

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 or 15(d) of the
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): January 29, 2002

USA NETWORKS, INC.
(Exact name of Registrant as specified in charter)

Delaware
(State or other jurisdiction
of incorporation)

0-20570
(Commission File
Number)

59-2712887
(IRS Employer
Identification No.)

152 West 57th Street, New York, NY
(Address of principal executive offices)

10019
(Zip Code)

Registrant's telephone number, including area code:
(212) 314-7300

ITEM 5. OTHER EVENTS AND REGULATION FD DISCLOSURE

On January 29, 2002, the Registrant issued a press release announcing its results for the quarter ended December 31, 2001. The full text of this press release, appearing in Exhibit 99.1 hereto, is incorporated herein by reference.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(c) Exhibits.

- 99.1 Press Release of USA Networks, Inc. dated January 29, 2002.
- 99.2 Forward-Looking Financial Information.
- 99.3 Supplemental Information.

ITEM 9. REGULATION FD DISCLOSURE

A copy of the Registrant's forward-looking financial information, appearing in Exhibit 99.2 hereto, and supplemental information, appearing in Exhibit 99.3 hereto, are furnished pursuant to Regulation FD.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

USA NETWORKS, INC.

By: /s/ JULIUS GENACHOWSKI

Name: Julius Genachowski
Title: Senior Vice President and
General Counsel

Date: January 29, 2002

EXHIBIT INDEX

| Exhibit | No. | Description |
|---------|-----|---|
| 99.1 | | Press Release of USA Networks, Inc. dated January 29, 2002. |
| 99.2 | | Forward-Looking Financial Information. |
| 99.3 | | Supplemental Information. |

[GRAPHIC OMITTED]
 USA
 NETWORKS
 INC

FOR IMMEDIATE RELEASE

JANUARY 29, 2002

25% Q4 PRO FORMA EBITDA GROWTH FROM USA'S OPERATING BUSINESSES
 34% EBITDA GROWTH BUDGETED FOR OPERATING BUSINESSES FOR FULL YEAR 2002

NEW YORK, January 29, 2002 - USA Networks, Inc. (NASDAQ: USAI), to be renamed USA Interactive upon closing of the contribution of USA Entertainment to a joint venture to be controlled by Vivendi Universal, reported results today for its quarter ended December 31, 2001. Highlights are presented on a pro forma comparative Q4 basis, reflecting the pending Expedia and Vivendi transactions.

- o USA'S INTERACTIVE OPERATING BUSINESSES increased revenue by 17% to \$937.8 million and EBITDA by 25% to \$149.0 million. Total revenue increased by 14% to \$1,030 million and total EBITDA increased by 33% to \$120.3 million.
- o HSN increased its U.S. revenue by 9% to \$495.3 million and EBITDA by 3% to \$75.7 million, as expected, while reducing inventory levels by \$30.1 million, or 14%, to \$156.5 million, during the year. As evidenced that HSN is on track for a strong year, its U.S. revenue in January 2002 is up approximately 20% versus January 2001.
- o HOTEL RESERVATIONS NETWORK increased revenue by 42% to \$141.7 million and EBITDA by 30% to \$22.9 million. HRN added a record number of properties, 667, and increased its number of affiliates to over 23,800 during Q4. HRN is already having an outstanding 2002, having sold a record \$2.5 million in hotel rooms on January 9th.
- o TICKETMASTER increased ticketing revenue by 7% to \$131.8 million although EBITDA declined by 12%, primarily due to reduced profitability in selected international operations; declines in software sales which are sensitive to economic conditions; and the inclusion of Reserve America, a seasonal business. Ticketmaster also launched TICKETFAST -TM-, for print-at-home ticketing, and Ticketmaster Marketplace -TM-, a service for buying, selling and forwarding tickets.
- o EXPEDIA (transaction pending) increased revenue by 84% to \$81.8 million and reversed an EBITDA loss of \$2.9 million in Q4 2000 to an EBITDA profit of \$22.2 million. Expedia took the lead among online travel agencies, with \$704 million in gross bookings in Q4.
- o MATCH, one of the company's fastest-growing assets, increased revenue by 145% to \$17.6 million and EBITDA by 451% to \$7.6 million. Match ended Q4 with total paid subscribers of 382,150, an increase of 51% over Q3.
- o USA is filing its REVISED BUDGET with the SEC, based on its strong fourth quarter results and additional information regarding the state of the travel and leisure markets. The revised budget projects EBITDA for USA's Interactive Operating Businesses to grow by 34% to \$648 million and total EBITDA to grow by 69% to \$607 million in 2002.
- o USA also today reiterated its goal of reaching 20% OF INTERACTIVE COMMERCE over the next several years through a combination of organic growth, investing in new initiatives, and significant acquisition activity. USA is filing material with the SEC, pursuant to Reg FD, which contains more detail on its strategy and goals.
- o USA ENTERTAINMENT (which is not reflected in the comparative pro forma results due to its pending contribution to a joint venture to be controlled by Vivendi Universal) Operating Businesses decreased revenue by 15% to \$357.0 million and EBITDA by 16% to \$126.8 million, due largely to a continuing weak advertising market.

SEE IMPORTANT FOOTNOTES AT END OF THIS RELEASE.

M E D I A R E L E A S E

152 West 57th Street, 42nd Floor New York,
 New York 10019 212.314.7300 Fax 212.314.7309

FINANCIAL RESULTS

On a comparative pro forma basis reflecting pending transactions, USA reported the following:

| (\$ IN MILLIONS) | PRO FORMA Q4 01 ----- | PRO FORMA Q4 00 ----- | GROWTH ----- |
|--|-----------------------------|-----------------------------|-----------------|
| REVENUES - OPERATING BUSINESSES | | | |
| HSN - U.S..... | \$495.3 | \$455.8 | 9% |
| Ticketing..... | 131.8 | 122.7 | 7% |
| Hotel Reservations Network..... | 141.7 | 100.0 | 42% |
| Expedia (TRANSACTION PENDING)..... | 81.8 | 44.4 | 84% |
| Precision Response..... | 69.8 | 72.1 | (3%) |
| Match.com..... | 17.6 | 7.2 | 145% |
| | ----- | ----- | ----- |
| SUB-TOTAL - OPERATING..... | 937.8 | 802.2 | 17% |
| REVENUES - EMERGING BUSINESSES | | | |
| Citysearch and related..... | 10.3 | 14.0 | |
| ECS / Styleclick..... | 12.5 | 13.5 | |
| HSN - International and other (d)..... | 82.2 | 83.4 | |
| | ----- | ----- | ----- |
| SUB-TOTAL - EMERGING..... | 104.9 | 110.9 | |
| | ----- | ----- | ----- |
| Foreign exchange conversion (a)..... | (10.2) | (11.8) | |
| Disengaged HSN homes (c)..... | -- | 6.2 | |
| Intersegment elimination..... | (2.2) | -- | |
| | ----- | ----- | ----- |
| TOTAL..... | \$1,030.3 | \$907.5 | 14% |
| | ===== | ===== | ===== |
| EBITDA - OPERATING BUSINESSES | | | |
| HSN - U.S..... | \$75.7 | \$73.8 | 3% |
| Ticketing..... | 21.5 | 24.4 | (12%) |
| Hotel Reservations Network..... | 22.9 | 17.6 | 30% |
| Expedia (TRANSACTION PENDING)..... | 22.2 | (2.9) | NM |
| Precision Response..... | 6.2 | 11.0 | (44%) |
| Match.com..... | 7.6 | 1.4 | 451% |
| Corporate and other..... | (7.0) | (6.0) | NM |
| | ----- | ----- | ----- |
| SUB-TOTAL - OPERATING..... | 149.0 | 119.4 | 25% |
| EBITDA - EMERGING BUSINESSES | | | |
| Citysearch and related..... | (9.9) | (12.4) | |
| ECS / Styleclick..... | (7.8) | (16.7) | |
| HSN - International and other (d)..... | (7.7) | 4.1 | |
| | ----- | ----- | ----- |
| SUB-TOTAL - EMERGING..... | (25.4) | (25.1) | |
| Non-recurring items (b)..... | (3.1) | (3.2) | |
| Foreign exchange conversion (a)..... | (0.2) | (1.5) | |
| Disengaged HSN homes (c)..... | -- | 0.9 | |
| | ----- | ----- | ----- |
| TOTAL..... | \$120.3 | \$90.5 | 33% |
| | ===== | ===== | ===== |

- o Includes pro forma results for Expedia, the acquisition of which is expected to close in February 2002. Does not include results for USA Entertainment, the contribution of which to a joint venture with Vivendi Universal is expected to close by Q2 2002. Excludes results from USA Broadcasting, the sale of which to Univision was completed in August 2001.
- o EBITDA is defined as operating income plus (1) depreciation and amortization, (2) amortization of cable distribution fees (\$14.6 million & \$11.0 million, respectively), (3) amortization of non-cash distribution, marketing, and compensation expense, and (4) disengagement related payments to cable operators and marketing expenses (\$4.1 million) related to the transfer of HSN's distribution to cable (which has been accomplished).
- (a) In order to present comparable results for HSN Germany, the results have been translated from Euros to U.S. dollars at a constant exchange rate.
- (b) Represents non-recurring costs related to restructuring operations at HSN, HSN International and PRC, including costs for employee terminations.
- (c) Reflects estimated results generated by homes lost by HSN following the sale of USA Broadcasting to Univision.
- (d) HSN - International and other includes primarily Home Shopping Espanol and HSN Germany. USA was premature in its inclusion previously of HSN Germany as an Operating Business. Although we believe that HSN Germany will be profitable this year (and exceed its performance from last year), it continues to experience significant growing pains and is not close to operating at a stable, consistent basis (although there could be future variations in results). We, therefore, intend to include HSN Germany as part of HSN International and other for the foreseeable future, and we do not intend to move it back to an Operating Business based on any short-term improvement in results. For the fourth quarter, HSN Germany's sales and EBITDA were \$75.2 million and \$1.7 million, respectively, as compared to \$74.0 million and \$9.0 million, respectively, in the year ago period. We believe this change will result in a better understanding of the results of our Operating Businesses taken as a whole.

CASH NET INCOME AND EARNINGS PER SHARE

| | PRO FORMA FOR VIVENDI AND EXPEDIA TRANSACTIONS (A) (C) | | CURRENT STRUCTURE (b) ACTUAL PRO FORMA | |
|--|---|--------|---|-----------|
| | Q4 01 | Q4 00 | Q4 01 | Q4 00 (D) |
| | ----- | ----- | ----- | ----- |
| Cash net income per share - diluted..... | 0.10 | 0.09 | 0.04 | 0.13 |
| Basic loss per share..... | (0.06) | (0.16) | (0.13) | (0.09) |

- (a) Excluding one-time income / (expense) of (\$17.6 million), pre-tax in Q4 '01, and (\$184.4 million), pre-tax, in Q4 '00, including the write-down of Styleclick goodwill in Q4 '00 of (\$145.6 million), pre-tax.
- (b) Excluding one-time income / (expense) of (\$25.7 million), pre-tax in Q4 '01, including \$8.1 million related to the Entertainment operations, and (\$184.4 million), pre-tax, in Q4 '00, including the write-down of Styleclick goodwill in Q4 '00 of (\$145.6 million), pre-tax.
- (c) Presented based upon net income available to common shareholders, giving effect to the preferred dividend related to the Expedia transaction.
- (d) Amounts based on net income before loss from discontinued operations in Q4 '00 of \$18.0 million.

Cash net income ("CNI") is defined as net income plus (1) amortization of non-cash distribution, marketing, and compensation expense (2) amortization of goodwill and intangibles and (3) minority interest related to Holdco, minus the 1.4% PIK dividend on the \$1.75 billion preferred security (\$24.5 million, pre-tax). Shares outstanding to compute CNI EPS is defined as actual shares outstanding plus 33.2 million shares of Holdco that are exchangeable into USA common stock minus 56.6 million shares of common stock held by Vivendi, as the Company believes these shares should be viewed as treasury, although the amount of shares treated as treasury will be lower at stock prices greater than \$40.82, as discussed in USA's 8-K filing with the SEC dated December 17, 2001. Related to Holdco, the Company intends to issue common stock for all remaining exchangeable shares upon completion of the Vivendi transaction. CNI EPS amounts are shown on a diluted basis, including the impact of dilutive securities.

ADOPTION OF NEW ACCOUNTING RULES FOR GOODWILL

Effective January 1, 2002, all calendar year companies will be required to adopt FAS 142, the new accounting rules for goodwill. The new rules eliminate amortization of goodwill and other intangible assets with indefinite lives and establish new measurement criterion for these assets. Although it has not completed its assessment, the Company anticipates a write-off of \$325 million to \$425 million primarily related to the Citysearch and Precision Response (PRC) businesses. Although Citysearch and PRC are expected to generate positive cash flows in the future, due to cash flow discounting techniques required by the new rules, the future cash flows do not support current carrying values. The expected range for the Citysearch write-off is \$75 million to \$125 million and for PRC \$250 million to \$300 million. The rules are expected to reduce USA's annual amortization expense by approximately \$230 million.

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ELECTRONIC RETAILING HIGHLIGHTS

HSN's EBITDA increased by 3% to \$75.7 million on 9% higher revenue of \$495.3 million in the United States.

- o In a challenging environment, HSN continues to grow faster than virtually every major traditional retailer. In fact, HSN had one of its best quarters ever in terms of new business, adding approximately 735,000 new customers during Q4.
- o As compared to Q4 2000, EBITDA grew slower than revenue due to the build out its new California fulfillment facility to reduce shipping times to west coast customers, investments in alternative distribution channels, and continuing technology investments in HSN.com as the business scales.
- o HSN.com, which now represents approximately 10% of HSN's U.S. sales, grew revenue by 125% in Q4, generating more sales than in all of 2000. Its affiliate program, which began in August, now includes more than 3,000 affiliates.
- o Off-air sales (including continuity, upsells, waitlist, and SHOP THE SOAPS), which require little or no HSN TV airtime, generated more than \$100 million in sales during 2001, and are expected to grow by more than 25% in 2002.
- o In partnership with Carnival Cruise Lines and celebrity host Suzanne

- o Somers, HSN's GODDESS CRUISE event generated 1,100 cabin bookings in 36 hours, becoming the fastest selling cruise in Carnival's history. And during the cruise, travelers placed more than 2,000 orders with HSN.
- o HSN recently announced deals with star personalities. Christopher Lowell, noted home authority and Emmy-winning host of the Discovery Channel's THE CHRISTOPHER LOWELL SHOW, will debut an exclusive line of home makeover items; Christine Alt, celebrity plus-size fashion model, will introduce an exclusive new collection of clothing for women of all sizes; and Michael Corbett, host of the syndicated television programs EXTRA! And EXTRA!'S MANSIONS AND MILLIONAIRES, is launching a new line of indoor and outdoor home essentials.
- o HSN has also expanded its exclusive product line offerings in conjunction with Betty Crocker, Serta, Coleman, Hewlett Packard, Panasonic, Major League Baseball, Hoover, RCA, and Cosmopolitan, which will launch an exclusive line of personal care products featuring guest appearances by the magazine's beauty editors.

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ELECTRONIC RETAILING HIGHLIGHTS (CONTINUED)

| | Q4 01 ----- | Q4 00 ----- | GROWTH ----- |
|---|----------------|----------------|-----------------|
| Units shipped (IN MILLIONS)..... | 11.4 | 10.0 | 14% |
| Gross profit % *..... | 33.9% | 33.6% | |
| Return rate..... | 17.9% | 18.8% | |
| Average price point..... | \$47.36 | \$51.59 | |
| Product mix: | | | |
| Homegoods..... | 53% | 54% | |
| Jewelry..... | 25% | 24% | |
| Health / Beauty..... | 10% | 10% | |
| Apparel / Accessories..... | 12% | 12% | |
| * Gross margin increase is due to the inclusion of a small catalogue operation in Q4 2001. Without the catalogue business, HSN's gross margins would have been 33.2%. | | | |
| HSN cable / DBS homes (IN MILLIONS @ 12/31)..... | 73.4 | 65.9 | 11% |
| HSN total homes (IN MILLIONS @ 12/31)..... | 83.0 | 77.1 | 8% |
| HSN total homes pro forma disengagement (IN MILLIONS) | 72.6 | | |

HSN - INTERNATIONAL AND OTHER

- o HSN - International and other includes primarily Home Shopping Espanol and HSN Germany.
- o System integration and operational challenges continued to adversely impact revenue and EBITDA growth at HSN Germany, which generated \$1.7 million in EBITDA during Q4, down from \$9 million in the year-ago period.
- o During 2001, HSN expanded its global leadership, launching new services in the United Kingdom, Belgium, the Netherlands, and Mexico.

| | TV HOUSEHOLDS | | | AVG. LIVE HRS. | |
|--|----------------|----------------|--------|----------------------|----------------|
| | 12/01 ----- | 12/00 ----- | GROWTH | DAILY 12/01 ----- | STAKE ----- |
| (IN MILLIONS @ 12/31) | | | | | |
| Consolidated Services: | | | | | |
| HSE - Germany (includes Austria / Switzerland)..... | 29.7 | 29.3 | 0.4 | 16 hours | 42% |
| Home Shopping Espanol (U.S. / Puerto Rico)..... | 5.8 | 5.1 | 0.7 | 18 hours | 100% |
| Home Shopping Espanol (Mexico)..... | 2.4 | -- | 2.4 | 4 hours | 100% |
| Unconsolidated Services: | | | | | |
| TVSN (China) -- HH airing at least 14 hours per week.. | 28.9 | 18.9 | 10.0 | 10 hours | 21% |
| Shop Channel (Japan) | 11.6 | 9.2 | 2.4 | 16 hours | 30% |
| HSE - Italy..... | 9.4 | 6.0 | 3.4 | 11 hours | 41% |
| HSE - Netherlands (includes Belgium)..... | 3.5 | -- | 3.5 | 8 hours | 47% |
| HSE - France (includes Belgium / Luxembourg)..... | 3.5 | 1.4 | 2.1 | 5 hours | 47% |
| HSE - U.K..... | 5.8 | -- | 5.8 | 12 hours | 47% |

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INFORMATION & SERVICES HIGHLIGHTS

TICKETMASTER increased ticketing revenue by 7% to \$131.8 million as EBITDA declined by 12%, primarily due to reduced profitability in selected international operations; declines in software sales which are more sensitive to economic conditions; and the inclusion of Reserve America, which was profitable on an EBITDA basis for the year, but due to seasonality loses money in the fourth quarter.

- o Ticketmaster launched TICKETFAST -TM-, for print-at-home ticketing, and Ticketmaster Marketplace -TM-, a ticket exchange service for buying, selling and forwarding tickets.
- o Online ticket sales accounted for 33.9% of total tickets sold by Ticketmaster, compared to 27.9% in Q4 '00.
- o MATCH.COM increased the number of paying subscribers to 382,150, a 144% increase from one year ago, and a 51% increase over Q3. Match.com earned \$7.6 million in EBITDA in Q4.
- o CITYSEARCH was named the Best Cityguide 2002 by Yahoo! Internet Life and was ranked among the Top 100 Websites by PC Magazine.

| | Q4 01 | Q4 00 | GROWTH |
|--|--|---------|--------|
| | ----- | ----- | ----- |
| Number of tickets sold (IN MILLIONS)..... | 20.3 | 18.7 | 8.6% |
| Gross value of tickets sold (IN MILLIONS)..... | \$870.3 | \$781.8 | 11.3% |
| Revenue per ticket..... | \$6.00 | \$5.87 | 2.2% |
| Share of tickets sold online..... | 33.9% | 27.9% | |
| Top-selling events in Q4 '01..... | NUTCRACKER, RINGLING BROTHERS, RADIO CITY CHRISTMAS SPECTACULAR, DISNEY ON ICE and WWF. | | |

EXPEDIA (transaction pending) increased EBITDA to \$22.2 million, on 84% higher revenue of \$81.8 million.

- o Expedia led all online travel agencies for the first time with \$704 million in gross bookings in Q4.
- o Expedia was named Best Overall Travel Site by Yahoo! Internet Life.
- o Expedia announced the acquisition of Classic Custom Vacations, the biggest high-end vacation packager to Hawaii.
- o Expedia introduced visa and passport service for travelers and opened the "Travel Right" Cafe in LAX.

| | Q4 01 | Q4 00 | GROWTH |
|--|-------|-------|--------|
| | ----- | ----- | ----- |
| Gross bookings (IN 000S)..... | \$704 | \$475 | 48% |
| Total transactions (IN 000S)..... | 2,229 | 1,318 | 69% |
| Average Media Metrix reach (IN 000S)..... | 9,238 | 5,417 | 70% |
| Expedia.com conversion..... | 5.2% | 6.0% | |
| New purchasing customers (IN 000S)..... | 870 | 504 | 73% |
| Unique purchasing customers (IN 000S)..... | 1,383 | 790 | 75% |
| Cumulative purchasing customers (IN 000S)..... | 6,294 | 2,932 | 115% |

SEE IMPORTANT FOOTNOTES AT END OF THIS RELEASE.

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INFORMATION & SERVICES HIGHLIGHTS (CONTINUED)

HOTEL RESERVATIONS NETWORK increased EBITDA by 30% to \$22.9 million on 42% higher revenue of \$141.7 million.

- o HRN added a record number of hotel properties, 667, to total over 4,500 properties.
- o HRN completed the acquisition of AceNet, a leading hotel consolidator in Atlantic City.
- o HRN now has over 23,800 mostly-exclusive affiliates under contract.

| | Q4 01 | Q4 00 | GROWTH |
|---------------------------------------|-----------|---------|--------|
| | ----- | ----- | ----- |
| Hotel room nights sold..... | 1,187,000 | 699,900 | 70% |
| Affiliates (including TravelNow)..... | 23,808 | 16,200 | 47% |
| Properties..... | 4,567 | 2,600 | 76% |
| Cities served (AS OF 12/31)..... | 178 | 97 | 84% |

PRECISION RESPONSE decreased EBITDA by 44% to \$6.2 million on 3% lower revenue of \$69.8 million.

- o PRC's business continued to be adversely affected by an economy-related slowdown in the outsourcing of customer care programs, particularly in the telecom and financial services industries. In addressing this, the Company engaged in cost reduction initiatives during Q4 to better position itself for 2002.
- o PRC signed consumer service deals with Schwan's and Household Credit, both of which will commence in 2002.

ENTERTAINMENT HIGHLIGHTS

USA NETWORK decreased EBITDA by 20% to \$84.9 million on 7% lower revenue of \$184.7 million.

- o USA finished the year tied for second place among all basic cable networks in primetime with a 1.7 rating.
- o USA averaged a 1.5 primetime rating in Q4 '01.
- o The PRIMETIME MOVIE increased delivery of Adults 18-34 by 18%.
- o PRANCER RETURNS earned a 3.0 rating as USA's highest rated Original Movie in Q4 '01.

SCI FI decreased EBITDA by 13% to \$26.1 million on 8% lower revenue of \$71.4 million.

- o SCI FI averaged a 0.7 rating in primetime and its average household delivery decreased by 8% to 524,000. Excluding the effects in Q4 '00 of SCI FI's hit mini-series DUNE, SCI FI's average household delivery decreased by 2%.
- o SCI FI continues to have the highest concentration of adult viewers 25-54 of any network on TV, while ranking in the top 10 among basic cable networks in its delivery of Adults, Women and Men 25-54 and Adults and Men 18-49.

STUDIOS USA, net, increased EBITDA by 3% to \$15.8 million on 30% lower revenue of \$100.9 million.

- o LAW & ORDER is generating the highest ratings in its 12-year history, averaging 18.9 million viewers weekly on NBC this season, ranking as the fifth highest rated television series.
- o LAW & ORDER: CRIMINAL INTENT, airing on NBC, was the most watched new primetime series in the November sweeps.
- o LAW & ORDER: SPECIAL VICTIMS UNIT, airing on NBC, is the most watched show in Friday primetime.
- o THE DISTRICT, airing on CBS, continues as the most watched show in Saturday primetime.
- o MAURY is the #2 talk show among Women 18-49, averaging a 2.3 rating in this demographic during the sweeps.
- o CROSSING OVER WITH JOHN EDWARD is this season's highest rated new daily first-run syndicated series.

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ENTERTAINMENT HIGHLIGHTS (CONTINUED)

| CABLE AND STUDIOS: | Q4 01 | Q4 00 | GROWTH |
|---------------------------|---------|---------|--------|
| | ----- | ----- | ----- |
| Revenue (\$ IN MILLIONS): | | | |
| USA Network..... | \$184.7 | \$199.4 | (7%) |
| SCI FI..... | 71.4 | 77.8 | (8%) |
| Studios, net..... | 100.9 | 145.0 | (30%) |
| | ----- | ----- | ----- |
| Total..... | \$357.0 | \$422.2 | (15%) |
| | ===== | ===== | ===== |
| EBITDA (\$ IN MILLIONS): | | | |
| USA Network..... | \$84.9 | \$105.6 | (20%) |
| SCI FI..... | 26.1 | 30.2 | (13%) |

| | | | |
|--|---------|---------|-------|
| Studios, net..... | 15.8 | 15.3 | 3% |
| | ----- | ----- | ----- |
| Total..... | \$126.8 | \$151.1 | (16%) |
| | ===== | ===== | ===== |
| Households (IN MILLIONS @ 12/31): | | | |
| USA Network..... | 85.2 | 79.9 | 7% |
| SCI FI..... | 76.4 | 66.7 | 15% |
| Advertising and other revenue / affiliate revenue: | | | |
| USA Network mix..... | 48:52 | 57:43 | |
| SCI FI mix..... | 59:41 | 67:33 | |

USA FILMS

USA Films' theatrical releases in Q4 were THE MAN WHO WASN'T THERE and GOSFORD PARK. THE MAN WHO WASN'T THERE was nominated for three GOLDEN GLOBES, including Best Picture (Drama) and Best Actor (Drama). GOSFORD PARK was nominated for five GOLDEN GLOBES, including Best Picture (Comedy or Musical), and was awarded Best Director. USA Home Entertainment's release ULTIMATE JORDAN is its best selling sports DVD to date, shipping over 200,000 units.

SHARES OUTSTANDING, MARKET CAPITALIZATION, NET DEBT

As of January 23, 2002, USA has outstanding 764.7 million shares, including exchangeable securities and treasury method options, with an aggregate market capitalization of \$19.9 billion. Pro forma for the Expedia and Vivendi transactions, USA has outstanding 414.3 million shares, including exchangeable securities and treasury method options, with an aggregate market capitalization of \$10.8 billion. Pro forma shares outstanding excludes Vivendi's remaining 56.6 million shares, as the Company believes these shares should be viewed as treasury, although the amount of shares treated as treasury will be lower at stock prices greater than \$40.82, as discussed in USA's 8-K filing with the SEC dated December 17, 2001.

USA has no net debt and \$550 million in consolidated net cash, including that of its public subsidiaries and an advance receivable to Universal. This excludes the final cash payment on the sale of USA Broadcasting of \$214 million, net of tax, and \$1.6 billion related to the pending Vivendi transaction and Expedia's cash balance of \$250 million.

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ANALYST CONFERENCE CALL

USA Networks, Inc. will audiocast its conference call with analysts and investors discussing the company's fourth quarter financial results on Tuesday, January 29, 2002, at 11:00 a.m. Eastern Time (ET). The live audiocast is open to the public, and a replay will be available approximately one hour after its completion, at WWW.USANETWORKS.COM/INVESTOR.RELATIONS.

IMPORTANT DISCLOSURES / LEGEND AND FORWARD LOOKING STATEMENTS / FOOTNOTES

USA and Expedia have filed a joint prospectus/proxy statement and will file other relevant documents concerning USA's acquisition of Expedia with the Securities and Exchange Commission ("SEC"). INVESTORS ARE URGED TO READ THE JOINT PROSPECTUS/PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED IN THE FUTURE WITH THE SEC BECAUSE THOSE DOCUMENTS CONTAIN IMPORTANT INFORMATION. Investors will be able to obtain such documents free of charge at the SEC's website at www.sec.gov. In addition, such documents may also be obtained free of charge by contacting USA Networks, Inc., 152 West 57th Street, New York, New York, 10019, Attention: Investor Relations, or Expedia, Inc., 13810 SE Eastgate Way, Suite 400, Bellevue, WA 98005, Attention: Investor Relations.

USA has filed a preliminary proxy statement and will file other relevant documents concerning USA's contribution of its Entertainment Group to a joint venture with Vivendi Universal and certain related transactions with the Securities and Exchange Commission ("SEC"). INVESTORS ARE URGED TO READ THE PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED IN THE FUTURE WITH THE SEC BECAUSE THOSE DOCUMENTS CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION. Investors will be able to obtain such documents free of charge at the SEC's website at www.sec.gov. In addition, such documents may also be obtained free of charge by contacting USA Networks, Inc., 152 West 57th Street, New York, NY, 10019, Attn: Investor Relations.

INVESTORS SHOULD READ THE PROXY STATEMENT CAREFULLY WHEN AVAILABE BEFORE MAKING ANY VOTING OR INVESTMENT DECISION CONCERNING THE PROPOSED TRANSACTIONS.

USA and its directors and officers may be deemed to be participants in the solicitation of proxies from USA shareholders to adopt the agreement providing for USA's contribution of its Entertainment Group to a joint venture with Vivendi Universal and the other related transactions described therein. A detailed list of the names and interests of USA's directors and executive officers is contained in the definitive proxy statement on Schedule 14A filed by

SUA with the SEC on April 9, 2001. Copies of USA filings may be obtained free of charge at the SEC's website at www.sec.gov.

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

The financial, statistical and other information contained in this press release and its attachments is unaudited. USA Network and SCI FI ratings and household delivery data per NMR Galaxy Explorer for NHI defined periods versus comparable periods. Subscriber counts based on Nielsen People Meter Installed Sample, December '01 vs. '00. All ratings within each network's coverage area. Studios' syndicated program ratings per NSS (GAA % where applicable), and broadcast network data per NTI for comparable time periods. Subject to qualifications. Operating metrics in this press release are pro forma for pending Expedia transaction. For operating metrics relating to Expedia, gross bookings represent the total value of travel booked through the Expedia, VacationSpot, and WWTE sites. Transactions represents the number of reservations and purchases transacted through the Expedia and WWTE sites. Average monthly Media Metrix reach represents the unduplicated reach for the Expedia and VacationSpot sites. Conversion represents the monthly average Expedia.com unique monthly purchasers divided by the monthly average Media Metrix reach for the Expedia.com site. Expedia new purchasing customers represents the number of new customers transacting through the Expedia sites in a quarter. Expedia cumulative purchasing customers represents the cumulative number of customers that have ever transacted through the Expedia sites as of the end of a quarter. Expedia quarterly unique purchasing customers represents the number of unique customers transacting through the Expedia sites over the course of a quarter.

ABOUT USA NETWORKS, INC.

USA Networks, Inc. (Nasdaq: USAI), to be renamed USA Interactive upon close of its pending transaction with Vivendi Universal, is organized into two groups, the Interactive Group and the Entertainment Group. The Interactive Group consists of Home Shopping Network (including HSN International and HSN Interactive); Ticketmaster (Nasdaq: TMCS), which operates CitySearch and Match.com; Hotel Reservations Network (Nasdaq: ROOM); Electronic Commerce Solutions; Styleclick; Precision Response Corporation; and Expedia, Inc. (Nasdaq: EXPE) upon the close of USA's previously announced transaction. The Entertainment Group consists of USA Cable, including USA Network, SCI FI Channel, TRIO, Newsworld International, and Crime; Studios USA, which produces and distributes television programming; and USA Films, which produces and distributes films. On December 17, 2001, USA and Vivendi Universal announced a transaction in which the assets of the Entertainment Group would be contributed to Vivendi Universal Entertainment, a new joint venture.

| | | |
|-----------|---------------------|---------------------------------|
| CONTACTS: | USA COMMUNICATIONS: | USA INVESTOR RELATIONS: |
| | Ron Sato | Roger Clark / Lauren Rosenfield |
| | 212-314-7254 | 212-314-7400 |

USA INTERACTIVE AND SUBSIDIARIES
PRO FORMA FOR THE PENDING EXPEDIA AND VIVENDI TRANSACTIONS
UNAUDITED BUSINESS SEGMENT INFORMATION
(\$ IN THOUSANDS)

THREE MONTHS ENDED
DECEMBER 31, PRO FORMA
PRO FORMA -----
----- 2001 2000 ----

| |
|-----------------------|
| REVENUES - OPERATING |
| BUSINESSES Electronic |
| retailing - U.S. \$ |
| 495,275 \$ 455,840 |
| Ticketing 131,776 |
| 122,656 Hotel |
| reservations 141,668 |
| 100,014 Online travel |
| (transaction pending) |

81,762 44,419
Teleservices 69,752
72,097 Personals 17,561
7,173 -----
----- SUB-TOTAL 937,794
802,199 REVENUES -
EMERGING BUSINESSES
Citysearch and related
10,256 14,062
Electronic Commerce
Solutions/Styleclick
12,448 13,413 HSN - all
consolidated
international and other
82,192 83,407 -----
----- SUB-TOTAL
104,896 110,882 -----
----- Euro's
exchange rate
fluctuation (a)
(10,242) (11,814)
Disengaged HSN homes
(b) -- 6,229
Intersegment
Elimination (2,180) --

TOTAL \$1,030,268 \$
907,496

=====
EBITDA - OPERATING
BUSINESSES (c)
Electronic retailing -
U.S. \$ 75,667 \$ 73,758
Ticketing 21,473 24,419
Hotel reservations
22,858 17,637 Online
Travel (transaction
pending) 22,205 (2,872)
Teleservices 6,221
11,048 Personals 7,604
1,379 Corporate and
other (7,027) (5,988) -

SUB-TOTAL 149,001
119,381 EBITDA -
EMERGING BUSINESSES (c)
Citysearch (9,853)
(12,426) Electronic
Commerce
Solutions/Styleclick
(7,803) (16,752) HSN -
all consolidated
international and other
(7,745) 4,051 -----
----- SUB-TOTAL
(25,401) (25,127) -----

Restructuring charge
and one-time items (d)
(3,075) (3,187) Euro's
exchange rate
fluctuation (a) (218)
(1,454) Disengaged HSN
homes (b) -- 856 -----
----- TOTAL \$
120,307 \$ 90,469
=====

- (a) In order to present comparable results for HSN Germany, the results have been translated from Euros to U.S. dollars at a constant exchange rate.
(b) Reflects estimated results generated by homes lost by HSN following disengagement of USA Broadcasting to Univision.
(c) EBITDA is defined as operating income plus, (1) depreciation and amortization, (2) amortization of cable distribution fees of \$14,591 and \$10,987, respectively, (3) amortization of non-cash distribution and marketing expense and non-cash compensation expense and (4) disengagement expense of \$4.1 million in Q4 '01.
(d) Represents non-recurring costs related to restructuring operations and employee terminations.

FORMA (a) -----
----- 2001 2000 -----

REVENUES - OPERATING
BUSINESSES Electronic
retailing - U.S. \$
1,658,904 \$ 1,527,042
Ticketing 579,679 518,565
Hotel reservations
536,497 327,977 Online
Travel (transaction
pending) 296,936 156,656
Teleservices 298,678
282,120 Personals 49,249
29,122 -----
----- SUB-TOTAL 3,419,943
2,841,482 REVENUES -
EMERGING BUSINESSES
Citysearch 46,107 50,889
Electronic Commerce
Solutions/Styleclick
34,230 48,492 HSN - all
consolidated
international and other
319,424 280,985 -----
----- SUB-
TOTAL 399,761 380,366 ---

Euro's exchange rate
fluctuation (b) (46,855)
(35,271) Disengaged HSN
homes (c) -- 6,229
Intersegment Elimination
(7,053) -- -----
----- TOTAL \$
3,765,796 \$ 3,192,806
=====

EBITDA - OPERATING
BUSINESSES (d) Electronic
retailing - U.S. \$
231,507 \$ 229,582
Ticketing 106,248 100,025
Hotel reservations 81,449
52,641 Online Travel
(transaction pending)
60,864 (38,770)
Teleservices 34,299
44,626 Personals 16,512
6,241 Corporate and other
(31,203) (29,879) -----
----- SUB-
TOTAL 499,676 364,466
EBITDA - EMERGING
BUSINESSES (d) Citysearch
(43,441) (63,879)
Electronic Commerce
Solutions/Styleclick
(53,591) (71,193) HSN -
all consolidated
international and other
(22,555) 14,679 -----
----- SUB-
TOTAL (119,587) (120,393)

- Restructuring charge
and one-time items (e)
(20,098) (4,685) Euro's
exchange rate fluctuation
(b) (1,200) (3,939)
Disengaged HSN homes (c)
-- 856 -----
----- TOTAL \$ 358,791
\$ 236,305
=====

- (a) Presented as if the acquisitions of Precision Response and Styleclick had occurred at the beginning of the period presented.
- (b) In order to present comparable results for HSN Germany, the results have been translated from Euros to U.S. dollars at a constant exchange rate.
- (c) Reflects estimated results generated by homes lost by HSN following disengagement of USA Broadcasting to Univision.
- (d) EBITDA is defined as operating income plus, (1) depreciation and amortization, (2) amortization of cable distribution fees of \$43,975 and \$36,322, respectively, (3) amortization of non-cash distribution and marketing expense and non-cash compensation expense and (4) disengagement expense of \$4.1 million in Q4 '01.
- (e) Represents non-recurring costs related to restructuring operations and employee terminations and benefits.

USA INTERACTIVE AND SUBSIDIARIES
 PRO FORMA FOR THE PENDING EXPEDIA AND VIVENDI TRANSACTIONS
 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (\$ IN THOUSANDS, EXCEPT PER SHARE DATA)

| THREE MONTHS ENDED DECEMBER 31, PRO FORMA PRO FORMA -- ----- ----- 2001 2000 -- ----- ----- |
|--|
| Revenues, net \$ |
| 1,030,268 \$ |
| 907,496 |
| Operating costs and expenses: |
| Costs related to revenues |
| 667,944 |
| 602,673 |
| Other costs and expenses |
| 242,017 |
| 214,354 |
| Disengagement costs (a) |
| 4,052 -- |
| Amortization of non cash distribution and marketing expense (b) |
| 6,518 7,099 |
| Amortization of non cash compensation expense (c) |
| 4,793 12,497 |
| Amortization of cable distribution fees |
| 14,591 |
| 10,987 |
| Depreciation and amortization |
| 119,502 |
| 306,498 ---- ----- ----- |
| Total operating costs and expenses |
| 1,059,417 |
| 1,154,108 -- ----- ----- |
| Operating income |
| (29,149) |
| (246,612) |
| Interest expense, net |
| (4,017) |
| 1,418 Other, net |
| 8,940 |
| 19,149 ----- ----- ----- |
| Earnings before income taxes and minority interest |
| (24,226) |
| (226,045) |
| Income tax expense |
| (18,671) |
| (20,564) |
| Minority |

interest
12,663
82,572 -----

----- Loss
before
preferred
dividend \$
(30,234) \$
(164,037)
Preferred
dividend (d)
(3,265)
(3,265) -----

----- Net
loss
available to
common
shareholders
\$ (33,499) \$
(167,302)
=====

===== Net loss
available to
common
shareholders
ex. one time
charges (e)
\$ (25,145) \$
(63,627)
=====

===== Cash net
income
available to
common
shareholders,
excluding
one-time
charges \$
40,514 \$
37,644
=====

===== Weighted
average
basic shares
412,753
403,878
=====

===== Weighted
average CNI
shares
410,485
401,400
=====

===== EPS
AVAILABLE TO
COMMON
SHAREHOLDERS
Basic and
diluted loss
per share \$
(.08) \$
(.41)
=====

===== Basic loss
per share,
excluding
one-time
charges \$
(.06) \$
(.16)
=====

===== Cash net
income per
share,
excluding
one-time
charges \$
.10 \$.09
=====

===== EBITDA (F) \$
120,307 \$
90,469

=====
=====
=====

- (a) Represents costs incurred related to the disengagement of HSN from the USA Broadcasting stations. Amounts primarily relate to payments to cable operators and related marketing expenses in the disengaged markets.
- (b) Amortization of warrants and stock issued in exchange for distribution and marketing services.
- (c) Expense relates to the Company's bonus stock purchase program, restricted stock awards and certain stock option grants. (d) In relation to the pending Expedia transaction, the Company will issue preferred stock with a dividend of 1.99%, payable in cash or stock.
- (e) Represents non-recurring costs related to restructuring operations at HSN, HSN International and PRC, including costs for employee terminations.
- (f) EBITDA is defined as operating income plus, (1) depreciation and amortization, (2) amortization of cable distribution fees of \$14,591 and \$10,987, respectively, (3) amortization of non-cash distribution and marketing expense and non-cash compensation expense and (4) disengagement expense of \$4.1 million in Q4 '01.

USA INTERACTIVE AND SUBSIDIARIES
PRO FORMA FOR THE PENDING EXPEDIA AND VIVENDI TRANSACTIONS
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(\$ IN THOUSANDS, EXCEPT PER SHARE DATA)

TWELVE
MONTHS ENDED
DECEMBER 31,
PRO FORMA
(a) PRO
FORMA (a)
(b) -----

2001 2000 --

Revenues,
net \$
3,765,796 \$
3,192,806
Operating
costs and
expenses:
Costs
related to
revenues
2,424,580
2,117,995
Other costs
and expenses
982,425
838,506
Disengagement
costs (c)
4,052 --
Amortization
of non cash
distribution
and
marketing
expense (d)
26,384
11,665
Amortization
of non cash
compensation
expense (e)
24,204
76,941
Amortization
of cable
distribution
fees 43,975
36,322
Depreciation
and
amortization
493,959
648,408 ----

Total
operating
costs and
expenses

3,999,579
3,729,837 --

Operating
income
(233,783)
(537,031)
Interest
expense, net
(8,902)
(2,504)
Other, net
92,664
174,145 ----

Earnings
before
income taxes
and minority
interest
(150,021)
(365,390)
Income tax
expense
(65,182)
(120,217)
Minority
interest
69,285
161,642 ----

----- Loss
before
preferred
dividend \$
(145,918) \$
(323,965)
Preferred
dividend (f)
\$ (13,059)
(13,059) ---

----- Net
loss
available to
common
shareholders
\$ (158,977)
\$ (337,024)
=====

Net loss
available to
common
shareholders
ex. one time
charges (g)
(\$ 131,556)
(\$ 275,337)
=====

Cash net
income
available to
common
shareholders,
excluding
one-time
charges \$
137,939 \$
51,581
=====

Weighted
average
basic shares
409,715
395,302
=====

Weighted
average CNI
shares
414,962
403,379
=====

=====
EPS
AVAILABLE TO
COMMON

SHAREHOLDERS
Basic and diluted loss per share \$
(.39) \$
(.85) -----

----- Basic loss per share, excluding one-time charges \$
(.32) \$
(.70)
=====

Cash net income per share, excluding one-time charges \$
.33 \$.13
=====

EBITDA (h) \$
358,791 \$
236,305
=====

- (a) Presented as if the merger of Ticketmaster and TMCS had occurred at the beginning of the period presented. The merger has no impact on revenues or EBITDA. Pro forma results reflect the impact of the merger on minority interest and income taxes.
- (b) Presented as if the acquisitions of Precision Response and Styleclick had occurred at the beginning of the period presented.
- (c) Represents costs incurred related to the disengagement of HSN from the USA Broadcasting stations. Amounts primarily relate to payments to cable operators and related marketing expenses in the disengaged markets.
- (d) Amortization of warrants and stock issued in exchange for distribution and marketing services.
- (e) Expense relates to the Company's bonus stock purchase program, restricted stock awards and certain stock option grants.
- (f) In relation to the pending Expedia transaction, the Company will issue preferred stock with a dividend of 1.99%, payable in cash or stock.
- (g) Represents non-recurring costs related to restructuring operations at HSN, HSN International and PRC, including costs for employee terminations.
- (h) EBITDA is defined as operating income plus, (1) depreciation and amortization, (2) amortization of cable distribution fees of \$43,975 and \$36,322, respectively, (3) amortization of non-cash distribution and marketing expense and non-cash compensation expense and (4) disengagement expense of \$4.1 million in Q4 '01.

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USA INTERACTIVE AND SUBSIDIARIES
EPS AND CASH NET INCOME RECONCILIATION INFORMATION
UNAUDITED
(\$ IN THOUSANDS, EXCEPT PER SHARE DATA)

| THREE MONTHS ENDED DECEMBER 31, PRO FORMA | PRO FORMA | 2001 | 2000 |
|---|-----------------------|--------------------------------|---|
| BASIC LOSS PER SHARE: Net loss before preferred dividend | \$ (30,234) | \$(164,037) | Preferred Dividend |
| (3,265) | (3,265) | | (3,721) |
| Impact of unusual items, net of tax and minority interest (a) | 8,354 | 103,675 | |
| LOSS, EXCLUDING UNUSUAL ITEMS (a) | \$ (25,145) | \$ (63,627) | Weighted average basic |
| shares 412,753 | 403,878 | | shares 410,485 |
| | | | 401,400 |
| | | | Basic loss per share before preferred dividend |
| | | | \$ (.07) |
| | | | \$ (.41) |
| | | | Basic loss per share before preferred dividend, ex. one-time items |
| | | | \$ (.05) |
| | | | \$ (.15) |
| | | | Basic loss per share available to common shareholders |
| | | | \$ (.08) |
| | | | \$ (.41) |
| | | | Basic loss per share available to common shareholders, ex. one-time |
| | | | items \$ (.06) |
| | | | \$ (.16) |
| CASH NET INCOME: Net loss available to common shareholders | \$ (33,499) | (\$167,302) | Impact of non-cash |
| items, net of tax and minority interest | 68,743 | 208,525 | 1.4% PIK dividend (b) |
| (9,018) | (9,018) | | (3,721) |
| Minority Interest (843) | (9,018) | | (3,721) |
| CASH NET INCOME | 30,680 | 28,484 | Impact of unusual items, net of |
| tax and minority interest (a) | 9,834 | 9,159 | |
| CASH NET INCOME, EXCLUDING UNUSUAL ITEMS | | | |
| (a) | \$ 40,514 | \$ 37,644 | |
| Weighted average CNI shares | 410,485 | 401,400 | |
| Cash net income per share | \$.07 | \$.07 | Cash net income per share, excluding |
| unusual items (a) | \$.10 | \$.09 | |
| RECONCILIATION OF BASIC AND CASH NET INCOME | OUTSTANDING SHARES | Basic | weighted average shares |
| 412,753 | 403,878 | Exchangeable Holdco shares | 33,217 |
| 33,217 | Treasury Method Stock | Options | 21,126 |
| 20,916 | Vivendi | shares treated as treasury (b) | (56,611) |
| (56,611) | | | 410,485 |
| 401,400 | | | 401,400 |

- (a) Excludes one time charges and non-operating gains.

(b) Cash net income shares exclude Vivendi's remaining 56.6 million shares, as the Company believes these shares should be viewed as treasury, although the amount of treasury shares will be lower at stock prices greater than \$40.82, as discussed in the Company's 8-K filing with the SEC dated December 17, 2001. The 1.4% PIK dividend on the preferred security that relates to these shares has been deducted from net income.

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USA INTERACTIVE AND SUBSIDIARIES
 EPS AND CASH NET INCOME RECONCILIATION INFORMATION
 UNAUDITED
 (\$ IN THOUSANDS, EXCEPT PER SHARE DATA)

TWELVE MONTHS ENDED DECEMBER 31, PRO FORMA PRO FORMA ----- 2001 2000 -----
 BASIC LOSS PER SHARE: Net loss before preferred dividend \$(145,918) \$(323,965) Preferred Dividend
 (13,059) (13,059) ----- Net loss available to common shareholders (\$158,977) (\$337,024)
 Impact of unusual items, net of tax and minority interest (a) 27,421 61,687 ----- BASIC
 LOSS, EXCLUDING UNUSUAL ITEMS (a) \$(131,556) \$(275,337) =====
 ===== Weighted average basic
 shares 409,715 395,302 ===== Basic loss per share before preferred dividend \$ (.36) \$
 (.82) ----- Basic loss per share before preferred dividend, ex. one-time items \$ (.29) \$
 (.66) ===== Basic loss per share available to common shareholders \$
 (.39) \$ (.85) ===== Basic loss per share available to common shareholders, ex. one-time
 items \$ (.32) \$ (.70) =====

CASH NET INCOME: Net loss available to common shareholders (\$158,977) (\$337,024) Impact of non-cash
 items, net of tax and minority interest 286,925 441,402 1.4% PIK dividend (b) (14,884) (14,884) Minority
 Interest (4,937) (2,171) ----- CASH NET INCOME 108,127 87,323 Impact of unusual items, net
 of tax and minority interest (a) 29,812 (35,742) ----- CASH NET INCOME, EXCLUDING UNUSUAL
 ITEMS (b) \$ 137,939 \$ 51,581 =====
 ===== Weighted average CNI shares 414,962 403,379 =====
 ===== Cash net income per share \$.26 \$.22 ===== Cash net income per share, excluding
 unusual items (a) \$.33 \$.13 =====

RECONCILIATION OF BASIC AND CASH NET INCOME OUTSTANDING SHARES Basic weighted average shares 409,715
 395,302 Exchangeable Holdco shares 33,217 33,217 Treasury Method Stock Options 28,641 31,471 Vivendi
 shares treated as treasury (b) (56,611) (56,611) ----- 414,962 403,379 =====

(a) Excludes one time charges and non-operating gains.
 (b) Cash net income shares exclude Vivendi's remaining 56.6 million shares, as the Company believes these shares should be viewed as treasury, although the amount of treasury shares will be lower at stock prices greater than \$40.82, as discussed in the Company's 8-K filing with the SEC dated December 17, 2001. The 1.4% PIK dividend on the preferred security that relates to these shares has been deducted from net income.

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USA NETWORKS, INC. AND SUBSIDIARIES
 BUSINESS SEGMENT INFORMATION - CONTINUING OPERATIONS
 UNAUDITED
 (\$ IN THOUSANDS)

THREE MONTHS ENDED
 DECEMBER 31, ACTUAL
 ACTUAL -----
 ----- 2001 2000 -----
 ----- REVENUES -
 OPERATING BUSINESSES
 Cable and studios \$
 357,053 \$ 422,133
 Electronic retailing -
 U.S. 495,275 455,840
 Ticketing 131,776 122,656
 Hotel reservations
 141,668 100,014
 Teleservices 69,752
 72,097 Personals 17,561
 7,173 -----
 ----- SUB-TOTAL 1,213,085
 1,179,913 REVENUES -
 EMERGING BUSINESSES
 Citysearch and related
 10,256 14,062 Electronic
 Commerce
 Solutions/Styleclick
 12,448 13,413 HSN - all
 consolidated
 international and other
 82,192 83,407 USA Films
 37,476 20,536 Trio, NWI,
 Crime, other emerging
 media 5,961 7,470 -----

----- SUB-
TOTAL 148,333 138,888 ---

Euro's exchange rate
fluctuation (a) (10,242)
(11,814) Disengaged HSN
homes (b) -- 6,229
Intersegment Elimination
(4,701) -- -----
----- TOTAL \$
1,346,475 \$ 1,313,216
=====

EBITDA - OPERATING
BUSINESSES (c) Cable and
studios \$ 126,855 \$
151,102 Electronic
retailing - U.S. 75,667
73,758 Ticketing 21,473
24,419 Hotel reservations
22,858 17,637
Teleservices 6,221 11,048
Personals 7,604 1,379
Corporate and other
(7,027) (5,988) -----
-- ----- SUB-TOTAL
253,651 273,355 EBITDA -
EMERGING BUSINESSES (c)
Citysearch (9,853)
(12,426) Electronic
Commerce
Solutions/Styleclick
(7,803) (16,752) HSN -
all consolidated
international and other
(7,745) 4,051 USA Films
1,930 (621) Trio, NWI,
Crime, other emerging
media (4,359) (2,518) ---
----- SUB-
TOTAL (27,830) (28,266) -

Restructuring charge and
one-time items (d)
(6,249) (3,187) Euro's
exchange rate fluctuation
(a) (218) (1,454)
Disengaged HSN Homes (b)
-- 856 Intersegment
Elimination (2,521) -- --

TOTAL \$ 216,833 \$ 241,304
=====

- (a) In order to present comparable results for HSN Germany, the results have been translated from Euros to U.S. dollars at a constant exchange rate.
- (b) Reflects estimated results generated by homes lost by HSN following disengagement of USA Broadcasting to Univision.
- (c) EBITDA is defined as operating income plus, (1) depreciation and amortization, (2) amortization of cable distribution fees of \$14,591 and \$10,987, respectively, (3) amortization of non-cash distribution and marketing expense and non-cash compensation expense and (4) disengagement expense of \$4.1 million in Q4 '01.
- (d) Represents non-recurring costs related to restructuring operations and employee terminations.

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USA NETWORKS, INC. AND SUBSIDIARIES
BUSINESS SEGMENT INFORMATION - CONTINUING OPERATIONS
UNAUDITED
(\$ IN THOUSANDS)

TWELVE MONTHS ENDED
DECEMBER 31, ACTUAL
PRO FORMA (a) ACTUAL

2001 2000 2000 -----

----- REVENUES
- OPERATING
BUSINESSES Cable and
studios \$ 1,633,130
\$ 1,525,124 \$
1,525,124 Electronic
retailing - U.S.
1,658,904 1,527,042
1,527,042 Ticketing
579,679 518,565

518,565 Hotel
reservations 536,497
327,977 327,977
Teleservices 298,678
282,120 212,471
Personals 49,249
29,122 29,122 -----

----- SUB-
TOTAL 4,756,137
4,209,950 4,140,301
REVENUES - EMERGING
BUSINESSES
Citysearch 46,107
50,889 50,889
Electronic Commerce
Solutions/Styleclick
34,230 48,492 46,603
HSN - all
consolidated
international and
other 319,424
280,985 280,985 USA
Films 167,038 86,084
86,084 Trio, NWI,
Crime, other
emerging media
24,086 20,332 20,332

SUB-TOTAL 590,885
486,782 484,893 -----

- ----- Euro's
exchange rate
fluctuation (b)
(46,855) (35,271)
(35,271) Disengaged
HSN homes (c) --
6,229 6,229
Intersegment
Elimination (15,360)

--- TOTAL \$
5,284,807 \$
4,667,690 \$
4,596,152
=====

===== EBITDA -
OPERATING BUSINESSES
(d) Cable and
studios \$ 616,761 \$
547,684 \$ 547,684
Electronic retailing
- U.S. 231,507
229,582 229,582
Ticketing 106,248
100,025 100,025
Hotel reservations
81,449 52,641 52,641
Teleservices 34,299
44,626 35,165
Personals 16,512
6,241 6,241
Corporate and other
(31,203) (29,879)
(29,736) -----

----- SUB-TOTAL
1,055,573 950,920
941,602 EBITDA -
EMERGING BUSINESSES
(d) Citysearch
(43,441) (63,879)
(63,879) Electronic
Commerce
Solutions/Styleclick
(53,591) (71,193)
(60,227) HSN - all
consolidated
international and
other (22,555)
14,679 14,679 USA
Films 1,973 (6,592)
(6,592) Trio, NWI,
Crime, other
emerging media
(11,467) (7,120)
(7,120) -----

----- SUB-TOTAL
 (129,081) (134,105)
 (123,139) -----

 Restructuring charge
 and one-time items
 (e) (23,272) (4,685)
 (4,685) Euro's
 exchange rate
 fluctuation (b)
 (1,200) (3,939)
 (3,939) Disengaged
 HSN homes (c) -- 856
 856 Intersegment
 Elimination (8,307)

 --- TOTAL \$ 893,713
 \$ 809,047 \$ 810,695
 =====
 =====
 =====

- (a) Presented as if the acquisitions of Precision Response and Styleclick had occurred at the beginning of the period presented.
- (b) In order to present comparable results for HSN Germany, the results have been translated from Euros to U.S. dollars at a constant exchange rate.
- (c) Reflects estimated results generated by homes lost by HSN following disengagement of USA Broadcasting to Univision.
- (d) EBITDA is defined as operating income plus, (1) depreciation and amortization, (2) amortization of cable distribution fees of \$43,975 and \$36,322, respectively, (3) amortization of non-cash distribution and marketing expense and non-cash compensation expense and (4) disengagement expense of \$4.1 million in Q4 '01.
- (e) Represents non-recurring costs related to restructuring operations and employee terminations and benefits.

USA NETWORKS, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 UNAUDITED
 (\$ IN THOUSANDS, EXCEPT PER SHARE DATA)

THREE MONTHS
 ENDED
 DECEMBER 31,
 ACTUAL PRO
 FORMA (a)
 ACTUAL -----

 2001 2000
 2000 -----

 Revenues,
 net \$
 1,346,475 \$
 1,313,216 \$
 1,313,216
 Operating
 costs and
 expenses:
 Costs
 related to
 revenues
 831,335
 801,302
 801,302
 Other costs
 and expenses
 298,307
 270,610
 270,610
 Disengagement
 costs (b)
 4,052 -- --
 Amortization
 of non cash
 distribution
 and
 marketing
 expense (c)
 6,518 7,099
 7,099

Amortization
of non cash
compensation
expense (d)
7,281 5,347
5,347
Amortization
of cable
distribution
fees 14,591
10,987
10,987
Depreciation
and
amortization
138,275
323,672
323,672 ----

Total
operating
costs and
expenses
1,300,359
1,419,017
1,419,017 --

Operating
income
46,116
(105,801)
(105,801)
Interest
expense, net
(13,973)
(10,263)
(10,263)
Other, net
(26,440)
(18,063)
(18,063) ---

Earnings
before
income taxes
and minority
interest
5,703
(134,127)
(134,127)
Income tax
expense
(37,686)
(26,346)
(26,346)
Minority
interest
(24,965)
82,933
98,176 -----

----- Net
loss from
continuing
operations
(e) \$
(56,948) \$
(77,540) \$
(62,297)
=====

=====

Loss from
continuing
operations,
excluding
one-time
charges and
non-
operating
gains (f)
(\$49,441)
(\$32,901)
(\$11,170)
=====

=====
 Cash net
 income,
 excluding
 one-time
 charges and
 non-
 operating
 gains \$
 33,440 \$
 100,112 \$
 111,776
 =====

=====
 Weighted
 average
 basic shares
 377,139
 368,264
 368,264
 =====

=====
 Weighted
 average cash
 net income
 shares
 760,866
 751,781
 751,781
 =====

=====
 EPS FROM
 CONTINUING
 OPERATIONS
 Basic loss
 per share \$
 (.15) \$
 (.21) \$
 (.17)
 =====

=====
 Basic loss
 per share,
 excluding
 one-time
 charges and
 non-
 operating
 gains \$
 (.13) \$
 (.09) \$
 (.03)
 =====

=====
 Cash net
 income per
 share,
 excluding
 one-time
 charges \$
 .04 \$.13 \$
 .15
 =====

=====
 EBITDA (g) \$
 216,833 \$
 241,304 \$
 241,304
 =====

- (a) Presented as if the merger of Ticketmaster and TMCS had occurred at the beginning of the period presented. The merger has no impact on revenues or EBITDA. Pro forma results reflect the impact of the merger on minority interest and income taxes.
- (b) Represents costs incurred related to the disengagement of HSN from the USA Broadcasting stations. Amounts primarily relate to payments to cable operators and related marketing expenses in the disengaged markets.
- (c) Amortization of warrants and stock issued in exchange for distribution and marketing services.
- (d) Expense relates to the Company's bonus stock purchase program, restricted stock awards and certain stock option grants.
- (e) Q4 '00 excludes the results of USA Broadcasting. The results for the

- discontinued operations was an after tax loss of \$17,988.
- (f) Represents non-recurring costs related to restructuring operations at HSN, HSN International and PRC, including costs for employee terminations.
- (g) EBITDA is defined as operating income plus, (1) depreciation and amortization, (2) amortization of cable distribution fees of \$14,591 and \$10,987, respectively, (3) amortization of non-cash distribution and marketing expense and non-cash compensation expense and (4) disengagement expense of \$4.1 million in Q4 '01.

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USA NETWORKS, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 UNAUDITED
 (\$ IN THOUSANDS, EXCEPT PER SHARE DATA)

TWELVE
 MONTHS ENDED
 DECEMBER 31,
 PRO FORMA
 (a) ACTUAL
 PRO FORMA
 (a) (b)
 ACTUAL -----

 -- 2001 2001
 2000 2000 --

 Revenues,
 net \$
 5,284,807 \$
 5,284,807 \$
 4,667,690 \$
 4,596,152
 Operating
 costs and
 expenses:
 Costs
 related to
 revenues
 3,208,430
 3,208,430
 2,812,382
 2,757,893
 Other costs
 and expenses
 1,182,664
 1,182,664
 1,046,261
 1,027,564
 Disengagement
 costs (c)
 4,052 4,052

 Amortization
 of non cash
 distribution
 and
 marketing
 expense (d)
 26,384
 26,384
 11,665
 11,665
 Amortization
 of non cash
 compensation
 expense (e)
 12,712
 12,712
 12,738
 12,738
 Amortization
 of cable
 distribution
 fees 43,975
 43,975
 36,322
 36,322
 Depreciation
 and
 amortization
 565,352

565,352
709,775
693,642 ----

Total
operating
costs and
expenses
5,043,569
5,043,569
4,629,143
4,539,824 --

Operating
income
241,238
241,238
38,547
56,328
Interest
expense, net
(48,438)
(48,438)
(34,812)
(34,218)
Other, net
(59,636)
(59,636)
49,291
49,297 ----

Earnings
before
income taxes
and minority
interest
133,164
133,164
53,026
71,407

Income tax
expense
(107,265)
(108,877)
(102,921)
(112,869)
Minority
interest
(152,487)
(149,339)
(81,275)
(47,124) ---

Loss from
continuing
operations
(f) \$
(126,588) \$
(125,052) \$
(131,170) \$
(88,586)

=====
=====
=====

Loss from
continuing
operations,
excluding
one-time
charges and
non-
operating
gains (g)
(\$105,516)
(\$103,980)
(\$99,248)
(\$50,177)

=====
=====

=====
=====
Cash net
income,
excluding
one-time
charges and
non-
operating
gains \$
309,500 \$
311,036 \$
331,312 \$
379,134
=====

=====
=====
=====
=====
Weighted
average
basic shares
374,101
374,101
366,045
359,688
=====

=====
=====
=====
=====
Weighted
average cash
net income
shares
765,343
765,343
753,760
747,403
=====

=====
=====
=====
=====
EPS FROM
CONTINUING
OPERATIONS
Basic loss
per share \$
(.34) \$
(.33) \$
(.36) \$
(.25)
=====

=====
=====
=====
=====
Basic loss
per share,
excluding
one-time
charges and
non-
operating
gains \$
(.28) \$
(.28) \$
(.27) \$
(.14)
=====

=====
=====
=====
=====
Cash net
income per
share,
excluding
one-time
charges \$
.40 \$.41 \$
.44 \$.51
=====

=====
=====
=====
=====
EBITDA (h) \$
893,713 \$
893,713 \$
809,047 \$
810,695
=====

- (a) Presented as if the merger of Ticketmaster and TMCS had occurred at the beginning of the period presented. The merger has no impact on revenues or EBITDA. Pro forma results reflect the impact of the merger on minority interest and income taxes.
- (b) Presented as if the acquisitions of Precision Response and Styleclick had occurred at the beginning of the period presented.
- (c) Represents estimated costs incurred related to the disengagement of HSN from the USA Broadcasting stations. Amounts primarily relate to payments to cable operators and related marketing expenses in the disengaged markets.
- (d) Amortization of warrants and stock issued in exchange for distribution and marketing services.
- (e) Expense relates to the Company's bonus stock purchase program, restricted stock awards and certain stock option grants.
- (f) 2001 loss from continuing operations is calculated before the impact of the cumulative effect of adoption of SOP 00-2, "Accounting by Producers and Distributors of Films", of \$9.2 million and the gain on sale of broadcasting stations, the sale of which to Univision was announced in December 2000. The Company recorded a gain of \$517.8 million in 2001 related to the sale. 2000 excludes the results of USA Broadcasting. The results for the discontinued operations in 2000 was an after tax loss of \$59.4 million.
- (g) Represents non-recurring costs related to restructuring operations at HSN, HSN International and PRC, including costs for employee terminations.
- (h) EBITDA is defined as operating income plus, (1) depreciation and amortization, (2) amortization of cable distribution fees of \$43,975 and \$36,322, respectively, (3) amortization of non-cash distribution and marketing expense and non-cash compensation expense and (4) disengagement expense of \$4.1 million in Q4 '01.

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USA NETWORKS AND SUBSIDIARIES
EPS AND CASH NET INCOME RECONCILIATION INFORMATION - CONTINUING OPERATIONS
UNAUDITED
(\$ IN THOUSANDS, EXCEPT PER SHARE DATA)

| THREE MONTHS ENDED DECEMBER 31, PRO FORMA PRO FORMA ACTUAL | 2001 | 2000 | (a) 2000 |
|--|-------------|-------------|-------------|
| BASIC LOSS PER SHARE: Net loss \$ (56,948) \$ (77,540) \$ (62,297) Impact of unusual items, net of tax and minority interest (b) 7,507 44,639 51,127 | \$ (62,297) | \$ (77,540) | \$ (56,948) |
| BASIC LOSS, EXCLUDING UNUSUAL ITEMS (b) \$ (49,441) \$ (32,901) \$ (11,170) | \$ (11,170) | \$ (32,901) | \$ (49,441) |
| Weighted average basic shares 377,139 368,264 368,264 | 368,264 | 377,139 | 368,264 |
| Basic loss per share before preferred dividend \$ (.15) \$ (.21) \$ (.17) | \$ (.17) | \$ (.21) | \$ (.15) |
| Basic loss per share before preferred dividend, ex. one-time items \$ (.13) \$ (.09) \$ (.03) | \$ (.03) | \$ (.09) | \$ (.13) |
| ===== | | | |
| CASH NET INCOME: Net loss \$ (56,948) \$ (77,540) \$ (62,297) Impact of non-cash items, net of tax and minority interest 90,130 226,159 226,159 | \$ (62,297) | \$ (77,540) | \$ (56,948) |
| Minority Interest (15,033) (61,473) (61,473) | \$ (61,473) | \$ (15,033) | \$ (15,291) |
| CASH NET INCOME 18,149 87,146 102,389 Impact of unusual items, net of tax and minority interest (b) 15,291 12,966 9,387 | \$ 102,389 | \$ 87,146 | \$ 18,149 |
| CASH NET INCOME, EXCLUDING UNUSUAL ITEMS (b) \$ 33,440 \$ 100,112 \$ 111,776 | \$ 111,776 | \$ 33,440 | \$ 100,112 |
| Weighted average CNI shares 760,866 751,781 751,781 | 751,781 | 760,866 | 751,781 |
| Cash net income per share \$.02 \$.12 \$.14 | \$.14 | \$.02 | \$.12 |
| Cash net income per share, excluding unusual items (b) \$.04 \$.13 \$.15 | \$.15 | \$.04 | \$.13 |
| ===== | | | |
| RECONCILIATION OF BASIC AND CASH NET INCOME OUTSTANDING SHARES Basic weighted average shares 377,139 368,264 368,264 | 368,264 | 377,139 | 368,264 |
| Exchangeable LLC and Holdco shares 361,153 361,153 361,153 Treasury Method Stock Options 22,574 22,364 22,364 | 22,364 | 361,153 | 361,153 |
| | 751,781 | 760,866 | 751,781 |
| ===== | | | |

- (a) Presented as if the Ticketmaster and TMCS merger had occurred as of the beginning of the period. The merger had no impact on EBITDA, but did impact minority interest.
- (b) Excludes one time charges and non-operating gains.

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USA NETWORKS AND SUBSIDIARIES
EPS AND CASH NET INCOME RECONCILIATION INFORMATION - CONTINUING OPERATIONS,
BEFORE CUM. EFFECT OF ACCOUNTING CHANGE
UNAUDITED
(\$ IN THOUSANDS, EXCEPT PER SHARE DATA)

| TWELVE MONTHS ENDED DECEMBER 31, PRO FORMA ACTUAL PRO FORMA ACTUAL | 2001 | (a) 2001 | 2000 |
|--|--------------|--------------|--------------|
| BASIC LOSS PER SHARE: Net loss \$(126,588) \$(125,052) \$(131,170) \$ (88,586) Impact of unusual items, net of tax and minority interest (b) 21,072 21,072 31,922 38,409 | \$ (131,170) | \$ (126,588) | \$ (125,052) |
| BASIC LOSS, EXCLUDING UNUSUAL ITEMS (b) \$(105,516) \$(103,980) \$ (99,248) \$ (50,177) | \$ (99,248) | \$ (105,516) | \$ (103,980) |
| Weighted average basic shares 374,101 374,101 366,045 359,688 | 366,045 | 374,101 | 374,101 |
| Basic loss per share before preferred dividend \$ (.34) \$ (.33) \$ (.36) \$ (.25) | \$ (.36) | \$ (.34) | \$ (.33) |
| Basic loss per share before preferred dividend, ex. one-time items \$ (.28) \$ (.28) \$ (.27) \$ (.14) | \$ (.27) | \$ (.28) | \$ (.28) |
| ===== | | | |
| CASH NET INCOME: Net loss \$(126,588) \$(125,052) \$(131,170) \$ (88,586) Impact of non-cash items, net of tax and minority interest 198,951 198,951 305,237 305,237 | \$ (131,170) | \$ (126,588) | \$ (125,052) |
| Minority Interest 211,471 211,471 194,002 199,240 | \$ (199,240) | \$ 211,471 | \$ 211,471 |
| CASH NET INCOME 283,834 285,370 368,069 415,891 Impact of unusual items, net of tax and minority interest (b) | \$ 368,069 | \$ 283,834 | \$ 285,370 |

| | | | | | | | | |
|---------|------------|------------|------------|-------|-------|-------|-------|--|
| 25,666 | 25,666 | (36,757) | (36,757) | ----- | ----- | ----- | ----- | CASH NET INCOME, EXCLUDING UNUSUAL ITEMS (b) \$ |
| 309,500 | \$ 311,036 | \$ 331,312 | \$ 379,134 | ===== | ===== | ===== | ===== | Weighted average CNI shares 765,343 765,343 |
| 753,760 | 747,403 | ===== | ===== | ===== | ===== | ===== | ===== | Cash net income per share \$.37 \$.37 \$.49 \$.56 |
| ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | Cash net income per share, excluding unusual items (b) \$.40 \$.41 \$.44 \$.51 |
| ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== |

| | | | | | | | | | | | | | | | |
|--|--------------|-------|-------|--------|--------|---------|---------|---------|----------|----------|---------|---------|---------|---------|--------|
| RECONCILIATION OF BASIC AND CASH NET INCOME OUTSTANDING SHARES | | | | | | | | Basic | weighted | average | shares | 374,101 | 374,101 | 366,045 | |
| 359,688 | Exchangeable | LLC | and | Holdco | shares | 361,153 | 361,153 | 361,153 | 361,153 | Treasury | Method | Stock | Options | 30,089 | 30,089 |
| 26,562 | 26,562 | ----- | ----- | ----- | ----- | ----- | ----- | 765,343 | 765,343 | 753,760 | 747,403 | ===== | ===== | ===== | ===== |
| ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== |

- (a) Presented as if the Ticketmaster and TMCS merger had occurred as of the beginning of the period. The merger had no impact on EBITDA, but did impact minority interest. Also, 2000 includes the results of PRC and Styleclick for the entire period.
- (b) Excludes one time charges and non-operating gains.

USA PROVIDES REVISED BUDGET TO INVESTMENT COMMUNITY

As filed with the Securities and Exchange Commission on January 29, 2002

Based on its strong fourth quarter results, additional information regarding the state of the travel and leisure markets, and to give pro forma effect for its pending contribution of USA Entertainment to a joint venture to be controlled by Vivendi Universal, USA Networks, Inc. ("USA" and to be renamed USA Interactive) has revised its 2002 budget and 2003 outlook from what it furnished to the SEC on October 24, 2001. The revised budget, which is presented in detail on the following pages, calls for EBITDA from Operating Businesses to increase by 34% in 2002 on 24% higher revenue.

READ IMPORTANT FOOTNOTES AND DISCLAIMER

As filed with the Securities and Exchange Commission on January 29, 2002.

USA NETWORKS, INC. (to be renamed USA Interactive)

REVISED BUDGET

(\$ IN MILLIONS EXCEPT PER SHARE AMOUNTS)

2002 REVISED
BUDGET PRO
FORMA -----

2001 Q1 Q2
Q3 Q4 FULL
YEAR -----

REVENUE --
OPERATING
BUSINESSES

HSN - U.S. \$

1,550 \$ 422

\$ 418 \$ 441

\$ 561 \$

1,842

Ticketing

580 157 170

148 146 620

Hotel

Reservations

536 150 197

212 216 775

Expedia 297

87 116 127

120 450

Precision

Response 299

69 78 88 98

333

Match.com 49

18 22 23 25

88 ----- -

SUBTOTAL

3,311 903

1,000 1,039

1,166 4,108

REVENUE --

EMERGING

BUSINESSES

Citysearch

and related

46 8 9 11 13

40 HSN -

other

international

(b) 319 87

95 99 124

404 ECS /

Styleclick

34 11 18 17

29 75 -----

--- Subtotal

400 106 123

126 165 519

Foreign
exchange
conversion
(47) (17)
(15) (15)
(16) (62)
Disengaged
HSN homes
109 0 0 0 0
0

Intersegment
elimination
(7) (3) (3)
(3) (3) (10)

TOTAL
REVENUE \$
3,766 \$ 989
\$ 1,105 \$
1,147 \$
1,313 \$
4,555
=====

EBITDA --
OPERATING
BUSINESSES
HSN -
domestic \$
216 \$ 58 \$
62 \$ 70 \$ 95
\$ 285

Ticketing
106 32 39 27
27 125 Hotel
Reservations
81 18 28 29
35 110
Expedia 61
16 23 27 25
91 Precision
Response 34
6 8 12 15 41
Match.com 17
3 7 9 11 30
Corporate
and other
(31) (9) (9)
(9) (9) (34)

SUBTOTAL 485
125 159 165
199 648

EBITDA --
EMERGING
BUSINESSES
Citysearch
and related
(43) (10)
(9) (8) (6)
(32) HSN -
other

international
(b) (23) (1)
2 2 9 12 ECS
/ Styleclick
(54) (8) (4)
(3) (1) (16)

Subtotal
(120) (19)
(11) (9) 2
(37) Non-
recurring
items (19) 0
0 0 0 0
Foreign
exchange
conversion

(1) (1) (1)
(1) (2) (5)
Disengaged
HSN homes 15
0 0 0 0 0 --

TOTAL EBITDA
\$ 359 \$ 105
\$ 148 \$ 155
\$ 199 \$ 607

=====

EARNINGS PER
SHARE - ALL
AMOUNTS ARE
DILUTED

Basic \$ 0.22
\$ -- \$ 0.06
\$ 0.07 \$
0.12 \$ 0.26
Cash net
income \$
0.33 \$0.04 \$
0.10 \$ 0.11
\$ 0.17 \$
0.43

GROWTH
OUTLOOK ----

----- 2003
'01 - '02
'02 - '03 --

- REVENUE --
OPERATING
BUSINESSES

HSN - U.S. \$
2,070 19%
12%

Ticketing
680 7% 10%
Hotel

Reservations
1,100 44%
42% Expedia

560 51% 24%
Precision
Response 416

12% 25%
Match.com
135 79% 54%

SUBTOTAL
4,961 24%

21% REVENUE
-- EMERGING
BUSINESSES

Citysearch
and related
70 -13% 75%

HSN - other
international
(b) 491 27%

21% ECS /
Styleclick
117 120% 56%

Subtotal 678
30% 31%

Foreign
exchange
conversion

(72)
Disengaged
HSN homes 0
Intersegment
elimination

(10) -----

TOTAL
REVENUE \$
5,557 21%

22% =====
 =====
 EBITDA --
 OPERATING
 BUSINESSES
 HSN -
 domestic \$
 350 32% 23%
 Ticketing
 145 18% 16%
 Hotel
 Reservations
 156 35% 42%
 Expedia 120
 50% 31%
 Precision
 Response 61
 19% 50%
 Match.com 55
 82% 83%
 Corporate
 and other
 (36) -----

 SUBTOTAL 851
 34% 31%
 EBITDA --
 EMERGING
 BUSINESSES
 Citysearch
 and related
 (13) HSN -
 other
 international
 (b) 24 ECS /
 Styleclick
 (6) -----
 Subtotal 5
 Non-
 recurring
 items 0
 Foreign
 exchange
 conversion
 (6)
 Disengaged
 HSN homes 0

 TOTAL EBITDA
 \$ 850 69%
 40% =====
 =====
 EARNINGS PER
 SHARE - ALL
 AMOUNTS ARE
 DILUTED
 Basic \$ 0.52
 Cash net
 income \$
 0.75

READ IMPORTANT FOOTNOTES AND DISCLAIMER
 As filed with the Securities and Exchange Commission on January 29, 2002.

USA NETWORKS, INC. (to be renamed USA Interactive)
 REVISED BUDGET
 (\$ IN MILLIONS EXCEPT PER SHARE AMOUNTS)

 (\$ IN MILLIONS EXCEPT PER SHARE AMOUNTS)

REVISED
 BUDGET
 OUTLOOK FREE
 CASH FLOW
 2002 2003 --

 - Total
 EBITDA \$ 607
 \$ 850
 Capital
 expenditures
 (135) (160)
 Taxes,
 including
 distributions
 to LLC
 partners
 (264) (249)
 Cable

distribution
fees (67)
(70) Cash
interest 93
109 HSN
disengagement
costs (36)
(18) Other,
net
(includes
changes in
working
capital,
investments,
and other
items) (78)
(90) -----
----- Total
Free Cash
Flow \$ 120 \$
372 =====
=====

REVISED PRO
FORMA BUDGET
OUTLOOK 2001
(a) 2002 2003

P&L Total
EBITDA \$ 359
\$ 607 \$ 850
Depreciation
and other
(194) (249)
(271)
Amortization
of
intangibles
and other
non-cash
charges (131)
(134) (142)
Disengagement
costs (4)
(36) (18)
Interest and
other income
/ (expense)
129 129 159 -

--- Pre-tax
net income /
(loss) 159
317 579
Income tax
expense (60)
(137) (245)
Minority
interest
benefit/
(expense) 9
(54) (95) ---

- Net income
before
preferred
dividend \$
108 \$ 126 \$
239 =====
=====

Preferred
dividend \$
(13) \$ (13) \$
(13) ----- --

--- ----- Net
income
available to
common
shareholders
\$ 95 \$ 113 \$
226 =====
=====

Holdco
Minority
Interest (5)
22 33 1.4%
PIK dividend
on \$1.75
billion
preferred

interest, net
of tax (15)
(15) (15)
Amortization
of
intangibles
and other
non-cash
charges, net
of tax and
minority
interest 63
58 66 ----- -

Cash net
income \$ 138
\$ 178 \$ 310
EPS EPS -
diluted \$0.22
\$0.26 \$0.52
Cash EPS -
diluted \$0.33
\$0.43 \$0.75
Average
weighted
average
diluted
shares
outstanding
438 438 438
Average cash
net income
shares
outstanding
415 415 414

RECONCILIATION
OF SHARES
Shares
outstanding
438 Holdco
exchangeable
shares 33
Vivendi
remaining
shares (57) -
---- 415

READ IMPORTANT FOOTNOTES AND DISCLAIMER

As filed with the Securities and Exchange Commission on January 29, 2002.

USA NETWORKS, INC. (to be renamed USA Interactive)

REVISED BUDGET

(\$ IN MILLIONS EXCEPT PER SHARE AMOUNTS)

IMPORTANT DISCLOSURES / LEGEND AND FORWARD LOOKING STATEMENTS / FOOTNOTES

- (a) 2001 PRO FORMA INFORMATION PRESENTED IN ACCORDANCE WITH THE NEW ACCOUNTING RULES, WHEREBY GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE LIVES ARE NOT AMORTIZED. THE AMOUNT OF AMORTIZATION OF GOODWILL RECORDED IN 2001 WAS \$215 MILLION. NET INCOME ALSO EXCLUDES ONE-TIME ITEMS RELATED TO ONE-TIME RESTRUCTURING CHARGES, EMPLOYEE TERMINATIONS AND BENEFITS AND INVESTMENT WRITE-DOWNS.
- (b) ADJUSTED EPS IS COMPUTED EXCLUDING VIVENDI'S REMAINING 56.6 MILLION SHARES AS WELL AS THE PIK OF 1.4% EARNED ON THE \$1.75 BILLION PREFERRED SECURITY THAT RELATES TO THESE SHARES. THE PIK (\$24.5 MILLION PRE-TAX) HAS BEEN DEDUCTED FROM INCOME.
- (c) THE COMPANY INTENDS TO ISSUE COMMON STOCK FOR ALL REMAINING EXCHANGEABLE HOLDCO SHARES (33.2 MILLION) UPON COMPLETION OF THE VIVENDI TRANSACTION, THUS ELIMINATING THE LLC AND HOLDCO STRUCTURES FOR REPORTING PURPOSES. THE AMOUNTS DENOTED AS FULLY CONVERTED REPRESENT THIS STRUCTURE.

USA and Expedia have filed a joint prospectus/proxy statement and will file other relevant documents concerning USA's acquisition of Expedia with the Securities and Exchange Commission ("SEC"). INVESTORS ARE URGED TO READ THE JOINT PROSPECTUS/PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED IN THE FUTURE WITH THE SEC BECAUSE THOSE DOCUMENTS CONTAIN IMPORTANT INFORMATION. Investors will be able to obtain such documents free of charge at the SEC's website at www.sec.gov. In addition, such documents may also be obtained free of charge by contacting USA Networks, Inc., 152 West 57th Street, New York, New York, 10019, Attention: Investor Relations, or Expedia, Inc., 13810 SE Eastgate Way, Suite 400, Bellevue, WA 98005, Attention: Investor Relations.

USA has filed a preliminary proxy statement and will file other relevant documents concerning USA's contribution of its Entertainment Group to a joint venture with Vivendi Universal and certain related transactions with the Securities and Exchange Commission ("SEC"). INVESTORS ARE URGED TO READ THE PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED IN THE

FUTURE WITH THE SEC BECAUSE THOSE DOCUMENTS CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION. Investors will be able to obtain such documents free of charge at the SEC's website at www.sec.gov. In addition, such documents may also be obtained free of charge by contacting USA Networks, Inc., 152 West 57th Street, New York, New York, 10019, Attention: Investor Relations.

INVESTORS SHOULD READ THE PROXY STATEMENT CAREFULLY WHEN AVAILABLE BEFORE MAKING ANY VOTING OR INVESTMENT DECISION CONCERNING THE PROPOSED TRANSACTIONS.

USA and its directors and officers may be deemed to be participants in the solicitation of proxies from USA shareholders to adopt the agreement providing for USA's contribution of its Entertainment Group to a joint venture with Vivendi Universal and the other related transactions described therein. A detailed list of the names and interests of USA's directors and executive officers is contained in the definitive proxy statement on Schedule 14A filed by SUA with the SEC on April 9, 2001. Copies of USA filings may be obtained free of charge at the SEC's website at www.sec.gov.

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

READ IMPORTANT FOOTNOTES AND DISCLAIMER

As filed with the Securities and Exchange Commission on January 29, 2002.

USA NETWORKS, INC. (TO BE RENAMED USA INTERACTIVE)
 PRO FORMA SEGMENT RESULTS
 \$ IN MILLIONS; ROUNDING DIFFERENCES MAY EXIST. UNAUDITED.

| | 1999 | 2000 |
|---------------|----------|----------------|
| REVENUE | | |
| 2000 | | |
| YE 12/31 Q1 | | |
| Q2 Q3 Q4 YE | | |
| 12/31 | | |
| OPERATING | | |
| BUSINESSES | | |
| HSN - U.S. ** | | |
| \$ 1,332.9 | \$ 344.0 | \$ 368.8 |
| 358.5 | 455.8 | 1,527.0 |
| Ticketing | | |
| 442.7 | 128.0 | 143.0 |
| 143.0 | 124.9 | 122.7 |
| 122.7 | 518.6 | Hotel |
| Reservations | | |
| 161.8 | 55.3 | 78.1 |
| 78.1 | 94.6 | 100.0 |
| 100.0 | 328.0 | Expedia |
| (transaction | | |
| pending) 73.0 | | |
| 33.2 | 37.0 | 42.1 |
| 42.1 | 44.4 | 156.7 |
| Precision | | |
| Response | | |
| 215.9 | 69.6 | 70.2 |
| 70.2 | 70.2 | 72.1 |
| 72.1 | 282.1 | Personals 9.0 |
| 6.9 | 7.5 | 7.6 |
| 7.2 | 29.2 | ---- |
| - SUB-TOTAL | | |
| 2,235.4 | 651.4 | 679.7 |
| 679.7 | 708.2 | 802.2 |
| 802.2 | 2,841.5 | EMERGING |
| BUSINESSES | | |
| Citysearch | | |
| and related | | |
| 27.3 | 10.1 | 12.8 |
| 12.8 | 14.0 | 14.0 |
| 14.0 | 50.8 | HSN |
| international | | |
| and other | | |
| 175.7 | 69.6 | 60.8 |
| 60.8 | 67.2 | 83.4 |
| 83.4 | 281.0 | ECS/Styleclick |
| 55.4 | 12.5 | 10.1 |
| 10.1 | 12.5 | 13.4 |
| 13.4 | 48.5 | ---- |
| -- SUB-TOTAL | | |
| 258.4 | 92.2 | 83.6 |
| 83.6 | 93.6 | 110.9 |
| 110.9 | 380.3 | ---- |

133.9 131.8
579.7 Hotel
Reservations
105.3 138.3
151.2 141.7
536.5 Expedia
(transaction
pending) 57.2
78.5 79.5
81.8 296.9
Precision
Response 80.7
75.6 72.6
69.8 298.7
Personals 8.5
10.7 12.5
17.6 49.2 ---

----- SUB-
TOTAL 787.2
848.8 846.1
937.8 3,310.9
EMERGING
BUSINESSES
Citysearch
and related
12.4 12.4
11.1 10.3
46.1 HSN -
international
and other
83.4 87.7
66.1 82.2
319.4

ECS/Styleclick
8.6 7.8 5.4
12.4 34.2 ---

----- SUB-
TOTAL 104.4
107.9 82.6
104.9 399.8 -

----- Non-
recurring
items -- --
0.0 0.0
Foreign
exchange
conversion
(13.7) (13.8)
(9.1) (10.2)
(46.9)

Disengaged
HSN Homes**
0.0 0.0 0.0
0.0 109.0**
Intersegment
Elimination -
- (2.6) (2.3)
(2.2) (7.1) -

TOTAL \$ 877.9
\$ 940.3 \$
917.3 \$
1,030.3 \$
3,765.8
=====
=====
=====
=====
=====

USA
ENTERTAINMENT
USA Network \$
214.1 \$ 220.6
\$ 213.8 \$
184.7 \$ 833.3
Sci-Fi
Channel 69.3
70.0 63.1
71.4 273.9
Studios, net

 ----- Q1
 Q2 Q3 Q4 YE
 12/31 -- -- --

 OPERATING
 BUSINESSES
 HSN - U.S.**
 \$ 51.7 \$ 55.2
 \$ 48.9 \$ 75.7
 \$ 216.5**
 Ticketing
 30.2 35.5
 19.0 21.5
 106.2 Hotel
 Reservations
 15.8 21.0
 21.8 22.9
 81.5 Expedia
 (transaction
 pending) 4.5
 17.7 16.4
 22.2 60.9
 Precision
 Response 10.0
 10.2 7.9 6.2
 34.3
 Personals 0.3
 2.8 5.8 7.6
 16.5
 Corporate and
 other (7.9)
 (8.2) (8.1)
 (7.0) (31.2)

 ---- SUB-
 TOTAL 104.7
 134.3 111.7
 149.0 484.7
 EMERGING
 BUSINESSES
 Citysearch
 and related
 (11.8) (11.0)
 (10.8) (9.9)
 (43.4) HSN -
 international
 and other
 (0.8) (1.6)
 (12.4) (7.7)
 (22.6)
 ECS/Styleclick
 (16.9) (14.5)
 (14.4) (7.8)
 (53.6) -----

 SUB-TOTAL
 (29.4) (27.1)
 (37.6) (25.4)
 (119.6) Non
 recurring
 items --
 (4.8) (12.3)
 (3.1) (20.1)
 Foreign
 exchange
 conversion
 (0.9) (1.0)
 0.9 (0.2)
 (1.2)
 Disengaged
 HSN Homes**
 0.0 0.0 0.0
 0.0 15.0** --

 --- TOTAL \$
 74.3 \$ 101.5
 \$ 62.7 \$
 120.3 \$ 358.8
 =====
 =====
 =====
 =====
 =====
 ===== USA

=====
=====
Basic
earnings
per share \$
(.06) \$.07
\$ (.09) \$
(.04) \$
(.21) \$
(.36)

=====
=====
=====
=====
=====
Diluted
earnings
per share \$
(.06) \$.07
\$ (.09) \$
(.04)

=====
=====
=====
=====
=====
Fully
converted
earnings
per share \$
.12 \$.01 \$
(.02) \$
(.02)

=====
=====
=====
=====
=====
EBITDA
658.7 201.9
194.4 171.2
241.3 809.0

=====
=====
=====
=====
=====
Excluding
one-time
charges and
non-
operating
gains:
Basic and
diluted
earnings
per share \$
(.11) \$
(.07) \$
(.07) \$
(.08) \$
(.09) \$
(.36)

=====
=====
=====
=====
=====
Cash net
income
earnings
per share \$
.11 \$.17 \$
.16 \$.13 \$
(.27)

=====
=====
=====
=====
=====
Fully
converted
earnings
per share \$
.05 \$ (.01)
\$ (.01) \$

(.02)

=====
=====
=====
=====
=====
=====
=====

Fully
converted
cash net
income
earnings

per share \$
.09 \$.11 \$
.10

=====
=====
=====
=====
=====
=====

----- P&L
2001 -----

Q1* Q2* Q3*
Q4 YE 12/31

----- Date
Reported:
04/25/01
07/25/01
10/24/01
01/29/02
01/29/02

Revenues,
net 1,315.7
1,371.4
1,256.3
1,346.5
5,284.8

Operating
costs and
expenses:
Costs
related to
revenues
800.2 831.7
746.7 831.3

3,208.4

Other costs
and
expenses
285.4 290.5
312.5 298.3
1,182.7

Amort. of
non-cash
distribution
and
marketing
expense 8.0
6.6 5.2 6.5
26.4

Depreciation
48.7 57.6
51.2 63.4
223.0

Amortization
of goodwill
100.2 100.8
103.0 100.8
403.1 -----

Total
operating
costs
1,242.5

| | |
|-------------|----------|
| 1,287.3 | |
| 1,218.6 | |
| 1,300.4 | |
| 5,048.7 | --- |
| ----- | |
| ----- | |
| ----- | |
| ----- | |
| -- | |
| Operating | |
| income | 73.2 |
| 84.2 | 37.7 |
| 46.1 | 241.2 |
| Interest | |
| expense, | |
| net | (11.4) |
| (12.9) | |
| (10.1) | |
| (14.0) | |
| (48.4) | Gain |
| on | |
| disposition | |
| of | |
| television | |
| station | 0.0 |
| 0.0 | 0.0 |
| 0.0 | 0.0 |
| 0.0 | Gain on |
| sale of | |
| securities | |
| 0.0 | 0.0 |
| 0.0 | 0.0 |
| 0.0 | 0.0 |
| Other, net | |
| (6.5) | |
| (13.7) | |
| (12.9) | |
| (26.4) | |
| (59.6) | ---- |
| ----- | |
| ----- | |
| ----- | |
| ----- | |
| - | (17.9) |
| (26.6) | |
| (23.1) | |
| (40.4) | |
| (108.1) | --- |
| ----- | |
| ----- | |
| ----- | |
| ----- | |
| -- | Earnings |
| before | |
| income | |
| taxes and | |
| minority | |
| interest | |
| 55.3 | 57.5 |
| 14.7 | 5.7 |
| 133.2 | |
| Income tax | |
| expense | |
| (25.5) | |
| (22.8) | |
| (21.9) | |
| (37.7) | |
| (107.3) | |
| Minority | |
| interest | |
| (49.3) | |
| (45.0) | |
| (33.2) | |
| (25.0) | |
| (152.5) | --- |
| ----- | |
| ----- | |
| ----- | |
| ----- | |
| -- | Loss |
| before | |
| cumulative | |
| effect of | |
| accounting | |
| change | |
| (19.5) | |
| (10.3) | |
| (40.4) | |
| (56.9) | |
| (127.2) | |
| Cumulative | |
| effect of | |
| accounting | |
| change, net | |

of tax
(9.2) 0.0
0.0 0.0
(9.2) -----

Net loss
from
continuing
operations
(28.7)
(10.3)
(40.4)
(56.9)
(136.4)

=====
=====
=====
=====
=====
Weighted
average
diluted
shares
370.2 373.8
376.4 377.1
374.1

=====
=====
=====
=====
=====
Weighted
average
fully
converted
shares
758.0 763.4
737.6 760.9
765.3

=====
=====
=====
=====

Basic
earnings
per share \$
(.05) \$
(.03) \$
(.11) \$
(.15) \$
(.34)

=====
=====
=====
=====
=====

Diluted
earnings
per share \$
(.05) \$
(.03) \$
(.08)

=====
=====
=====
=====
=====

Fully
converted
earnings
per share \$
.02 \$.03 \$
(.01)

=====
=====
=====
=====
=====

EBITDA
230.1 249.3
197.1 216.8
893.7

=====
=====
=====
=====
=====
Excluding

YE -- -- --
 -- -- --
 -- -- --
 - HSN-US
 Units
 shipped
 8.5 8.1
 8.6 10.0
 35.2 8.6
 9.0 9.5
 11.4 38.5
 Gross
 profit %
 34.9%
 35.7%
 35.8%
 33.6%
 34.9%
 33.5%
 34.4%
 34.3%
 33.9%
 34.0%
 Return
 rate 20.6%
 19.4%
 19.8%
 18.8%
 19.6%
 19.6%
 19.6%
 19.0%
 17.9%
 19.0%
 Product
 mix:
 Homegoods
 49% 46%
 48% 54%
 50% 50%
 49% 52%
 53% 51%
 Jewelry
 24% 27%
 26% 24%
 25% 25%
 26% 24%
 25% 25%
 Health /
 Beauty 13%
 15% 12%
 10% 12%
 11% 12%
 10% 10%
 11%
 Apparel /
 Accessories
 14% 12%
 14% 12%
 13% 14%
 13% 14%
 12% 13%
 HSN cable
 / DBS HH
 (end of
 period)
 62.3 63.5
 64.9 65.9
 65.9 68.4
 69.5 71.5
 73.4 73.4
 HSN total
 HH (end of
 period)
 75.5 76.7
 76.2 77.1
 77.1 80.2
 82.8 82.8
 83.0 83.0
 America's
 Store
 FTE's (end
 of period)
 8.5 8.8
 8.9 8.8
 8.8 8.4
 9.4 10.8
 11.6 11.6

Q1 Q2 Q3 Q4

EXPEDIA
 (TRANSACTION
 PENDING)

Total gross
 bookings
 (b)
 \$401,000
 \$450,000
 \$467,000
 \$475,000
 \$674,000
 \$802,000
 \$723,000
 \$704,000

Total
 transactions
 (c) 1,022
 1,186 1,306
 1,318 1,780
 2,241 2,222
 2,229

Average
 monthly
 Media
 Metrix
 reach (d)
 5,933 6,819
 6,389 5,417
 6,969 7,502
 9,410 9,238

Expedia.com
 conversion
 (e) 3.8%
 4.1% 4.8%
 6.0% 5.7%
 7.0% 5.5%
 5.2%

Expedia new
 purchasing
 customers
 (f) 355 447
 464 504 671
 904 918 870

Expedia
 cumulative
 purchasing
 customers
 (g) 1,518
 1,965 2,428
 2,932 3,603
 4,507 5,424
 6,294

Expedia
 quarterly
 unique
 purchasing
 customers
 (h) 540 670
 741 790
 1,007 1,336
 1,393 1,383

- a Expedia's fiscal year end is June 30. Presented here as Calender Year Ended December 31.
- b Gross bookings represents the total value of travel booked through the Expedia, VacationSpot, and WWTE sites.
- c Transactions represents the number of reservations and purchases transacted through the Expedia and WWTE sites.
- d Average monthly Media Metrix reach represents the unduplicated reach for the Expedia and VacationSpot sites.
- e Conversion represents the monthly average Expedia.com unique monthly purchasers divided by the monthly average Media Metrix reach for the Expedia.com site.
- f Expedia new purchasing customers represents the number of new customers transacting through the Expedia sites in a quarter.
- g Expedia cumulative purchasing customers represents the cumulative number

of customers that have ever transacted through the Expedia sites as of the end of a quarter.

h Expedia quarterly unique purchasing customers represents the number of unique customers transacting through the Expedia sites over the course of a quarter.

THE FINANCIAL, STATISTICAL AND OTHER INFORMATION CONTAINED HEREIN IS UNAUDITED.

As filed with the Securities and Exchange Commission on January 29, 2002.

USA NETWORKS, INC. (TO BE RENAMED USA INTERACTIVE)
OPERATING METRICS

OPERATING ESTIMATES (PRO FORMA FOR PENDING TRANSACTIONS)
FOR THE NEXT TWELVE MONTHS (ROUNDED)

| | |
|---|-------------|
| Primary consumer web sites | 15 |
| Average number of new customers added daily | 30,000 |
| Active / registered customers | 17 million |
| Customer database | 65 million |
| Customer inbound telephone minutes | 1 billion |
| Customer inbound telephone calls | 315 million |
| Orders processed | 75 million |
| Credit card transactions | 60 million |
| Items shipped | 40 million |
| In-house merchants | 200 |
| Merchandise SKUs processed | 60,000 |
| Telephone operator positions | 10,000 |
| Ticketing outlets | 3,430 |
| Call centers | 34 |
| Fulfillment center square feet | 2.5 million |

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As filed with the Securities and Exchange Commission on January 29, 2002.

USA NETWORKS, INC. (TO BE RENAMED USA
INTERACTIVE)

OPERATING METRICS

IN MILLIONS

CAPITALIZATION (pro forma for pending transactions)
(AS OF 1/23/02)

| | |
|--------------|--|
| Ticker | |
| (NASDAQ) | |
| USAI USAi | |
| Common | |
| Stock 307.5 | |
| USAi Class | |
| B 49.6 USAi | |
| Exchangeable | |
| Common | |
| Stock 31.6 | |
| USAi | |
| Exchangeable | |
| Class B 1.6 | |
| ----- | |
| Total | |
| Shares | |
| Outstanding | |
| 390.3 | |
| Estimated | |
| dilutive | |
| options | |
| (treasury | |
| 25.0 | |
| method) --- | |
| ----- | |
| Fully | |
| diluted | |
| shares | |
| 415.3 | |
| ===== | |
| Outstanding | |
| equity cap | |
| \$10.2 | |
| billion | |
| Fully | |
| diluted | |

equity cap
\$10.8
billion

EXCLUDES VIVENDI'S REMAINING 56.6 MILLION SHARES PRO FORMA THE PENDING TRANSACTION, AS THE COMPANY BELIEVES THESE SHARES SHOULD BE VIEWED AS TREASURY, ALTHOUGH THE AMOUNT OF SHARES TREATED AS TREASURY WILL BE LOWER AT STOCK PRICES GREATER THAN \$40.82, AS DISCUSSED IN USA'S 8-K FILING WITH THE SEC DATED DECEMBER 17, 2001.

BUSINESS MIX (pro forma for pending transaction)

| | |
|--|-------|
| Revenue sources (Q4 '01): | |
| Merchandise | 55% |
| Online travel/hotel rooms | 22% |
| Ticketing | 13% |
| Teleservices / ECS | 8% |
| Personals | 2% |
| | ----- |
| Commerce | 100% |
| | ===== |
| Interactive (online and TV) (% of total) | 85% |
| International (% of total) | 12% |

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