

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): October 24, 2001

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.)
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152 West 57th Street, New York, NY (Address of principal executive offices)	10019 (Zip Code)
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Registrant's telephone number, including area code:
(212) 314-7300

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

(c) Exhibits.

- 99.1 Press Release of USA Networks, Inc. dated October 24, 2001.
- 99.2 Forward-Looking Financial Information.

ITEM 9. REGULATION FD DISCLOSURE

On October 24, 2001, the Registrant issued a press release announcing its results for the quarter ended September 30, 2001. The full text of this press release, appearing in Exhibit 99.1 hereto and forward-looking financial information, appearing in Exhibit 99.2 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: October 24, 2001

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release of USA Networks, Inc. dated October 24, 2001.
99.2	Forward-Looking Financial Information.

[GRAPHIC OMITTED]
USA NETWORKS INC

FOR IMMEDIATE RELEASE

OCTOBER 24, 2001

14% EBITDA GROWTH FROM USA'S OPERATING BUSINESSES

INTERNET COMMERCE GROUP INCREASES REVENUE BY 70% AND EBITDA BY 88% IN Q3

USA PLANS FOR 15% GROWTH IN 2002 AMIDST A TOUGH ENVIRONMENT

NEW YORK, October 24, 2001 - USA Networks, Inc. (NASDAQ: USAI) reported results today for its quarter ended September 30, 2001. Highlights are presented on a pro forma comparative basis to the same period last year.

- o USA'S OPERATING BUSINESSES increased EBITDA by 14% to \$245.6 million on 15% higher revenue of \$1.221 billion. These results are within the range of expectations set forth by the company following the national tragedy. Prior to the events of 9/11, the Operating Businesses were on track to exceed their original guidance of 25% EBITDA growth.
- o CABLE AND STUDIOS increased revenue by 19% to \$398.2 million and EBITDA by 31% to \$155.2 million. Approximately half this growth resulted from a favorable adjustment relating to affiliate fees. And contributing to Studios USA's performance is the unprecedented franchise breadth of LAW & ORDER, which now has three primetime dramas on NBC.
- o HSN grew its revenue in the United States by 8% to \$396.4 million and decreased EBITDA by 9% to \$48.9 million. Its Q3 results were impacted by a dramatic, but relatively short-lived, decline in viewership following the national tragedy. HSN.com increased revenue by 246% to \$33 million in Q3, and now represents nearly 10% of HSN's on air sales.
- o HSN's performance in Germany was disappointing in part due to operating challenges associated with the addition of 4 live hours of programming earlier this year. Its EBITDA fell to a loss of \$5 million, on 4% lower revenue in Q3.
- o HOTEL RESERVATIONS NETWORK had a record quarter, increasing revenue by 60% to \$151.2 million and EBITDA by 57% to \$21.8 million. HRN expanded into 25 new cities and increased its number of affiliates to nearly 22,800 during Q3.
- o TICKETMASTER increased ticketing EBITDA by 14% to \$19 million on 7% higher revenue of \$133.9 million. Online ticket sales accounted for 31.9% of total tickets sold by Ticketmaster, compared to 25.6% in Q3 '00.
- o MATCH, one of the company's top-growth assets, increased EBITDA by 152% to \$5.8 million on 64% higher revenue.
- o USA INTERNET COMMERCE GROUP grew revenue by 70% to \$240.4 million and EBITDA by 88% to \$44.6 million. The group is comprised of HSN.com, Hotel Reservations Network, Ticketmaster.com and Match.com.
- o USA plans for its Operating Businesses to grow revenue and EBITDA by 15% in 2002. Whereas for the fourth quarter, Operating Business EBITDA is expected to decline by 12% to 16% on flatish revenue growth, due mostly to the continuing affects of the national tragedy, including an accelerated downward impact on the advertising market.

MEDIA RELEASE

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, USA reported the following, excluding

discontinued operations (USA Broadcasting):

ACTUAL PRO FORMA (\$ IN MILLIONS) Q3 01	
Q3 00 GROWTH -----	
REVENUES - OPERATING BUSINESSES Cable and studios.....	\$ 398.2 \$ 336.0 19%
- U.S.....	396.4 368.8 8%
Electronic retailing - Germany.....	60.0 62.7 (4%)
Ticketing.....	133.9 124.9 7%
reservations.....	151.2 94.6 60%
Teleservices.....	72.6 70.2 4%
Personals.....	12.5 7.6 64%
Intersegment elimination.....	(4.1) -- --
----- SUB-TOTAL -	
OPERATING.....	1,220.7
1,064.9 15% Euro exchange rate fluctuation (a).....	(9.1) (8.9)
REVENUES - EMERGING BUSINESSES Citysearch and related.....	11.1 14.0
Styleclick.....	0.9 5.3
Electronic Commerce Solutions.....	4.8 7.2
HSN - other international.....	6.2
4.4 USA	
Films.....	16.0 14.5
TRIO, NWI, Crime and emerging media....	5.8 8.6
----- SUB-TOTAL -	
EMERGING.....	44.8 53.9

TOTAL.....	\$1,256.3 \$1,109.9 13% =====
=====	=====
EBITDA - OPERATING BUSINESSES Cable and studios.....	\$ 155.2
\$ 118.5 31% Electronic retailing - U.S.....	48.9 53.9 (9%)
Electronic retailing - Germany.....	(5.0) 5.8 (185%)
Ticketing.....	19.0 16.7 14%
Hotel reservations.....	21.8
13.9 57%	
Teleservices.....	7.9 11.1 (29%)
Personals.....	5.8 2.3 152%
Corporate and other.....	(8.1) (6.3)
----- SUB-TOTAL -	
OPERATING.....	245.6 215.8
14% Euro exchange rate fluctuation (a).....	0.9 (0.9)
EBITDA - EMERGING BUSINESSES Citysearch and related.....	(10.8) (16.3)
Styleclick.....	(1.8) (8.7)
Electronic Commerce Solutions.....	(12.6) (8.0)
HSN - other international.....	(7.5) (4.6)
USA	
Films.....	0.4 (5.8)
TRIO, NWI, Crime and emerging media....	(3.1) (0.3)
Intersegment elimination.....	(1.8) -- --
----- SUB-TOTAL -	
EMERGING.....	(37.1) (43.8)
Restructuring and one-time charges (b). (12.3) --	-----
TOTAL.....	\$ 197.1 \$ 171.2 15% =====
=====	=====

o Does not include pro forma results for Expedia, the acquisition of which

- o is expected to close by year-end 2001.
- o Excludes results from USA Broadcasting, the sale of which to Univision was announced in December 2000.
- o Presented as if the acquisition of Styleclick had occurred at the beginning of the periods presented.
- o EBITDA is defined as net income plus (1) provision for income taxes, (2) minority interest, (3) interest income and expense, (4) depreciation and amortization, (5) amortization of cable distribution fees (\$10 million & \$8.8 million, respectively), and (6) amortization of non-cash distribution, marketing, and compensation expenses.
- (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, employee terminations and benefits.

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BUSINESS MIX

66% of USA's Q3 revenue came from direct consumer transactions, 20% was derived from subscriptions and production fees, and 14% was advertising-related. The operating businesses reported the following:

ACTUAL PRO FORMA (\$ IN MILLIONS)		Q3 '01	Q3 '00		
GROWTH MIX		-----		REVENUES -	
OPERATING BUSINESSES					
Entertainment.....	\$ 398.2	\$ 336.0	19%	33%	Electronic
retailing.....					456.4
	431.5	6%	37%	Information and	
Services.....					370.2
		25%	30%	Intersegment	297.3
elimination.....		(4.1)	--	0%	
TOTAL.....					
	\$1,220.7	\$1,064.9	15%	100%	=====
					=====
					=== EBITDA - OPERATING BUSINESSES
Entertainment.....	\$155.2	\$118.5	31%	63%	Electronic
retailing.....					43.9
			(26%)	18%	Information and
Services.....					54.5
			22%	Corporate and	44.0
other.....		(8.1)	(6.3)		
			(3%)		
TOTAL.....					
	\$245.6	\$215.8	14%	100%	=====
					=====
					====
CASH NET INCOME AND EARNINGS PER SHARE PRO					
FORMA (a) (b) Q3 '01 (a) Q3 '00 -----					
Fully converted cash net income per					
share.....	0.10	0.10	Fully converted earnings		
per share.....	(0.01)	(0.02)	Cash net		
income per share.....			0.13		
			0.16	Basic loss per	
share.....			(0.08)	(0.08)	

- (a) Amounts based on net income before gain on sale of broadcasting stations in Q3 '01 and before loss from discontinued operations in Q3 '00 of \$14.4 million.
- (b) Excluding one-time income / (expense) of (\$18.9 million), pre-tax in Q3 '01, and \$74.1 million, pre-tax, in Q3 '00.

Universal and Liberty own a significant portion of their interests in USA through USA subsidiaries. This structure can cause USA to record net losses in situations where net income would otherwise have been recorded if their ownership were entirely in USA common stock. Fully converted earnings and fully converted cash net income reflect the impact as if all shares exchangeable into common stock had been exchanged during the period.

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ENTERTAINMENT HIGHLIGHTS

USA NETWORK grew EBITDA by 31% to \$113.7 million on 7% higher revenue of \$214.0 million. Approximately half of USA's growth was attributable to a special \$16 million adjustment relating to affiliate fees.

- o USA tied as basic cable's second highest rated network in primetime, with a 1.7 average rating in Q3 '01.
- o Excluding WWF from Q3 `00, USA increased its primetime delivery by 16% in Adults 18-49 and 12% in A25-54. In Sales Prime (7-11 pm), USA increased delivery by 18% in A18-49 and 15% in A25-54 excluding WWF from Q3 `00.
- o The PRIMETIME MOVIE increased delivery of Adults 25-54 by 22%.
- o Sunday Prime averaged a 1.6 rating, up 23% from the comparative period.
- o The DAYTIME MOVIE increased its rating by 33% versus Q3 `00.
- o The 2001 U.S. OPEN averaged a 1.9 rating in primetime, a 36% increase from last year. The Sampras /Agassi quarterfinal match on September 5 drew 3.4 million household viewers, becoming the most watched tennis telecast ever on cable.

SCI FI increased EBITDA by 6% to \$23.9 million on 2% lower revenue of \$63.1 million.

- o SCI FI averaged a 0.8 rating in primetime and increased its average household delivery by 5% to 609,000, a Q3 record.
- o SCI FI continues to have the highest concentration of adult viewers 25-54 of any network on television, while ranking in the top 10 among basic cable networks in its delivery of Adults, Women and Men 25-54 and 18-49.
- o SCI FI is the #1 provider of original scripted series in cable primetime.

STUDIOS USA, net, grew EBITDA by 99% to \$17.6 million on 71% higher revenue of \$121.1 million.

- o 20.7 million watched LAW & ORDER's season premiere, a 16% increase from last season and its 12-year best premiere.
- o LAW & ORDER: SPECIAL VICTIMS UNIT, only in its third season, recently broke into the Top 10 among all primetime series and its season premiere delivered 18% more viewers than its 2000 premiere.
- o LAW & ORDER: CRIMINAL INTENT premiered as NBC's highest rated show on Sunday night.
- o THE DISTRICT, in its second season on CBS, continues as the highest rated network show in Saturday primetime.
- o CROSSING OVER WITH JOHN EDWARD is averaging 2.4 rating in syndication, the top rated new first-run series show in '01.
- o Studios USA is a leading producer of primetime and first-run syndicated programming, including two of the top four syndicated talk shows and two of the top seven primetime dramas.

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ENTERTAINMENT HIGHLIGHTS (CONTINUED)

CABLE AND STUDIOS: Q3 01 Q3 00 GROWTH -	
----- Revenue (\$ IN	
MILLIONS): USA	
Network.....	\$214.0 \$200.5 7%* SCI
FI.....	63.1 64.6 (2%) Studios,
net.....	121.1 71.0 71% -----
Total.....	\$398.2 \$336.0 19% =====
EBITDA (\$ IN MILLIONS): USA	
Network.....	\$113.7 \$87.2 31%* SCI
FI.....	23.9 22.4 6% Studios,

net.....
 17.6 8.8 99% -----
 Total.....
 \$155.2 \$118.5 31% =====
 Households (IN MILLIONS @ 9/30): USA
 Network.....
 84.3 79.4 7% SCI
 FI.....
 74.7 65.1 15% Advertising and other
 revenue / affiliate revenue: USA
 Network
 mix..... 55:45
 58:42 SCI FI
 mix.....
 61:39 63:37

* USA's revenue would have declined by 2%, and EBITDA would have increased by 12%, had it not been for a special \$16 million adjustment to affiliate fees.

USA FILMS

USA Films' upcoming release MONSOON WEDDING was awarded the Golden Lion (the top prize) at the 2001 Venice Film Festival. USA Films' theatrical releases in Q3 were WET HOT AMERICAN SUMMER, SESSION 9 and MAYBE BABY. USA Home Entertainment announced direct-to-video releases PRANCER RETURNS and the 2-DVD set ULTIMATE JORDAN, following Michael Jordan's announced return to professional basketball.

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ELECTRONIC RETAILING HIGHLIGHTS

HSN's EBITDA declined by 9% to \$48.9 million on 8% higher revenue of \$396.4 million in the United States. Its Q3 results were impacted by a dramatic, but relatively short-lived, decline in viewership following the national tragedy.

- o HSN ceased its live programming shortly after the September 11th attacks and aired live news programming from USA Cable's NWI. During the respite, HSN developed the HSN Firefighter's and Police Officer's Family Fund, raising over \$250,000 for the families of injured and fallen heroes.
- o HSN added approximately 641,000 new customers during the quarter and reduced the number of fulfillment related customer service calls by 8%.
- o HSN's new distribution facility in Fontana, California is expected to reduce shipping times by as much as one-third to west coast customers.
- o HSN.com increased revenue by 246% to \$33 million in Q3, and now represents 10% of HSN's on air sales.
- o Off-air sales (continuity and upsells) increased by 55% in Q3.
- o In a contextualized commerce test with ABC, both networks sold products that were embedded into the storylines of ALL MY CHILDREN. The test generated sales-per-minute at a rate 10 times higher than HSN's average.

Q3 01 Q3 00 GROWTH ----- Units
 shipped (IN
 MILLIONS)..... 8.8 8.6
 2% Gross profit
 %.....
 32.0% 34.6% Return
 rate.....
 19.4% 19.8% Average price
 point.....
 \$48.15 \$48.02 Product mix:
 Homegoods.....
 52% 48%
 Jewelry.....
 24% 26% Health /
 Beauty..... 10% 12%
 Apparel / Accessories.....
 14% 14% HSN cable / DBS homes (IN MILLIONS @
 9/30)..... 71.5 64.9 10% HSN total

homes (IN MILLIONS @ 9/30).....
82.8 75.9 9%

HSN - GERMANY / OTHER INTERNATIONAL

- o HSN's performance in Germany was disappointing in part due to operating challenges associated with the addition of 4 live hours of programming earlier this year. Its EBITDA fell to a loss of \$5 million, on 4% lower revenue.
- o Home Shopping Europe has launched a new service in the United Kingdom, initially reaching 5.6 million households.
- o HSN is the world's most distributed television retailer with services in 8 languages reaching more than 160 million homes in 14 countries.

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ELECTRONIC RETAILING HIGHLIGHTS (CONTINUED)

TV HOUSEHOLDS ----- LIVE HOURS
9/01 9/00 GROWTH DAILY 9/01 STAKE ----
----- Consolidated Services: (IN MILLIONS @
9/30) Germany (includes Austria /
Switzerland)..... 29.5 28.8 0.7 20 hours 42%
Home Shopping Espanol (U.S. / Puerto
Rico)..... 5.9 5.1 0.8 18 hours 100% Home
Shopping Espanol (Mexico)..... 2.4
-- 2.4 4 hours 100% Unconsolidated Services: TVSN
(China).....
28.8 22.4 6.4 5 hours 21% Shop Channel (Japan)
..... 10.9 8.6 2.3 12
hours 30%
Italy.....
9.4 -- 9.4 10 hours 33% Belgium / The
Netherlands..... 2.5 -- 2.5 8
hours 47% France /
Belgium..... 1.7 1.4
0.3 8 hours 47% U.K. (launched on
10/17/01)..... 5.6 -- 5.6 12
hours 47%

INFORMATION & SERVICES HIGHLIGHTS

TICKETMASTER grew ticketing EBITDA by 14% to \$19 million on 7% higher revenue of \$133.9 million, despite the negative impact the events of September 11th had on ticketing sales and events surrounding that date.

- o Online ticket sales accounted for 31.9% of total tickets sold by Ticketmaster, compared to 25.6% in Q3 '00.
- o MATCH.COM increased the number of paying subscribers to more than 250,000, a 61% increase from 12/00. Match.com earned a record \$5.8 million in EBITDA in Q3.
- o CITYSEARCH and its related properties topped more than 100 million monthly pageviews in July and August.
- o Citysearch introduced its "Anything/Anywhere" search engine, broadly expanding the local content available on the site.
- o Citysearch's "Best Of" logged more than 3 million votes as users helped to define the best of their city.
- o Ticketmaster is the world's leading ticketing and access company.

Q3 01 Q3 00 GROWTH ----
-- Number of tickets sold (IN
MILLIONS)..... 19.3 20.2
(5%) Gross value of tickets sold
(IN MILLIONS)..... \$788 \$782 1%
Revenue per
ticket.....
\$6.20 \$5.67 9% Share of tickets
sold online.....

31.9% 25.6% Top-selling events in Q3 '01..... Ringling Brothers, Tool, Neil Diamond, WWF, Aerosmith and the New York Yankees.

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INFORMATION & SERVICES HIGHLIGHTS (CONTINUED)

HOTEL RESERVATIONS NETWORK increased EBITDA by 57% to \$21.8 million on 60% higher revenue of \$151.2 million, its best quarter in its 10-year history.

- o HRN expanded into 25 new cities and sold more than 1.2 million room nights during Q3.
- o HRN now has approximately 22,800 mostly-exclusive affiliates under contract.
- o HRN is the #1 provider of discount hotel accommodations worldwide.

Q3 01	Q3 00	GROWTH	-----	-----	-----	Hotel
room nights sold.....						
1,227,422	716,600	71%	Affiliates (including			
TravelNow).....						
22,793	13,400	70%	Properties.....			
3,890 2,100 85% Cities served (AS OF						
9/30)..... 171 83 106%						

PRECISION RESPONSE decreased EBITDA by 29% to \$7.9 million on 4% higher revenue of \$72.6 million.

- o PRC's business continues to be adversely affected by an economy-related slowdown in the outsourcing of customer care programs.
- o Precision Response Corporation is a global leader in Customer Relationship Management (CRM) and outsourced customer care.

SHARES OUTSTANDING, MARKET CAPITALIZATION, NET DEBT

As of October 15, 2001, USA had outstanding 738.2 million shares, including exchangeable securities, with an aggregate market capitalization of approximately \$15 billion. USA has no net debt and \$420 million in consolidated net cash, including that of its public subsidiaries and an advance receivable to Universal. Net cash, excluding new investments, is expected to increase to approximately \$700 million by year-end, pro forma for the receipt of additional cash proceeds from the sale of USA Broadcasting to Univision.

STATEMENTS OF OPERATIONS

The actual results are not comparable due to:
1) the acquisition of Precision Response in April, 2000;
2) the acquisition of Styleclick.com in August 2000; and
3) Ticketmaster's acquisition of TicketWeb in May 2000.

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ANALYST CONFERENCE CALL

USA Networks, Inc. will audiocast its conference call with analysts and investors discussing the company's third quarter financial results on Wednesday, October 24, 2001, at 11:00 a.m. Eastern Time (ET). The live audiocast is open to the public at www.usanetworks.com/investor.relations. A replay of the audiocast will begin 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.

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, September '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. Online retail market data per PhocusWright (2001). Internet and television retailing market information sources include, but are not limited to Boston Consulting Group / Shop.org (May 2001), Jupiter (December 2000, August 2000, December 1999), Forrester (July 2000), and various other published industry and Wall Street analyst research. Operating metrics in this press release are pro forma for the pending transactions.

ABOUT USA NETWORKS, INC.

USA Networks, Inc. (NASDAQ: USAI), is focused on the new convergence of entertainment, information and direct selling. The Company is organized within two groups, the Entertainment Group and the Interactive Group, comprised of interrelated business divisions which include the following assets: USA Entertainment's USA Network, SCI FI Channel, TRIO, NWI, Crime, Studios USA, and USA Films; and USA Interactive's HSN, HSN International, HSN Interactive, Ticketmaster (NASDAQ: TMCS), which operates Citysearch and Match.com, Hotel Reservations Network (NASDAQ: ROOM), Electronic Commerce Solutions, Styleclick (NASDAQ: IBUY) and Precision Response Corporation.

CONTACTS:	USA COMMUNICATIONS:	USA INVESTOR RELATIONS:
	Adrienne Becker	Roger Clark
	212-314-7254	212-314-7400

USA NETWORKS, INC. AND SUBSIDIARIES
Business Segment Information - Continuing Operations
Unaudited
(\$ IN THOUSANDS)

THREE MONTHS
ENDED
SEPTEMBER
30, ACTUAL
PRO FORMA
(A) ACTUAL -

-

- 2001 2000

2000 -----

REVENUES -

OPERATING

BUSINESSES

Cable and

studios \$

398,211 \$

336,047 \$

336,047

Electronic

retailing -

U.S. 396,435

368,773

368,773

Electronic

retailing -

Germany

59,952

62,741

62,741

Ticketing

133,897

124,929

124,929

Hotel

reservations

151,242

94,619

94,619

Teleservices

72,610

70,162

70,162 Match

12,477 7,600

7,600

Intersegment

Elimination

(4,128) -- -

- -----

- -----

- -----

- SUB-TOTAL

1,220,696

1,064,871

1,064,871

Euro's

exchange

rate

fluctuation

(c) (9,134)

(8,900)

(8,900)

REVENUES -

EMERGING

BUSINESSES

Citysearch

11,079

13,962

13,962

Styleclick

901 5,291

5,147

Electronic

Commerce

Solutions

4,817 7,174

7,174 HSN -

international

and other

6,194 4,444

4,444 USA

Films 15,995

14,468

14,468 Trio,

NWI, Crime,

other

emerging

media 5,784

8,591 8,591

SUB-TOTAL

44,770

53,930

53,786 -----

----- TOTAL

\$ 1,256,332

\$ 1,109,901

\$ 1,109,757

=====

=====

=====

EBITDA -

OPERATING

BUSINESSES

(B) -- --

Cable and

studios \$

155,198 \$

118,453 \$

118,453

Electronic

retailing -

U.S. 48,898

53,798

53,798

Electronic

retailing -

Germany

(4,955)

5,799 5,799

Ticketing

19,020

16,655

16,655 Hotel

reservations

21,776

13,907

13,907

Teleservices

7,879 11,120

11,120 Match

5,801 2,300

2,300

Corporate

and other

(8,061)

(6,195)

(6,195) -----

----- SUB-

TOTAL

245,556

215,837

215,837

Euro's

exchange

rate

fluctuation

(c) 946

(877) (877)

EBITDA -

EMERGING

BUSINESSES

Citysearch

(10,791)

(16,264)

(16,264)

Styleclick

(1,785)

(8,734)

(7,290)

Electronic

Commerce

Solutions

(12,628)
 (8,001)
 (8,001) HSN
 -
 international
 and other
 (7,456)
 (4,620)
 (4,620) USA
 Films 446
 (5,819)
 (5,819)
 Trio, NWI,
 Crime, other
 emerging
 media
 (3,057)
 (339) (339)
 Intersegment
 Elimination
 (1,837) -- -
 - - - - -
 - - - - -
 - SUB-TOTAL
 (37,108)
 (43,777)
 (42,333) ---
 - - - - -
 - - - - -
 Restructuring
 charge and
 one-time
 items (d)
 (12,250) --
 - - - - -
 - - - - -
 -- TOTAL \$
 197,144 \$
 171,183 \$
 172,627
 =====
 =====
 =====

- (a) Presented as if the acquisition of Styleclick had occurred at the beginning of the period presented.
- (b) EBITDA is defined as net income plus, (1) provision for income taxes, (2) minority interest, (3) interest income and expense, (4) depreciation and amortization, (5) amortization of cable distribution fees of \$9,986 and \$8,845, respectively, and (6) amortization of non-cash distribution and marketing expense and non-cash compensation expense.
- (c) 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.
- (d) Represents non-recurring costs related to restructuring operations, employee terminations and benefits.

USA NETWORKS, INC. AND SUBSIDIARIES
 Business Segment Information - Continuing Operations
 Unaudited
 (\$ IN THOUSANDS)

NINE MONTHS
 ENDED
 SEPTEMBER
 30, ACTUAL
 PRO FORMA
 (A) ACTUAL -

 2001 2000
 2000 -----

REVENUES -
 OPERATING
 BUSINESSES
 Cable and
 studios \$
 1,280,065 \$
 1,105,688 \$
 1,105,688
 Electronic
 retailing -
 U.S.
 1,163,629
 1,071,202
 1,071,202
 Electronic
 retailing -
 Germany
 219,007
 185,677
 185,677
 Ticketing
 447,904
 395,909
 395,909
 Hotel
 reservations
 394,830
 227,964
 227,964
 Teleservices
 228,926
 210,023
 140,374
 Match 31,686
 21,978
 21,978
 Intersegment
 Elimination
 (10,659) --
 --
 --
 --
 -- SUB-TOTAL
 3,755,388
 3,218,441
 3,148,792
 Euro's
 exchange
 rate
 fluctuation
 (c) (36,613)
 (23,457)
 (23,457)
 REVENUES -
 EMERGING
 BUSINESSES
 Citysearch
 35,852
 36,798
 36,798
 Styleclick
 7,358 19,445
 17,556
 Electronic
 Commerce
 Solutions
 15,560
 15,634
 15,634 HSN -
 international
 and other
 18,225
 11,901
 11,901 USA
 Films
 129,562
 65,548
 65,548 Trio,
 NWI, Crime,
 other
 emerging

media 18,125
12,862
12,862 -----

----- SUB-
TOTAL
224,682
162,188
160,299 -----

TOTAL \$
3,943,457 \$
3,357,172 \$
3,285,634
=====

=====

EBITDA -	
OPERATING	
BUSINESSES	
(B) -- --	
Cable and	
studios \$	
489,907 \$	
396,580 \$	
396,580	
Electronic	
retailing -	
U.S. 155,840	
162,048	
162,048	
Electronic	
retailing -	
Germany	
6,554 19,199	
19,199	
Ticketing	
84,774	
75,606	
75,606 Hotel	
reservations	
58,592	
35,004	
35,004	
Teleservices	
28,079	
32,508	
23,047 Match	
8,909 4,862	
4,862	
Corporate	
and other	
(24,173)	
(28,902)	
(28,902) ---	

SUB-TOTAL
808,482
696,905
687,444
Euro's
exchange
rate
fluctuation
(c) (982)
(2,486)
(2,486)
Nonrecurring
charges (d)
-- (1,498)
(1,498)
EBITDA -
EMERGING
BUSINESSES
Citysearch
(33,593)

(51,453)
(51,453)
Styleclick
(18,063)
(34,593)
(23,628)
Electronic
Commerce
Solutions
(27,723)
(19,847)
(19,847) HSN
-
international
and other
(21,364)
(8,570)
(8,570) USA
Films 43
(5,971)
(5,971)
Trio, NWI,
Crime, other
emerging
media
(7,110)
(4,602)
(4,602)
Intersegment
Elimination
(5,786) -- -
- - - - -
- - - - -
- - - - -
- SUB-TOTAL
(113,596)
(125,036)
(114,071) --
- - - - -
- - - - -
- - - - -
Restructuring
charge and
one-time
items (e)
(17,023) --
- - - - -
- - - - -
- - - - -
-- TOTAL \$
676,881 \$
567,885 \$
569,389
=====
=====
=====

- (a) Presented as if the acquisitions of Precision Response and Styleclick had occurred at the beginning of the period presented.
- (b) EBITDA is defined as net income plus, (1) provision for income taxes, (2) minority interest, (3) interest income and expense, (4) depreciation and amortization, (5) amortization of cable distribution fees of \$29,384 and \$25,335, respectively, and (6) amortization of non-cash distribution and marketing expense and non-cash compensation expense.
- (c) 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.
- (d) Represents one-time credits recognized in Q1 '00 by HSN in connection with a favorable settlement of litigation relating to an HSN broadcasting affiliation agreement (\$4,661) and a cable affiliation agreement (\$1,647). In addition, as part of a resignation agreement with a senior executive, the Company recorded a one-time compensation expense related to a consulting arrangement.
- (e) Represents non-recurring costs related to consolidating Styleclick's operations in Chicago and the shutdown of the Firstauction.com website, as well as non-recurring costs related to restructuring operations, employee terminations and benefits.

Unaudited
(\$ IN THOUSANDS, EXCEPT PER SHARE DATA)

THREE
MONTHS
ENDED
SEPTEMBER
30, ACTUAL
PRO FORMA
(A) ACTUAL

--- 2001
2000 2000 -

Revenues,
net \$

1,256,332 \$
1,109,901 \$
1,109,757

Operating
costs and
expenses:
Costs
related to
revenues

746,661
669,148
669,087

Other costs
and
expenses

312,527
269,570
268,043

Amortization
of non cash
distribution
and
marketing
expense (b)

5,218 2,692
2,692

Amortization
of non cash
compensation
expense (c)

1,268 1,235
1,235

Amortization
of cable
distribution
fees 9,986
8,845 8,845

Depreciation
and
amortization

142,948
141,702
137,012 ---

Total
operating
costs and
expenses

1,218,608
1,093,192
1,086,914 -

Operating
income

37,724
16,709

22,843
Interest
expense,
net
(10,131)
(8,240)
(8,178)
Other, net
(12,943)
69,920
69,920 ----

Earnings
before
income
taxes and
minority
interest
14,650
78,389
84,585
Income tax
expense
(21,901)
(25,612)
(27,452)
Minority
interest
(33,192)
(66,708)
(63,005) --

Net loss
from
continuing
operations
(d) \$
(40,443) \$
(13,931) \$
(5,872)

=====
=====
=====
Net loss
from
continuing
operations,
excluding
one-time
charges and
-- -- non-
operating
gains \$
(29,612) \$
(30,497) \$
(22,438)

=====
=====
=====
Fully
converted
net
earnings
from
continuing
operations,
excluding
one-time
charges and
non-
operating
gains \$
(4,874) \$
(12,905) \$
(1,444)

```

=====
Weighted
average
basic
shares
376,415
367,799
367,799
=====
=====
=====
Weighted
average
fully
converted
shares
737,568
728,952
728,952
=====
=====
=====
EPS FROM
CONTINUING
OPERATIONS
Basic loss
per share $
(.11) $
(.04) $
(.02)
=====
=====
=====
Basic loss
per share,
excluding
one-time
charges and
non-
operating
gains $
(.08) $
(.08) $
(.06)
=====
=====
=====
Fully
converted
earnings
per share,
excluding
one-time
charges $
(.01) $
(.02) $
(.00)
=====
=====
=====
EBITDA (E)
$ 197,144 $
171,183 $
172,627
=====
=====
=====

```

- (a) Presented as if the acquisition of Styleclick had occurred at the beginning of the period presented.
- (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 and restricted stock awards.
- (d) Q3 '01 excludes the gain on sale of of broadcasting stations, the sale of which to Univision was announced in December 2000 The Company estimates the gain will be in the \$425 million - \$450 million range and will be disclosed in the Company's 10-Q. Q3 '00 excludes the results of USA Broadcasting. The results for the discontinued operations was an after tax loss of \$14,367.

(e) EBITDA is defined as net income plus, (1) provision for income taxes, (2) minority interest, (3) interest income and expense, (4) depreciation and amortization, (5) amortization of cable distribution fees of \$9,986 and \$8,845, respectively, and (6) amortization of non-cash distribution and marketing expense and non-cash compensation expense.

USA NETWORKS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
Unaudited
(\$ IN THOUSANDS, EXCEPT PER SHARE DATA)

NINE MONTHS
ENDED
SEPTEMBER
30, PRO
FORMA (A)
ACTUAL PRO
FORMA (A)
(B) ACTUAL

- - - - -

2001 2001
2000 2000 -

- - - - -

Revenues,
net \$

3,943,457 \$
3,943,457 \$
3,357,172 \$
3,285,634

Operating
costs and
expenses:

Costs
related to
revenues
2,378,486
2,378,486
2,011,081
1,956,591

Other costs
and
expenses
888,090
888,090
778,206
759,654

Amortization
of non cash
distribution
and
marketing
expense (c)
19,866
19,866

4,566 4,566
Amortization
of non cash
compensation
expense (d)
5,431 5,431
7,391 7,391

Amortization
of cable
distribution
fees 29,384
29,384
25,335
25,335

Depreciation
and
amortization
427,077

427,077
419,936
369,970 ---

Total
operating
costs and
expenses
3,748,334
3,748,334
3,246,515
3,123,507 -

Operating
income
195,123
195,123
110,657
162,127
Interest
expense,
net
(34,462)
(34,462)
(24,702)
(23,955)
Other, net
(33,196)
(33,196)
67,354
67,360 ----

Earnings
before
income
taxes and
minority
interest
127,465
127,465
153,309
205,532
Income tax
expense
(69,579)
(71,191)
(80,093)
(86,523)
Minority
interest
(127,526)
(124,378)
(139,170)
(145,300) -

Loss from
continuing
operations
(e) \$
(69,640) \$
(68,104) \$
(65,954) \$
(26,291)
=====

Net loss
from

continuing
operations,
excluding
one-time
charges and
non-
operating
gains \$
(56,075) \$
(54,539) \$
(78,672) \$
(39,009)

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

Fully
converted
net
earnings
from
continuing
operations,
excluding
one-time
charges and
non-
operating
gains \$
34,463 \$
36,005 \$
(22,665) \$
38,927

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

Weighted
average
basic
shares
373,227
373,227
363,980
355,184

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

Weighted
average
fully
converted
shares
759,661
759,661
725,133
743,960

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

EPS FROM
CONTINUING
OPERATIONS
Basic loss
per share \$
(.19) \$
(.18) \$
(.18) \$
(.07)

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

Basic loss
per share,
excluding
one-time
charges and
non-

operating
gains \$
(.15) \$
(.15) \$
(.22) \$
(.11)

=====
=====
=====
=====
Fully
converted
earnings
per share,
excluding
one-time
charges \$
.05 \$.05 \$
(.03) \$.05

=====
=====
=====
EBITDA (F)
\$ 676,881 \$
676,881 \$
567,885 \$
569,389

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

- (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) Amortization of warrants and stock issued in exchange for distribution and marketing services.
- (d) Expense relates to the Company's bonus stock purchase program and restricted stock awards.
- (e) 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 estimates the gain will be in the \$475 million - \$500 million range and will be disclosed in the Company's 10-Q. Q3 '00 excludes the results of USA Broadcasting. The results for the discontinued operations was an after tax loss of \$41,407.
- (f) EBITDA is defined as net income plus, (1) provision for income taxes, (2) minority interest, (3) interest income and expense, (4) depreciation and amortization, (5) amortization of cable distribution fees of \$29,384 and \$25,335 respectively, and (6) amortization of non-cash distribution and marketing expense and non-cash compensation expense.

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

THREE MONTHS
ENDED
SEPTEMBER
30, ACTUAL
PRO FORMA
(A) ACTUAL -

2001 2000
2000 -----

----- BASIC
LOSS PER
SHARE: Net

loss (\$
40,443) (\$
13,931) (\$
5,872)
Impact of
unusual
items, net
of tax and
minority
interest (b)
10,831
(16,566)
(16,566) ---

-- BASIC
LOSS,
EXCLUDING
UNUSUAL
ITEMS (B) \$
(29,612) \$
(30,497) \$
(22,438)

=====
=====
=====
Weighted
average
basic shares
376,415
367,799
367,799
=====
=====
=====

Basic loss
per share: \$
(.11) \$
(.04) \$
(.02)

=====
=====
=====
Basic loss
per share
excluding
unusual
items (b) \$
(.08) \$
(.08) \$
(.06)

=====
=====
=====
CASH NET
INCOME: Net
loss \$
(40,443) \$
(13,931) (\$
5,872)
Impact of
goodwill
amortization,
net of tax
and minority
interest
79,119
89,243
76,042 -----

CASH NET
INCOME
38,676
75,312
70,170
Impact of
unusual
items, net
of tax and
minority

interest (b)
10,831
(16,566)
(16,566) ---

-- CASH NET
INCOME,
EXCLUDING
UNUSUAL
ITEMS (B) \$
49,507 \$
58,746 \$
53,604

=====
=====
=====
Weighted
average
basic shares
376,415
367,799
367,799
=====
=====
=====

Cash net
income per
share \$.10
\$.20 \$.19
=====
=====
=====

Cash net
income per
share,
excluding
unusual
items (b) \$
.13 \$.16 \$
.15
=====
=====
=====

FULLY
CONVERTED
NET
EARNINGS:
Net loss \$
(40,443) \$
(13,931) \$
(5,872)
Impact of
minority
interest,
net of tax
23,221
46,055
49,457 -----

FULLY
CONVERTED
NET EARNINGS
(17,222)
32,124
43,585
Impact of
unusual
items, net
of tax and
minority
interest (b)
12,348
(45,029)
(45,029) ---

-- FULLY
CONVERTED
NET

EARNINGS,
EXCLUDING
UNUSUAL
ITEMS (B) \$
(4,874) \$
(12,905) \$
(1,444)

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

Weighted
average
fully
converted
shares
737,568
728,952
728,952

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

Fully
converted
earnings per
share \$
(.02) \$.04
\$.06

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

Fully
converted
earnings per
share,
excluding
unusual
items (b) \$
(.01) \$
(.02) \$
(.00)

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

FULLY
CONVERTED
CASH NET
INCOME: Net
loss \$
(40,443) \$
(13,931) \$
(5,872)

Impact of
minority
interest,
net of tax
23,221
46,055
49,457

Impact of
goodwill
amortization,
net of tax
and minority
interest
79,119
89,243
76,042 -----

FULLY
CONVERTED
CASH NET
INCOME
61,897
121,367
119,627
Impact of
unusual
items, net
of tax and
minority

interest (b)
 12,348
 (45,029)
 (45,029) ---

 -- FULLY
 CONVERTED
 CASH NET
 INCOME,
 EXCLUDING
 UNUSUAL
 ITEMS (B) \$
 74,245 \$
 76,338 \$
 74,598

=====
 =====
 =====
 weighted
 average
 fully
 converted
 shares
 737,568
 754,750
 754,750

=====
 =====
 =====
 Fully
 converted
 cash net
 income per
 share \$.08
 \$.16 \$.16

=====
 =====
 =====
 Fully
 converted
 cash net
 income per
 share,
 excluding
 unusual
 items (b) \$
 .10 \$.10 \$
 .10

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

- (a) Presented as if the acquisition of Styleclick had occurred at the beginning of the period presented.
- (b) Excludes one time charges and non-operating gains.

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

NINE
 MONTHS
 ENDED
 SEPTEMBER
 30, PRO
 FORMA (A)
 ACTUAL PRO
 FORMA (A)
 (B) ACTUAL

----- 2001
2001 2000
2000 -----

BASIC LOSS
PER SHARE:

Net loss
(\$ 69,640)
(\$ 68,104)
(\$ 65,954)
(\$ 26,291)
Impact of
unusual
items, net
of tax and
minority
interest
(c) 13,565
13,565
(12,718)
(12,718) -

BASIC
LOSS,
EXCLUDING
UNUSUAL
ITEMS (C)
\$ (56,075)
\$ (54,539)
\$ (78,672)
\$ (39,009)
=====

Weighted
average
basic
shares
373,227
373,227
363,980
355,184
=====

Basic loss
per share:
\$ (.19) \$
(.18) \$
(.18) \$
(.07)
=====

Basic loss
per share
excluding
unusual
items (c)
\$ (.15) \$
(.15) \$
(.22) \$
(.11)
=====

FULLY
CONVERTED
NET

EARNINGS:
Net loss \$
(69,640) \$
(68,104) \$
(65,954) \$
(26,291)
Impact of
minority
interest,
net of tax
84,125
84,131
85,427
107,356 --

FULLY
CONVERTED
NET
EARNINGS
14,485
16,027
19,473
81,065
Impact of
unusual
items, net
of tax and
minority
interest
(c) 19,978
19,978
(42,138)
(42,138) -

FULLY
CONVERTED
NET
EARNINGS,
EXCLUDING
UNUSUAL
ITEMS (C)
\$ 34,463 \$
36,005 \$
(22,665) \$
38,927
=====
=====
=====
=====

Weighted
average
fully
converted
shares
759,661
759,661
725,133
743,960
=====
=====
=====
=====

Fully
converted
earnings
per share
\$.02 \$
.02 \$.03
\$.11
=====
=====
=====
=====

Fully
converted

earnings
per share,
excluding
unusual
items (c)
\$.05 \$
.05 \$
(.03) \$
.05

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

- (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 Styleclick and Precision Response Corp. had occurred at the beginning of the period presented.
- (c) Excludes one time charges and non-operating gains.

13% 29%
 =====
 =====
 =====
 =====
 =====
 =====
 =====
 ===== BY
 GROUP --
 Operating
 Businesses
 Entertainment
 A \$ 548 \$
 600 \$ 598 \$
 695 9% 0%
 16%
 Electronic
 Retailing
 244 228 323
 397 -7% 42%
 23%
 Information
 & Services
 158 272 333
 441 72% 22%
 33%
 Corporate &
 other (28)
 (33) (34)
 (36) 21% -2%
 -6% -----

 - Total
 Operating
 Businesses \$
 922 \$1,066
 \$1,220
 \$1,497 16%
 15% 23% ----

- A A very weak advertising market is anticipated to continue through at least the first half of 2002.
- B Studios USA's 2001 revenue was favorably impacted by the syndication sale of LAW & ORDER to TNT.
- C USA Films' 2001 results were favorably impacted by the release of TRAFFIC.
- D Reflects results generated by homes lost by HSN following disengagement of USA Broadcasting to Univision. For further information, see separate HSN DISENGAGEMENT section.
- E 2001 and 2000 non-recurring items reflect income and expense items. For 2001, income of \$16 million related to a special adjustment relating to affiliate fees was recorded, impacting both revenue and EBITDA. Offsetting this, \$17 million of expense was recorded for non-recurring costs related to restructuring operations, employee terminations, and benefits. For 2000, \$6 million of expense relates to one-time expenses of the Ticketmaster and TMCS merger, an executive consulting arrangement as part of a resignation agreement, offset by a one-time credit recognized by HSN in connection with a favorable settlement.
- F To present comparable results for HSN Germany, the results have been translated from Euros to U.S. dollars at a constant exchange rate.
- H Expedia estimates are pro forma USA's acquisition of Expedia, which is expected to close in Q4 2001.
- I SCI FI's 2002 advertising growth is expected to be favorably impacted by the miniseries TAKEN in the fourth quarter.

USA NETWORKS, INC.
 FREE CASH FLOW - OPERATING BUDGET

(PRO FORMA \$
 IN MILLIONS)
 2000 2001
 2002 -----

 --- Total
 EBITDA \$ 765
 \$ 936 \$1,057
 Capital
 expenditures
 (191) (140)
 (177)
 Programming
 payments in
 excess of
 amortization
 (153) (93)
 (104) Taxes,
 including
 distributions
 to LLC
 partJers
 (89) (44)
 (129) Cable
 distribution
 fees (65)
 (59) (67)
 Cash
 interest
 (64) (42)
 (36) HSN
 disengagement
 costs K --
 (5) (53)
 Other, net
 L,M (241)
 (439) (145)

 \$ (39) \$ 114
 \$ 346
 =====
 =====
 ===== P&L
 - OPERATING
 BUDGET (PRO
 FORMA \$ IN
 MILLIONS)
 2000 2001
 2002 2003 --

 Total EBITDA
 \$ 765 \$ 936
 \$1,057
 \$1,365
 Amortization
 of goodwill
 N -- -- -- --
 -
 Depreciation
 / other
 amortization
 (319) (283)
 (293) (353)
 Disengagement
 costs -- (5)
 (36) (18)
 Interest
 income /
 (expense)
 (30) (27)
 (22) (24)
 Other income
 / (expense)
 47 (37) (21)
 (20) -----

-- Pre-tax
net income
463 583 686
951 Income
tax expense
(136) (96)
(110) (142)
Minority
interest
expense
(322) (370)
(396) (535)

----- Net
income 5 118
180 273
=====

=====

Average
shares
outstanding
423 431 431
431 -----

EPS -
diluted 0.01
0.27 0.42
0.63
=====

=====

Fully
converted
EPS: Pre-tax
net income
463 583 686
951 Income
tax expense
(276) (216)
(243) (317)
Minority
interest
expense 36
(34) (50)
(78) -----

-- Net
income \$ 223
\$ 334 \$ 392
\$ 556
=====

=====

Average
shares
outstanding
784 792 792
792 -----

EPS -
diluted \$
0.28 \$ 0.42
\$ 0.50 \$
0.70
=====

=====

- J If the LLC structure were eliminated, 2002 tax payments would increase \$136 million due to timing.
- K For further information, see separate HSN DISENGAGEMENT section.
- L 2001 excludes anticipated \$690 million proceeds, net of tax, from sale of USA Broadcasting to Univision.
- M Includes investments, acquisitions, changes in working capital, and other items.
- N All years presented as if new accounting rules for goodwill amortization were in place in order to present comparable information.

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USA NETWORKS, INC.
OPERATING BUDGET

BUSINESS OUTLOOK for the YEAR 2002

We anticipate that our operating businesses will grow their revenue and EBITDA by 15% in 2002. All of our operating businesses anticipate growing quite significantly (at an average growth of over 20%), other than the USA Network, which we anticipate will be particularly hit hard in the present advertising environment. If advertising recovers more quickly than we anticipate, our EBITDA may very well be higher, although it's possible that, in such a case, we'd reinvest in the business and spend more on original programming. On the other hand, it's more than possible that, in the present economic environment and with ever changing world events, our EBITDA growth could be less than anticipated; however, even under the worst circumstances, we expect we will do what's necessary to make sure we don't perform at a level less than 2001 (which we believe will end up with EBITDA growth for USA's operating businesses of 16% over 2000).

It's also anticipated that the first six months of 2002 will be comparatively worse than the second six months of the year. So it is possible that USA's EBITDA numbers for the first and second quarters of 2002 will show negative comparisons to the same quarters in 2001.

BUSINESS OUTLOOK for the FOURTH QUARTER 2001

For the fourth quarter, we expect EBITDA from our Operating Businesses to decline by 12% to 16%, on flattish revenue growth, as compared to Q4 2000. This weak quarterly performance is due largely to the continuing effects of the national tragedy, including an accelerated downward impact on the advertising market. HSN, however, has returned to its normal level of business, and, therefore anticipates positive performance in the fourth quarter, but it's sales results may be negatively affected by reduced computer sales (which contributed almost \$50m in sales during Q4 '00).

HSN DISENGAGEMENT

USA announced the sale of its broadcast television stations to Univision for \$1.1 billion in December 2000. The majority of these stations are located in the largest markets in the country and air HSN on a 24-hour basis. As of January 2002, HSN will have switched its distribution in these markets directly to cable carriage. As a result, HSN will lose approximately 12 million homes and accordingly, HSN's operating results will be affected. Fortunately, sales from broadcast only homes are very, very low in comparison to sales from cable homes. So HSN's losses attributable to this disengagement is limited. HSN anticipates losing sales, which translates on a pro forma basis for 2001, of \$108 million and EBITDA of \$15 million. These anticipated losses are consistent with previous disclosures in USA's 10k filing, in which it was stated that disengagement losses would equal approximately 6% of HSN's sales and EBITDA.

Since the affect of disengagement is a one-time event, and in order to show HSN's results on a meaningful comparative basis, the revenue and EBITDA that were generated by the "lost" homes in prior periods will be pro forma eliminated from HSN's core results in these prior periods.

In addition, in order to effectively transfer HSN's distribution to cable (which has been accomplished), USA will incur charges of approximately \$100 million in the form of payments to cable operators and related marketing expenses. These disengagement costs will not impact EBITDA. Approximately \$5 million of these costs will be incurred in 2001 and \$53 million in 2002. In effect, this approximately \$100 million payment will reduce USA's pre-tax proceeds from the Univision transaction to \$1 billion. USA believes that its disengagement costs

increased to the higher end of USA's anticipated range of costs, since USA was required to achieve a certain portion of disengagement after the Univision announcement and with specified end-dates for continuing broadcast distribution.

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USA NETWORKS, INC.
OPERATING BUDGET

IMPORTANT

This business outlook 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. 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.

USA and Expedia, Inc. have filed a preliminary 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.

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