Rockies Sub and Rockies House Sub has delivered or made available to Silver Co. true and complete copies of its certificate of incorporation and bylaws, each as amended to date and currently in effect (respectively, the "Rockies Sub Charter," the "Rockies House Sub Charter," the "Rockies Sub Bylaws" and the "Rockies House Sub Bylaws.")

SECTION 3.2 Authorization and Validity of Agreement. The execution, delivery and performance of this Agreement by each of Rockies Sub and Rockies House Sub and the consummation of the transactions contemplated hereby have been duly and validly authorized by the board of directors of each of Rockies Sub and Rockies House Sub and by the stockholder(s) of Rockies House Sub. Each of Rockies Sub and Rockies House Sub has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the Merger and the other transactions contemplated hereby. No other corporate proceedings on the part of either Rockies Sub or Rockies House Sub or any of their respective subsidiaries are necessary to authorize the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by each of Rockies Sub and Rockies House Sub and, assuming the due authorization, execution and delivery of this Agreement by Silver Co., constitutes a legal, valid and binding obligation of each of Rockies Sub and Rockies House Sub, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or

other similar laws affecting creditors' rights generally or by principles governing the availability of equitable remedies.

SECTION 3.3 Capitalization; Validity of Stock. The authorized capital stock of Rockies House Sub consists solely of 5000 shares of common stock, par value \$1.00 per share (the "Rockies House Sub Common Stock"), of which 1000 shares of Rockies House Sub Common Stock are issued and outstanding, all of which are held of record and owned beneficially by Rockies Sub. No shares are reserved for issuance upon exercise of outstanding stock options, no shares are held by Rockies House Sub in its treasury, and no shares are held by any subsidiary of Rockies House Sub. The shares of Rockies House Sub Common Stock held by Rockies Sub are duly authorized, validly issued, fully paid and non-assessable, and are held by Rockies Sub free of any liens, claims, charges, security interests, pledges, voting or stockholder agreements, encumbrances or equities of any kind whatsoever. Such shares were not issued in violation of any preemptive rights.

SECTION 3.4 Assets of Rockies House Sub. Rockies House Sub's assets consist solely of the House Shares. Rockies House Sub is the record and beneficial owner of the House Shares, and such shares are held by Rockies House Sub free of any liens, claims, charges, security interests, pledges, voting or stockholder agreements, encumbrances or equities, other than pursuant to this Agreement, the Term Sheet and certain voting restrictions contained in the Stipulation and Agreement of Compromise, Settlement and Release entered into in the action entitled 7547 Corp. v. Liberty Media Corp., et al. in the Delaware Chancery Court and approved by such court on January 27, 1995 (the "Sec. 203 Settlement Agreement"). Except for this Agreement, the Term Sheet, certain voting restrictions contained in the Sec. 203 Settlement Agreement and the transactions contemplated hereby and thereby, there are no agreements, arrangements, warrants, options, puts, calls, rights or other commitments or understandings of any character to which Rockies House Sub, Rockies Sub or Rockies is a party or by which any of them is bound and relating to the sale, purchase, redemption, conversion, exchange, registration, voting or transfer of any of the House Shares. Following the Effective Time, the Surviving Corporation will hold the House Shares, free and clear of any liens, claims, charges, security interests, pledges, voting or stockholder agreements, encumbrances or options (other than any of the foregoing created by Silver Co. or the Surviving Corporation), and will have full rights of ownership with respect to the House Shares, including the right to vote the House Shares on all matters properly presented to the stockholders of House to the extent

and in the manner set forth in the certificate of incorporation of House as in effect on the date hereof.

SECTION 3.5 Liabilities of Rockies House Sub. At the Closing, Rockies House Sub will have no liabilities, whether contingent or fixed or otherwise (other than as may arise pursuant to this Agreement or the transactions contemplated hereby). Since its formation, Rockies House Sub has conducted no business other than the holding of the House Shares.

SECTION 3.6 No Approvals or Notices Required; No Conflict with Instruments. The execution and delivery by each of Rockies Sub and Rockies House Sub of this Agreement do not, and the performance by each of Rockies Sub and Rockies House Sub of their respective obligations hereunder and the consummation of the transactions contemplated hereby will not:

(i) conflict with or violate the Rockies Sub Charter, the Rockies House Sub Charter, the Rockies Sub Bylaws or the Rockies House Sub Bylaws;

(ii) require any Governmental Consent or Governmental Filing, in each case on the part of or with respect to each of Rockies Sub and any subsidiary of Rockies Sub, the absence or omission of which would, either individually or in the aggregate, have a material adverse effect on the transactions contemplated hereby, except for (A) the filing of the Articles of Merger with the Colorado Secretary of State and (B) the Governmental Filings required pursuant to the pre-merger notification requirements of the HSR Act and the expiration or termination of any applicable waiting period with respect to the Merger under the HSR Act;

(iii) require, on the part of Rockies Sub, Rockies House Sub or House any stockholder approval that has not been obtained;

(iv) except for any required consent or waiver under the Second Amended and Restated Credit Agreement, dated as of August 30, 1994 (as amended by the First Amendment thereto, dated as of March 29, 1995, and as further amended by the Second Amendment thereto, dated as of June 28, 1995 and by the Third Amendment thereto, dated as of September 28, 1995) among House and certain of its subsidiaries, LTCB Trust Company as Agent, and the banks that are signatories thereto (the "House Credit Agreement"),

require, on the part of Rockies Sub or any subsidiary of Rockies Sub any Contract Consent or Contract Notice, the absence or omission of which would, either individually or in the aggregate, have a material adverse effect on the transactions contemplated hereby;

(v) except for any required consent or waiver under the House Credit Agreement, conflict with or result in any Violation of any Contract to which Rockies Sub or any subsidiary of Rockies Sub is a party, or by which Rockies Sub or any subsidiary of Rockies Sub, or any of their respective assets or properties is bound, except for such Violations which would not, either individually or in the aggregate, have a material adverse effect on the transactions contemplated hereby; or

(vi) assuming that the Governmental Filings specified in clause (ii) of this Section 3.6 are obtained, made and given, result in a Violation of, under or pursuant to any law, rule, regulation, order, judgment or decree applicable to Rockies Sub or any subsidiary of Rockies Sub or by which any of their respective properties or assets are bound, except for such Violations which would not, either individually or in the aggregate, have a material adverse effect on the transactions contemplated hereby.

SECTION 3.7 Brokers or Finders. No agent, broker, investment banker, financial advisor or other person or entity is or will be entitled, by reason of any agreement, act or statement by Rockies Sub or Rockies House Sub, any of their respective subsidiaries, directors, officers, employees or affiliates, to any financial advisory, broker's, finder's or similar fee or commission, to reimbursement of expenses or to indemnification or contribution in connection with any of the transactions contemplated by this Agreement.

#### ARTICLE IV

##### COVENANTS AND OTHER AGREEMENTS

SECTION 4.1 Reasonable Efforts. Subject to the terms and conditions of this Agreement and applicable law, each of the parties shall use its reasonable efforts to take, or cause to be taken, all actions, and do, or cause to be done, all things reasonably necessary, proper or advisable to

consummate and make effective the transactions contemplated by this Agreement as soon as reasonably practicable, including such actions or things as either party hereto may reasonably request in order to cause any of the conditions to such other party's obligation to consummate such transactions specified in Article V to be fully satisfied. Without limiting the generality of the foregoing, the parties shall (and shall cause their respective subsidiaries, and use their reasonable efforts to cause their respective affiliates, directors, officers, employees, agents, attorneys, accountants and representatives, to) consult and fully cooperate with and provide reasonable assistance to each other in (1) obtaining all necessary Contract Consents and Governmental Consents, and giving all necessary Contract Notices to and making all necessary Governmental Filings and all other necessary filings with and applications and submissions to any Governmental Entity or other person or entity; (2) filing all applicable Pre-Merger Notification and Report Forms required under the HSR Act as a result of the transactions contemplated by this Agreement and promptly complying with any requests for additional information and documentary material that may be requested pursuant to the HSR Act; (3) lifting any permanent or preliminary injunction or restraining order or other similar order issued or entered by any court or Governmental Entity (an "Injunction") of any type referred to in Section 5.1; (4) providing all such information about such party, its subsidiaries and its officers, directors, partners and affiliates and making all applications and filings as may be necessary or reasonably requested in connection with any of the foregoing; and (5) in general, consummating and making effective the transactions contemplated hereby; provided, however, that in order to obtain any consent, approval, waiver, license, permit, authorization, registration, qualification or other permission or action or the lifting of any Injunction referred to in clauses (i) and (iii) of this sentence, no party shall be required to (x) pay any consideration, to divest itself of any of, or otherwise rearrange the composition of, its assets or to agree to any conditions or requirements which are materially adverse or burdensome or (y) amend, or agree to amend, in any material respect any Contract. Prior to making any application to or filing with any Governmental Entity or other person or entity in connection with this Agreement, each of Silver Co. and Rockies Sub shall provide the other party with drafts thereof and afford the other party a reasonable opportunity to comment on such drafts.

SECTION 4.2 Public Announcements. Each party agrees that it shall not, and shall use its reasonable efforts to cause its affiliates, directors, officers, employees and authorized representatives not to, issue any press release,

make any public announcement or furnish any written statement to its employees or stockholders generally concerning the transactions contemplated by this Agreement without the consent of the other party (which consent shall not be unreasonably withheld), except to the extent required by applicable law or any listing agreement with or other applicable requirements of a national securities exchange or the applicable requirements of the NASD (and in such case such party shall, to the extent consistent with timely compliance with such requirement, consult with the other party prior to making the required release, announcement or statement).

SECTION 4.3 Confidentiality. Each party shall, and shall use its reasonable efforts to cause its officers, employees and authorized representatives to, (i) hold in confidence all confidential information obtained by it from the other party or such other party's officers, employees or authorized representatives pursuant to this Agreement (unless such information is or becomes publicly available or readily ascertainable from public or published information or trade sources through no wrongful act of such first party) and (ii) use all such data and information solely for the purpose of consummating the transactions contemplated hereby, except, in either case, as may be otherwise required by law or legal process or as may be necessary or appropriate in connection with the enforcement of, or any litigation concerning, this Agreement. In the event a party is required by applicable law or legal process to disclose any confidential information of the other party, such first party will provide the other party with prompt notice thereof to enable such other party to seek an appropriate protective order. In the event this Agreement is terminated, each party shall promptly return, if so requested by the other party, all nonpublic documents obtained from such other party in connection with the transactions contemplated hereby and any copies thereof which may have been made by such first party and shall use its reasonable efforts to cause its officers, employees and authorized representatives to whom such documents were furnished promptly to return such documents and any copies thereof any of them may have made.

SECTION 4.4 House Shares. Silver Co. shall not, directly or indirectly, transfer, assign, sell, pledge or otherwise encumber or authorize or propose the transfer, assignment, sale, pledge or encumbrance of any of the House Shares acquired or to be acquired by it pursuant to the Merger except in connection with the consummation of the Exchange.

SECTION 4.5 Notification of Certain Matters. Rockies Sub and/or Rockies House Sub shall give prompt notice to Silver Co., and Silver Co. shall give prompt notice to

Rockies Sub, of the occurrence, or failure to occur, of any event, which occurrence or failure to occur would be likely to cause (a) any representation or warranty contained in this Agreement to be untrue or inaccurate in any material respect, (b) any material failure of Silver Co. or Rockies Sub and Rockies House Sub, as the case may be, or of any officer, director, employee or agent thereof, to comply with or satisfy any covenant or agreement to be complied with or satisfied by it under this Agreement or (c) the failure to be satisfied of any condition to the parties' respective obligations to consummate the transactions contemplated hereby and by the Exchange Agreement. Notwithstanding the foregoing, the delivery of any notice pursuant to this Section shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

SECTION 4.6 No Amendment of Exchange Agreement. Silver Co. shall not amend or otherwise alter or waive any of its rights or obligations (including any conditions on its obligations to consummate the transactions contemplated thereby or any amendment to Silver's obligations to consummate the transactions contemplated thereby) under the Exchange Agreement in any material respect without the prior written consent of Rockies Sub.

#### ARTICLE V

#### CONDITIONS

SECTION 5.1 Conditions Precedent to the Obligations of Silver Co., Rockies Sub and Rockies House Sub. The obligations of each of Silver Co., Rockies Sub and Rockies House Sub to consummate the transactions contemplated by this Agreement are subject to the satisfaction at or prior to the Closing Date of each of the following conditions, any or all of which may be waived in whole or in part by the parties, to the extent permitted by applicable law:

(a) Absence of Injunctions. No Injunction or other legal restraint or prohibition preventing consummation of the transactions contemplated hereby as provided herein shall be in effect.

(b) No Proceedings or Adverse Enactments. There shall not have been any action taken, or any statute, rule, regulation, order, judgment or decree enacted, promulgated, entered, issued or enforced by any Governmental Entity, and there shall be no action, suit, proceeding or investigation pending or threatened which makes the transactions contemplated

by this Agreement illegal or imposes, or is reasonably likely to result in the imposition of, material damages or penalties in connection therewith.

(c) HSR Act. All applicable waiting periods under the HSR Act shall have expired or been terminated without commencement of litigation by the appropriate governmental enforcement agency to restrain the transactions contemplated hereby.

(d) Receipt of Governmental Approvals and Consents. All Governmental Consents as are required in connection with the consummation of the transactions contemplated hereby shall have been obtained and shall be in full force and effect and all Governmental Filings as are required in connection with the consummation of such transactions shall have been made, and all waiting periods, if any, applicable to the consummation of such transactions imposed by any Governmental Entity shall have expired, other than those which, if not obtained, in force or effect, made or expired (as the case may be) would not, either individually or in the aggregate, have a material adverse effect on the transactions contemplated hereby.

(e) Satisfaction of Conditions to the Exchange. All of the conditions to the respective parties' obligations to consummate the Exchange as set forth in Article V of the Exchange Agreement shall have been satisfied without regard to any waiver thereof, except for those conditions which by their nature may only be satisfied as of the closing of the Exchange and any waivers permitted by Section 4.6 hereof.

SECTION 5.2 Conditions Precedent to the Obligations of Rockies Sub and Rockies House Sub. The obligation of each of Rockies Sub and Rockies House Sub to consummate the transactions contemplated by this Agreement is also subject to the satisfaction, at or prior to the Closing Date, of each of the following conditions, any or all of which may be waived in whole or in part by Rockies Sub or Rockies House Sub, to the extent permitted by applicable law:

(a) Accuracy of Representations and Warranties. All representations and warranties of Silver Co. contained in this Agreement shall, if specifically qualified by materiality, be true and correct and, if not so qualified, be true and correct in all material respects in each case as of the Closing Date (except to the extent such representations and warranties speak as of a specified earlier date), except for changes expressly permitted or contemplated by this Agreement.

(b) Performance of Agreements. Silver Co. shall have performed in all material respects all obligations and agreements, and complied in all material respects with all covenants and conditions, contained in this Agreement to be performed or complied with by it at or prior to the Closing Date.

(c) Silver Co. Capital Contribution. The capital contributions to Silver Co. contemplated by the first two paragraphs of the section entitled "Formation of Silver Company" of the Term Sheet shall have been consummated.

(d) Capitalization of Silver Co. and Validity of Stock Prior to Closing. Immediately prior to the Closing, (i) one share of Silver Co. Class A Common Stock shall be issued and outstanding and held beneficially and of record by Arrow and 615,000 shares shall be reserved for issuance upon conversion of outstanding shares of Silver Co. Class B Common Stock and (ii) 615,000 shares of Silver Co. Class B Common Stock shall be issued and outstanding and held beneficially and of record by Rockies Sub; no other shares of capital stock of Silver Co. shall be authorized for issuance and no other shares of capital stock of Silver Co. shall be outstanding or reserved for issuance, and no shares shall be held by Silver Co. in its treasury, except as specifically contemplated by this Agreement.

(e) No Impediments to the Exchange. There shall be no circumstance or condition as of the Closing, in the good faith judgment of Rockies Sub, that will prevent or impede the consummation of the Exchange immediately following the Closing.

(f) No Proceedings or Adverse Enactments Affecting Merger Consideration Shares. There shall not have been any action taken, or any statute, rule, regulation, order, judgment or decree enacted, promulgated, entered, issued or enforced by any Governmental Entity, and there shall be no action, suit or proceeding pending or threatened which would, as of or after the Closing, impose material limitations on the ability of Rockies Sub effectively to exercise full rights of ownership of the Merger Consideration Shares (including, to the extent such Merger Consideration Shares have voting rights, the right to vote such shares on all matters properly presented to the stockholders of Silver Co.).

(g) Lasorda Management Role. Lasorda shall be the Chief Executive Officer and/or Chairman of the Board and/or President of Silver and shall be the Chairman of the Board of House.

(h) Officer's Certificates. Rockies Sub shall have received a certificate of Silver Co. dated the Closing Date, signed by an executive officer of Silver Co. certifying that the conditions set forth in Sections 5.1(e), 5.2 (a) and 5.2(b) have been satisfied, which certification shall have been given by such officers after due inquiry.

(i) Other Deliveries. All other documents and instruments required under this Agreement to have been delivered by Silver Co. to Rockies Sub or Rockies House Sub at or prior to the Closing or as Rockies Sub or Rockies House Sub shall have reasonably requested, shall have been delivered by Silver Co.

(j) No Adverse Change or Development. Except with respect to the Reserved Matters (as defined below), subsequent to August 31, 1995, there shall not have occurred any change or development in or affecting the assets, liabilities, business, operations, or financial condition of Silver which in any case or in the aggregate would, in the reasonable judgment of the Board of Directors of Rockies, represent a material adverse effect upon Silver and its subsidiaries, taken as a whole. For purposes of this paragraph (j), the term "Reserved Matters" shall mean any information relating to the assets, liabilities, business operations or financial condition of Silver which is contained in, is reasonably discernable from, results from, or which is or has become known to, as applicable, any of the following:

(i) any reports or statements filed by Silver with the SEC with respect to periods subsequent to August 31, 1995 and prior to the date of this Agreement;

(ii) any information delivered to Rockies or its representatives prior to the date of this Agreement, in connection with any investigation, discussions, reviews or analyses of the business and affairs of Silver conducted by Rockies or its representatives, or otherwise; and

(iii) with respect to any current or recurring negative financial or operating trend, information with respect to Silver, any continuance (including any continued or accelerated deterioration) thereof, beyond the date hereof, which information is contained in the Reserved Matters referred to in clauses (i) and (ii) above.

(k) Audited Financial Statements. Except to the extent contained in the matters referred to in clauses (i) and (ii) of the Reserved Matters, the audited financial statements of Silver, as of and for the fiscal year ended August 31, 1995, contained in the Annual Report on Form 10-K of Silver for the fiscal year ended August 31, 1995, as amended, shall have been prepared in accordance with generally accepted accounting principles, applied on a consistent basis throughout the fiscal year ended August 31, 1995 (except as may be indicated in the notes thereto), and shall have fairly presented the consolidated financial position of Silver and its consolidated subsidiaries as of August 31, 1995 and the consolidated results of its operations and cash flows for the fiscal year ended August 31, 1995, except for such failures to have been prepared and/or to have fairly presented the foregoing as do not, individually or in the aggregate, represent a material adverse effect on the assets, liabilities, business, operations or financial condition of Silver and its subsidiaries, taken as a whole.

(l) Consummation of SP Merger. The merger between Savoy Pictures Entertainment, Inc. ("Savoy") and a wholly-owned subsidiary of Silver (the "SP Merger") shall have been consummated in accordance with that certain Agreement and Plan of Merger, dated as of the date hereof, between Silver and Savoy (the "SP Merger Agreement") or, in the event the SP Merger Agreement has previously been terminated, the failure to obtain a Governmental Consent of the FCC required in connection with the consummation of the SP Merger shall not have been a material factor in the failure of the SP Merger to have been consummated.

SECTION 5.3 Conditions Precedent to the Obligations of Silver Co. The obligation of Silver Co. to consummate the transactions contemplated by this Agreement is also subject to the satisfaction, at or prior to the Closing Date, of each of the following conditions, any or all of which may be waived in whole or in part by Silver Co., to the extent permitted by applicable law:

(a) Accuracy of Representations and Warranties. All representations and warranties of Rockies Sub and Rockies House Sub contained in this Agreement shall, if specifically qualified by materiality, be true and correct and, if not so qualified, be true and correct in all material respects in each case as of the date of this Agreement and (except to the extent such representations and warranties speak as of a specified earlier date) on and as of the Closing Date, with the same force and effect as though made on and as of the Closing Date,

except for changes expressly permitted or contemplated by this Agreement.

(b) Performance of Agreements. Each of Rockies Sub and Rockies House Sub shall have performed in all material respects all obligations and agreements, and complied in all material respects with all covenants and conditions, contained in this Agreement to be performed or complied with by them at or prior to the Closing Date.

(c) Officer's Certificates. Silver Co. shall have received a certificate of each of Rockies Sub and Rockies House Sub dated the Closing Date, signed by an executive officer of Rockies Sub or Rockies House Sub, as the case may be, certifying that the conditions set forth in Sections 5.3 (a) or (b) have been satisfied, which certification shall have been given by such officers after due inquiry.

(d) Other Deliveries. All other documents and instruments required under this Agreement to have been delivered by Rockies Sub or Rockies House Sub to Silver Co. at or prior to the Closing, or as Silver Co. shall reasonably request, shall have been delivered by Rockies Sub or Rockies House Sub.

## ARTICLE VI

### TERMINATION

SECTION 6.1 Termination and Abandonment. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing, (i) by mutual written consent of Rockies Sub and Silver Co.; or (ii) by either Rockies Sub or Silver Co.: (A) if the Closing shall not have occurred before May 30, 1996 (provided, that if the Merger shall not have been consummated as of such date as a result of the failure to have been satisfied of the condition contained in Section 5.2(1) and such condition, in the reasonable opinion of the parties, is likely to have been satisfied on or prior to August 30, 1996, then such date shall be extended to August 30, 1996); provided that the right to terminate this Agreement pursuant to this clause (ii)(A) shall not be available to any party whose failure to perform any of its obligations under this Agreement required to be performed by it at or prior to the Closing has resulted in the failure of the Closing to occur before such date, (B) if there has been a material breach by the other party of any of its representations, warranties, covenants or agreements contained in this Agreement and such breach shall not have been cured

within five business days after written notice thereof shall have been received by the party alleged to be in breach or (C) if any court of competent jurisdiction or other competent Governmental Entity shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting any of the transactions contemplated by this Agreement and such order, decree, ruling or other action shall have become final and nonappealable.

SECTION 6.2 Effect of Termination. In the event of any termination of this Agreement by Rockies Sub, Rockies House Sub or Silver Co. pursuant to Section 6.1, this Agreement forthwith shall become void, and there shall be no liability or obligation on the part of any party hereto, except that Sections 4.3 and 7.3 shall survive the termination of this Agreement and except that nothing herein will relieve a party from liability for any breach of this Agreement occurring prior to such termination.

## ARTICLE VII

### MISCELLANEOUS

SECTION 7.1 Failure to Consummate the Exchange. In the event that the Merger is consummated, but, for any reason whatsoever, the Exchange is not consummated immediately thereafter and on the same date in a manner reasonably satisfactory (and in accordance with the Exchange Agreement) to Rockies Sub and its counsel, then, notwithstanding any provision of this Agreement apparently to the contrary, (i) Rockies Sub and Rockies House Sub shall have no further obligations under this Agreement (except as provided in Section 6.2) and (ii) in addition to any other rights or remedies which Rockies Sub and Rockies House Sub may have pursuant hereto or at law or in equity, Rockies Sub, for itself and on behalf of Rockies House Sub, shall have the unconditional right to rescind the transactions consummated pursuant to this Agreement, in which event Silver Co. shall take all such actions as may be necessary to make such rescission fully effective, including, but not limited to, upon the request of Rockies Sub, transferring the House Shares held by the Surviving Corporation to Rockies Sub upon delivery by Rockies Sub of the Merger Consideration Shares.

SECTION 7.2 Further Assurances. From and after the Closing Date, each of Silver Co., Rockies Sub and Rockies House Sub shall, at any time and from time to time, make, execute and deliver, or cause to be made, executed and delivered, such instruments, agreements, consents and assurances and take or

cause to be taken all such actions as may reasonably be requested by any other party hereto to effect the purposes and intent of this Agreement.

SECTION 7.3 Expenses. Except as otherwise provided herein, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall occur.

SECTION 7.4 Notices. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given on (i) the day on which delivered personally or by telecopy (with prompt confirmation by mail) during a business day to the appropriate location listed as the address below, (ii) three business days after the posting thereof by United States registered or certified first class mail, return receipt requested, with postage and fees prepaid or (iii) one business day after deposit thereof for overnight delivery. Such notices, requests, demands, waivers or other communications shall be addressed as follows:

(a) if to Silver Co. to:

Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, New York 10019  
Attention: Pamela S. Seymon, Esq.  
Telecopier No.: 212-403-2000

(b) if to Rockies Sub or Rockies House Sub, to such party, care of:

Liberty Media Corporation  
8101 East Prentice Avenue, Suite 500  
Englewood, Colorado 80111  
Attention: Peter M. Barton, President  
Telecopier No.: (303) 721-5415

with a copy to:

Baker & Botts, L.L.P.  
885 Third Ave.  
New York, NY 10022-4834  
Attention: Frederick McGrath, Esq.  
Telecopier: (212) 705-5125

or to such other person or address as any party shall specify by notice in writing to the other party.

SECTION 7.5 Entire Agreement. This Agreement (including the documents referred to herein) constitutes the entire agreement with respect to the subject matter hereof between the parties and supersedes all prior agreements and understandings, oral and written, between the parties with respect to the subject matter hereof.

SECTION 7.6 Assignment; Binding Effect; Benefit. Neither this Agreement nor any of the rights, benefits or obligations hereunder may be assigned by any party without the prior written consent of the other parties hereto. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties or their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

SECTION 7.7 Amendment. This Agreement may be amended prior to the Effective Time by Silver Co. and Rockies Sub, by action taken by their respective Boards of Directors at any time before or after approval of the Merger by the stockholders of Silver Co. and Rockies House Sub, but after any such approval, no amendment shall be made which by law requires further approval by such stockholders without such further approval. This Agreement may not be amended except by an instrument in writing signed on behalf of each of Silver Co. and Rockies Sub.

SECTION 7.8 Extension; Waiver. Rockies Sub or Silver Co. may, to the extent legally allowed, (i) extend the time specified herein for the performance of any of the obligations of the other party, (ii) waive any inaccuracies in the representations and warranties of the other party contained herein or in any document delivered pursuant hereto, (iii) waive compliance by the other party with any of the agreements or covenants of such other party contained herein or (iv) waive any condition to such waiving party's obligation to consummate the transactions contemplated hereby or to any of such waiving party's other obligations hereunder. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party. Any such extension or waiver by any party shall be binding on such party but not on the other party entitled to the benefits of the provision of this Agreement affected unless such other party also has agreed to

such extension or waiver. No such waiver shall constitute a waiver of, or estoppel with respect to, any subsequent or other breach or failure to comply strictly with the provisions of this Agreement. The failure of any party to insist on strict compliance with this Agreement or to assert any of its rights or remedies hereunder or with respect hereto shall not constitute a waiver of such rights or remedies. Whenever this Agreement requires or permits consent or approval by any party, such consent or approval shall be effective if given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 7.8.

SECTION 7.9 Survival. The representations and warranties made by Silver Co. in Sections 2.1, 2.2, 2.4, 2.5 and 2.6 shall survive the Closing until the expiration of the statute of limitations period applicable to claims that may be asserted against Silver Co. in respect of the matters covered thereby; the representations and warranties made by each of Rockies Sub and Rockies House Sub in Sections 3.1, 3.2, 3.4, 3.5, 3.6 and 3.7 shall survive the Closing until the expiration of the statute of limitations period applicable to claims that may be asserted against each of Rockies Sub and Rockies House Sub in respect of the matters covered thereby; the representations and warranties of Silver Co. in Section 2.3 and of each of Rockies Sub and Rockies House Sub in Section 3.3 shall survive indefinitely. No other representations or warranties of the parties contained in this Agreement shall survive the Closing. In addition, the covenants and agreements in Sections 4.3, 4.4, and 4.6 and Article VII shall also survive the Closing until the expiration of the statute of limitations period applicable to claims that may be asserted in respect of the matters covered thereby.

SECTION 7.10 Interpretation. When a reference is made in this Agreement to Sections, Articles or Schedules, such reference shall be to a Section, Article or Schedule (as the case may be) of this Agreement unless otherwise indicated. When a reference is made in this Agreement to a "party" or "parties", such reference shall be to a party or parties to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". The use of any gender herein shall be deemed to be or include the other genders and the use of the singular herein shall be deemed to be or include the plural (and vice versa), wherever appropriate. The use of the words "hereof", "herein", "hereunder" and words of similar import

shall refer to this entire Agreement, and not to any particular article, section, subsection, clause, paragraph or other subdivision of this Agreement, unless the context clearly indicates otherwise.

SECTION 7.11 Severability. If any provision of this Agreement or the application thereof to any person or circumstance is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstances other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, provided that, if any provision hereof or the application thereof shall be so held to be invalid, void or unenforceable by a court of competent jurisdiction, then such court may substitute therefor a suitable and equitable provision in order to carry out, so far as may be valid and enforceable, the intent and purpose of the invalid, void or unenforceable provision. To the extent that any provision shall be judicially unenforceable in any one or more states, such provision shall not be affected with respect to any other state, each provision with respect to each state being construed as several and independent.

SECTION 7.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

SECTION 7.13 Applicable Law. This Agreement and the legal relations between the parties shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflict of laws rules thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement and Plan of Merger as of the date first above written.

SILVER MANAGEMENT COMPANY

/s/ Barry Diller  
By: Barry Diller  
Title: President

LIBERTY PROGRAM INVESTMENTS, INC.

/s/ Robert R. Bennett  
By: Robert R. Bennett  
Title: Executive Vice President

LIBERTY HSN, INC.

/s/ Robert R. Bennett  
By: Robert R. Bennett  
Title: Executive Vice President

## EXCHANGE AGREEMENT

DATED AS OF NOVEMBER 27, 1995

BY AND BETWEEN

SILVER KING COMMUNICATIONS, INC.

AND

SILVER MANAGEMENT COMPANY

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EXCHANGE AGREEMENT

EXCHANGE AGREEMENT, dated as of November 27, 1995, by and between SILVER KING COMMUNICATIONS, INC., a Delaware corporation ("Silver"), and SILVER MANAGEMENT COMPANY, a Delaware corporation ("Silver Co.").

RECITALS:

WHEREAS, upon consummation of the transactions contemplated by the Agreement and Plan of Merger (the "Merger Agreement"), dated the date hereof by and among Silver Co., Liberty Program Investments, Inc., a Wyoming corporation, and Liberty HSN, Inc., a Colorado corporation ("Rockies House Sub"), pursuant to which Rockies House Sub will be merged with and into Silver Co. (the "Merger"), Silver Co. will own 17,566,702 shares of the Common Stock, par value \$.01 per share (the "House Common Stock"), of Home Shopping Network, Inc., a Delaware corporation ("House"), and 20,000,000 shares of the Class B Common Stock, par value \$.01 per share (the "House Class B Stock"), of House (such shares of House Common Stock and House Class B Stock held by Silver Co. are collectively referred to herein as the "House Shares");

WHEREAS, the House Board of Directors has approved the transactions contemplated hereby and the Merger Agreement being entered into simultaneously herewith (including for purposes of Section 203 of the Delaware General Corporation Law (the "DGCL"));

WHEREAS, Silver desires to acquire, and Silver Co. desires to transfer to Silver, the House Shares;

WHEREAS, in exchange for the House Shares, Silver Co. desires to acquire, and Silver desires to issue to Silver Co., the number of shares of Silver's Common Stock, par value \$.01 per share (the "Silver Common Stock"), and the number of shares of Silver's Class B Common Stock, par value \$.01 per share (the "Silver Class B Stock") described in Section 1.1 below;

NOW, THEREFORE, in consideration of the premises and the respective representations, warranties, covenants and agreements set forth herein, the parties hereto agree as follows:

ARTICLE I

SALE AND EXCHANGE OF SHARES

SECTION 1.1 Exchange of Shares. In reliance on the representations and warranties and other agreements of the other party contained herein and upon the terms and subject to the conditions set forth herein, on the Closing Date (as defined in Section 1.2) the parties will make the following exchange (the "Exchange"):

(i) Silver Co. will transfer, assign and convey to Silver, and Silver will acquire and accept from Silver Co., all shares of House Common Stock and all shares of House Class B Stock held by Silver Co. immediately following the Merger, and

(ii) Silver will issue, convey and deliver to Silver Co., and Silver Co. will acquire and accept from Silver, 4,855,436 shares of Silver Common Stock in exchange for the 17,566,702 shares of House Common Stock and 6,082,000 shares of Silver Class B Stock in exchange for the 20,000,000 shares of House Class B Stock (such shares of Silver Common Stock and Silver Class B Stock are collectively referred to herein as the "Silver Shares").

SECTION 1.2 Closing. The Exchange shall take place at a Closing (the "Closing") which shall be (i) at the offices of Baker & Botts, L.L.P., 885 Third Avenue, New York, New York 10022, at 10:00 a.m., local time, on the second business day following the day on which the last of the conditions set forth in Sections 5.1(c), 5.1(d), 5.1(e), 5.1(f), 5.2(b) (other than any actions to be taken at the Closing), 5.2(c) and 5.3(b) (other than any actions to be taken at the Closing) hereof is fulfilled or, if legally permissible, waived or (ii) at such other time and place and on such other date as Silver and Silver Co. shall agree (the "Closing Date"). At the Closing, simultaneously with the delivery by Silver Co. of certificates representing the House Shares, with appropriate stock powers attached, duly endorsed, and with any necessary documentary or transfer tax stamps duly affixed and cancelled, Silver will deliver to Silver Co. a certificate or certificates representing the Silver Common Stock and Silver Class B Stock to be issued, conveyed and delivered to Silver Co. pursuant to Section 1.1, with any necessary documentary or transfer tax stamps duly affixed and cancelled, dated the Closing Date, and such certificates shall be issued to and registered in the name of Silver Co. The House Shares and the Silver Shares shall be so delivered, in each case, free and clear of all liens,

claims, charges, preemptive rights and other encumbrances other than pursuant to the Merger Agreement and this Agreement.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES OF SILVER

Silver hereby makes the following representations and warranties to Silver Co.:

SECTION 2.1 Organization and Qualification. Silver (i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation; (ii) has all requisite corporate power and authority to carry on its business as it is now conducted and to own, lease and operate the properties it now owns, leases or operates at the places currently located and in the manner currently used and operated and (iii) is duly qualified or licensed and in good standing to do business in each jurisdiction in which the properties owned, leased or operated by it or the nature of the business conducted by it makes such qualification or license necessary, except, in the case of clause (iii) where the failure to be so qualified or licensed, or in good standing would not have a material adverse effect on the business, assets or condition (financial or otherwise) of Silver and its subsidiaries, taken as a whole. Silver has delivered or made available to Silver Co. true and complete copies of its Amended and Restated Certificate of Incorporation and Amended and Restated By-Laws, each as amended to date and currently in effect (respectively, the "Silver Charter" and the "Silver Bylaws").

#### SECTION 2.2 Authorization and Validity of Agreement.

(a) The execution, delivery and performance of this Agreement by Silver and the consummation of the transactions contemplated hereby have been duly and validly authorized by the board of directors of Silver.

(b) Except for the approval of (x) this Agreement, (y) the issuance of the Silver Shares and (z) the Silver Charter Amendment (as defined below) by the stockholders of Silver:

(i) Silver has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the Exchange and the other transactions contemplated hereby,

(ii) no other corporate proceedings on the part of Silver or any of its subsidiaries are necessary to authorize the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby,

(iii) this Agreement has been duly and validly executed and delivered by Silver and, assuming the due authorization, execution and delivery of this Agreement by Silver Co., constitutes a legal, valid and binding obligation of Silver, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally or by principles governing the availability of equitable remedies.

SECTION 2.3 Validity of Silver Shares, etc. Subject to the filing and effectiveness of the Silver Charter Amendment as contemplated in Section 4.1, the shares of Silver Common Stock and Silver Class B Stock to be issued by Silver to Silver Co. pursuant to the Exchange, upon issuance and delivery in accordance with the terms and conditions of this Agreement, will be duly authorized, validly issued, fully paid and non-assessable, and, except as set forth on Schedule 2.3, will be free of any liens, claims, charges, security interests, preemptive rights, pledges, voting or stockholder agreements, encumbrances or equities of any kind whatsoever, will not be issued in violation of any preemptive rights and will vest in Silver Co. full rights with respect thereto, including the right to vote the Silver Shares on all matters properly presented to the stockholders of Silver to the extent set forth in the Silver Charter. The Silver Charter, upon amendment as contemplated by Section 4.1, will provide that the Silver Class B Stock to be authorized for issuance pursuant to this agreement will have identical rights, powers, privileges and preferences as the outstanding Silver Class B Stock. In addition, the issuance of the Silver Shares will not violate the stockholder voting rights, policies and requirements of the National Association of Securities Dealers, Inc. ("NASD"), assuming such issuance is approved by the stockholders of Silver pursuant to the DGCL and in accordance with Section 6(i) of Part III of Schedule D of the NASD By-Laws (the "NASD Shareholder Approval Policy").

SECTION 2.4 Capitalization. (a) The authorized capital stock of Silver consists of (i) 30,000,000 shares of Silver Common Stock, (ii) 2,415,945 shares of Silver Class B Stock, and (iii) 50,000 shares of Preferred Stock, par value

\$.01 per share (the "Silver Preferred Stock"), of which, as of November 20, 1995, (x) 6,975,882 shares of Silver Common Stock are issued and outstanding, 2,295,347 shares are reserved for issuance upon exercise of outstanding stock options and 2,415,945 shares are reserved for issuance upon conversion of existing Silver Class B Stock, no shares are held by Silver in its treasury and no shares are held by any subsidiary of Silver; (y) 2,415,945 shares of Silver Class B Stock are issued and outstanding, no shares are reserved for issuance upon exercise of outstanding stock options, no shares are held by Silver in its treasury and no shares are held by any subsidiary of Silver; and (z) no shares of Silver Preferred Stock are issued or outstanding, reserved for issuance upon exercise of outstanding stock options, or held by Silver in its treasury or by any subsidiary of Silver, and no series of Silver Preferred Stock has been designated or authorized.

(b) All issued and outstanding shares of Silver Common Stock and Silver Class B Stock have been validly issued and are fully paid and nonassessable, are not subject to and have not been issued in violation of any preemptive rights and have not been issued in violation of any federal or state securities laws. The respective rights, preferences, privileges, limitations and restrictions of the Silver Common Stock, the Silver Class B Stock and Silver Preferred Stock are as set forth in the Silver Charter. Except as set forth on Schedule 2.4 or as disclosed on the reports, forms, schedules, registration statements and proxy statements originally filed with the SEC (as defined below) by Silver with respect to periods or events after January 1, 1994 and prior to the date hereof (the "Silver SEC Reports") pursuant to the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (respectively the "Securities Act" and the "Exchange Act"), there are no outstanding or authorized subscriptions, options, warrants, calls, rights, commitments or any other agreements of any character to or by which Silver or any of its subsidiaries is a party or is bound which, directly or indirectly, obligate Silver or any of its subsidiaries to issue, deliver or sell or cause to be issued, delivered or sold any shares of capital stock or other equity interests of Silver or any securities convertible into, or exercisable or exchangeable for, or evidencing the right to subscribe for any such shares of capital stock or other equity interests or obligating Silver or any of its subsidiaries to grant, extend or enter into any such subscription, option, warrant, call or right. All shares of Silver Common Stock, Silver Class B Stock and/or Silver Preferred Stock subject to issuance as aforesaid, upon issuance on the terms and conditions specified in the instruments pursuant to which they are issuable, shall be duly authorized,

validly issued, fully paid and non-assessable and not subject to preemptive rights. Except as is disclosed in the Silver SEC Reports or as set forth in Schedule 2.4, there are no obligations, contingent or otherwise, of Silver or any of its subsidiaries to repurchase, redeem or otherwise acquire any shares of Silver Common Stock, Silver Class B Stock or Silver Preferred Stock or the capital stock of any subsidiary or to provide funds to make any material investment (in the form of a loan, capital contribution or otherwise) in any such subsidiary or any other entity other than guarantees of obligations of subsidiaries entered into in the ordinary course of business.

SECTION 2.5 No Approvals or Notices Required; No Conflict with Instruments. The execution and delivery by Silver of this Agreement do not, and the performance by Silver of its obligations hereunder and the consummation of the transactions contemplated hereby including the issuance of the Silver Shares will not:

(i) assuming the Silver Charter Amendment is approved and is filed and becomes effective as contemplated in Section 4.1, conflict with or violate the Silver Charter, as so amended, or the Silver Bylaws or the charter or bylaws of any subsidiary of Silver, in each case as amended to date;

(ii) require any consent, approval, order or authorization of or other action by any court, administrative agency or commission or other governmental authority or instrumentality, foreign, United States federal, state or local (each such entity a "Governmental Entity" and each such action a "Governmental Consent") or any registration, qualification, declaration or filing with or notice to any Governmental Entity (a "Governmental Filing"), in each case on the part of or with respect to Silver or any subsidiary of Silver, the absence or omission of which would, either individually or in the aggregate, have a material adverse effect on the transactions contemplated hereby or on the business, assets, results of operations or financial condition of Silver and its subsidiaries, taken as a whole, except for (A) the filing of the Silver Charter Amendment with the Delaware Secretary of State (as contemplated by Section 4.1), (B) the filing with the Securities and Exchange Commission (the "SEC") of the Proxy Statement (as defined in Section 4.2) required in connection with this Agreement and the transactions contemplated hereby and (C) the Governmental Filings required pursuant to the pre

merger notification requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder (the "HSR Act") and the expiration or termination of any applicable waiting period with respect to the Exchange under the HSR Act;

(iii) require, on the part of Silver or any subsidiary of Silver, any consent by or approval of (a "Contract Consent") or notice to (a "Contract Notice") any other person or entity (other than a Governmental Entity), the absence or omission of which would, either individually or in the aggregate, have a material adverse effect on the transactions contemplated hereby or on the business, assets, results of operations or financial condition of Silver and its subsidiaries, taken as a whole, other than the approval by the Silver stockholders of the Silver Charter Amendment pursuant to the DGCL and the issuance of the Silver Shares in accordance with the NASD Shareholder Approval Policy;

(iv) except as set forth on Schedule 2.5, conflict with, result in any violation or breach of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or the loss of any material benefit under or the creation of any lien, security interest, pledge, charge, claim, option, right to acquire, restriction on transfer, voting restriction or agreement, or any other restriction or encumbrance of any nature whatsoever on any assets pursuant to (any such conflict, violation, breach, default, right of termination, cancellation or acceleration, loss or creation, a "Violation") any "Contract" (which term shall mean and include any note, bond, indenture, mortgage, deed of trust, lease, franchise, permit, authorization, license, contract, instrument, employee benefit plan or practice, or other agreement, obligation, commitment or concession of any nature) to which Silver or any subsidiary of Silver is a party, by which Silver, any subsidiary of Silver or any of their respective assets or properties is bound or pursuant to which Silver or any subsidiary of Silver is entitled to any rights or benefits, except for such Violations which would not, either individually or in the aggregate, have a material adverse effect on the transactions contemplated hereby or on the business, assets,

results of operations or financial condition of Silver and its subsidiaries, taken as a whole; or

(v) assuming that the Silver Charter Amendment has been approved and filed and become effective pursuant to the DGCL as contemplated in Section 4.1, that the Silver stockholders have approved the issuance of the Silver Shares in accordance with the NASD Shareholder Approval Policy, and that the Governmental Consents and Governmental Filings specified in clause (ii) of this Section 2.5 are obtained, made and given, result in a Violation of, under or pursuant to any law, rule, regulation, order, judgment or decree applicable to Silver or any subsidiary of Silver or by which any of their respective properties or assets are bound.

SECTION 2.6 DGCL Sec. 203. The Exchange and the related transactions contemplated hereby have been approved in all respects by the Board of Directors of House, including for purposes of Section 203 of the DGCL, and following the Exchange, Silver shall not be subject to the restrictions on "business combinations" with "interested stockholders" contained therein.

SECTION 2.7 Opinion of Advisor. Silver's Board of Directors has received the written opinion of CS First Boston (the "CS First Boston Opinion") (a copy of which opinion has been delivered to Silver Co.) that, as of the date of this Agreement, the terms of the Exchange are fair to Silver's stockholders from a financial point of view.

SECTION 2.8 Brokers or Finders. Other than pursuant to a written agreement with CS First Boston (a copy of which has been previously furnished to Silver Co.) and as disclosed in Schedule 2.8, no agent, broker, investment banker, financial advisor or other person or entity is or will be entitled, by reason of any agreement, act or statement by Silver or any of its subsidiaries, directors, officers, employees or affiliates, to any financial advisory, broker's, finder's or similar fee or commission, to reimbursement of expenses or to indemnification or contribution in connection with any of the transactions contemplated by this Agreement.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES OF SILVER CO.

Silver Co. hereby makes the following representations and warranties to Silver:

SECTION 3.1 Organization and Qualification. Silver Co. (i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation; (ii) has all requisite corporate power and authority to carry on its business as it is now conducted and to own, lease and operate the properties it now owns, leases or operates at the places currently located and in the manner currently used and operated and (iii) is duly qualified or licensed and in good standing to do business in each jurisdiction in which the properties owned, leased or operated by it or the nature of the business conducted by it makes such qualification or license necessary. As of the date hereof, Silver Co. has no subsidiaries. As of the Closing, Silver Co. will have no subsidiaries other than Silver, and by its execution and delivery of this Agreement, Silver Co. shall not be deemed to have made any representations, warranties, covenants or other agreements with respect to or on behalf of Silver (it being understood that any breach by Silver of any of its representations, warranties, covenants or other agreements made herein shall not be considered in determining the truth, accuracy, completeness or performance of, or compliance with, any representation, warranty, covenant or agreement made by Silver Co. herein). Silver Co. has delivered or made available to Silver true and complete copies of its certificate of incorporation and bylaws, each as amended to date and currently in effect (respectively, the "Silver Co. Charter" and the "Silver Co. Bylaws").

SECTION 3.2 Authorization and Validity of Agreement. The execution, delivery and performance of this Agreement by Silver Co. and the consummation of the transactions contemplated hereby have been duly and validly authorized by the board of directors and by the requisite vote of the stockholders of Silver Co. entitled to vote thereon. Silver Co. has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the Exchange and the other transactions contemplated hereby. No other corporate proceedings on the part of Silver Co. are necessary to authorize the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Silver Co. and, assuming the due authorization, execution and delivery of this Agreement by

Silver, constitutes a legal, valid and binding obligation of Silver Co., enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally or by principles governing the availability of equitable remedies.

SECTION 3.3 Ownership and Validity of House Shares. Upon consummation of the Merger and immediately prior to the Exchange, Silver Co. will own beneficially and of record the House Shares, free of any liens, claims, charges, security interests, pledges, voting or stockholder agreements, encumbrances or equities. Except for this Agreement, the Merger Agreement, the definitive term sheet, attached to the letter to Barry Diller ("Lasorda") from Rockies, dated August 24, 1995, as amended by the letter to Lasorda, dated as of the date hereof, pursuant to which Rockies and Lasorda have entered into certain agreements with respect to the equity securities of Silver, all as described therein (the "Term Sheet"), and the transactions contemplated hereby and thereby and except for certain voting restrictions contained in the Stipulation and Agreement of Compromise, Settlement and Release entered into in the action entitled 7547 Corp. v. Liberty Media Corp., et al. in the Delaware Chancery Court and approved by such court on January 27, 1995 (the "Sec. 203 Settlement Agreement"), there are no agreements, arrangements, warrants, options, puts, calls, rights or other commitments or understandings of any character to which Silver Co. is a party or by which it is bound and relating to the issuance, sale, purchase, redemption, conversion, exchange, registration, voting or transfer of any of the House Shares. Upon consummation of the Exchange, Silver will hold the House Shares free and clear of any liens, claims, charges, security interests, pledges, voting or stockholder agreements, encumbrances or options (other than any of the foregoing created by Silver), and will have full rights of ownership with respect to the House Shares, including the right to vote the House Shares on all matters properly presented to the stockholders of House to the extent set forth in the certificate of incorporation of House as in effect on the date hereof.

SECTION 3.4 No Approvals or Notices Required; No Conflict with Instruments. The execution and delivery by Silver Co. of this Agreement do not, and the performance by Silver Co. of its obligations hereunder and the consummation of the transactions contemplated hereby will not:

- (i) conflict with or violate the Silver Co. Charter or the Silver Co. Bylaws;

(ii) require any Governmental Consent or Governmental Filing, in each case on the part of or with respect to each of Silver Co., the absence or omission of which would, either individually or in the aggregate, have a material adverse effect on the transactions contemplated hereby, except for the Governmental Filings required pursuant to the pre-merger notification requirements of the HSR Act, and the expiration or termination of any applicable waiting period with respect to the Exchange under the HSR Act;

(iii) require, on the part of Silver Co. any Contract Consent or Contract Notice, the absence or omission of which would, either individually or in the aggregate, have a material adverse effect on the transactions contemplated hereby;

(iv) conflict with or result in any Violation of any Contract to which Silver Co. is a party, or by which Silver Co., or any of its assets or properties is bound, except for such Violations which would not, either individually or in the aggregate, have a material adverse effect on the transactions contemplated hereby; or

(v) assuming that the Governmental Consents and Governmental Filings specified in clause (ii) of this Section 3.4 are obtained, made and given, result in a Violation of, under or pursuant to any law, rule, regulation, order, judgment or decree applicable to Silver Co. or by which any of its properties or assets are bound, except for such Violations which would not, either individually or in the aggregate, have a material adverse effect on the transactions contemplated hereby.

SECTION 3.5 Brokers or Finders. No agent, broker, investment banker, financial advisor or other person or entity is or will be entitled, by reason of any agreement, act or statement by Silver Co., any of its directors, officers, employees or affiliates (other than Silver), to any financial advisory, broker's, finder's or similar fee or commission, to reimbursement of expenses or to indemnification or contribution in connection with any of the transactions contemplated by this Agreement.

## ARTICLE IV

### COVENANTS AND OTHER AGREEMENTS

SECTION 4.1 Silver Stockholders Meeting. Silver will take all action necessary in accordance with Delaware law, the Silver Charter, the Silver Bylaws and the requirements of the NASD and the SEC to convene a meeting of its stockholders (the "Silver Stockholders Meeting") as promptly as practicable to consider and vote upon (a) an amendment to the Silver Charter (the "Silver Charter Amendment") (i) increasing the authorized number of shares of Silver Class B Stock by the amount necessary to permit the issuance and delivery of the Silver Shares to Silver Co. in accordance with Section 1.1 and the transactions contemplated hereby (together with amendments to such other provisions as may be reasonably necessary to reflect such increase in the authorized capital stock of Silver) and (ii) deleting all provisions in the Silver Charter which require that the holders of the Silver Common Stock and the Silver Class B Stock vote as separate classes on certain specified matters so long as at least 2,280,000 shares of Silver Class B Stock are outstanding and (b) approval of the issuance of the Silver Shares in accordance with the NASD Shareholder Approval Policy (the "NASD Vote"). The Board of Directors of Silver shall recommend that the stockholders of Silver vote in favor of the Silver Charter Amendment and the transactions contemplated hereby (including the NASD Vote). Silver shall use its best efforts to solicit from its stockholders proxies in favor of such approvals.

SECTION 4.2 Proxy Statement. (a) Silver shall prepare and file with the SEC, as soon as reasonably practicable, a preliminary proxy statement and a form of proxy for use at the Silver Stockholders Meeting relating to the vote of Silver's stockholders with respect to the Silver Charter Amendment, the NASD Vote and the transactions contemplated hereby (together with any amendments or supplements thereto, in each case in the form or forms mailed to Silver's stockholders, the "Proxy Statement"). Silver will use all reasonable efforts to have, or cause, the Proxy Statement to be cleared by the SEC as promptly as practicable and to cause the Proxy Statement to be mailed to stockholders of Silver at the earliest possible date. Silver Co. shall promptly furnish to Silver such information regarding Silver Co. and its officers and directors as may be reasonably requested by Silver for inclusion in the Proxy Statement.

(b) Silver covenants that none of the information concerning Silver, its subsidiaries, or any of its affiliates, directors, officers, employees, agents or representatives which

is included or incorporated by reference in the Proxy Statement will, at the time the Proxy Statement or any amendment or supplement thereto is filed with the SEC, at the time of mailing of the Proxy Statement or any amendment or supplement thereto to Silver's stockholders or at the time of the Silver Stockholders Meeting, be false or misleading with respect to any material fact, or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Silver covenants that the Proxy Statement shall comply as to form in all material respects with the applicable provisions of the Exchange Act and the rules and regulations thereunder.

(c) Silver Co. covenants that none of the information supplied or to be supplied by Silver Co. or any of its affiliates (other than Silver), directors, officers, employees, agents or representatives in writing specifically for inclusion in the Proxy Statement will, at the time the Proxy Statement or any amendment or supplement thereto is filed with the SEC, at the time of mailing of the Proxy Statement or any amendment or supplement thereto to Silver's stockholders or at the time of the Silver Stockholders Meeting, be false or misleading with respect to any material fact, or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

SECTION 4.3 Reasonable Efforts. Subject to the terms and conditions of this Agreement and applicable law, each of the parties shall use its reasonable efforts to take, or cause to be taken, all actions, and do, or cause to be done, all things reasonably necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement as soon as reasonably practicable, including such actions or things as either party hereto may reasonably request in order to cause any of the conditions to such other party's obligation to consummate such transactions specified in Article V to be fully satisfied. Without limiting the generality of the foregoing, the parties shall (and shall cause their respective subsidiaries, and use their reasonable efforts to cause their respective affiliates, directors, officers, employees, agents, attorneys, accountants and representatives, to) consult and fully cooperate with and provide reasonable assistance to each other in (i) the preparation and filing with the SEC of the Proxy Statement and any necessary amendments of or supplements thereto; (ii) seeking to have the Proxy Statement cleared by the SEC as soon as reasonably practicable after filing with the SEC; (iii) obtaining all necessary Governmental Consents and Contract Consents, and giving all necessary Contract Notices to and making all necessary

Governmental Filings and other necessary filings with and applications and submissions to, any Governmental Entity or other person or entity; (iv) filing all applicable Pre-Merger Notification and Report Forms required under the HSR Act as a result of the transactions contemplated by this Agreement and promptly complying with any requests for additional information and documentary material that may be requested pursuant to the HSR Act; (v) lifting any permanent or preliminary injunction or restraining order or other similar order issued or entered by any court or Governmental Entity (an "Injunction") of any type referred to in Section 5.1; (vi) providing all such information about such party, its subsidiaries and its officers, directors, partners and affiliates and making all applications and filings as may be necessary or reasonably requested in connection with any of the foregoing; and (vii) in general, consummating and making effective the transactions contemplated hereby; provided, however, that in order to obtain any consent, approval, waiver, license, permit, authorization, registration, qualification or other permission or action or the lifting of any Injunction referred to in clauses (iii) and (v) of this sentence, no party shall be required to (x) pay any consideration, to divest itself of any of, or otherwise rearrange the composition of, its assets or to agree to any conditions or requirements which are materially adverse or burdensome or (y) amend, or agree to amend, in any material respect any Contract. Prior to making any application to or filing with any Governmental Entity or other person or entity in connection with this Agreement, each of Silver and Silver Co. shall provide the other party with drafts thereof and afford the other party a reasonable opportunity to comment on such drafts.

SECTION 4.4 Public Announcements. Each party agrees that it shall not, and shall use its reasonable efforts to cause its affiliates, directors, officers, employees and authorized representatives not to, issue any press release, make any public announcement or furnish any written statement to its employees or stockholders generally concerning the transactions contemplated by this Agreement without the consent of the other party (which consent shall not be unreasonably withheld), except to the extent required by applicable law or any listing agreement with or other applicable requirements of a national securities exchange or the applicable requirements of the NASD (and in such case such party shall, to the extent consistent with timely compliance with such requirement, consult with the other party prior to making the required release, announcement or statement).

SECTION 4.5 Confidentiality. Each party shall, and shall use its reasonable efforts to cause its officers,

employees and authorized representatives to (i) hold in confidence all confidential information obtained by it from the other party or such other party's officers, employees or authorized representatives pursuant to this Agreement (unless such information is or becomes publicly available or readily ascertainable from public or published information or trade sources through no wrongful act of such first party) and (ii) use all such data and information solely for the purpose of consummating the transactions contemplated hereby, except, in either case, as may be otherwise required by law or legal process or as may be necessary or appropriate in connection with the enforcement of, or any litigation concerning, this Agreement. In the event a party is required by applicable law or legal process to disclose any confidential information of the other party, such first party will provide the other party with prompt notice thereof to enable such other party to seek an appropriate protective order. In the event this Agreement is terminated, each party shall promptly return, if so requested by the other party, all nonpublic documents obtained from such other party in connection with the transactions contemplated hereby and any copies thereof which may have been made by such first party and shall use its reasonable efforts to cause its officers, employees and authorized representatives to whom such documents were furnished promptly to return such documents and any copies thereof any of them may have made.

SECTION 4.6 Merger Agreement. Silver Co. shall not amend or otherwise alter or waive any of its rights or obligations (including any conditions on its obligations to consummate the transactions contemplated thereby) under the Merger Agreement in any material respect without the prior written consent of Silver.

SECTION 4.7 Notification of Certain Matters. Silver shall give prompt notice to Silver Co., and Silver Co. shall give prompt notice to Silver, of the occurrence, or failure to occur, of any event, which occurrence or failure to occur would be likely to cause (a) any representation or warranty contained in this Agreement to be untrue or inaccurate in any material respect, (b) any material failure of Silver or Silver Co., as the case may be, or of any officer, director, employee or agent thereof, to comply with or satisfy any covenant or agreement to be complied with or satisfied by it under this Agreement or (c) the failure to be satisfied of any condition to the parties' respective obligations to consummate the transactions contemplated hereby and by the Merger Agreement. Notwithstanding the foregoing, the delivery of any notice pursuant to this Section shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

ARTICLE V

CONDITIONS PRECEDENT

SECTION 5.1 Conditions Precedent to the Obligations of Silver and Silver Co. The obligations of each of Silver and Silver Co. to consummate the transactions contemplated by this Agreement are subject to the satisfaction at or prior to the Closing Date of each of the following conditions, any or all of which may be waived in whole or in part by the parties, to the extent permitted by applicable law:

(a) Absence of Injunctions. No Injunction or other legal restraint or prohibition preventing consummation of the transactions contemplated hereby as provided herein shall be in effect.

(b) No Proceedings or Adverse Enactments. There shall not have been any action taken, or any statute, rule, regulation, order, judgment or decree enacted, promulgated, entered, issued or enforced by any Governmental Entity, and there shall be no action, suit, proceeding or investigation pending or threatened which makes the transactions contemplated by this Agreement illegal or imposes, or is reasonably likely to result in the imposition of, material damages or penalties in connection therewith.

(c) Stockholder Approvals. The Silver Charter Amendment and the transactions contemplated hereby shall have been approved by the requisite vote of the stockholders of Silver under Delaware law, the Silver Charter, the Silver Bylaws, and the Silver Charter Amendment shall have been filed with the Delaware Secretary of State in accordance with the DGCL and become effective under the DGCL. The issuance of the Silver Shares shall have been approved by the requisite vote of the stockholders of Silver in accordance with the NASD Shareholder Approval Policy.

(d) Consummation of the Merger. Immediately prior in time to the Closing, the Merger and the transactions contemplated thereby shall have been consummated in accordance with the Merger Agreement.

(e) HSR Act. All applicable waiting periods under the HSR Act shall have expired or been terminated without commencement of litigation by the appropriate governmental enforcement agency to restrain the transactions contemplated hereby.

(f) Receipt of Governmental Approvals and Consents. All Governmental Consents as are required in connection with the consummation of the transactions contemplated hereby shall have been obtained and shall be in full force and effect and all Governmental Filings as are required in connection with the consummation of such transactions shall have been made, and all waiting periods, if any, applicable to the consummation of such transactions imposed by any Governmental Entity shall have expired, other than those which, if not obtained, in force or effect, made or expired (as the case may be) would not, either individually or in the aggregate, have a material adverse effect on the transactions contemplated hereby.

SECTION 5.2 Conditions Precedent to the Obligations of Silver Co. The obligation of Silver Co. to consummate the transactions contemplated by this Agreement is also subject to the satisfaction, at or prior to the Closing Date, of each of the following conditions, any or all of which may be waived in whole or in part by Silver Co., to the extent permitted by applicable law:

(a) Accuracy of Representations and Warranties. All representations and warranties of Silver contained in this Agreement shall, if specifically qualified by materiality, be true and correct and, if not so qualified, be true and correct in all material respects in each case as of the date of this Agreement and (except to the extent such representations or warranties speak as of a specified earlier date) on and as of the Closing Date, with the same force and effect as though made on and as of the Closing Date, except for changes expressly permitted or contemplated by this Agreement.

(b) Performance of Agreements. Silver shall have performed in all material respects all obligations and agreements, and complied in all material respects with all covenants and conditions, contained in this Agreement to be performed or complied with by it at or prior to the Closing Date.

(c) No Proceedings or Adverse Enactments Affecting Silver Shares. There shall not have been any action taken, or any statute, rule, regulation, order, judgment or decree enacted, promulgated, entered, issued or enforced by any Governmental Entity, and there shall be no action, suit or proceeding pending or threatened which would, as of or after the Closing, impose material limitations on the ability of Silver Co. effectively to exercise full rights of ownership of the Silver Shares (including, to the extent such Silver Shares have voting rights, the right to vote such shares on all matters properly presented to the stockholders of Silver).

(d) Control of Silver. Immediately after the Exchange, Silver Co. shall have "control" (as defined in Section 368(c) of the Internal Revenue Code of 1986, as amended) of Silver, and Silver Co. shall own a majority of the voting power of the outstanding equity securities of Silver.

(e) Officer's Certificates. Silver Co. shall have received a certificate of Silver, dated the Closing Date, signed by an executive officer of Silver Co. certifying that the conditions set forth in Sections 5.2 (a) and (b) have been satisfied, which certification shall have been given by such officer after due inquiry.

(f) Other Deliveries. All other documents and instruments required under this Agreement to have been delivered by Silver to Silver Co. at or prior to the Closing or as Silver Co. shall have reasonably requested, shall have been delivered by Silver.

(g) Lasorda Management Role. Lasorda shall be Chairman of the Board and/or Chief Executive Officer and/or President of Silver and shall be Chairman of the Board of House.

SECTION 5.3 Conditions Precedent to the Obligations of Silver. The obligation of Silver to consummate the transactions contemplated by this Agreement is also subject to the satisfaction, at or prior to the Closing Date, of each of the following conditions, any or all of which may be waived in whole or in part by Silver, to the extent permitted by applicable law:

(a) Accuracy of Representations and Warranties. All representations and warranties of Silver Co. contained in this Agreement shall, if specifically qualified by materiality, be true and correct and, if not so qualified, be true and correct in all material respects, in each case as of the Closing Date (except to the extent such representations and warranties speak as of a specified earlier date), except for changes expressly permitted or contemplated by this Agreement.

(b) Performance of Agreements. Silver Co. shall have performed in all material respects all obligations and agreements, and complied in all material respects with all covenants and conditions, contained in this Agreement to be performed or complied with by them at or prior to the Closing Date.

(c) Officer's Certificates. Silver shall have received a certificate of Silver Co. dated the Closing Date,

signed by an executive officer of Silver Co. certifying that the conditions set forth in Sections 5.3 (a) and (b) have been satisfied, which certification shall have been given by such officer after due inquiry.

(d) Other Deliveries. All other documents and instruments required under this Agreement to have been delivered by Silver Co. to Silver at or prior to the Closing, or as Silver shall reasonably request, shall have been delivered by Silver Co.

(e) Lasorda Management Role. Lasorda shall be Chairman of the Board and/or Chief Executive Officer and/or President of Silver and the Chairman of the Board of House; provided, however, that to the extent the failure of the foregoing condition to be satisfied is primarily the result of any action by Lasorda (including his resignation, his termination or removal for Cause (as defined in the Silver Term Sheet), or his failure to cause himself to be elected or appointed to such positions at Silver at any time following the Control Date (as defined in the Term Sheet)), then the condition set forth in this Section 5.3(e) shall nevertheless be deemed satisfied.

(f) No Adverse Change or Development. Except with respect to the Reserved Matters (as defined below), subsequent to December 31, 1994, there shall not have occurred any change or development in or affecting the assets, liabilities, business, operations, or financial condition of House which in any case or in the aggregate would, in the reasonable judgment of the Board of Directors of Silver, represent a material adverse effect upon House and its subsidiaries, taken as a whole. For purposes of this paragraph (f), the term "Reserved Matters" shall mean any information relating to the assets, liabilities, business, operations or financial condition of House which is contained in, is reasonably discernable from, results from, or which is or has become known to, as applicable, any of the following:

(i) any reports or statements filed by House with the SEC with respect to periods subsequent to December 31, 1994 and prior to the date of this Agreement;

(ii) any information obtained or reviewed by, or otherwise delivered to, Silver or to Barry Diller or his representatives ("Diller") as a result of or in connection with Diller's service on the Board of Directors of House or the Executive Committee thereof prior to the date of this Agreement, in connection

with any investigation, discussions, reviews or analyses of the business and affairs of House conducted by Diller, or otherwise;

(iii) with respect to any current or recurring negative financial or operating trend, information with respect to House (which trends may include, but are not limited to, sales, cost of goods sold, inventories, liquidity, commission payments to cable operators and the rate of returned goods), any continuance (including any continued or accelerated deterioration) thereof, beyond the date hereof, which information is contained in the Reserved Matters referred to in clauses (i) and (ii) above; and

(iv) any adverse changes or developments which are directly or indirectly caused by Diller and/or senior management of House (including, but not limited to, its Chairman of the Board) hired or appointed subsequent to November 22, 1995, including but not limited to, the adoption, implementation, expansion or change in any Board of Directors or managerial directives or accounting and financial reporting policies and/or any other changes in the nature or manner of operation of House's business.

(g) Audited Financial Statements. Except to the extent contained in the matters referred to in clauses (i) and (ii) of the Reserved Matters, the audited financial statements of House, as of and for the fiscal year ended December 31, 1994, contained in the Annual Report on Form 10-K of House for the fiscal year ended December 31, 1994, as amended, shall have been prepared in accordance with generally accepted accounting principles, applied on a consistent basis throughout the fiscal year ended December 31, 1994 (except as may be indicated in the notes thereto), and shall have fairly presented the consolidated financial position of House and its consolidated subsidiaries as of December 31, 1994 and the consolidated results of its operations and cash flows for the fiscal year ended December 31, 1994, except for such failures to have been prepared and/or to have fairly presented the foregoing as do not, individually or in the aggregate, represent a material adverse effect on the assets, liabilities, business, operations or financial condition of House and its subsidiaries, taken as a whole.

## ARTICLE VI

### TERMINATION

SECTION 6.1 Termination and Abandonment. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing, (i) by mutual written consent of Silver Co. and Silver; (ii) by either Silver Co. or Silver: (A) if the Closing shall not have occurred before August 30, 1996 (or, if earlier, the termination of the Merger Agreement pursuant to Section 6.1(ii)(A)), provided, that the right to terminate this Agreement pursuant to this clause (ii)(A) shall not be available to any party whose failure to perform any of its obligations under this Agreement required to be performed by it at or prior to the Closing has resulted in the failure of the Closing to occur before such date, (B) if there has been a material breach by the other party of any of its representations, warranties, covenants or agreements contained in this Agreement and such breach shall not have been cured within five business days after written notice thereof shall have been received by the party alleged to be in breach or (C) if any court of competent jurisdiction or other competent Governmental Entity shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting any of the transactions contemplated by this Agreement and such order, decree, ruling or other action shall have become final and nonappealable or (iii) by Silver or Silver Co., if the required approvals of the stockholders of Silver contemplated by this Agreement shall not have been obtained by reason of the failure to obtain the required vote upon a vote taken at a meeting of stockholders duly convened therefor or at any adjournment thereof.

SECTION 6.2 Effect of Termination. In the event of any termination of this Agreement by Silver Co. or Silver pursuant to Section 6.1, this Agreement forthwith shall become void, and there shall be no liability or obligation on the part of any party hereto, except that Sections 4.5 and 7.2 shall survive the termination of this Agreement and except that nothing herein will relieve a party from liability for any breach of this Agreement occurring prior to such termination.

## ARTICLE VII

### MISCELLANEOUS

SECTION 7.1 Further Assurances. From and after the Closing Date, each of Silver and Silver Co. shall, at any time

and from time to time, make, execute and deliver, or cause to be made, executed and delivered, such instruments, agreements, consents and assurances and take or cause to be taken all such actions as may reasonably be requested by any other party hereto to effect the purposes and intent of this Agreement.

SECTION 7.2 Expenses. Except as otherwise provided herein, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall occur.

SECTION 7.3 Notices. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given on (i) the day on which delivered personally or by telecopy (with prompt confirmation by mail) during a business day to the appropriate location listed as the address below, (ii) three business days after the posting thereof by United States registered or certified first class mail, return receipt requested, with postage and fees prepaid or (iii) one business day after deposit thereof for overnight delivery. Such notices, requests, demands, waivers or other communications shall be addressed as follows:

(a) if to Silver to:

Silver King Communications, Inc.  
12425 28th Street North  
St. Petersburg, Florida 33716  
Attention: Steven H. Grant  
Telecopier: (813) 572-1349

with a copy to:

Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, NY 10019-5150  
Attention: Pamela S. Seymon, Esq.  
Telecopier No.: (212) 403-2000

(b) if to Silver Co., to:

Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, NY 10019-5150

Attention: Pamela S. Seymon, Esq.  
Telecopier No.: (212) 403-2000

with a copy to the following:

Liberty Media Corporation  
8101 East Prentice Avenue, Suite 500  
Englewood, Colorado 80111  
Attention: Peter M. Barton, President  
Telecopier No.: (303) 721-5415

Baker & Botts, L.L.P.  
885 Third Avenue  
New York, New York 10022-4834  
Attention: Frederick McGrath, Esq.  
Telecopier No.: (212) 705-5125

or to such other person or address as any party shall specify by notice in writing to the other party.

SECTION 7.4 Entire Agreement. This Agreement (including the documents referred to herein) constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, oral and written, between the parties with respect to the subject matter hereof.

SECTION 7.5 Assignment; Binding Effect; Benefit. Neither this Agreement nor any of the rights, benefits or obligations hereunder may be assigned by any party without the prior written consent of the other parties hereto. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties or their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

SECTION 7.6 Amendment. This Agreement may be amended, superseded or cancelled, only by a written instrument specifically stating that it amends, supersedes or cancels this Agreement, executed by all parties hereto.

SECTION 7.7 Extension; Waiver. Silver Co. or Silver may, to the extent legally allowed, (i) extend the time specified herein for the performance of any of the obligations of the other party, (ii) waive any inaccuracies in the representations and warranties of the other party contained herein or in any document delivered pursuant hereto, (iii) waive compliance by the other party with any of the

agreements or covenants of such other party contained herein or (iv) waive any condition to such waiving party's obligation to consummate the transactions contemplated hereby or to any of such waiving party's other obligations hereunder. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party. Any such extension or waiver by any party shall be binding on such party but not on the other party entitled to the benefits of the provision of this Agreement affected unless such other party also has agreed to such extension or waiver. No such waiver shall constitute a waiver of, or estoppel with respect to, any subsequent or other breach or failure to comply strictly with the provisions of this Agreement. The failure of any party to insist on strict compliance with this Agreement or to assert any of its rights or remedies hereunder or with respect hereto shall not constitute a waiver of such rights or remedies. Whenever this Agreement requires or permits consent or approval by any party, such consent or approval shall be effective if given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 7.7.

SECTION 7.8 Survival. The representations and warranties made by Silver in Sections 2.1, 2.2, 2.4, 2.5, 2.6, 2.7 and 2.8 shall survive the Closing until the expiration of the statute of limitations period applicable to claims that may be asserted against Silver in respect of the matters covered thereby; the representations and warranties made by Silver Co. in Sections 3.1, 3.2 and 3.5 shall survive the Closing until the expiration of the statute of limitations period applicable to claims that may be asserted against Silver Co. in respect of the matters covered thereby; the representations and warranties of Silver in Section 2.3, and of Silver Co. in Section 3.3, shall survive indefinitely; no other representations and warranties of the parties contained in this Agreement shall survive the Closing. In addition, the covenants and agreements in Section 4.5 and Article VII shall also survive the Closing until the expiration of the statute of limitations period applicable to claims that may be asserted in respect of the matters covered thereby.

SECTION 7.9 Interpretation. When a reference is made in this Agreement to Sections, Articles or Schedules, such reference shall be to a Section, Article or Schedule (as the case may be) of this Agreement unless otherwise indicated. When a reference is made in this Agreement to a "party" or "parties", such reference shall be to a party or parties to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the

meaning or interpretation of this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". The use of any gender herein shall be deemed to be or include the other genders and the use of the singular herein shall be deemed to be or include the plural (and vice versa), wherever appropriate. The use of the words "hereof", "herein", "hereunder" and words of similar import shall refer to this entire Agreement, and not to any particular article, section, subsection, clause, paragraph or other subdivision of this Agreement, unless the context clearly indicates otherwise. Notwithstanding anything herein to the contrary, for purposes of this Agreement Silver shall not be deemed to be a subsidiary or an affiliate of Silver Co., and the subsidiaries, directors, officers, employees and affiliates of Silver shall not be deemed to be subsidiaries, directors, officers, employees or affiliates of Silver Co.

SECTION 7.10 Severability. If any provision of this Agreement or the application thereof to any person or circumstance is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstances other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, provided that, if any provision hereof or the application thereof shall be so held to be invalid, void or unenforceable by a court of competent jurisdiction, then such court may substitute therefor a suitable and equitable provision in order to carry out, so far as may be valid and enforceable, the intent and purpose of the invalid, void or unenforceable provision. To the extent that any provision shall be judicially unenforceable in any one or more states, such provision shall not be affected with respect to any other state, each provision with respect to each state being construed as several and independent.

SECTION 7.11 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

SECTION 7.12 Applicable Law. This Agreement and the legal relations between the parties shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflict of laws rules thereof.

IN WITNESS WHEREOF, the parties hereto have executed  
this Exchange Agreement as of the date first above written.

SILVER KING COMMUNICATIONS, INC.

/s/ Steven H. Grant  
By: Steven H. Grant  
Title: Executive Vice President

SILVER MANAGEMENT COMPANY

/s/ Barry Diller  
By: Barry Diller  
Title: President

[Home Shopping Network, Inc. Letterhead]

FOR IMMEDIATE RELEASE  
HSN/PR00436

NOVEMBER 27, 1995  
CONTACT: LOUISE I. CLEARY

DILLER APPOINTED CHAIRMAN OF HSN'S BOARD OF DIRECTORS

ST. PETERSBURG, FLORIDA -- Home Shopping Network, Inc. (NYSE:HSN) announced today that Barry Diller, currently an HSN director, has been appointed as its new chairman of the board. In addition, Diller and certain members of his proposed management team have been granted options to purchase approximately 15 million shares of the company's common stock at a price of \$8.50 per share.

HSN also announced that its board of directors has been advised of a proposed transaction by Liberty Media Corporation, which owns shares representing approximately 80 percent of the voting stock of HSN, in which Liberty would transfer its HSN shares to Silver King Communications, Inc. in exchange for securities of Silver King. Details of the proposed exchange were not released, but consummation of the transaction would be subject to certain conditions, including the approval of Silver King shareholders. Diller became chairman of the board and chief executive officer of Silver King in August 1995. Silver King owns 12 television stations which broadcast HSN's programming.

The board of directors of HSN will meet today to consider any action it deems appropriate regarding this proposed transaction.

# # #

FOR IMMEDIATE RELEASE

SILVER KING COMMUNICATIONS ANNOUNCES THAT IT HAS AGREED  
TO MERGE WITH SAVOY PICTURES ENTERTAINMENT AND PURCHASE A  
CONTROLLING INTEREST IN HOME SHOPPING NETWORK

New York, NY (November 27, 1995)--Silver King Communications, Inc. (NASDAQ: SKTV) today entered into a merger agreement with Savoy Pictures Entertainment, Inc. (NASDAQ: SPEI) pursuant to which Savoy will become a wholly-owned subsidiary of Silver King. In a separate action, Silver King today entered into an agreement to acquire Liberty Media Corp's (NASDAQ: LBTYA) controlling interest in Home Shopping Network, Inc. (NYSE: HSN) through an exchange of Silver King stock and Liberty Media's HSN stock. Silver King Communications and Home Shopping Network will remain publicly traded companies.

Under the terms of the Savoy merger, stockholders of Savoy will receive 0.2 shares of Silver King Common Stock per share of Savoy Common Stock. Consummation of the merger is conditioned upon receipt of stockholder approvals and necessary regulatory approvals, including a temporary waiver of current broadcast station ownership restrictions from the FCC.

Silver King has agreed to acquire Liberty Media's controlling interest in HSN at the exchange ratio of 0.2764 shares of Silver King Common Stock per share of HSN Common Stock owned by Liberty Media and 0.3041 shares of Silver King Class B Stock per share of HSN Class B stock owned by Liberty Media. Consummation of the exchange is conditioned upon receipt of Silver King stockholder approval and necessary regulatory approvals.

Silver King Chairman Barry Diller said, "These steps will add early fiber to the Company, quickening our ability to proceed with our ambitions for the development of Silver King. Obviously, I did then and do now believe in the future of electronic retailing, just as I did then and do now believe in the future of free, over-the-air broadcasting."

Savoy Pictures Chairman Victor Kaufman said, "We believe this agreement is a sweeping step consistent with Savoy's stated goal to concentrate more of its interests in television. Placing Savoy in the hands of Barry Diller is both an opportunity for Savoy shareholders and a chance to be part of a company which, under Barry's guidance, will be a significant force in the television business."

Upon completion of these transactions, current shareholders of Savoy will own approximately six million newly-issued shares of Silver King Common Stock representing nearly 20.8 percent of the economic interest and six percent of the voting interest in Silver King, on a fully diluted basis. The Shares to issued in exchange for Liberty Media's HSN stock will be subject to the terms of the stockholders agreement between Liberty Media and Barry Diller.

Chemical Bank is the agent bank for Silver King and Savoy under their respective credit facilities and will be the financial advisor to the combined entity on revising the debt structure.

Savoy Pictures Entertainment, through its SF Broadcasting Companies, owns a 75% interest in four VHF television stations:

WLUK (Green Bay), KHON (Honolulu), WVUE (New Orleans), WALA (Mobile). Savoy owns rights to and participates in the exploitation of motion pictures through various means. The Company is also in the television production and programming business.

Home Shopping Network pioneered the television shopping industry in 1982. Its 24-hour programming reaches approximately 65 million households via cable affiliates and broadcast station affiliates.

Silver King Communications, the nation's sixth largest television group, owns and operates 12 independent full-power UHF broadcast television stations which serve eight of the 12 largest markets in the United States, including New York, Los Angeles, Chicago, and Philadelphia. The stations reach approximately 28 million television households.

CONTACTS:

Silver King Communications, Inc:

Jason Stewart, Director of Corporate Communications  
(212) 371-5999

Steven Grant, Chief Financial Officer (813) 573-0339

Savoy Pictures Entertainment, Inc:

Stacy Alper, Vice President and Secretary  
(212) 247-5892

Home Shopping Network, Inc:

Louise Cleary, Director of Public Relations (813)  
572-8585, ext. 7420

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

## SCHEDULE 13D

Under the Securities Exchange Act of 1934\*

Silver King Communications, Inc.

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(Name of Issuer)

Common Stock, par value \$.01 per share

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(Title of Class of Securities)

827740101

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(CUSIP Number)

Stephen M. Brett, Esq. Senior Vice President and General Counsel Tele-Communications, Inc. 5619 DTC Parkway Englewood, CO 80111 (303) 267-5500	Pamela S. Seymon, Esq. Wachtell, Lipton, Rosen & Katz 51 West 52nd Street New York, New York 10019 (212) 403-1000
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(Name, Address and Telephone Number of Person Authorized  
to Receive Notices and Communications)

August 24, 1995

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(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box [ ].

Check the following box if a fee is being paid with this statement [X]. (A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment

\*The remainder of this cover page should be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

subsequent thereto reporting beneficial ownership of less than five percent of such class. See Rule 13d-7.)

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Note: This Statement constitutes an original report on Schedule 13D of each of Barry Diller and the Reporting Group (as defined in Item 2) and Amendment No. 2 of a Report on Schedule 13D of Tele-Communications, Inc.

CUSIP No. 827740101

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(1) Names of Reporting Persons S.S. or I.R.S.  
Identification Nos. of Above Persons

Tele-Communications, Inc.  
84-1260157

---

(2) Check the Appropriate Box if a Member of a Group

(a)  [X]

(b)  [ ]

---

(3) SEC Use Only

---

(4) Source of Funds

---

(5) Check if Disclosure of Legal Proceedings is Required  
Pursuant to Items 2(d) or 2(e)

[ ]

---

(6) Citizenship or Place of Organization

Delaware

---

Number of (7) Sole Voting Power 0 shares

Shares Bene-  
ficially

Owned by (8) Shared Voting Power 2,503,618 shares

Owned by

Each

Reporting (9) Sole Dispositive Power 0 shares

Person

---

With (10) Shared Dispositive Power 2,503,618 shares

---

(11) Aggregate Amount Beneficially Owned by Each  
Reporting Person

2,503,618 shares

---

(12) Check if the Aggregate Amount in Row (11) Excludes  
Certain Shares  [X]

Excludes shares beneficially owned by the executive officers and directors of TCI. See Item 5. Excludes options to purchase an aggregate of 1,895,847 shares of Common Stock granted to Mr. Diller, none of which are currently vested or exercisable and none of which become exercisable within 60 days. The shares of Common Stock issuable upon exercise of such options represent approximately 23% of the outstanding Common Stock as of June 26, 1995, treating the shares subject to such options as outstanding.

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(13) Percent of Class Represented by Amount in Row (11)

28.0%

Because each share of Class B Stock generally is entitled to ten votes per share while the Common Stock is entitled to one vote per share, the Reporting Persons may be deemed to beneficially own equity securities of the Company representing approximately 75% of the voting power of the Company.

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(14) Type of Reporting Person (See Instructions)

CO

CUSIP No. 827740101

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(1) Names of Reporting Persons S.S. or I.R.S.  
Identification Nos. of Above Persons

Barry Diller

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(2) Check the Appropriate Box if a Member of a Group

(a)  [X]

(b)  [ ]

---

(3) SEC Use Only

---

(4) Source of Funds

PF

---

(5) Check if Disclosure of Legal Proceedings is Required  
Pursuant to Items 2(d) or 2(e)

[ ]

---

(6) Citizenship or Place of Organization

United States

---

Number of (7) Sole Voting Power 0 shares  
Shares Bene-

ficially Owned by (8) Shared Voting Power 2,503,618 shares  
Owned by

Each Reporting (9) Sole Dispositive Power 0 shares  
Person

---

With (10) Shared Dispositive Power 2,503,618 shares

---

(11) Aggregate Amount Beneficially Owned by Each  
Reporting Person

2,503,618 shares

---

(12) Check if the Aggregate Amount in Row (11) Excludes  
Certain Shares  [X]

Excludes shares beneficially owned by the executive  
officers and directors of TCI. See Item 5.  
Excludes

options to purchase an aggregate of 1,895,847 shares of Common Stock granted to Mr. Diller, none of which are currently vested or exercisable and none of which become exercisable within 60 days. The shares of Common Stock issuable upon exercise of such options represent approximately 23% of the outstanding Common Stock as of June 26, 1995, treating the shares subject to such options as outstanding.

---

(13) Percent of Class Represented by Amount in Row (11)

28.0%

Because each share of Class B Stock generally is entitled to ten votes per share while the Common Stock is entitled to one vote per share, the Reporting Persons may be deemed to beneficially own equity securities of the Company representing approximately 75% of the voting power of the Company.

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(14) Type of Reporting Person (See Instructions)

IN

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D

Statement Of

TELE-COMMUNICATIONS, INC.  
and  
BARRY DILLER

Pursuant to Section 13(d) of the  
Securities Exchange Act of 1934

in respect of

SILVER KING COMMUNICATIONS, INC.

This Report on Schedule 13D (the "Schedule 13D") relates to the common stock, par value \$.01 per share (the "Common Stock"), of Silver King Communications, Inc., a Delaware corporation (the "Company"). The Report on Schedule 13D originally filed by Tele-Communications, Inc., a Delaware corporation ("TCI"), on August 15, 1994, as amended by Amendment No. 1 thereto (collectively, the "TCI Schedule 13D"), is hereby amended and supplemented to include the information contained herein, and this Report constitutes Amendment No. 2 to the TCI Schedule 13D. In addition, this Report also constitutes the initial Report on Schedule 13D of TCI and Mr. Barry Diller, with respect to the Common Stock. Such persons constitute a "group" for purposes of Rule 13d-5 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), with respect to their respective beneficial ownership of the Common Stock.

The summary descriptions contained in this Report of certain agreements and documents are qualified in their entirety by reference to the complete texts of such agreements and documents, filed as Exhibits hereto and incorporated herein by reference.

Item 1. Security and Issuer

The class of equity securities to which this statement relates is the Common Stock of the Company, which has its principal executive offices at 12425 28th Street North, St. Petersburg, Florida 33716. The business of the Company is the ownership and operation of television broadcast stations. Pursuant to Rule 13d-3 promulgated under the Exchange Act, this Report also relates to the shares of Common Stock issuable upon (i) conversion of the 2,000,000 shares of the Company's Class B Common Stock, par value \$.01 per share ("Class B Stock") which

TCI has the right to acquire from RMS Limited Partnership ("RMS") upon the exercise of the Class B Option (as defined below) granted to Liberty Media Corporation ("Liberty"), a wholly owned subsidiary of TCI, by RMS and (ii) the exercise of certain options to purchase up to 1,895,847 shares of the Common Stock of the Company at an exercise price of \$22.625 that the Company has granted to Mr. Diller (the "Options"). Each share of Common Stock is entitled to one vote per share. Each share of Class B Stock is (a) convertible into one share of Common Stock, (b) is generally entitled to ten votes per share and (c) votes together with the Common Stock as a class, except that (i) the holders of the Common Stock are entitled to elect 25% of the members of the Board of Directors of the Company voting as a separate class and (ii) so long as there are at least 2,280,000 shares of Class B Stock outstanding, the holders of the Class B Stock are entitled to vote as a separate class with respect to certain fundamental corporate transactions involving the Company, such as a merger, reorganization, recapitalization, dissolution, or sale of substantially all of its assets. According to the Company's quarterly report on Form 10-Q, dated June 30, 1995 and filed with the Securities and Exchange Commission (the "June 30 Company 10-Q"), as of June 26, 1995, there were 2,415,945 shares of Class B Stock outstanding. The Reporting Persons have been advised that all such shares are held by RMS. In connection with the exercise of the Class B Option, Liberty is entitled to require RMS to convert the remaining shares of Class B Stock owned by it at the time of exercise of the Class B Option into a like number of shares of Common Stock, which conversion would result in their being fewer than 2,280,000 shares of Class B Stock outstanding and in which event the Reporting Persons believe that the holders of the Class B Stock will no longer be entitled to a separate class vote with respect to such fundamental corporate transactions and will generally vote together as a class with the holders of the Common Stock with respect to all matters presented to the stockholders of the Company, with each share of Common Stock entitled to one vote per share and each share of Class B Stock entitled to ten votes per share. Accordingly, because the Reporting Persons would own shares of Common Stock and Class B Stock representing approximately 75% of the voting power of the outstanding equity securities of the Company following the exercise of the Class B Option and the conversion of the remaining 415,945 shares of Class B Stock held by RMS not subject to the Class B Option into shares of Common Stock, the Reporting Persons believe that they would be able to effectively control the outcome of the vote on substantially all matters presented to the stockholders of the Company.

Item 2. Identity and Background

This Report is being filed by TCI and Mr. Diller. The business address of TCI is 5619 DTC Parkway, Englewood, Colorado 80111. TCI is principally engaged in the acquisition, development and operation of cable systems, assets and interests and cable television programming assets and interests. Mr. Diller's present principal occupation is Chairman of the Board of Directors and Chief Executive Officer of the Company, and his principal address is 1940 Coldwater Canyon, Beverly Hills, CA 90210. Mr. Diller is a citizen of the United States. All references to Mr. Diller include all entities beneficially owned by him.

The name, business address and present principal occupation or employment and the name, address and principal business of any corporation or other organization in which such employment is conducted, of (i) each of the executive officers and directors of TCI, (ii) each person controlling TCI, and (iii) the executive officers of any corporation controlling TCI, are set forth in Schedule 1 attached hereto and incorporated herein by reference.

During the last five years, neither TCI nor Mr. Diller nor, to the best of TCI's knowledge, any of the persons named on Schedule 1, has (i) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) been a party to a civil proceeding or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities law or finding any violation with respect to such law. To the best knowledge of TCI, each of its executive officers and directors is a citizen of the United States, except as specifically set forth in Schedule 1 hereto.

TCI and Mr. Diller are hereinafter sometimes referred to individually as a "Reporting Person" and are sometimes referred to collectively as the "Reporting Persons" or the "Reporting Group."

Liberty and Mr. Diller entered into an agreement, dated as of August 24, 1995, with respect to their ownership of equity securities of the Company (the "Stockholders Agreement", a copy of which is attached as an Exhibit hereto and incorporated by reference herein). The Stockholders Agreement sets forth certain of the Reporting Persons' agreements with respect to, among other things, dispositions, acquisitions and voting of the equity securities of the Company (the "Company

Securities") beneficially owned by such Reporting Persons. As a result of the Stockholders Agreement, each Reporting Person may be deemed to share with each other Reporting Person beneficial ownership of all Company Securities held by the Reporting Persons and to constitute a "group" within the meaning of Rule 13d-5 promulgated under the Exchange Act with respect to the Common Stock. It is contemplated that the Reporting Persons will enter into further definitive documentation regarding the terms of the Stockholders Agreement. Each Reporting Person disclaims beneficial ownership of the Company Securities held by the other Reporting Person.

Information contained herein with respect to each Reporting Person and its executive officers, directors and controlling persons, is given solely by such Reporting Person, and no other Reporting Person has responsibility for the accuracy or completeness of information supplied by such other Reporting Person.

Item 3. Source and Amount of Funds or Other Consideration

The information contained in Item 3 of the TCI Schedule 13D is hereby incorporated by reference herein.

As set forth below, as of August 24, 1995, Mr. Diller acquired beneficial ownership of an aggregate of 220,994 shares of Common Stock at a purchase price of \$22.625 per share in cash or \$4,999,989.25 in the aggregate (the "Initial Shares"). The funds utilized by Mr. Diller in purchasing the Initial Shares are personal funds.

As set forth below, as of August 24, 1995, Mr. Diller has also acquired beneficial ownership of an aggregate of 220,994 additional shares of Common Stock at a purchase price of \$22.625 per share or \$4,999,989.25 in the aggregate (the "Additional Shares"). Of such aggregate purchase price, \$2,210 is payable in cash and the remainder is payable by means of the delivery to the Company of the Note (as defined below). See Item 6.

Item 4. Purpose of Transaction

On February 11, 1993, Liberty, which was then an independent publicly traded company and is now a wholly owned subsidiary of TCI, acquired from RMS a transferable option (the "Class B Option") to purchase 2,000,000 shares of Class B Stock. As previously reported in the TCI Schedule 13D, the Class B Option was amended in September 1994 to, among other things, extend the exercise period and provide for certain

staged increases of the exercise price of the Class B Option. The current exercise price of the Class B Option is \$1.50 per share, and such exercise price will increase to \$1.75 on February 12, 1996.

The Company's primary business is the ownership and operation of television broadcast stations. The Communications Act of 1934, as amended (the "Act"), and the related rules and regulations of the Federal Communications Commission (the "FCC Rules") currently prohibit any person or entity (i) holding a 5% or greater voting stock interest in, or (ii) serving as an officer or director or (iii) entitled to representation on the board of directors of, a cable television system, from holding any such interest in a television broadcast station whose Grade B contour overlaps in whole or in part the service area of such cable system. TCI's ownership of substantial cable television system assets makes it unlikely that Liberty or TCI would be able to obtain the necessary consents or waivers under the FCC Rules (as currently in effect) in order to exercise the Class B Option and, by virtue of the special voting rights attributable to the Class B Stock receivable upon exercise of the Class B Option, assume voting control of the Company. Thus, as previously disclosed, Liberty and TCI have, from time to time, considered assigning the Class B Option to a third party who would be qualified to assume voting control of the Company.

In August 1995 Mr. Diller and representatives of TCI began informal discussions regarding the possibility of entering into a joint venture controlled by Mr. Diller in order to permit the exercise of the Class B Option and the assumption by Mr. Diller of voting control of the Company. Pursuant to the terms of the Class B Option, upon exercise of the Class B Option, RMS will be required to convert all shares of Class B Stock owned by it which are not subject to the Class B Option into Common Stock. As a result, pursuant to the Company's Restated Certificate of Incorporation, because there would be less than 2,280,000 shares of Class B Stock outstanding, the Reporting Persons believe that the holders of the Class B Stock would vote with the holders of the Common Stock on substantially all matters presented to stockholders of the Company and would be entitled to cast ten votes per share upon matters considered for approval at any meeting of stockholders. See Item 1.

On August 24, 1995 Mr. Diller and representatives of TCI met to discuss a proposal (the "Proposal") pursuant to which, among other things, Mr. Diller would make an equity investment in the Company and be granted certain options to acquire Common Stock and, in connection therewith, Mr. Diller would agree to become Chairman of the Board and Chief Executive

Officer of the Company. See Item 6. Subsequently, at a special meeting of the Board of Directors of the Company on August 24, 1995, representatives of TCI outlined the Proposal to the Board and Mr. Diller discussed with the Board his views regarding the future direction of the Company's business. In addition, representatives of TCI also outlined certain proposed arrangements between Mr. Diller and TCI pursuant to the Stockholders Agreement, which arrangements are further described in Item 1 and Item 6 of this Report. After review of the Proposal and such arrangements, the Board of Directors informed the Reporting Persons that it had approved the Proposal (including the purchase of the Initial Shares and the Additional Shares and the grant of the Options to Mr. Diller) and the arrangements between Mr. Diller and TCI (including for purposes of Section 203 of the Delaware General Corporation Law), and that Mr. Diller had been appointed Chairman of the Board and Chief Executive Officer the Company.

Pursuant to the Stockholders Agreement, Mr. Diller will be entitled to exercise voting control over all equity securities of the Company beneficially owned or to be beneficially owned by TCI and him, including the shares of Class B Stock which will be acquired pursuant to the exercise of the Class B Option. Mr. Diller and the Company intend to file promptly the necessary applications with the FCC for the transfer of control of the Company to an entity in which he will exercise voting control; and upon receipt of such approval and such other regulatory approvals as may be required (including, if applicable, pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended), Mr. Diller intends to cause the exercise of the Class B Option and to acquire voting control of the Company. Following the exercise of the Class B Option, subject to applicable law (including the FCC Rules), Mr. Diller intends to seek majority representation on the Board of Directors of the Company. See Item 6.

Except as otherwise disclosed in this Schedule 13D, the Reporting Persons have not made any decision concerning their course of action with respect to the Company. The Reporting Persons could decide, depending on market and other factors, to dispose of shares of the Company Securities beneficially owned by each of them, to acquire additional Company Securities, or to take any other available course of action. In this regard, the Reporting Persons intend to continuously review their investment in the Company and may in the future determine to change their present plans and proposals relating to the Company, including determining to abandon or delay their plans to acquire control of the Company. In reaching any conclusion as to their future course of action, the Reporting Persons will take into consideration various

factors, including without limitation the Company's business and financial condition and prospects, other developments concerning the Company, the effect of the Act and the FCC regulations and policies of the Federal Communications Commission (the "FCC") applicable to the Company and the Reporting Persons, other business opportunities available to the Reporting Persons, developments with respect to the business of the Reporting Persons, developments in the television industry generally, general economic conditions and money and stock market conditions.

Other than as described herein, none of Mr. Diller, TCI, or to the best of TCI's knowledge, any of its executive officers, directors or controlling persons, have any present plans or proposals which relate to or would result in: (a) the acquisition by any person of additional securities of the Company, or the disposition of securities of the Company; (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Company or any of its subsidiaries; (c) a sale or transfer of a material amount of assets of the Company or of any of its subsidiaries; (d) any change in the present Board of Directors or management of the Company, including any plans or proposals to change the number or terms of directors or to fill any existing vacancies on the Board of Directors of the Company; (e) any material change in the present capitalization or dividend policy of the Company; (f) any other material change in the Company's business or corporate structure; (g) changes in the Company's charter, by-laws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Company by any person; (h) causing a class of securities of the Company to be deleted from a national securities exchange or to cease to be authorized to be quoted in any inter-dealer quotation system of a registered national securities association; (i) a class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act; or (j) any action similar to any of those enumerated above.

Notwithstanding anything contained herein, the Reporting Persons reserve the right, depending on other relevant factors, to purchase additional securities of the Company, dispose of all or a portion of their holdings of securities in the Company, or change their intention with respect to any and all of the matters referred to in the preceding paragraph.

The summary description contained herein is qualified in its entirety by reference to the Exhibits attached hereto, which are hereby incorporated by reference herein.

Item 5. Interest in Securities of the Issuer

The information contained in Item 5 of the TCI Schedule 13D and in Item 3 above is hereby incorporated by reference herein.

TCI currently holds 61,630 shares of Common Stock and holds the Class B Option, which is currently exercisable, to acquire 2,000,000 shares of Class B Stock from RMS at a current exercise price of \$1.50 per share, which shares, based upon information contained in the June 30 Company 10-Q, represent approximately 24% of the outstanding Common Stock. TCI's ability to exercise the Class B Option is subject to, among other things, the receipt of required governmental approvals, including under the FCC Rules to the change in control of the Company that would be deemed to occur under applicable FCC rules as a result of TCI's exercise of the Class B Option. The exercise of the Class B Option, as well as the voting, disposition and other transfer of the shares of Class B Stock underlying the Class B Option, are subject to the terms of the Stockholders Agreement.

As described in Item 6 below, Mr. Diller has acquired beneficial ownership of the 220,994 Initial Shares and the 220,994 Additional Shares, representing an aggregate of 441,988 shares of Common Stock. Based on information contained in the June 30 Company 10-Q and including the shares of Common Stock beneficially owned by Mr. Diller as outstanding, such shares represent approximately 6% of the outstanding Common Stock. Such amount does not include the options to purchase an additional 1,895,847 shares of Common Stock, none of which is currently vested and none of which is currently exercisable or becomes exercisable in the next 60 days. Based on information contained in the June 30 Company 10-Q and including the shares of Common Stock subject to the Options as well as the shares of Common Stock beneficially owned by Mr. Diller as outstanding, the shares of Common Stock subject to the Options, together with the Initial Shares and the Additional Shares, represent approximately 26% of the outstanding Common Stock.

Based on information contained in the June 30 Company 10-Q and including the shares of Class B Stock subject to the Class B Option as outstanding shares of Common Stock as well as the shares of Common Stock beneficially owned by Mr. Diller, TCI and Mr Diller collectively beneficially own shares of Common Stock representing approximately 28% of the outstanding

Common Stock. Assuming that Mr. Diller and Liberty elect to require the holder of the remaining 415,945 shares of Class B Stock not subject to the Class B Option to convert such shares into Common Stock in connection with the exercise of the Class B Option, the Company Securities beneficially owned by the Reporting Persons would constitute approximately 75% of the voting power of the outstanding equity securities of the Company. Such amounts do not include the Options, none of which is currently vested and none of which is currently exercisable or becomes exercisable in the next 60 days.

The summary description contained herein is qualified in its entirety by the Exhibits attached hereto, which are hereby incorporated by reference herein.

Item 6. Contracts, Arrangements, Understandings or Relationship with Respect to the Securities of the Issuer

The information set forth in Item 2 and Item 4 above is hereby incorporated by reference herein.

Pursuant to the Stockholders Agreement, Liberty and Mr. Diller will form an entity (the "Silver Company"), to which Liberty will contribute the Class B Option as well as an amount in cash equal to the aggregate exercise price thereof, and Mr. Diller will contribute an amount in cash to be agreed upon. Mr. Diller will initially hold a common equity interest in the Silver Company constituting all of the voting stock of the Silver Company, and Liberty will hold a convertible non-voting preferred participating equity interest. Mr. Diller will control the Company Securities held by the Silver Company, except that, subject to applicable law, the approval of both Liberty and Mr. Diller will be required in connection with certain Fundamental Matters relating to the Company (as set forth in the Stockholders Agreement). Liberty and Mr. Diller have agreed to use all reasonable efforts to seek and obtain approval under FCC rules and regulations for the exercise of the Class B Option.

At such time as Liberty may be permitted to exercise full ownership and control over the Company Securities owned by it (a "Change in Law"), including its pro rata share of Company Securities held by the Silver Company, Liberty's equity interest in the Silver Company will be converted into voting common equity of the Silver Company having the same pro rata rights, powers and preferences as Mr. Diller's interest in the Silver Company, and Liberty or its designees will purchase Mr. Diller's equity interest in the Silver Company for an amount equal to the amount invested by Mr. Diller in the Silver

Company plus interest thereon at the prime rate in effect from time to time from the date of such investment to the date of such purchase.

The Stockholders Agreement also provides that Mr. Diller is entitled to exercise voting authority and authority to act by written consent over all Company Securities owned by any of the Reporting Persons and certain of their affiliates on all matters submitted to a vote of the Company's stockholders or by which the Company's stockholders may act by written consent. In connection therewith, Liberty will provide Mr. Diller with a conditional proxy, which proxy shall be valid for the full term of the Stockholders Agreement and will be irrevocable. The Reporting Persons have agreed to take, and to cause certain of their affiliates to take, all reasonable actions required, subject to applicable law, to prevent the taking of any action by the Company with respect to a Fundamental Matter without the consent of each of Mr. Diller and Liberty and, following a Change in Law, to elect a slate of directors of the Company, two of whom will be designated by Liberty and the remainder of whom will be designated by Mr. Diller. Subject to applicable law and fiduciary duties, Liberty will use its reasonable best efforts to cause its designees on the Board of Directors of the Company to vote in the manner instructed by Mr. Diller with respect to any matter presented to the Board of Directors, except with respect to Fundamental Matters and certain matters relating to Mr. Diller's employment with the Company.

In addition, pursuant to the Stockholders Agreement, Mr. Diller may exchange shares of Common Stock owned by him and certain of his affiliates for shares of Class B Stock owned by Liberty or held by the Silver Company, provided that, after such exchange, Liberty will not cease to own Company Securities (including its pro rata portion of any Company Securities held by the Silver Company) constituting at least 50% of the total voting power of the Company. The Stockholders Agreement also contains provisions applicable to Mr. Diller and Liberty relating to rights of first refusal on permitted sales of Company Securities and, under certain limited circumstances, the right of Mr. Diller to require Liberty to purchase his Company Securities.

The foregoing summary description of certain provisions of the Stockholders Agreement is qualified in its entirety by reference to the definitive term sheet of the Stockholders Agreement, attached hereto as an Exhibit and incorporated herein by reference.

The Company and Mr. Diller entered into a definitive term sheet, dated as of August 24, 1995 (the "Equity Compensation Agreement"), regarding Mr. Diller's purchase of shares of Common Stock from the Company and the granting to Mr. Diller of certain options to purchase Common Stock of the Company, as well as Mr. Diller's agreement to become the Chairman of the Board of Directors and Chief Executive Officer of the Company. The definitive term sheet regarding such agreement is set forth as an Exhibit hereto and is hereby incorporated herein by reference. It is contemplated that the Company and Mr. Diller will enter into further definitive documentation regarding the terms of the Equity Compensation Agreement.

On August 24, 1995, pursuant to the Equity Compensation Agreement, Mr. Diller acquired beneficial ownership of the 220,994 Initial Shares at a purchase price of \$22.625 per share, for an aggregate purchase price of \$4,999,989.25 million.

Immediately following Mr. Diller's acquisition of beneficial ownership of the Initial Shares but prior to Mr. Diller becoming Chairman of the Board and Chief Executive Officer of the Company, Mr. Diller (i) acquired beneficial ownership of 220,994 Additional Shares at a purchase price of \$22.625 per share payable by delivery of the Note (as defined below) plus the sum of \$2,210 payable in cash and (ii) was granted the Options to purchase an aggregate of up to an additional 1,895,847 shares of Common Stock at an exercise price of \$22.625 per share. The non-cash purchase price for the Additional Shares is in the form of a non-interest bearing promissory note of Mr. Diller (the "Note") in the principal amount of \$4,997,779.25. The Note is non-recourse but will be secured by the Additional Shares and will be initially oversecured by a portion of the Initial Shares purchased by Diller having a fair market value on the purchase date of 20% of the principal amount of the Note (the "Excess Shares"). The Note may be prepaid in whole or in part at any time without penalty; upon payment of the first \$2,498,889.63 the security interest on 50% of the Additional Shares and on all of the Excess Shares will be released. All amounts outstanding under the Note will mature on the earlier to occur of (i) the termination of Mr. Diller's employment (x) by the Company for Cause (as defined in the Equity Compensation Agreement) (which shall be the only basis for the Company's termination of Mr. Diller's employment) or (y) prior to the Control Date (as defined in the Equity Compensation Agreement), by Mr. Diller without Good Reason (as defined in the Equity Compensation Agreement) and (ii) August 24, 1997. In addition, Mr. Diller has been granted a bonus arrangement, contractually independent

from the Note, under which he will be paid (i) on August 24, 1996, a bonus of \$2,498,989.63, and (ii) on August 24, 1997, a bonus of \$2,498,989.62, except that both bonuses will be paid immediately (to the extent not previously paid) upon a Change in Control (as defined in the Equity Compensation Agreement) of the Company or the termination of Mr. Diller's employment with the Company for any reason other than (a) by the Company for Cause or (b) by Mr. Diller prior to the Control Date without Good Reason. There is no right to offset the note payments against the bonuses, either on the part of Mr. Diller or on the part of the Company.

The Options vest in four equal annual installments commencing on the first anniversary of the date of grant, and the Options are exercisable until the tenth anniversary of the date of grant (subject to earlier termination in the circumstances described below). The number of shares included in the Initial Shares, the Additional Shares and the shares subject to purchase under the Options are equal to 20% of the outstanding common equity securities of the Company, on a fully diluted basis, on the date of issuance of the Options. The Options have been granted in tandem with the grant of an equivalent number of comparable stock appreciation rights vesting according to the same schedule as the Options, which SARs shall become exercisable only in the event of the occurrence of a Change in Control of the Company (the "Conditional SARs"). All unvested Options (as well as the Conditional SARs) become vested and exercisable upon the occurrence of a Change in Control of the Company. The number and type of shares subject to the Options (as well as the Conditional SARs) and/or the applicable exercise price are subject to appropriate adjustment in the event of a stock split, stock dividend, reclassification or similar event occurring after the date of issuance.

The Equity Compensation Agreement provides that, to the extent that Mr. Diller becomes obligated to pay any taxes under Section 4999 of the Internal Revenue Code (or any successor or similar provision) in connection with such a Change in Control of the Company, the Company shall make a "gross-up" payment to Mr. Diller in respect of any such tax payment.

The Options (as well as the Conditional SARs) are non-transferable and may not be sold, assigned, transferred or pledged without the consent of the Board of Directors of the Company. The Options (as well as the Conditional SARs) will terminate immediately upon termination of Mr. Diller's employment by the Company for Cause or 90 days following a termination of employment by Mr. Diller without Good Reason.

Mr. Diller will be entitled to customary rights for the registration under the Securities Act of 1933 of the Common Stock.

Following the execution of the equity arrangements discussed above, Mr. Diller became the Chairman of the Board and Chief Executive Officer of the Company. The Equity Compensation Agreement provides that if Mr. Diller subsequently so requests, the Board of Directors will appoint Mr. Diller as Chairman of the Board and/or Chief Executive Officer and/or President.

The Equity Compensation Agreement provides that Mr. Diller will receive an amount in cash (up to \$1 million) to cover any taxes payable by Mr. Diller, on an after-tax basis, by virtue of the purchase of Initial Shares and Additional Shares at the per share purchase price. Mr. Diller initially will forgo the receipt of any salary in respect of his services. The Company will pay or reimburse Mr. Diller for his out-of-pocket expenses related to his employment with the Company on a basis consistent with Mr. Diller's historic reimbursement. Subject to any required approvals of the Board of Directors, Mr. Diller will also be entitled to participate in any incentive compensation plan maintained by the Company for its management and/or key employees. In addition, the Company has agreed to indemnify (and advance expenses to) Diller in connection with (i) his serving as Chairman of the Board and/or Chief Executive Officer and/or President of the Company and (ii) his and his affiliates entering into the arrangements contemplated by the Equity Compensation Agreement to the fullest extent permitted by law. If Mr. Diller's employment is terminated by the Company for any reason other than for Cause before August 24, 1996, Mr. Diller will receive a severance payment equal to two times the amount, if any, by which \$4,999,989.25 exceeds the fair market value of the Additional Shares; provided, that such severance payment shall, in no event, exceed \$2 million in the aggregate. The Company will also reimburse Diller and his affiliates for the fees and expenses of their counsel in connection with the negotiation of the Equity Compensation Agreement and the definitive agreements contemplated by the Equity Compensation Agreement.

The foregoing summary description of certain provisions of the Equity Compensation Agreement is qualified in its entirety by reference to the definitive term sheet of the Equity Compensation Agreement, which is attached hereto as an Exhibit and incorporated herein by reference.

Item 7. Material to be Filed as Exhibits

1. Written Agreement between TCI and Mr. Diller regarding Joint Filing of Schedule 13D.

2. Definitive Term Sheet regarding Stockholders Agreement, dated as of August 24, 1995, by and between Liberty Media Corporation and Mr. Diller.

3. Definitive Term Sheet regarding Equity Compensation Agreement, dated as of August 24, 1995, by and between the Company and Mr. Diller.

4. Press Release issued by the Company and Mr. Diller, dated August 25, 1995.

SIGNATURE

After reasonable inquiry and to the best of his knowledge and belief, the undersigned certifies that the information in this statement is true, complete and correct.

Dated: August 28, 1995

TELE-COMMUNICATIONS, INC.

By: /s/Peter R. Barton  
Name:  
Title:

/s/Barry Diller  
Barry Diller

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934\*

Silver King Communications, Inc.

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(Name of Issuer)

Common Stock, par value \$.01 per share

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(Title of Class of Securities)

827740101

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(CUSIP Number)

Stephen M. Brett, Esq. Senior Vice President and General Counsel Tele-Communications, Inc. 5619 DTC Parkway Englewood, CO 80111 (303) 267-5500	Pamela S. Seymon, Esq. Wachtell, Lipton, Rosen & Katz 51 West 52nd Street New York, New York 10019 (212) 403-1000
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(Name, Address and Telephone Number of Person Authorized  
to Receive Notices and Communications)

November 27, 1995

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(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box [ ].

\*The remainder of this cover page should be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

Check the following box if a fee is being paid with this statement [ ]. (A fee is not required only if the reporting

Page 1 of 16 pages

person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of less than five percent of such class. See Rule 13d-7.)

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

The information required on the remainder of this cover page

shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Note: This Statement constitutes Amendment No. 1 of a Report on Schedule 13D of each of Barry Diller and the Reporting Group and Amendment No. 3 of a Report on Schedule 13D of Tele-Communications, Inc.

CUSIP No. 827740101

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(1) Names of Reporting Persons S.S. or I.R.S.  
Identification Nos. of Above Persons

Tele-Communications, Inc.  
84-1260157

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(2) Check the Appropriate Box if a Member of a Group  
(a)  [X]  
(b)  [ ]

---

(3) SEC Use Only

---

(4) Source of Funds

00

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(5) Check if Disclosure of Legal Proceedings is Required  
Pursuant to Items 2(d) or 2(e)  [ ]

---

(6) Citizenship or Place of Organization

Delaware

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Number of	(7)	Sole Voting Power	0 shares
Shares Bene-	(8)	Shared Voting Power	13,441,054 shares
fici-ally			
Owned by	(9)	Sole Dispositive Power	0 shares
Each Report-			
ing Person	(10)	Shared Dispositive Power	13,441,054 shares
With			

---

(11) Aggregate Amount Beneficially Owned by Each  
Reporting Person

13,441,054 shares

---

(12) Check if the Aggregate Amount in Row (11) Excludes  
Certain Shares  [X]  
Excludes options to purchase 625,000 shares of Common  
Stock granted to Mr. Diller on November 27, 1995,  
which are subject to consummation of the  
transactions, and options to purchase 1,895,847

shares of Common Stock granted on August 24, 1995, none of which are currently vested or exercisable and none of which will become exercisable within 60 days. See Item 6.

---

(13) Percent of Class Represented by Amount in Row (11)

66%

Because each share of Class B Stock generally is entitled to ten votes per share while the Common Stock is entitled to one vote per share, the Reporting Persons may be deemed to beneficially own equity securities of the Company representing approximately 89% of the voting power of the Company.

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(14) Type of Reporting Person (See Instructions)

CO

CUSIP No. 827740101

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(1) Names of Reporting Persons S.S. or I.R.S.  
Identification Nos. of Above Persons

Barry Diller

---

(2) Check the Appropriate Box if a Member of a Group  
(a)  [X]  
(b)  [ ]

---

(3) SEC Use Only

---

(4) Source of Funds

---

(5) Check if Disclosure of Legal Proceedings is Required  
Pursuant to Items 2(d) or 2(e)  
 [ ]

---

(6) Citizenship or Place of Organization

United States

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Number of	(7)	Sole Voting Power	0 shares
Shares Bene-	(8)	Shared Voting Power	13,441,054 shares
ficially			
Owned by	(9)	Sole Dispositive Power	0 shares
Each Report-	(10)	Shared Dispositive Power	13,441,054 shares
ing Person			
With			

---

(11) Aggregate Amount Beneficially Owned by Each  
Reporting Person

13,441,054 shares

---

(12) Check if the Aggregate Amount in Row (11) Excludes  
Certain Shares  [X]  
Excludes options to purchase 625,000 shares of Common  
Stock granted to Mr. Diller on November 27, 1995,  
which are subject to consummation of the  
transactions, and options to purchase 1,895,847  
shares of Common Stock granted on August 24, 2995,  
none of which are currently vested or exercisable and  
none of which will become exercisable within 60 days.  
See Item 6.

---

(13) Percent of Class Represented by Amount in Row (11)

66%

Because each share of Class B Stock generally is entitled to ten votes per share while the Common Stock is entitled to one vote per share, the Reporting Persons may be deemed to beneficially own equity securities of the Company representing approximately 89% of the voting power of the Company.

---

(14) Type of Reporting Person (See Instructions)

IN

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Amendment to  
SCHEDULE 13D

Statement Of

TELE-COMMUNICATIONS, INC.  
and  
BARRY DILLER

Pursuant to Section 13(d) of the  
Securities Exchange Act of 1934

in respect of

SILVER KING COMMUNICATIONS, INC.

This Report on Schedule 13D (the "Schedule 13D") relates to the common stock, par value \$.01 per share (the "Common Stock"), of Silver King Communications, Inc., a Delaware corporation (the "Company"). The Report on Schedule 13D originally filed by Tele-Communications, Inc., a Delaware corporation ("TCI"), on August 15, 1994, as amended by Amendment No. 1 and Amendment No. 2 thereto (collectively, the "TCI Schedule 13D"), is hereby amended and supplemented to include the information contained herein, and this Report constitutes Amendment No. 3 to the TCI Schedule 13D. In addition, the Report on Schedule 13D originally filed by each of Mr. Barry Diller (the "Barry Diller Schedule 13D") and the Reporting Group (the "Reporting Group Schedule 13D") on August 29, 1995 is hereby amended and supplemented to include the information contained herein, and this Report constitutes Amendment No. 1 to the Barry Diller Schedule 13D and the Reporting Group Schedule 13D. Barry Diller and TCI (each, a "Reporting Person") constitute a "group" for purposes of Rule 13d-5 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), with respect to their respective beneficial ownership of the Common Stock and are collectively referred to as the "Reporting Group." Capitalized terms not defined herein have the meanings provided in the prior Reports on Schedule 13D referred to in this paragraph.

The summary descriptions contained in this Report of certain agreements and documents are qualified in their entirety by reference to the complete texts of such agreements and documents, filed as Exhibits hereto and incorporated herein by reference. Information contained herein with respect to each

Reporting Person and its executive officers, directors and controlling persons is given solely by such Reporting Person, and no other Reporting Person has responsibility for the accuracy or completeness of information supplied by such other Reporting Person.

Item 3. Source and Amount of Funds or Other Consideration

The information set forth in Item 3 of the TCI Schedule 13D, the Barry Diller Schedule 13D and the Reporting Group Schedule 13D is hereby amended and supplemented by adding the following information:

The consideration to be paid by the Silver Company to the Company in the Exchange (as defined below) is 17,566,702 shares of common stock (the "HSN Common Stock"), par value \$.01 per share, of Home Shopping Network, Inc. ("HSN") for 4,855,436 shares of Common Stock and 20,000,000 shares of Class B common stock, par value \$.01 per share, of HSN (the "HSN Class B Stock"), for 6,082,000 shares of Class B Stock, all of which HSN securities (the "TCI HSN Shares") will be acquired by the Silver Company immediately prior to the Exchange (as defined in Item 4 below) in the merger (the "Liberty/Silver Merger") of Liberty HSN, Inc., an indirect wholly-owned subsidiary of TCI, with and into the Silver Company. The shares to be issued by the Company in the Exchange are sometimes referred to herein as the "Company Exchange Securities". See Item 6.

Item 4. Purpose of Transaction

The information set forth in Item 4 of the TCI Schedule 13D, the Barry Diller Schedule 13D and the Reporting Group Schedule 13D is hereby amended and supplemented by adding the following information:

Commencing in August 1995 and from time to time thereafter, Mr. Diller and representatives of TCI have discussed the possible acquisition by the Company of TCI's equity interest in HSN, as well as the possible appointment of Mr. Diller as the Chairman of the Board of HSN. On November 27, 1995, HSN announced that Mr. Diller had been appointed its Chairman of the Board and that Mr. Diller and certain members of his proposed management team had been granted options to purchase shares of HSN Common Stock. In addition, at separate meetings of the Boards of Directors of HSN and the Company held on November 27, 1995, the HSN Board of Directors and the Board of Directors of the Company approved the acquisition by the Company of the TCI HSN Shares in a two step transaction. In the first step, the Silver Company (the entity controlled by

Barry Diller in which Liberty owns a substantial equity stake, in each case, pursuant to the Stockholders Agreement) would acquire TCI's interest in HSN pursuant to an Agreement and Plan of Merger, dated as of November 27, 1995, by and among the Silver Company, Liberty Program Investments, Inc. and Liberty HSN, Inc. (the "Liberty HSN Merger Agreement"). In the second step, the TCI HSN Shares acquired by the Silver Company in the Liberty/Silver Merger would be exchanged for the Company Exchange Securities (the "Exchange") pursuant to an Exchange Agreement, dated as of November 27, 1995, by and between the Company and the Silver Company (the "Exchange Agreement"). Each of the Liberty HSN Merger Agreement and the Exchange Agreement is filed as an Exhibit hereto and is incorporated herein by reference.

In connection with the acquisition of the TCI HSN Shares, the Company and Liberty requested the Board of Directors of HSN to consider the proposed transaction and to approve the acquisition of beneficial ownership of the TCI HSN Shares by the Company, the Silver Company, Mr. Diller and Liberty for purposes of Section 203 of the Delaware General Corporation Law. The Reporting Persons were advised by HSN, prior to there being any agreement, arrangement or understanding relating to the acquisition of the TCI HSN Shares, that the HSN Board of Directors, upon the recommendation of a special committee of the independent directors, had approved such transaction.

Separately, on November 27, 1995, the Board of Directors of the Company approved a merger (the "Savoy Merger") of a subsidiary of the Company with and into Savoy Pictures Entertainment, Inc. ("Savoy"), pursuant to an Agreement and Plan of Merger, dated as of November 27, 1995, by and among the Company, a wholly-owned subsidiary of the Company and Savoy, as a result of which Savoy would become a wholly-owned subsidiary of the Company (the "Savoy Merger Agreement"). In connection with the Savoy Merger Agreement, Liberty, Mr. Diller, Arrow Holdings, LLC and the Silver Company entered into a voting agreement, dated as of November 27, 1995 (the "Silver Savoy Voting Agreement"), pursuant to which they agreed, among other things, to vote in favor of certain matters to be submitted to Company stockholders in connection with the Savoy Merger and related transactions. Each of the Savoy Merger Agreement and the Silver Savoy Voting Agreement is filed as an Exhibit hereto and is incorporated herein by reference.

In connection with the Savoy Merger and the Exchange, the Board of Directors has approved, and will submit to stockholders of the Company for approval at a special meeting of Company stockholders, among other matters, certain

amendments to the Company's Amended and Restated Certificate of Incorporation (the "Company Charter") to increase the number of authorized shares of Common Stock and Class B Stock and to eliminate the provisions of the Company Charter providing that the holders of the Common Stock and Class B Stock will each vote as separate classes in connection with certain matters specified in the Company Charter at any time that there are at least 2,280,000 shares of Class B Stock outstanding.

In connection with the foregoing transactions, Liberty and Mr. Diller entered into an amendment, dated as of November 27, 1995 (the "First Amendment"), to the Stockholders Agreement, filed as an Exhibit hereto and incorporated herein by reference.

All of the Company Exchange Securities will become subject to the terms of the Stockholders Agreement, as amended by the First Amendment. In addition, Liberty and Mr. Diller have entered into certain letter agreements regarding certain regulatory matters in connection with the formation of the Silver Company, which letter agreements are filed as Exhibits hereto and incorporated herein by reference.

See also Item 6 for a description of certain provisions of the First Amendment, the Exchange Agreement and the Liberty HSN Merger Agreement relating to the matters identified in paragraphs (a) through (j) of Item 4 of this Schedule.

The foregoing summary descriptions are qualified in their entirety by reference to the Exhibits attached hereto, which are hereby incorporated by reference herein.

#### Item 5. Interest in Securities of the Issuer

The information set forth in Item 5 of the TCI Schedule 13D, the Barry Diller Schedule 13D and the Reporting Group Schedule 13D is hereby amended and supplemented by adding the following information:

Upon consummation of the Liberty/Silver Merger and the Exchange, the Silver Company will own an additional 4,855,436 shares of Common Stock and 6,082,000 shares of Class B Stock, which shares, together with the 503,618 shares of Common Stock and 2,000,000 shares of Class B Stock beneficially owned by Liberty, Mr. Diller and the Silver Company (as previously disclosed in the Schedule 13D), represent approximately 66% of the outstanding Common Stock and Class B Stock, based upon information contained in the Company's annual report on Form 10-K, dated November 22, 1995 and filed with the SEC (the "1995 10-K") and treating as outstanding the shares of

Company stock to be issued in the Exchange (but not the approximately 6,000,000 shares of Common Stock to be issued in the Savoy Merger).

Based on information contained in the 1995 10-K, including the shares of Company stock to be issued in the Exchange as outstanding and assuming that the Common Stock and Class B Stock vote together as a single class, TCI, Mr. Diller and the Silver Company collectively beneficially own shares of Common Stock and Class B Stock representing approximately 89% of the voting power of the equity securities of the Company. In the event that the holders of the Common Stock and Class B Stock vote separately, TCI, Mr. Diller and the Silver Company collectively would beneficially own shares of Common Stock representing approximately 45% of the voting power of the outstanding Common Stock. As previously disclosed in the Reporting Group Schedule 13D, upon exercise of the Class B Option, Liberty is entitled to require the holder of the remaining outstanding shares of Class B Stock to convert such shares into a like number of shares of Common Stock.

The foregoing amounts do not include the Options or the additional options to acquire up to 625,000 shares of Common Stock (the "Additional Options") at an exercise price of \$30.75 per share granted to Mr. Diller on November 27, 1995, which Additional Options are subject to consummation of the Exchange and the Savoy Merger as well as approval by the Company's stockholders. None of the Options or Additional Options is currently vested or currently exercisable or becomes exercisable in the next 60 days.

On August 29, 1995, Peter R. Barton, an Executive Vice President of TCI and the President of Liberty, purchased 3,000 shares of Common Stock for \$32.50 per share in an open market transaction using personal funds.

Item 6. Contracts, Arrangements, Understandings or Relationship with Respect to the Securities of the Issuer

The information set forth in Item 6 of the TCI Schedule 13D, the Barry Diller Schedule 13D and the Reporting Group Schedule 13D is hereby amended and supplemented by adding the following information, as well as the information set forth in Item 4 above:

Pursuant to the First Amendment, Liberty and Mr. Diller have agreed, among other things, to take all actions reasonably necessary, including actions to be taken by Company

stockholders, to approve and consummate the transactions contemplated by the Liberty HSN Merger Agreement, the Exchange Agreement and the Savoy Merger Agreement.

Pursuant to the First Amendment, at any time following consummation of the Exchange that Liberty is no longer a subsidiary of TCI (and provided that a Change in Law (as defined in the Stockholders Agreement) has not occurred), but in no event prior to the earliest to occur of (i) the termination of the Savoy Merger Agreement, (ii) the eighteen-month anniversary of the consummation of the Savoy Merger, and (iii) the consummation of the sale, transfer or other disposition by the Company of that number of FCC licenses owned or controlled by it that is required pursuant to FCC rules and regulations, or in accordance with any conditions specified in any waiver therefrom, as a result of the Savoy Merger, Liberty may request by written notice to Mr. Diller and the Company that Mr. Diller use all reasonable efforts to take and, subject to any applicable fiduciary duties of Mr. Diller as a director or officer of the Company, use all reasonable efforts to cause the Company to undertake any restructuring of the Company's assets, liabilities and businesses in order that Liberty would be permitted to exercise its ownership rights (including voting rights) with respect to the securities of the Company owned by it (including its pro rata interest in any Company securities held by the Silver Company) (a "Restructuring Transaction"). In the event that a Restructuring Transaction has not occurred within 365 days following delivery of the notice described in the previous sentence (or, if earlier, such time as Liberty reasonably determines, after consultation with Mr. Diller, that Mr. Diller has ceased to use his reasonable efforts to consummate a Restructuring Transaction), and a Change in Law has not otherwise occurred by such date, then, notwithstanding the restrictions in the Stockholders Agreement regarding "Transfers of Silver Securities," Liberty may sell any and all of its Company securities (as well as its interest in the Silver Company), subject only to (x) a right of first refusal by Mr. Diller (or his designee), (y) Liberty's obligation, at Mr. Diller's request, to exchange shares of Class B Stock held by it for shares of Common Stock owned by Mr. Diller and certain of his affiliates (without regard to the limitation in the Stockholders Agreement that would permit Liberty to retain shares of Company stock representing at least 50% of the total voting power of the Company), and (z) Liberty's further obligation to convert shares of Class B Stock into Common Stock prior to such a sale (other than to Mr. Diller and certain of his affiliates). A third party who acquires Company securities or Silver Company securities from Liberty pursuant to the previous sentence will acquire such securities free and clear of any rights or obligations under the Stockholders Agreement,

other than certain registration rights with respect to Company securities that are provided for in the Stockholders Agreement.

The First Amendment also sets forth certain agreements between Liberty and Mr. Diller relating to the Company's management structure in the event that a Change in Law occurs.

The First Amendment also contains certain amendments clarifying the Fundamental Matters.

In the First Amendment, Mr. Diller agrees to use his reasonable best efforts, if requested by Liberty, to cause one designee of Liberty to serve on the HSN Board of Directors following the Liberty/Silver Merger.

Pursuant to the Liberty HSN Merger Agreement, Liberty HSN will be merged with and into the Silver Company. In the Liberty/Silver Merger, the TCI HSN Shares will be exchanged for additional shares of Silver Company non-voting common stock. Consummation of the merger is conditioned upon satisfaction of regulatory requirements, as well as other conditions set forth in the Liberty HSN Merger Agreement. In the Liberty HSN Merger Agreement, the Silver Company has agreed not to amend or otherwise alter or waive any of its rights or obligations under the Exchange Agreement in any material respect, without the prior written consent of Liberty HSN's parent.

Pursuant to the Exchange Agreement, the Silver Company will exchange the TCI HSN Shares received in the Liberty/Silver Merger for 4,855,436 shares of Common Stock and 6,082,000 shares of Class B Stock. Consummation of the Exchange is conditioned upon Company stockholder approval of matters related to the Exchange (including approval of amendments to the Company Charter to authorize the Company stock required to consummate the Exchange) and satisfaction of regulatory requirements, as well as other conditions set forth in the Exchange Agreement. The Silver Company has agreed not to amend or otherwise alter or waive any of its rights or obligations under the Liberty HSN Merger Agreement in any material respect, without the prior written consent of the Company.

In connection with the Exchange and the Savoy Merger, the Company has granted Mr. Diller the Additional Options. The Additional Options are subject to stockholder approval, as well as to downward adjustment in the event that either the Exchange or the Savoy Merger is not consummated. In the event that neither transaction is consummated, the Additional Options will be cancelled. The Additional Options vest in four equal annual

installments commencing on the first anniversary of the date of grant, and the Additional Options are exercisable until the tenth anniversary (subject to earlier termination in the circumstances described below). The Additional Options have been granted in tandem with the grant of an equivalent number of comparable stock appreciation rights vesting according to the same schedule as the Additional Options, which SARs shall become exercisable only in the event of the occurrence of a Change in Control of the Company (as defined in the Company's 1995 Stock Incentive Plan) (the "Conditional SARs"). All unvested Additional Options (as well as the Conditional SARs) become vested and exercisable upon the occurrence of a Change in Control of the Company. The number and type of shares subject to the Additional Options (as well as the Conditional SARs) and/or the applicable exercise price are subject to appropriate adjustment in the event of a stock split, stock dividend, reclassification or similar event occurring after the date of issuance. The Additional Options (as well as the Conditional SARs) are nontransferable and may not be sold, assigned, transferred or pledged without the consent of the Board of Directors of the Company. The Additional Options (as well as the Conditional SARs) will terminate immediately upon termination of Mr. Diller's employment by the Company for Cause or 90 days following a termination of employment by Mr. Diller without Good Reason (each as defined in the 1995 Stock Incentive Plan). Mr. Diller will be entitled to customary rights for the registration under the Securities Act of 1933 for the Common Stock issued upon exercise of the Additional Options.

The foregoing summary descriptions of each of the First Amendment, the Savoy Merger Agreement, the Liberty HSN Merger Agreement and the Exchange Agreement are qualified in their entirety by reference to such agreements, which are filed as Exhibits hereto and are incorporated herein by reference.

Reference is also made to the Silver Savoy Voting Agreement and the two letter agreements regarding cooperation in connection with certain regulatory matters between Mr. Diller and Liberty, each of which is filed as an Exhibit hereto and incorporated herein by reference.

Item 7. Material to be Filed as Exhibits

1. Written Agreement between TCI and Mr. Diller regarding Joint Filing of Schedule 13D.\*

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\* Previously filed.

2. Definitive Term Sheet regarding Stockholders Agreement, dated as of August 24, 1995, by and between Liberty Media Corporation and Mr. Diller.\*
3. Definitive Term Sheet regarding Equity Compensation Agreement, dated as of August 24, 1995, by and between the Company and Mr. Diller.\*
4. Press Release issued by the Company and Mr. Diller, dated August 25, 1995.\*
5. Letter Agreement, dated November 13, 1995, by and between Liberty Media Corporation and Mr. Diller.
6. Letter Agreement, dated November 16, 1995, by and between Liberty Media Corporation and Mr. Diller.
7. First Amendment to Stockholders Agreement, dated as of November 27, 1995, by and between Liberty Media Corporation and Mr. Diller.
8. Agreement and Plan of Merger, dated as of November 27, 1995, by and among Silver Management Company, Liberty Program Investments, Inc. and Liberty HSN, Inc.
9. Exchange Agreement, dated as of November 27, 1995, by and between Silver Management Company and Silver King Communications, Inc.
10. Agreement and Plan of Merger, dated as of November 27, 1995, by and among Silver King Communications, Inc., Thames Acquisition Corp. and Savoy Pictures Entertainment, Inc.
11. Voting Agreement, dated as of November 27, 1995, by and among Certain Stockholders of the Company and Savoy Pictures Entertainment, Inc.

SIGNATURE

After reasonable inquiry and to the best of his knowledge and belief, the undersigned certifies that the information in this statement is true, complete and correct.

Dated: November 30, 1995

TELE-COMMUNICATIONS, INC.

By: /s/ Stephen M. Brett  
Name: Stephen M. Brett  
Title: Executive Vice  
President and  
General Counsel

/s/ Barry Diller  
Barry Diller