

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM S-3  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

USA INTERACTIVE  
(Exact name of Registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of  
incorporation or organization)

59-2712887  
(I.R.S. Employer  
Identification Number)

152 WEST 57TH STREET  
NEW YORK, NEW YORK 10019  
(212) 314-7300  
(Address, including zip code, and telephone number, including area code, of  
Registrant's principal executive offices)

JULIUS GENACHOWSKI, ESQ.  
EXECUTIVE VICE PRESIDENT,  
GENERAL COUNSEL AND SECRETARY  
USA INTERACTIVE  
152 WEST 57TH STREET  
NEW YORK, NEW YORK 10019  
(212) 314-7300  
(Name, Address, Including Zip Code, and Telephone Number,  
Including Area Code, of Agent For Service)

WITH A COPY TO:

ANDREW J. NUSSBAUM, ESQ.  
Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, New York 10019-6150  
(212) 403-1000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO PUBLIC: As soon as  
practicable after this registration statement becomes effective.

If the only securities being registered on this Form are being offered  
pursuant to dividend or interest reinvestment plans, please check the following  
box: / /

If any of the securities being registered on this Form are to be offered on  
a delayed or continuous basis pursuant to Rule 415 under the Securities Act of  
1933, other than securities offered only in connection with dividend or interest  
reinvestment plans, check the following box: /X/

If this Form is filed to register additional securities for an offering  
pursuant to Rule 462(b) under the Securities Act, please check the following box  
and list the Securities Act registration statement number of the earlier  
effective registration statement for the same offering: / /

If this Form is a post-effective amendment filed pursuant to Rule 462(c)  
under the Securities Act, check the following box and list the Securities Act  
registration statement number of the earlier effective registration statement  
for the same offering: / /

If delivery of the prospectus is expected to be made pursuant to Rule 434,  
please check the following box: / /

CALCULATION OF REGISTRATION FEE

PROPOSED MAXIMUM  
PROPOSED MAXIMUM  
TITLE OF EACH CLASS

OF SECURITIES TO BE  
 AMOUNT TO BE  
 OFFERING PRICE  
 AGGREGATE AMOUNT OF  
 REGISTERED(1)  
 REGISTERED PER  
 SECURITY OFFERING  
 PRICE REGISTRATION  
 FEE Common Stock,  
 \$0.01 par  
 value.....  
 19,954,028(2)  
 \$28.93(3)  
 \$577,270,030.04(4)  
 \$53,108.84(5)

- (1) This registration statement relates to the resale by the selling stockholders named herein of the shares of common stock, par value \$.01 per share, of the Registrant ("USA common stock") listed above.
- (2) Based upon the estimated maximum number of shares of USA common stock that may be sold by the selling stockholders.
- (3) Estimated solely for purposes of calculating the registration fee pursuant to 457(c) of the Securities Act of 1933, based on \$28.93, the average of the high and low prices of USA common stock quoted on The Nasdaq National Market on May 21, 2002.
- (4) Estimated solely for purposes of calculating the registration fee pursuant to 457(c) of the Securities Act of 1933, based on the proposed maximum offering price per security and the number of shares of USA common stock being registered.
- (5) Calculated by multiplying 0.000092 by the proposed maximum aggregate offering price. Pursuant to Rule 457(p) under the Securities Act, the remaining balance of \$13,759.85 of the \$18,327.51 previously paid in connection with the registration statement on Form S-3 (No. 333-68388) of the Registrant originally filed on August 27, 2001 and subsequently withdrawn relating to the registration of up to \$73,310,050.00 aggregate amount of common stock hereof is being offset against the filing fee due in connection with the filing of this registration statement. Accordingly, a filing fee of \$39,348.99 is being paid in connection with the filing of this registration statement. After such offset, no balance remains from the filing fee paid with Registration No. 333-68388.

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 THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933, AS AMENDED, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

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 THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THESE SECURITIES MAY NOT BE SOLD UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE SUCH OFFER AND SALE IS NOT PERMITTED.

PROSPECTUS

SUBJECT TO COMPLETION, DATED MAY 22, 2002

[USA INTERACTIVE LOGO]

19,954,028 SHARES OF USA COMMON STOCK

This prospectus relates to the resale of up to 19,954,028 shares of common stock, par value \$0.01 per share ("USA common stock"), of USA Interactive (formerly USA Networks, Inc., "USA") that the selling stockholders named in this prospectus in the section "SELLING STOCKHOLDERS" including their respective affiliates, whom we refer to in this document as the "Selling Stockholders", may offer from time to time. Affiliates of a selling stockholder include any person directly controlling, controlled by, or under common control with the selling stockholder. With respect to a selling stockholder that is a fund or account, the term affiliate refers to any fund or account managed on a discretionary basis by the same manager that manages the selling stockholder. The USA common stock being offered by this prospectus was acquired by the Selling Stockholders from Paul G. Allen, a director of USA, on or about May 7, 2002 in private resale transactions.

USA will not receive any proceeds from the sale of USA common stock by the Selling Stockholders.

The Selling Stockholders (directly, or through agents or dealers designated from time to time) may sell the USA common stock being offered by this prospectus from time to time on terms to be determined at the time of sale. The prices at which these stockholders may sell the shares will be determined by the prevailing market price for the shares or in negotiated transactions. This offering will not be underwritten. To the extent required, the number of shares of USA common stock to be sold, purchase price, public offering price, the names of any such agent or dealer and any applicable commission or discount with respect to a particular offering will be set forth in an accompanying prospectus supplement. The aggregate proceeds to the Selling Stockholders from the sale of the USA common stock being offered by this prospectus will be the purchase price thereof less the aggregate agents' or dealers' commissions and discounts, if any, and other expenses of distribution not borne by USA. The Selling Stockholders will pay all applicable stock transfer taxes, brokerage commissions, discounts or commissions and fees of the Selling Stockholders' counsel. USA has agreed to pay certain expenses in connection with the filing of the registration statement, of which this prospectus is a part, with the Securities and Exchange Commission, and to indemnify the Selling Stockholders against certain liabilities, including certain liabilities under the Securities Act of 1933, as amended (the "Securities Act"), in connection with the registration and offering of the USA common stock being offered by this prospectus. See "PLAN OF DISTRIBUTION" on page 11.

The Selling Stockholders and any agents, dealers or broker-dealers that participate with the Selling Stockholders in the distribution of the USA common stock being offered by this prospectus may be deemed to be "underwriters" within the meaning of the Securities Act, and any commissions received by them and any profit on the resale of the securities purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

USA common stock is quoted on The Nasdaq National Market under the symbol "USAI." On May 21, 2002, the last reported sale price of USA common stock was 28.61 per share.

SEE "RISK FACTORS" BEGINNING ON PAGE 7 TO READ ABOUT FACTORS YOU SHOULD CONSIDER IN CONNECTION WITH PURCHASING USA COMMON STOCK.

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NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION WHERE SUCH AN OFFER OR SOLICITATION WOULD BE ILLEGAL.

The date of this prospectus is May [ ], 2002

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we are filing with the Securities and Exchange Commission (the "SEC") on behalf of the Selling

Stockholders utilizing a "shelf" registration process. Under this shelf process, the Selling Stockholders may, from time to time over approximately the next two years, sell the shares of USA common stock being offered under this prospectus in one or more offerings.

This prospectus provides you with a general description of the securities that the Selling Stockholders may offer. To the extent required, the number of shares of USA common stock to be sold, purchase price, public offering price, the names of any such agent or dealer and any applicable commission or discount with respect to a particular offering by any Selling Stockholders will be set forth in an accompanying prospectus supplement. You should read both this prospectus and any prospectus supplement together with the additional information described in the section "WHERE YOU CAN FIND MORE INFORMATION" on page 4.

You should rely only on the information provided in this prospectus and in any prospectus supplement, including the information incorporated by reference. We have not authorized anyone to provide you with different information. The Selling Stockholders are not offering the USA common stock being offered under this prospectus in any state where the offer is not permitted. You should not assume that the information in this prospectus, or any supplement to this prospectus, is accurate at any date other than the date indicated on the cover page of these documents.

#### CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This prospectus and the SEC filings that are incorporated by reference into this prospectus contain "forward-looking statements" within the meaning of the securities laws. These forward-looking statements include, but are not limited to, statements relating to our anticipated financial performance, business prospects, new developments, new merchandising strategies and similar matters, and/or statements preceded by, followed by or that include the words "believes," "could," "expects," "anticipates," "estimates," "intend," "plans," "projects," "seeks," or similar expressions. We have based these forward-looking statements on our current expectations and projections about future events, based on the information currently available to us. For those statements, we claim the protection of the safe harbors for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks, uncertainties and assumptions, including those described in the section "RISK FACTORS," that may affect the operations, performance, development and results of our business. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, as of the date of this prospectus.

You should understand that the following important factors, in addition to those discussed in the documents incorporated in this prospectus by reference, could affect our future results and could cause those results to differ materially from those expressed in such forward-looking statements:

- material adverse changes in economic conditions generally or in our markets;
- future regulatory and legislative actions and conditions affecting our operating areas;
- competition from others;
- successful integration of our divisions' management structures;
- product demand and market acceptance;
- the ability to protect proprietary information and technology or to obtain necessary licenses on commercially reasonable terms;

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- the ability to expand into and successfully operate in foreign markets;
- obtaining and retaining key executives and employees; and
- other risks and uncertainties as may be detailed from time to time in our public announcements and filings with the SEC.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or any other reason. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus may not occur.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC under the Exchange Act. You may read and copy this information at the SEC's public reference room at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to you free of charge at the SEC's website at [www.sec.gov](http://www.sec.gov).

As allowed by SEC rules, this prospectus does not contain all the information you can find in the registration statement or the exhibits to the registration statement. The SEC allows us to "incorporate by reference" information into this prospectus, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, except for any information superseded by information contained directly in this prospectus. Information that we subsequently file with the SEC will automatically update this prospectus. This prospectus incorporates by reference the documents set forth below that we have previously filed with the SEC. These documents contain important information about our company and its financial condition.

1. Annual Report on Form 10-K for the year ended December 31, 2001, filed on April 1, 2002.
2. Quarterly Report on Form 10-Q for the quarter ended March 31, 2002, filed on May 15, 2002.
3. Definitive proxy statement filed on April 30, 2002.
4. Definitive proxy statement filed on March 25, 2002.
5. Current Reports on Form 8-K and amendments thereto filed on January 8, 2002; two filed on January 29, 2002; January 30, 2002; February 12, 2002; February 26, 2002; March 1, 2002; March 4, 2002; March 15, 2002; March 27, 2002; April 24, 2002; and May 17, 2002.

All documents filed by USA with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and prior to the termination of the offering are incorporated by reference into this prospectus.

You may request free copies of any or all of these filings by writing or telephoning us at the following address:

USA Interactive  
152 West 57th Street  
New York, New York 10019  
(212) 314-7300  
Attention: Corporate Secretary

Information contained on our website is not part of this prospectus. You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. The information contained in this prospectus is accurate only as of the date of this prospectus and, with respect to material incorporated herein by reference, the dates of such referenced material.

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#### SUMMARY

THIS SUMMARY HIGHLIGHTS SELECTED INFORMATION FROM THIS PROSPECTUS AND MAY NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. TO UNDERSTAND THE TERMS OF THE USA COMMON STOCK BEING OFFERED BY THIS PROSPECTUS, YOU SHOULD READ THIS ENTIRE PROSPECTUS AND THE DOCUMENTS IDENTIFIED UNDER THE CAPTION "WHERE YOU CAN FIND MORE INFORMATION." IN THIS PROSPECTUS, THE TERMS "USA", "WE" AND "OUR" REFER TO USA INTERACTIVE (FORMERLY USA NETWORKS, INC.) AND OUR SUBSIDIARIES, EXCEPT WHERE IT IS CLEAR THAT SUCH TERMS MEAN ONLY USA INTERACTIVE.

#### USA INTERACTIVE

USA (Nasdaq: USAI) is focused on integrating interactive assets across multiple lines of business. We believe USA is a leader in integrated interactivity, including ticketing, online travel, online dating, electronic retailing, teleservices and other interactive commerce services. USA consists of Home Shopping Network (including HSN International and HSN Interactive); Ticketmaster (Nasdaq: TMCS), which operates Ticketmaster, Ticketmaster.com, Citysearch and Match.com; Expedia, Inc. (Nasdaq: EXPE); Hotels.com (Nasdaq: ROOM); TV Travel Group Limited; Electronic Commerce Solutions; Precision Response Corporation; and Styleclick.

On May 7, 2002, USA contributed all of its entertainment businesses to Vivendi Universal Entertainment LLLP (the "VUE transaction"), a new joint venture controlled by Vivendi Universal, S.A. ("Vivendi"). Immediately following such transaction, USA was renamed USA Interactive.

USA's business is primarily focused on its electronic commerce and interactive/information service businesses, and USA expects that it will actively seek to grow those businesses, including through acquisitions. Any such acquisitions could involve the issuance of additional USA securities or cash or a combination of securities and cash. In addition, USA is no longer required to obtain the consent of Vivendi, Liberty Media Corporation ("Liberty") or Mr. Diller as USA stockholders for any such acquisitions regardless of the size of such acquisitions except in the event that USA is highly leveraged, in which case each of Mr. Diller and Liberty will have the right to consent to specified contingent matters involving USA. USA is continually reviewing, and often in discussions with third parties regarding, such possible growth opportunities, including transactions in the online and offline travel services and commerce-related areas.

USA is incorporated under the laws of the State of Delaware. USA's executive offices are located at 152 West 57th Street, New York, New York 10019 and our telephone number is (212) 314-7300.

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#### THE OFFERING

USA SECURITIES BEING OFFERED.....	USA common stock, par value \$.01 per share
NUMBER OF SHARES OF USA COMMON STOCK BEING OFFERED.....	19,954,028
USA COMMON STOCK AUTHORIZED AND OUTSTANDING.....	As of the date of this prospectus, we are authorized to issue up to 1,600,000,000 shares of USA common stock. As of May 10, 2002, there were 350,252,365 shares of USA common stock outstanding.
USE OF PROCEEDS.....	USA will not receive any proceeds from the sale of USA common stock by the Selling Stockholder.
TRANSFER AGENT.....	The Bank of New York
NASDAQ NATIONAL MARKET SYMBOL.....	USAI

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#### RISK FACTORS

AN INVESTMENT IN OUR SECURITIES INVOLVES A HIGH DEGREE OF RISK. YOU SHOULD CONSIDER THE FOLLOWING FACTORS CAREFULLY BEFORE DECIDING TO PURCHASE OUR SECURITIES. ADDITIONAL RISKS NOT PRESENTLY KNOWN TO US OR THAT WE CURRENTLY DEEM IMMATERIAL MAY ALSO IMPAIR OUR BUSINESS OPERATIONS.

##### WE DEPEND ON OUR KEY PERSONNEL

We are dependent upon the continued contributions of our senior corporate management, particularly Mr. Diller, and certain key employees for our future success. Mr. Diller is our Chairman of the Board and Chief Executive Officer. Mr. Diller does not have an employment agreement with us, although he has been granted options to purchase a substantial number of shares of USA common stock.

If Mr. Diller no longer serves in his positions at USA, our business, as well as the market price of USA common stock, could be substantially adversely affected. We cannot assure you that we will be able to retain the services of Mr. Diller or any other of our members of senior management or key employees.

##### WE ARE CONTROLLED BY MR. DILLER AND IN HIS ABSENCE, WILL BE CONTROLLED BY LIBERTY

Mr. Diller, through entities he controls, currently beneficially owns or has the right to vote 100% of the shares of our Class B common stock, par value \$.01 per share, which is sufficient to control the outcome of any matter submitted to a vote or for the consent of our shareholders with respect to which holders of USA common stock, USA Class B common stock and USA preferred stock vote together as a single class. Mr. Diller, subject to the terms of an amended and restated stockholders agreement, dated as of December 16, 2001 (the "Stockholders Agreement"), among Universal Studios, Liberty, Mr. Diller, USA and Vivendi,

effectively controls the outcome of all matters submitted to a vote or for the consent of our stockholders (other than with respect to the election by the holders of USA common stock of 25% of the members of our board of directors (rounded up to the nearest whole number) and certain matters as to which a separate class vote of the holders of USA common stock or USA preferred stock is required under Delaware law).

Under the Stockholders Agreement, each of Mr. Diller and Liberty have the right to consent to certain contingent matters in the event that USA is highly leveraged. We cannot assure you that Mr. Diller and Liberty will agree in the future on any transaction or action relating to a contingent matter at a time when USA is highly leveraged, in which case we would not be able to engage in such transaction or take such action.

Upon Mr. Diller's permanent departure from USA, generally, Liberty would be able to control USA through its ownership of its USA Class B common stock.

USE OF PROCEEDS

All of the USA common stock being offered under this prospectus is being sold by the Selling Stockholders. USA will not receive any proceeds from the sale of USA common stock by the Selling Stockholders.

SELLING STOCKHOLDERS

SELLING STOCKHOLDERS

The following table sets forth each Selling Stockholder, together with certain information regarding the USA common stock held by the Selling Stockholders on or about May 7, 2002. The USA common stock being offered under this prospectus is being offered for the account of the Selling Stockholders.

SHARES OF USA COMMON STOCK BENEFICIALLY OWNED PRIOR TO OFFERING	SHARES OF USA COMMON STOCK OWNED AFTER SELLING STOCKHOLDERS THE OFFERING BEING OFFERED	THE OFFERING
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---- Legg Mason Funds Management, Inc. on behalf of investment companies for which it is investment advisor.....		
14,093,770	9,492,000	* Legg Mason Capital Management, Inc. on behalf of its asset management clients.....
14,093,770	2,008,000	* Growth Trends Portfolio, a series of Growth
Trust.....		
7,000,000	2,200,000	* AXP Variable Portfolio-New Dimensions Fund, a series of AXP Variable Portfolio Investment Series, Inc.....
1,247,900	370,000	* T. Rowe Price New America Growth Fund, Inc.....
21,700(1)	4,000	* T. Rowe Price New America Growth Portfolio.....
21,700(1)	4,000	* T. Rowe Price Balanced Fund, Inc.....
1,000,000(1)	100,000	* T. Rowe Price Blue Chip Growth Fund, Inc.....
1,000,000(1)	100,000	* T. Rowe Price Blue Chip Growth Portfolio.....
965,000(1)	200,000	* T. Rowe Price Personal Strategy Balanced Portfolio.....
3,400(1)	500	* T. Rowe Price Personal Strategy Funds, Inc. Personal Strategy Income Fund.....
5,700(1)	700	* T. Rowe Price Personal Strategy Funds, Inc. Personal Strategy Balanced Fund.....
21,600(1)	2,300	* T. Rowe Price Personal Strategy Funds, Inc. Personal Strategy Growth Fund.....
15,100(1)	1,800	* T. Rowe Price Global Stock Fund, Inc.....
7,900(1)	1,000	* T. Rowe Price Institutional Large Cap Growth Fund.....
600(1)	200	* Hartford HLS Funds Hartford Blue Chip Stock HLS Fund.....

34,300(1) 3,500 \* Manufacturers Investment  
Trust Blue Chip Growth  
Trust.....  
223,800(1) 24,500 \* T.D. Mutual Funds U.S.  
Blue Chip Equity Fund..... 42,200(1) 4,400 \*  
VALIC Company 1 Blue Chip Growth  
Fund..... 3,200(1) 300 \*  
AEGON/TransAmerica Series Fund, Inc. T. Rowe  
Price Growth Stock  
Portfolio..... 48,200(1) 9,800 \*  
JNL Series Trust T. Rowe Price/JNL Established  
Growth  
Series.....  
93,800(1) 23,600 \*

SHARES OF SHARES OF USA COMMON USA COMMON  
STOCK BENEFICIALLY SHARES OF USA STOCK  
BENEFICIALLY OWNED PRIOR TO COMMON STOCK OWNED  
AFTER SELLING STOCKHOLDERS THE OFFERING BEING  
OFFERED THE OFFERING - -----  
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---- LB Series Fund, Inc. TRP Growth Stock  
Portfolio.....  
6,700(1) 1,100 \* Metropolitan Series Fund,  
Inc. T. Rowe Price Large Cap Growth  
Portfolio..... 35,600(1) 9,200  
\* ING Partners, Inc. ING T. Rowe Price Growth  
Equity  
Portfolio.....  
120,700(1) 30,300 \* Seasons Series Trust  
Large-Cap Composite  
Portfolio.....  
2,100(1) 400 \* Seasons Series Trust Stock  
Portfolio..... 42,800(1) 9,400 \*  
Maverick Fund  
LDC.....  
2,389,600(2) 1,608,100 \* Maverick Fund USA,  
Ltd..... 1,053,200(2)  
708,800 \* Maverick Fund II,  
Ltd..... 270,500(2)  
183,100 \* Glenview Capital Partners (Cayman),  
Ltd..... 883,499(3) 448,900 \* Glenview  
Institutional Partners, LP.....  
481,055(3) 244,300 \* Glenview Capital  
Partners, LP..... 110,446(3)  
56,800 \* Pequot International Fund,  
Inc..... 457,800(4) 457,800 \*  
Pequot Partners Fund,  
L.P..... 392,200(4) 392,200  
\* Chilton International,  
L.P..... 271,538(5) 271,538  
\* Chilton New Era International,  
L.P..... 90,159(5) 90,159 \* Chilton  
Investment Partners, L.P.....  
71,501(5) 71,501 \* Chilton QP Investment  
Partners, L.P..... 69,175(5) 69,175 \*  
Chilton New Era Partners,  
L.P..... 64,608(5) 64,608 \*  
Chilton Opportunity International,  
L.P..... 16,941(5) 16,941 \* Chilton  
Opportunity Trust, L.P.....  
16,078(5) 16,078 \* Capital Growth  
Portfolio..... 162,000(6)  
47,500 \* Growth  
Portfolio.....  
123,000(6) 35,800 \* Managed Multi-Cap  
Opportunity Portfolio..... 55,500(6)  
16,700 \* S.A.C. Capital Associates,  
LLC..... 536,415(7) 75,000 \*  
Eminence Partners,  
L.P..... 168,111(8)  
168,111 \* Eminence Fund,  
Ltd..... 114,909(8)  
114,909 \* Eminence Partners II,  
L.P..... 12,801(8) 12,801 \*  
Eminence Capital  
LLC..... 300,000(8)



	4,179	* Trinity Fund	
Limited.....			
	145,542(9)	* Spirit Fund,	
LTD.....			36,386(9)
	36,386	*	

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\* Because the Selling Stockholders may sell all or a portion of the USA common stock that is being offered pursuant to this prospectus, the number of shares of USA common stock that will be owned by each Selling Stockholder upon termination of this offering cannot be determined.

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- (1) T. Rowe Price Associates, Inc. is the investment adviser/subadviser to these Selling Stockholders and as such has the power to direct such Selling Stockholders to dispose of and/or vote such shares. Therefore, T. Rowe Price Associates, Inc. may be deemed to be the beneficial owner of the shares owned by such Selling Stockholders.
- (2) Maverick Capital, Ltd. is the investment adviser to these Selling Stockholders and as such has the power to direct such Selling Stockholders to dispose of and/or vote such shares. Therefore, Maverick Capital, Ltd. may be deemed to be the beneficial owner of the shares owned by such Selling Stockholders.
- (3) Glenview Capital Management, LLC is the investment adviser to these Selling Stockholders and as such has the power to direct such Selling Stockholders to dispose of and/or vote such shares. Therefore, Glenview Capital Management, LLC may be deemed to be the beneficial owner of the shares owned by such Selling Stockholders.
- (4) Pequot Capital Management, Inc. is the investment adviser to these Selling Stockholders and as such has the power to direct such Selling Stockholders to dispose of and/or vote such shares. Therefore, Pequot Capital Management, Inc. may be deemed to be the beneficial owner of the shares owned by such Selling Stockholders.
- (5) Chilton Investment Company, Inc. is the investment adviser to these Selling Stockholders and as such has the power to direct such Selling Stockholders to dispose of and/or vote such shares. Therefore, Chilton Investment Company, Inc. may be deemed to be the beneficial owner of the shares owned by such Selling Stockholders.
- (6) Capital Growth Portfolio, Growth Portfolio and Multi-Cap Opportunity Portfolio are managed by their investment advisor, Boston Management and Research, which holds voting and dispositive power for all shares held by these Selling Stockholders.
- (7) Consists of 521,600 shares of USA common stock and 14,815 shares of USA common stock issuable upon conversion of 10,000 shares of USA preferred stock, at a conversion rate of 1.4815 (subject to adjustment), in each case held at the close of business as of May 14, 2002. Each of S.A.C. Capital Advisors, LLC ("SAC Capital Advisors") and S.A.C. Capital Management, LLC ("SAC Capital Management") shares all investment and voting power with respect to the securities held by S.A.C. Capital Associates, LLC. Mr. Steven A. Cohen is the President and Chief Executive Officer of SAC Capital Advisors, the managing member of which is a corporation wholly-owned by Mr. Cohen. Mr. Cohen is also the owner, directly and through a wholly-owned subsidiary, of all of the membership interests of SAC Capital Management. Mr. Cohen disclaims beneficial ownership of the securities held by S.A.C. Capital Associates, LLC.
- (8) Eminence Capital LLC is the investment adviser to these Selling Stockholders and as such has the power to direct such Selling Stockholders to dispose of and/or vote such shares. Therefore, Eminence Capital LLC may be deemed to be the beneficial owner of the shares owned by such Selling Stockholders.
- (9) Trinity Capital of Jacksonville, Inc. is the investment adviser to these Selling Stockholders and as such has the power to direct such Selling Stockholders to dispose of and/or vote such shares. Therefore, Trinity Capital of Jacksonville, Inc. may be deemed to be the beneficial owner of the shares owned by such Selling Stockholders.

We have filed a registration statement with the SEC, of which this prospectus forms a part, with respect to the resale of the USA common stock subject to this prospectus from time to time under Rule 415 under the Securities Act. The USA common stock being offered under this prospectus is being

registered to permit public secondary trading of such USA common stock. The Selling Stockholders may offer the USA common stock subject to this prospectus for resale from time to time.

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Because the Selling Stockholders may dispose of all or a portion of their USA common stock, we cannot estimate the number of shares of USA common stock that will be held by the Selling Stockholders upon the termination of any such disposition. In addition, the Selling Stockholders identified above may sell, transfer or otherwise dispose of all or a portion of the USA common stock being offered under this prospectus in transactions exempt from the registration requirements of the Securities Act. See "PLAN OF DISTRIBUTION."

#### USA'S RELATIONSHIPS WITH THE SELLING STOCKHOLDERS

The USA common stock being offered under this prospectus by the Selling Stockholders was acquired by such Selling Stockholders from Paul G. Allen, who is a director of USA, on or about May 7, 2002 in private resale transactions.

In connection with the acquisition by the Selling Stockholders of the USA common stock being offered under this prospectus, we and the Selling Stockholders entered into two registration rights agreements (each, a "Registration Rights Agreement" and collectively, the "Registration Rights Agreements"), pursuant to which we granted registration rights relating to the USA common stock being offered under this prospectus. Pursuant to these Registration Rights Agreements, USA filed a registration statement, of which this prospectus is a part, with respect to the USA common stock subject to this prospectus on May 22, 2002. The Registration Rights Agreements are filed as exhibits to that registration statement and incorporated herein by reference.

One or more of the Selling Stockholders may have engaged in transactions with USA in the ordinary course of business of USA and such Selling Stockholders, all of which transactions have been negotiated at arms-length.

#### PLAN OF DISTRIBUTION

##### METHOD OF SALE

The Selling Stockholders may sell the USA common stock being offered under this prospectus directly to other purchasers, or to or through broker-dealers or agents, in separate transactions or in a single transaction. To the extent required, the number of shares of USA common stock to be sold, purchase price, public offering price, the names of any such agent or dealer and any applicable commission or discount with respect to a particular offering will be set forth in an accompanying prospectus supplement.

The shares of USA common stock being offered under this prospectus may be sold from time to time by the Selling Stockholders in any of the following ways:

- The USA common stock may be sold through a broker or brokers, acting as principals or agents. Transactions through broker-dealers may include block trades in which brokers or dealers will attempt to sell the USA common stock as agent but may position and resell the block as principal to facilitate the transaction. The USA common stock may be sold through dealers or agents or to dealers acting as market makers. Broker-dealers may receive compensation in the form of discounts, concessions, or commissions from the Selling Stockholders and/or the purchasers of the USA common stock for whom such broker-dealers may act as agents or to whom they sell as principal, or both (which compensation as to a particular broker-dealer might be in excess of customary commissions).
- The USA common stock may be sold on any national securities exchange or quotation service on which the USA common stock may be listed or quoted at the time of sale, in the over-the-counter market, or in transactions otherwise than on such exchanges or services or in the over-the-counter market.

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- The USA common stock may be sold in private sales directly to purchasers.

The Selling Stockholders may enter into hedging transactions with counterparties (including broker-dealers), and the counterparties may engage in short sales of the USA common stock in the course of hedging the positions they assume with the Selling Stockholders, including, without limitation, in connection with distribution of the USA common stock by such counterparties. Such counterparties may receive compensation in the form of underwriting discounts, concessions or commissions from the Selling Stockholders or the purchasers of the USA common stock for whom they may act as agents. In addition, the Selling Stockholders may sell short the USA common stock, and in such

instances, this prospectus may be delivered in connection with such short sales and the USA common stock offered hereby may be used to cover such short sales. The Selling Stockholders may also enter into option or other transactions with counterparties that involve the delivery of the USA common stock to the counterparties, who may then resell or otherwise transfer such USA common stock.

The Selling Stockholders may also loan or pledge the USA common stock and the borrower or pledgee may sell the USA common stock as loaned or upon a default may sell or otherwise transfer the pledged USA common stock.

USA common stock covered by this prospectus which qualifies for sale pursuant to Rule 144 of the Securities Act may be sold under Rule 144 rather than pursuant to this prospectus.

The Selling Stockholders reserve the right to accept and, together with their agents from time to time, to reject, in whole or in part, any proposed purchase of USA common stock to be made directly or through agents.

In order to comply with securities laws in certain jurisdictions, the USA common stock being offered by this prospectus will be offered or sold in such jurisdictions only through registered or licensed brokers or dealers. In addition, in certain jurisdictions the securities offered hereby may not be offered or sold unless they have been registered or qualified for sale in such jurisdictions or an exemption from registration or qualification is available and is complied with.

#### TIMING AND PRICE

The shares of USA common stock being offered under this prospectus may be sold from time to time by the Selling Stockholders. See "SELLING STOCKHOLDERS--USA'S RELATIONSHIPS WITH THE SELLING STOCKHOLDERS". There is no assurance that the Selling Stockholders will sell or dispose of any or all of their shares of USA common stock.

Under the Registration Rights Agreements entered into with the Selling Stockholders, we are required to keep the registration statement of which this prospectus is a part effective until the earlier of the date on which the Selling Stockholders no longer hold the USA common stock or May 2, 2004.

The Selling Stockholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, which provisions may limit the timing of purchases and sales of USA common stock by them.

The USA common stock being offered under this prospectus may be sold at a fixed price, which may be changed, or at varying prices determined at the time of sale or at negotiated prices. Such prices will be determined by the holders of such securities or by agreement between such holders and purchasers and/or dealers (who may receive fees or commissions in connection therewith).

#### PROCEEDS, COMMISSIONS AND EXPENSES

The aggregate proceeds to the Selling Stockholders from the sale of the USA common stock offered by them under this prospectus will be the purchase price of such USA common stock less

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discounts, concessions and commissions, if any. USA will not receive any proceeds from the sale of USA common stock by the Selling Stockholders.

The Selling Stockholders will be responsible for payment of commissions, concessions and discounts of dealers or agents. The Selling Stockholders will pay for the fees and expenses of their counsel, as well as all applicable stock transfer taxes, brokerage commissions, discounts or commissions. We will pay any printing costs, SEC filing fees and other fees, disbursements and out-of-pocket expenses and costs incurred by us in connection with the preparation of the registration statement of which this prospectus is a part and in complying with all applicable securities and blue sky laws.

The Selling Stockholders and any broker-dealers or agents that participate with the Selling Stockholders in the distribution of the USA common stock may be deemed to be "underwriters" within the meaning of the Securities Act, and any commissions received by them and any profit on the resale of the USA common stock may be deemed to be underwriting commissions or discounts under the Securities Act.

Under the Registration Rights Agreements described above, USA has agreed to indemnify the Selling Stockholders against certain liabilities, including certain liabilities arising under the Securities Act. The Selling Stockholders may agree to indemnify any agent, dealer or broker-dealer that participates in transactions involving sales of the USA common stock against certain

liabilities, including liabilities arising under the Securities Act.

#### NASDAQ LISTING STATUS

USA common stock is currently listed on the Nasdaq National Market under the symbol "USAI."

#### DESCRIPTION OF USA COMMON STOCK

Set forth below is a description of the USA common stock being offered under this prospectus. The following statements are brief summaries of, and are subject to the provisions of, our restated certificate of incorporation, as amended, our amended and restated by-laws, and the relevant provisions of the General Corporation Law of the State of Delaware.

As of the date of this prospectus, our authorized capital stock consists of 1,600,000,000 shares of USA common stock, par value \$0.01 per share, 400,000,000 shares of USA Class B common stock, par value \$0.01 per share, and 100,000,000 shares of preferred stock, par value \$0.01 per share. As of May 10, 2002, there were 350,252,365 shares of USA common stock outstanding, 63,033,452 shares of USA Class B common stock outstanding and 13,120,533 shares of USA preferred stock outstanding.

With respect to matters that may be submitted to a vote or for the consent of our stockholders generally, including the election of directors, each holder of USA common stock, USA Class B common stock and USA preferred stock will vote together as a single class. In connection with any such vote, each holder of USA common stock is entitled to one vote for each share of USA common stock held, each holder of USA Class B common stock is entitled to ten votes for each share of USA Class B common stock held and each holder of USA preferred stock is entitled to two votes for each share of USA preferred stock held. Notwithstanding the foregoing, the holders of USA common stock, acting as a single class, are entitled to elect 25% of the total number of our directors, and, in the event that 25% of the total number of directors shall result in a fraction of a director, then the holders of USA common stock, acting as a single class, are entitled to elect the next higher whole number of directors. In addition, Delaware law requires that certain matters be approved by the holders of USA common stock voting as a separate class.

Shares of USA Class B common stock are convertible into shares of USA common stock at the option of the holder thereof, at any time, on a share-for-share basis. Such conversion ratio will in all events be equitably preserved in the event of any recapitalization of USA by means of a stock dividend

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on, or a stock split or combination of, outstanding USA common stock or USA Class B common stock, or in the event of any merger, consolidation or other reorganization of USA with another corporation. Upon the conversion of USA Class B common stock into shares of USA common stock, those shares of USA Class B common stock will be retired and will not be subject to reissue. Shares of USA common stock are not convertible into shares of USA Class B common stock.

In all other respects, the USA common stock and the USA Class B common stock are identical. The holders of USA common stock and the holders of USA Class B common stock are entitled to receive, share for share, such dividends as may be declared by our board of directors out of funds legally available therefor. In the event of a liquidation, dissolution, distribution of assets or winding-up of USA, the holders of USA common stock and the holders of USA Class B common stock are entitled to share ratably in all assets of USA available for distribution to our stockholders, after the rights of the holders of the USA preferred stock, have been satisfied.

In connection with our acquisition of USA Network and Studios USA in 1998, we granted to Liberty preemptive rights to acquire shares of USA stock. These preemptive rights, which were amended in connection with the VUE transaction, generally provide that Liberty may elect to purchase a number of shares of USA stock so that the percentage equity interest Liberty owned of us immediately after a transaction would be the same as immediately before such transaction, in each case, assuming the exchange of all shares of Home Shopping Network owned by a subsidiary of Liberty. The purchase price for shares of USA stock pursuant to a preemptive right election is the fair market value of the USA stock purchased.

Our certificate of incorporation provides that there can be no stock dividends or stock splits or combinations of stock declared or made on USA common stock or USA Class B common stock unless the shares of USA common stock and USA Class B common stock then outstanding are treated equally and identically.

In connection with the acquisition of a controlling interest in Expedia, Inc., USA issued an aggregate of approximately 13,125,000 shares of its

preferred stock, par value \$0.01 per share, "Series A Cumulative Convertible Preferred Stock," each having a \$50.00 face value and a term of 20 years, which we refer to in this prospectus as USA preferred stock. Each share of USA preferred stock is convertible, at the option of the holder at any time, into that number of shares of USA common stock equal to the quotient obtained by dividing \$50 by the conversion price per share of USA common stock (as defined in the certificate of designation for the USA preferred stock). In the event of a voluntary or involuntary liquidation, dissolution or winding up of USA, holders of USA preferred stock shall be entitled to receive, in preference to any holder of USA common shares, an amount per share equal to all accrued and unpaid dividends plus the greater of (a) face value, or (b) the liquidating distribution that would be received had such holder converted the USA preferred stock into USA common stock immediately prior to the liquidation, dissolution or winding up of USA.

The arrangements described in this prospectus in the section "RISK FACTORS", and more fully described in the documents identified under the caption "WHERE YOU CAN FIND MORE INFORMATION", may have the effect of delaying, deferring or preventing a change in control of USA.

The transfer agent for the shares of USA common stock and USA preferred stock is The Bank of New York.

The shares of USA common stock being offered under this prospectus have been validly issued, are fully paid and are non-assessable.

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#### CERTAIN MATERIAL UNITED STATES FEDERAL TAX CONSEQUENCES

##### GENERAL

The following is a general discussion of certain material United States federal income and estate tax consequences of the ownership and disposition of USA common stock.

As used herein, a "United States person" is

- a citizen or resident of the United States;
- a corporation created or organized in the United States or under the laws of the United States or of any state;
- an estate the income of which is includible in gross income for United States federal income taxation regardless of its source;
- a trust if a court in the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust; or
- any person otherwise subject to United States federal income tax on a net income basis in respect of its worldwide taxable income.

A "U.S. Holder" is a beneficial owner of USA common stock who is a United States person. A "Non-U.S. Holder" is a beneficial owner that is not a U.S. Holder.

This discussion is based on current law, which is subject to change, possibly with retroactive effect, or different interpretations. This discussion is limited to holders who hold USA common stock as capital assets. Moreover, this discussion is for general information only and does not address all the tax consequences that may be relevant in light of your particular circumstances, nor does it discuss special tax provisions which may apply if you have relinquished United States citizenship or residence.

EACH PROSPECTIVE PURCHASER IS ADVISED TO CONSULT A TAX ADVISOR WITH RESPECT TO CURRENT AND POSSIBLE FUTURE TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF OUR COMMON STOCK, AS WELL AS ANY TAX CONSEQUENCES THAT MAY ARISE UNDER STATE, LOCAL, FOREIGN OR OTHER TAX LAWS.

##### TAXATION OF U.S. HOLDERS

This section describes the tax consequences to a U.S. Holder. If you are not a U.S. Holder, this section does not apply to you.

**DISTRIBUTIONS.** Distributions on USA common stock will constitute dividend income, taxable at ordinary income rates, to the extent of USA's current or accumulated earnings and profits. Any excess will be treated as non-taxable return of capital to the extent of the holder's basis in the common stock, and thereafter as capital gain.

**SALES OR EXCHANGES.** On the sale, exchange or other disposition of shares of USA common stock (other than a redemption of the common stock, discussed below), holders will generally recognize capital gain or loss equal to the difference between the sale proceeds and the adjusted tax basis in the stock sold, exchanged or disposed of. This gain or loss will be long-term capital gain or loss if at the time of the sale, exchange or disposition the holder has held the stock sold, exchanged or disposed of for more than one year. The deductibility of capital losses is subject to limitations.

**DIVIDENDS TO CORPORATE SHAREHOLDERS.** In general, a distribution on the USA common stock that is taxable as a dividend and that is made to a corporate shareholder will qualify for the 70% corporate

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dividends-received deduction under the Internal Revenue Code. However, a dividend that arises upon a redemption of common stock will generally constitute an "extraordinary dividend" under Section 1059 of the Internal Revenue Code. In addition, constructive dividends received on common stock within two years of the holder's acquisition of the stock may also constitute "extraordinary dividends." If the extraordinary dividend rules apply, the corporate shareholder may lose some or all of the benefits of the dividends-received deduction. Furthermore, there are many exceptions and restrictions relating to the availability of the dividends-received deduction. Consequently, corporate shareholders should consult their own tax advisors regarding the extent, if any, that the dividends-received deduction is available to them and the extent to which the extraordinary dividend rules may apply.

**REDEMPTION OF USA COMMON STOCK.** A redemption of USA common stock generally would be a taxable event and would be treated as if the holder sold the common stock if the redemption:

- results in a "complete termination" of the holder's interest in USA stock;
- is "substantially disproportionate" (i.e., after the redemption, the percentage of all our outstanding voting stock that is owned by the holder is less than 80% of the percentage of all our outstanding voting stock (and the percentage of all our outstanding common stock that is owned by the holder is less than 80% of the percentage of all our outstanding common stock) that was owned by the holder immediately before the redemption); or
- is "not essentially equivalent to a dividend" (i.e., the redemption must meaningfully reduce the holder's proportionate interest in USA based on the holder's particular circumstance; the Internal Revenue Service (the "IRS") has indicated that this test is satisfied by even a small reduction in the percentage interest of a shareholder whose relative stock interest in a publicly held corporation is minimal and who exercises no control over corporate affairs).

In determining whether any of these tests has been met, holders must take into account the shares of stock actually owned and the shares of stock constructively owned by reason of certain constructive ownership rules set forth in Section 318 of the Internal Revenue Code.

If stock is redeemed in a redemption that meets one of the tests described above, the holder generally would recognize taxable gain or loss equal to the difference between the amount of cash and the fair market value of property received and the holder's tax basis in the stock redeemed. This gain or loss would be long-term capital gain or capital loss if the stock were held for more than one year.

If a redemption does not meet any of the tests described above, the entire amount of the cash and the fair market value of property received generally would be taxed as a dividend as explained above under "Distributions." If a redemption is treated as a distribution that is taxable as a dividend, the holder's basis in the redeemed stock would generally be transferred to the holder's remaining shares of stock, if any.

**INFORMATION REPORTING AND BACKUP WITHHOLDING.** Information reporting will generally apply to dividends received on USA common stock and to the proceeds received on the sale or disposition of such stock by a U.S. Holder who is not an exempt recipient. Generally, individuals are not exempt recipients, whereas corporations are exempt recipients. Backup withholding will apply only if the U.S. Holder is not an exempt recipient and:

- fails to furnish its Taxpayer Identification Number ("TIN") which, in the case of an individual, is his or her Social Security Number;
- furnishes an incorrect TIN;

- in the case of dividends, is notified by the IRS that it has failed to properly report payments of interest or dividends; or

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- fails to certify, under penalty of perjury, that it has furnished a correct TIN, has not been notified by the IRS that it is subject to backup withholding (or has since been notified by the IRS that it is no longer subject to backup withholding) and is a U.S. person (including a U.S. resident alien).

U.S. Holders should consult their tax advisors regarding their qualification for exemption from backup withholding and the procedure for demonstrating such an exemption if applicable.

The amount of any backup withholding from a payment to a U.S. Holder is not an additional tax and is allowable as a credit against the U.S. Holder's United States federal income tax liability, if any, or may be claimed as a refund, provided that the required information is furnished to the IRS.

#### TAXATION OF NON-U.S. HOLDERS

This section describes the tax consequences to a Non-U.S. Holder. If you are a U.S. Holder, see the above discussion under "Taxation of U.S. Holders."

**DIVIDENDS.** If dividends are paid, Non-U.S. Holders will be subject to withholding of United States federal income tax at a 30% rate or a lower rate as may be specified by an applicable income tax treaty. To claim the benefit of a lower rate under an income tax treaty, Non-U.S. Holders must properly file with the payor an IRS Form W-8BEN, or successor form, claiming an exemption from or reduction in withholding under the applicable tax treaty. In addition, where dividends are paid or deemed paid to a Non-U.S. Holder that is a partnership or other pass through entity, persons holding an interest in the entity may need to provide certification claiming an exemption or reduction in withholding under the applicable treaty.

If actual or deemed dividends are considered effectively connected with the conduct of a trade or business within the United States and, where a tax treaty applies, are attributable to a United States permanent establishment, those dividends will not be subject to withholding tax, but instead will be subject to United States federal income tax on a net basis at applicable graduated individual or corporate rates, provided an IRS Form W-8ECI, or successor form, is filed with the payor. In the case of a foreign corporation, any effectively connected dividends may, under certain circumstances, be subject to an additional "branch profits tax" at a rate of 30% or a lower rate as may be specified by an applicable income tax treaty.

Non-U.S. Holders must comply with the certification procedures described above, or, in the case of payments made outside the United States with respect to an offshore account, certain documentary evidence procedures, directly or under certain circumstances through an intermediary, to obtain the benefits of a reduced rate under an income tax treaty with respect to dividends paid or deemed paid with respect to USA common stock. In addition, if a Non-U.S. Holder is required to provide an IRS Form W-8ECI or successor form, as discussed above, the Non-U.S. Holder must also provide its tax identification number.

Non-U.S. Holders that are eligible for a reduced rate of United States withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS.

**GAIN ON DISPOSITION OF USA COMMON STOCK.** Non-U.S. Holders generally will not be subject to United States federal income tax on any gain realized on the sale or other disposition of USA common stock unless:

- the gain is considered effectively connected with the conduct of a trade or business within the United States and, where a tax treaty applies, is attributable to a United States permanent establishment (and, in which case, if the holder is a foreign corporation, may be subject to an

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additional "branch profits tax" equal to 30% or a lower rate as may be specified by an applicable income tax treaty);

- the holder is an individual who holds the USA common stock as a capital asset and is present in the United States for 183 or more days in the taxable year of the sale or other disposition and other conditions are met; or
- we are or have been a "United States real property holding corporation,"

or a USRPHC, for United States federal income tax purposes. We believe that we are not currently, and are not likely to become, a USRPHC. If we were to become a USRPHC, then gain on the sale or other disposition of USA common stock generally would not be subject to United States federal income tax provided:

- USA common stock were "regularly traded" on an established securities market; and
- the holder did not actually or constructively own more than 5% of the USA common stock during the shorter of the five-year period preceding the disposition or the holder's holding period.

FEDERAL ESTATE TAX. In the case of an individual, USA common stock held at the time of death will be included in the individual's gross estate for United States federal estate tax purposes, and may be subject to United States federal estate tax, unless an applicable estate tax treaty provides otherwise.

INFORMATION REPORTING AND BACKUP WITHHOLDING. We must report annually to the IRS and to each holder the amount of dividends paid or deemed paid and the tax withheld with respect to those dividends, regardless of whether withholding was required. Copies of the information returns reporting those dividends and withholding may also be made available to the tax authorities in the country in which a Non-U.S. Holder resides under the provisions of an applicable income tax treaty or other applicable agreements.

Backup withholding is generally imposed on certain payments to persons that fail to furnish the necessary identifying information to the payor. Generally Non-U.S. Holders will be subject to back-up withholding tax with respect to dividends paid on USA common stock unless they certify their status as Non-U.S. Holders.

The payment of proceeds of a sale of USA common stock effected by or through a United States office of a broker will be subject to both backup withholding and information reporting unless the holder provides the payor with the holder's name and address and certifies its Non-U.S. Holder status or otherwise establishes an exemption. In general, backup withholding and information reporting will not apply to the payment of the proceeds of a sale of USA common stock by or through a foreign office of a broker. If, however, such broker is, for United States federal income tax purposes, a United States person, a controlled foreign corporation, a foreign person that derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the United States, or, a foreign partnership that at any time during its tax year either is engaged in the conduct of a trade or business in the United States or has as partners one or more United States persons that, in the aggregate, hold more than 50% of the income or capital interest in the partnership, such payments will be subject to information reporting, but not backup withholding, unless such broker has documentary evidence in its records that the holder is a Non-U.S. Holder and certain other conditions are met or the holder otherwise establishes an exemption.

Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against the holder's United States federal income tax liability provided the required information is furnished in a timely manner to the IRS.

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#### LEGAL MATTERS

The validity of the USA common stock offered by this prospectus is being passed upon for us by Wachtell, Lipton, Rosen & Katz, New York, New York.

#### EXPERTS

Ernst & Young LLP, independent auditors, have audited the consolidated financial statements and financial statement schedule of USA as set forth in their report, included in USA Networks, Inc.'s (renamed USA Interactive) Annual Report on Form 10-K for the year ended December 31, 2001, which is incorporated by reference in this prospectus. USA's consolidated financial statements and financial statement schedule are incorporated by reference in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

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#### PART II INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION



The following table sets forth the various costs and expenses, payable by the Registrant, in connection with the sale of USA common stock being registered, other than broker-dealer discounts and commissions which are payable by the Selling Stockholders. All amounts are estimates except the SEC registration fee.

ITEM AMOUNT - -----	SEC Registration	
Fee.....		\$ 53,109
	Printing Fees and	
Expenses.....	10,000	Legal
Fees and Expenses.....		
	20,000	
Miscellaneous.....		
	5,000	-----
Total.....		\$
	88,109	

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Registrant's Restated Certificate of Incorporation limits, to the maximum extent permitted by Delaware law, the personal liability of directors for monetary damages for breach of their fiduciary duties as a director. The Registrant's Amended and Restated By-Laws provide that the directors and officers (and legal representatives of such directors and officers) will be indemnified to the fullest extent authorized by the Delaware General Corporation Law with respect to third-party actions, suits, investigations or proceedings provided that any such person has met the applicable standard of conduct set forth in the Delaware General Corporation Law described below. The Registrant's Amended and Restated By-Laws further provide that directors and officers (and legal representatives of such directors and officers) will be indemnified with respect to actions or suits initiated by such person only if such action was first approved by the board of directors. The Registrant's Amended and Restated By-Laws allow the Registrant to pay all expenses incurred by a director or officer (or legal representatives of such directors or officers) in defending any proceeding in which the scope of the indemnification provisions as such expenses are incurred in advance of its final disposition, upon an undertaking by such party to repay such expenses, if it is ultimately determined that such party was not entitled to indemnity by the Registrant. From time to time, officers and directors may be provided with indemnification agreements that are consistent with the foregoing provisions. The Registrant believes that these agreements and arrangements are necessary to attract and retain qualified persons as directors and officers.

Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify a director, officer, employee or agent who was or is a party, or is threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he was a director, officer, employee or agent of the corporation or was serving at the request of the corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

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ITEM 16. EXHIBITS

The following exhibits are filed as part of this registration statement:

EXHIBIT NO.  
 DESCRIPTION  
 -----  
 -----  
 -----  
 -----  
 -----  
 -----  
 -----  
 -----  
 ----- 4.1  
 Registration  
 Rights  
 Agreement,  
 dated as of  
 May 2,  
 2002, by  
 and among  
 the  
 Registrant

and Legg  
Mason  
Capital  
Management,  
Inc. and  
Legg Mason  
Funds  
Management,  
Inc. 4.2  
Registration  
Rights  
Agreement,  
dated as of  
May 2,  
2002, by  
and among  
the  
Registrant  
and the  
Selling  
Stockholders  
(as defined  
in the  
accompanying  
prospectus,  
other than  
Legg Mason  
Capital  
Management,  
Inc. and  
Legg Mason  
Funds  
Management,  
Inc.). 5.1  
Opinion of  
Wachtell,  
Lipton,  
Rosen &  
Katz,  
regarding  
the  
legality of  
the USA  
common  
stock being  
registered.  
23.1  
Consent of  
Ernst &  
Young LLP.  
23.2  
Consent of  
Wachtell,  
Lipton,  
Rosen &  
Katz  
(included  
in Exhibit  
5.1). 24  
Power of  
Attorney.

#### ITEM 17. UNDERTAKINGS

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement to include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to such information in this registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the Securities being registered which remain unsold at the

termination of the offering.

(4) That, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on May 22, 2002.

USA INTERACTIVE

By: /s/ BARRY DILLER\*

-----  
Barry Diller  
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to the requirements of the Securities Act, this registration statement has been signed below by the following persons in the capacities indicated as of May 22, 2002.

SIGNATURE  
TITLE -----

-----  
/s/ BARRY  
DILLER\* -----

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--- Chairman  
of the  
Board, Chief  
Executive  
Officer

Barry Diller  
and Director  
/s/ VICTOR  
A. KAUFMAN\*

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----- Vice  
Chairman and  
Director  
Victor A.  
Kaufman /s/  
WILLIAM J.  
SEVERANCE\* -  
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----- Vice  
President  
and  
Controller  
(Chief  
William J.  
Severance  
Accounting  
Officer) /s/  
DARA  
KHOSROWSHAHI\*

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-----  
Executive  
Vice  
President  
and Chief  
Financial  
Dara  
Khosrowshahi  
Officer /s/  
PAUL G.  
ALLEN\* -----

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-----  
-- Director  
Paul G.  
Allen /s/  
ROBERT R.  
BENNETT\* ---

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Director  
Robert R.  
Bennett /s/  
EDGAR  
BRONFMAN,  
JR.\* -----

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Director  
Edgar  
Bronfman,  
Jr.

SIGNATURE  
TITLE -----  
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/s/ ANNE M.  
BUSQUET\* --

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-----  
Director  
Anne M.  
Busquet /s/  
PHILIPPE  
GERMOND\* --

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-----  
Director  
Philippe  
Germond /s/  
DONALD R.  
KEOUGH\* ---

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Director  
Donald R.  
Keough /s/  
MARIE-JOSEE  
KRAVIS\* ---  
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Director  
Marie-Josée  
Kravis /s/  
PIERRE  
LESCURE\* --  
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Director  
Pierre  
Lescure /s/  
JOHN C.  
MALONE\* ---  
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Director  
John C.  
Malone /s/  
JEAN-MARIE  
MESSIER\* --  
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Director  
Jean-Marie  
Messier /s/  
WILLIAM D.  
SAVOY\* ----  
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Director  
William D.  
Savoy /s/  
GEN. H.  
NORMAN  
SCHWARZKOPF\*  
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Director  
Gen. H.  
Norman  
Schwarzkopf  
/s/ DIANE  
VON  
FURSTENBERG\*  
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-----  
Director  
Diane Von  
Furstenberg

\* By Power of Attorney

By: /s/ JULIUS GENACHOWSKI  
-----  
Julius Genachowski

INDEX TO EXHIBITS

EXHIBIT NO.  
DESCRIPTION

- - - - -  
- - - - -  
- - - - -  
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----- 4.1

Registration Rights Agreement, dated as of May 2, 2002, by and among the Registrant and Legg Mason Capital Management, Inc. and Legg Mason Funds Management, Inc. 4.2

Registration Rights Agreement, dated as of May 2, 2002, by and among the Registrant and the Selling Stockholders (as defined in the accompanying prospectus, other than Legg Mason Capital Management, Inc. and Legg Mason Funds Management, Inc.). 5.1

Opinion of Wachtell, Lipton, Rosen & Katz, regarding the legality of the USA common stock being registered. 23.1

Consent of Ernst & Young LLP. 23.2

Consent of Wachtell, Lipton, Rosen & Katz

(included  
in Exhibit  
5.1). 24  
Power of  
Attorney.

CONFIDENTIAL

## REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this "Agreement"), is dated as of May 2, 2002, by and between:

1. USA NETWORKS, INC, a company incorporated under the laws of the state of Delaware whose principal executive offices are at 152 West 57th Street, New York, New York 10019 ("USA"); and
2. LEGG MASON CAPITAL MANAGEMENT, INC., on behalf of the asset management clients for which Legg Mason Capital Management, Inc. has discretionary authority (the "LMCMI Shareholder" or a "Shareholder") and LEGG MASON FUNDS MANAGEMENT, INC., on behalf of the investment companies for which it is investment advisor (the "LMFM Shareholder," or a "Shareholder," and together with the LMCMI Shareholder, the "Shareholders").

## W I T N E S S E T H:

WHEREAS, simultaneously with the execution hereof, the Shareholders have agreed to acquire an aggregate of 11,500,000 shares of common stock of USA, par value \$0.01 per share ("Common Stock"), in a private sale (the "Transaction") exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to the terms and subject to the conditions set forth in a Stock Purchase Agreement, dated as of May 2, 2002 (the "Acquisition Agreement") (capitalized terms used in this Agreement and not otherwise defined shall have the meanings ascribed to such terms in the Acquisition Agreement);

WHEREAS, USA has agreed, on the terms and subject to the conditions set forth herein, to provide registration rights to the initial purchasers in the Transaction and Affiliates (as defined herein) of the Shareholders who become holders of the Registrable Securities with respect to the shares of Common Stock acquired by the Shareholders in the Transaction.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual agreements, covenants, representations and warranties contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. SHELF REGISTRATION STATEMENT.

1.1 FILING; EFFECTIVE PERIOD. USA shall prepare and file with the Securities and Exchange Commission (the "SEC") as soon as reasonably practicable, but in no event

more than 30 days after the date hereof, a Registration Statement on Form S-3 (or other appropriate form should Form S-3 be unavailable for USA) for an offering to be made on a delayed or continuous basis pursuant to Rule 415 of the Securities Act of 1933, as amended (the "Securities Act"), registering the resale from time to time of the Registrable Securities and shall use reasonable best efforts to cause such Registration Statement to become effective as soon as practicable following the date hereof and remain effective until the earlier of (i) the date on which all Registrable Securities have been sold pursuant to the Registration Statement, and (ii) the second anniversary of the date hereof; provided, that USA may suspend the effectiveness of such Registration Statement if and only for so long as (i) the situation described in subsection 3(f)(i) exists or (ii) USA determines that such registration would require premature disclosure of material information relating to a pending corporate development; provided, further, that (i) any period of continuous suspension shall not exceed twenty (20) business days, and (ii) the Registration Statement shall not be suspended for an aggregate of greater than sixty (60) business days in any calendar year. USA shall promptly notify the Shareholders of the effective date of the Registration Statement by e-mail to the address set forth on the signature page hereof. USA's obligation under this Section 1.1 is subject to the Shareholders' timely cooperation in supplying information in connection with the preparation and filing of the Registration Statement.

1.2 REGISTRABLE SECURITIES. For purposes of this Agreement "Registrable Securities" shall mean only those shares of Common Stock acquired by the Shareholders in the Transaction or transferred to Affiliates thereof, and any shares received in connection with such shares of Common Stock as a result of a stock split, stock dividend, or similar transaction. For purposes of this Agreement, an "Affiliate" of a Shareholder shall mean (i) any person directly or



indirectly controlling, controlled by, or under common control with such Shareholder (ii) with respect to a Shareholder that is a fund or account, shall also include any fund or account managed on a discretionary basis by the same manager that manages such Shareholder.

1.3 REGISTRATION STATEMENT EXPENSES. All fees, disbursements and out-of-pocket expenses and costs incurred by USA in connection with the preparation of the Registration Statement under this Section 1 and in complying with applicable securities and blue sky laws shall be borne by USA, including, without limitation, printing costs, listing fees and SEC filing fees applicable to the Registrable Securities being registered and all attorneys' fees of USA. The Shareholders shall bear all costs and expenses incurred by them applicable to the Registrable Securities being registered, including any brokerage discounts, fees or commissions relating thereto, and the fees and expenses of their respective counsel.

1.4 SHAREHOLDER REVIEW OF REGISTRATION STATEMENT AND COMMENT LETTERS. Each Shareholder and its respective counsel ("Counsel") shall have a reasonable period, not to exceed five (5) business days, to review the proposed Registration Statement or any

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amendment thereto, prior to filing with the SEC, and USA shall provide Counsel with copies of any comment letters received from the SEC with respect thereto within two (2) business days of receipt thereof.

1.5 QUALIFICATIONS. USA shall qualify any of the Registrable Securities for sale in such states as Counsel reasonably designates and shall furnish indemnification in the manner provided in Section 4 hereof. However, USA shall not be required to qualify in any state which will require an escrow or other restriction relating to USA and/or the sellers, or which will require USA to qualify to do business in such state or require USA to file therein any general consent to service of process in or otherwise subject USA or its subsidiaries to any adverse business or financial consequences, including, without limitation, being subject to state income or other state taxes.

1.6 MANNER OF SALE. The Shareholders shall not be permitted to use the Registration Statement for purposes of an underwritten offering without the consent of USA.

1.7 BLACKOUT PERIODS. If at any time after the Registration Statement is effective a Shareholder in good faith intends to sell, transfer or otherwise dispose of any Registrable Securities pursuant to the Registration Statement, the Shareholder or its Counsel shall provide USA with written notice of the proposed date of sale, transfer or disposition (the "Sale Date") no later than 3 business days prior to the proposed sale date (the "Sale Notice"). If within 48 hours of its receipt of a Sale Notice, USA in good faith notifies the Shareholder or Counsel that the Registration Statement has been suspended pursuant to the provisions of Section 1.1, the Shareholder shall suspend any sales, transfers or other dispositions until receipt of notice that the suspension has been lifted. In the event that a pending corporate development that gave rise to a suspension under Section 1.1 has been terminated or publicly disclosed, USA will promptly as practicable take such action as is necessary to allow the sale of the Registrable Securities under the Registration Statement. Upon termination of any suspension period under Section 1.1, USA shall send immediate notice thereof to any Shareholder that has sent USA a Sale Notice. Nothing herein shall be deemed to obligate a Shareholder to sell all or any of its Registrable Securities.

2. COOPERATION WITH USA; REPRESENTATION. Each Shareholder shall cooperate with USA in connection with this Section 2 by timely supplying all information reasonably requested by USA (which shall include all information regarding the Shareholder and the proposed manner of sale of the Registrable Securities required to be disclosed in the Registration Statement) and executing and returning all documents reasonably requested in connection with the registration and sale of the Registrable Securities. A Shareholder's obligations under this Section 2 shall include compliance by the Shareholder with respect to information to be provided by Shareholder in connection with the Registration Statement, the prospectus (the "Prospectus") related thereto, or any supplement or amendment thereto, with the provisions of Sections 3(a), (f) and (g). Each

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Shareholder represents and warrants to USA that any sale by the Shareholder of its Registrable Securities, whether pursuant to a Registration Statement or otherwise, shall be made in compliance with applicable federal, state and foreign securities laws, to the extent such compliance is within the control of the Shareholder.

3. REGISTRATION PROCEDURES. If and whenever USA is required by any of the provisions of this Agreement to effect the registration of any of the Registrable Securities under the Securities Act, USA shall (except as otherwise provided in this Agreement), as expeditiously as possible, subject to the Shareholder's assistance and cooperation as reasonably required:

(a) (i) prepare and file with the SEC such amendments and supplements to the Registration Statement and the Prospectus as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the sale or other disposition of all securities covered by such registration statement whenever the Shareholders shall desire to sell or otherwise dispose of the Registrable Securities (including prospectus supplements with respect to the sales of securities from time to time in connection with a registration statement pursuant to Rule 415 promulgated under the Securities Act) and (ii) take all lawful action such that each of (A) the Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and (B) the Prospectus, and any amendment or supplement thereto, does not at any time during the period in which the Registration Statement is effective include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, provided, however, that the obligations of USA set forth in this subparagraph shall not apply to the extent that such statement or omission relates to information to be provided by a Shareholder, so long as USA has included such information as provided by such Shareholder (or failed to include it due to such Shareholder's failure to provide such information);

(b) (i) prior to the filing with the SEC of any Registration Statement (including any amendments thereto) and the distribution or delivery of the Prospectus (including any supplements thereto), provide draft copies thereof to Counsel and (ii) furnish to Counsel such numbers of copies of the Prospectus (including a preliminary prospectus or any amendment or supplement to the Prospectus), as applicable, in conformity with the requirements of the Securities Act, and such other documents, as Counsel may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities; and USA hereby consents to the use of such Prospectus or each amendment or

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supplement thereto by each Shareholder in connection with the offering and sale of the Registrable Securities covered by such Prospectus or any amendment or supplement thereto in the manner set forth therein;

(c) comply with the blue sky laws with respect to the Registrable Securities, and do any and all other acts and things which may be reasonably necessary or advisable to enable the Shareholders to consummate the public sale or other disposition in such jurisdiction of the Registrable Securities, except that USA shall not for any such purpose be required to qualify to do business as a foreign corporation in any jurisdiction wherein it is not so qualified or to file therein any general consent to service of process;

(d) prepare and file with the SEC such amendments and supplements to the Registration Statement and the Prospectus as may be necessary (i) to reflect a change in a "Shareholder" hereunder that results from a transfer of Registrable Securities to an Affiliate that is not a sale under the Registration Statement and (ii) to reflect any change in information about a Shareholder contained in the Registration Statement or Prospectus, in each case as promptly as practicable after receipt of written notice of the change from the applicable Shareholder, and, in the event of an amendment, take all reasonable actions to ensure that such amendment becomes effective as promptly as practicable;

(e) list such Registrable Securities on each securities exchange or quotation system on which similar securities issued by USA are then listed, if the listing of such Registrable Securities is then permitted under the rules of such exchange or quotation system or if the listing requirements are waived, or list such Registrable Securities on a mutually agreeable securities exchange or quotation system if the listing of such Registrable Securities is then permitted under the rules of such exchange or quotation system or if the listing requirements are waived. If listing on an exchange cannot be

immediately effected, then it shall be accomplished as soon as possible;

(f) (i) notify Counsel as provided in Section 1.7 at any time when the Prospectus is required to be delivered under the Securities Act, of the happening of any event of which it has knowledge as a result of which the Prospectus, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and (ii) prepare and file a curative amendment or curative supplement under Section 3(a) as quickly as commercially possible;

(g) as promptly as practicable after becoming aware of such event, notify Counsel of the issuance by the SEC or any state authority of any stop order or other suspension of the effectiveness of the Registration Statement at the

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earliest possible time and take all lawful action to effect the withdrawal, rescission or removal of such stop order or other suspension;

(h) maintain a transfer agent for its securities; and

(i) cooperate with each Shareholder to facilitate the timely preparation and delivery of certificates representing Registrable Securities sold pursuant to a Registration Statement and cause such certificates to be registered in such names as the Shareholder may request in writing; provided however, that the Shareholder shall be responsible to pay any applicable transfer fees and taxes.

#### 4. INDEMNIFICATION AND CONTRIBUTION.

4.1 INDEMNIFICATION BY USA. USA agrees to indemnify and hold harmless the Shareholders and each person, if any, who controls a Shareholder within the meaning of the Securities Act (collectively with the Shareholder, the "Distributing Shareholder") against any losses, claims, damages or liabilities, joint or several (which shall, for all purposes of this Agreement, include, but not be limited to, all reasonable costs of defense and investigation and all reasonable attorneys' fees), to which the Distributing Shareholder may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, or any related preliminary prospectus, the Prospectus or amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein in light of the circumstances under which they were made not misleading; PROVIDED, HOWEVER, that USA will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, preliminary prospectus, the Prospectus or amendment or supplement thereto in reliance upon, and in conformity with, information furnished to USA in writing by the Distributing Shareholder specifically for use in the preparation thereof. This Section 4.1 shall not inure to the benefit of any Distributing Shareholder with respect to any person asserting such loss, claim, damage or liability who purchased the Registrable Securities which are the subject thereof if the Distributing Shareholder failed to send or give a copy of the Prospectus, or any amendment or supplement thereto, to such person at or prior to the written confirmation to such person of the sale of such Registrable Securities, where the Distributing Shareholder was obligated to do so under the Securities Act or the rules and regulations promulgated thereunder and where the document required to be distributed would have corrected the misstatement or alleged misstatement or the omission or alleged omission. This indemnity agreement, together with the contribution agreement contained herein, shall be in addition to any liability which USA may otherwise have with respect to the matters described herein.

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4.2 INDEMNIFICATION BY A SHAREHOLDER. Each Shareholder agrees that it will, severally and not jointly, indemnify and hold harmless USA, and each officer, director of USA or person, if any, who controls USA within the meaning of the Securities Act, against any losses, claims, damages or liabilities, joint or several (which shall, for all purposes of this Agreement, include, but not be limited to, all reasonable costs of defense and investigation and all reasonable attorneys' fees) to which USA or any such officer, director or controlling

person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, or any related preliminary prospectus, the Prospectus or amendment or supplement thereto, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein in light of circumstances under which they were made not misleading, but in each case only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, preliminary prospectus, the Prospectus or amendment or supplement thereto in reliance upon, and in conformity with, written information furnished to USA by such Shareholder specifically for use in the preparation thereof. This indemnity agreement will be in addition to any liability which the Shareholder may otherwise have to USA with respect to the matters described herein.

4.3 CONTRIBUTION. In order to provide for just and equitable contribution under the Securities Act in any case in which the indemnification provided in Section 4.1 or 4.2 is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages or liabilities, then USA and the applicable Shareholder shall contribute to the payment or satisfaction of the aggregate losses, claims, damages or liabilities to which they may be subject (which shall, for all purposes of this Agreement, include, but not be limited to, all reasonable costs of defense and investigation and all reasonable attorneys' fees), in either such case (after contribution from others) on the basis of relative fault as well as any other relevant equitable considerations, which shall include both the relative fault of the parties and the relative benefits to the parties. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by USA on the one hand or the applicable Shareholder on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. USA and the Shareholders agree that it would not be just and equitable if contribution pursuant to this Section 4.3 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 4.3. The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this Section 4.3 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with

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investigating or defending any such action or claim. Notwithstanding the provisions of this Section 4.3, no Shareholder shall be required to indemnify or contribute any amount in excess of the amount by which the total price at which the Registrable Securities sold by such Shareholder exceeds the amount of damages that such Shareholder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 4.3, each person, if any, who controls a Shareholder, within the meaning of the Securities Act, shall have the same rights to contribution as the Shareholders and each person who controls the Company, within the meaning of the Securities Act, shall have the same rights to contribution as the Company.

4.4 NOTIFICATION. Promptly after receipt by an indemnified party under this Section 4 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 4, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve the indemnifying party from any liability which it may have to any indemnified party except to the extent of actual prejudice demonstrated by the indemnifying party. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate in, and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, assume the defense thereof, subject to the provisions herein stated, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section 4 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation, unless the indemnifying party shall not pursue the action to its final conclusion. The indemnified party shall have the right to employ separate counsel in any such action and to participate in the

defense thereof, but the fees and expenses of such counsel shall not be at the expense of the indemnifying party (nor shall such party control the defense thereof) if the indemnifying party has assumed the defense of the action with counsel reasonably satisfactory to the indemnified party; PROVIDED, HOWEVER, that the fees and expenses of counsel to the indemnified party shall be at the expense of the indemnifying party if (i) the employment of such counsel has been specifically authorized in writing by the indemnifying party, or (ii) the named parties to any such action (including any impleaded parties) include both the Distributing Shareholder and USA and the indemnified party shall have been advised by such counsel in writing that there may be one or more legal defenses available to the indemnifying party in conflict with any legal defenses which may be available to the indemnified party (in which case the indemnifying party shall not have the right to assume the defense of such action on behalf of the indemnified party, it being understood,

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however, that the indemnifying party shall, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable only for the reasonable fees and expenses of one separate firm of attorneys for the indemnified party, which firm shall be designated in writing by the indemnified party and be approved by the indemnifying party). No settlement of any action against an indemnified party shall be made without the prior written consent of the indemnified party, which consent shall not be unreasonably withheld, PROVIDED, FURTHER, that a settlement which does not include an admission of liability by the indemnified party nor the payment of any monetary or other damages by such party shall not require such consent.

4.5 INDEMNIFICATION EXPENSES. All fees and expenses of the indemnified party (including reasonable costs of defense and investigation in a manner not inconsistent with this Section and all reasonable attorneys' fees and expenses) shall be promptly paid to the indemnified party, as incurred, within ten (10) business days of written notice thereof (accompanied by customary documentation detailing such expenses) to the indemnifying party; PROVIDED, HOWEVER, that the indemnifying party may require such indemnified party to undertake to reimburse all such fees and expenses to the extent it is finally judicially determined that such indemnified party is not entitled to indemnification hereunder.

5. REPRESENTATIONS AND WARRANTIES OF THE SHAREHOLDERS. Each Shareholder hereby represents and warrants to USA as follows:

5.1 DUE ORGANIZATION. If the Shareholder is a corporation, the Shareholder is a corporation duly organized, is validly existing and is in good standing under the laws of its jurisdiction of formation. If the Shareholder is a partnership or limited liability company, the shareholder is duly organized, validly existing and in good standing under the laws of the jurisdiction where it is organized. If the Shareholder is an individual, the Shareholder has the legal capacity to enter into this Agreement.

5.2 POWER; DUE AUTHORIZATION; BINDING AGREEMENT. The Shareholder has full legal capacity, power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the Shareholder and constitutes a valid and binding agreement of the Shareholder, enforceable against the Shareholder in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting or relating to the enforcement of creditors rights generally and to general principles of equity.

5.3 NO CONFLICTS. The execution and delivery of this Agreement by the Shareholder does not, and the performance of the terms of this Agreement by the Shareholder will not, (a) require the Shareholder or any of its affiliates to obtain the consent or approval of, or make any filing with or notification to, any governmental or regulatory authority, domestic or foreign, (b) require the consent or approval of any other

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person pursuant to any material agreement, obligation or instrument binding on the Shareholder or its properties and assets, (c) conflict with or violate any organizational document or law, rule, regulation, order, judgment or decree applicable to the Shareholder or pursuant to which any of its or its affiliates' respective properties or assets are bound or (d) violate any other agreement to which the Shareholder or any of its affiliates is a party including, without limitation, any voting agreement, stockholders agreement, irrevocable proxy or voting trust, except for any consent, approval, filing or notification which has been obtained as of the date hereof or the failure of which to obtain, make or give would not, or any conflict or violation which would not, prevent, delay or

materially adversely effect the consummation of the transactions contemplated by this Agreement.

## 6. REPRESENTATIONS AND WARRANTIES OF USA.

6.1 REPRESENTATIONS AND WARRANTIES. USA hereby represents and warrants to the Shareholders as follows: USA is a corporation duly organized, validly existing and in good standing under the laws of the state of Delaware. USA has full corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation by USA of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of USA, and no other proceedings on the part of USA are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by USA and constitutes a valid and binding agreement of USA, subject to applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting or relating to the enforcement of creditors rights generally and to general principles of equity.

6.2 NO CONFLICTS. The execution and delivery of this Agreement by USA does not, and the performance of the terms of this Agreement by USA will not, (a) require USA or any of its affiliates to obtain the consent or approval of, or make any filing with or notification to, any governmental or regulatory authority, domestic or foreign (other than the requirements under the Securities Act and state securities laws with respect to the Registration Statement and the sale of the Registrable Securities thereunder), (b) require the consent or approval of any other person pursuant to any material agreement, obligation or instrument binding on the USA or its properties and assets, (c) conflict with or violate any organizational document or law, rule, regulation, order, judgment or decree applicable to USA or pursuant to which any of its or its affiliates' respective properties or assets are bound or (d) violate any other agreement to which USA or any of its affiliates is a party including, without limitation, any registration rights agreement, except in each case for any consent, approval, filing or notification which has been obtained as of the date hereof or the failure of which to obtain, make or give would not, or any conflict or violation which would not, have a material adverse affect on the

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Company or prevent, materially delay or materially adversely affect the consummation of the transactions contemplated by this Agreement.

## 7. MISCELLANEOUS.

7.1 FURTHER ASSURANCES. From time to time, at the request of USA or a Shareholder and without further consideration, the Shareholders or USA, respectively, shall execute and deliver such additional documents and take all such further action as may be necessary or desirable to consummate and make effective the transactions contemplated by this Agreement.

7.2 SURVIVAL. The representations and warranties made herein shall not survive the termination of this Agreement. Sections 4.1, 4.2, 4.3, 4.4, 4.5 and 7.2 of this Agreement shall survive any termination of this Agreement.

7.3 ENTIRE AGREEMENT; NO THIRD PARTY BENEFICIARIES; ASSIGNMENT. This Agreement, together with the Acquisition Agreement, constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. Except as set forth in the preceding sentence, nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement. This Agreement shall not be assigned or transferred, whether by merger, consolidation, asset disposition, operation of law or otherwise, and shall be binding upon and inure solely to the benefit of each party hereto.

7.4 AMENDMENTS. This Agreement may not be modified, amended, altered or supplemented, except upon the execution and delivery of a written agreement executed by each of the parties hereto. Notwithstanding the foregoing, an Affiliate of a Shareholder that acquires any of the Registrable Securities pursuant to the terms and conditions of this Agreement shall be entitled to the benefits and burdens of this Agreement as though such Affiliate were a signatory hereto.

7.5 NOTICES. All notices, requests and other communications to any party under this Agreement shall be in writing (including a facsimile or similar writing) and shall be given to a party hereto at the address or facsimile number set forth for such party on the signature page hereof or as such party shall at any time otherwise specify by notice to each of the other parties to such

agreement or instrument. Each such notice, request or other communication shall be effective (i) if given by facsimile, at the time such facsimile is transmitted and the appropriate confirmation is received (or, if such time is not during a business day, at the beginning of the next such business day), (ii) if given by mail, five business days (or, if to an address outside the United States, ten calendar days) after such communication is deposited in the United States mails with first-class postage prepaid, addressed as aforesaid, or (iii) if given by any other means, when delivered at the

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address specified pursuant hereto. Further, all such documents to be delivered to USA shall be copied to:

Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, New York 10019  
Attention: Pamela S. Seymon  
Facsimile: (212) 403-2000

#### 7.6 GOVERNING LAW.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

(b) Each party hereto irrevocably submits to the jurisdiction of any Delaware state court or any federal court sitting in the State of Delaware in any action arising out of or relating to this Agreement, and hereby irrevocably agrees that all claims in respect of such action may be heard and determined in such Delaware state or federal court. Each party hereto hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. The parties hereto further agree, to the extent permitted by law, that final and unappealable judgment against any of them in any action or proceeding contemplated above shall be conclusive and may be enforced in any other jurisdiction within or outside the United States by suit on the judgment, a certified copy of which shall be conclusive evidence of the fact and amount of such judgment.

(c) To the extent that any party hereto has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, each party hereto hereby irrevocably waives such immunity in respect of its obligations with respect to this Agreement.

(d) Each party hereto waives, to the fullest extent permitted by applicable laws, any right it may have to a trial by jury in respect of any action, suit or proceeding arising out of or relating to this Agreement. Each party hereto certifies that it has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications set forth above in this Section.

7.7 REMEDIES. Each of the Shareholders and USA recognize and acknowledge that a breach by it of any covenants or agreements contained in this Agreement will cause the other party to sustain irreparable injury and damages, for which money damages

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would not provide an adequate remedy, and therefore each of the Shareholders and USA agrees that in the event of any such breach by another party hereto, the Shareholders or USA, as the case may be, shall be entitled to the remedy of specific performance of such covenants and agreements and injunctive and other equitable relief.

7.8 COUNTERPARTS. This Agreement may be executed by facsimile and in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same Agreement.

7.9 DESCRIPTIVE HEADINGS. The descriptive headings used herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

7.10 SEVERABILITY. Whenever possible, each provision or portion of any

provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

7.11 TERMINATION. This Agreement shall terminate if the Transaction is not completed on or before May 7, 2002, unless extended by the parties hereto.

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SIGNATURE PAGE - REGISTRATION RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Registration Rights Agreement to be duly executed and delivered as of the day and year first above written.

USA NETWORKS, INC.

By: \_\_\_\_\_

Name:  
Title:

ADDRESS FOR NOTICES:  
USA NETWORKS, INC.  
152 West 57th Street  
New York, New York 10019  
Attn: Office of the General Counsel  
Fax: 212 314 7329

NAME OF SHAREHOLDER:

ADDRESS FOR NOTICES (Please Print):

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SIGNATURE:

Attention: \_\_\_\_\_

By: \_\_\_\_\_

Telecopy: \_\_\_\_\_

Name:  
Title:

E-mail (Section 1.1): \_\_\_\_\_

Exact Name to appear on Stock Certificate: See accompanying letter

Number of Registrable Shares: \_\_\_\_\_

[SHAREHOLDER SIGNATURE PAGES - CONTINUED]

The Shareholder hereby provides the following additional information:

(a) Excluding the shares of Common Stock purchased in the Transaction, set forth below is the number of shares of Common Stock and options rights or warrants of USA Networks, Inc. (the "Company") ("Options" and together with the Common Stock, "Securities") which the Shareholder BENEFICIALLY OWNS or of which the Shareholder is the record owner on the date hereof. Please refer to the definition of BENEFICIAL OWNERSHIP on EXHIBIT A attached hereto. If none, please so state.

Number of Shares: \_\_\_\_\_ (excluding the shares purchased in the Transaction)

Number of Options: \_\_\_\_\_

Please indicate by an asterisk (\*) above if the Shareholder disclaims "BENEFICIAL OWNERSHIP" of any of the above listed Securities, and indicate in response to question (b) below who has beneficial ownership.

(b) If the Shareholder disclaims "BENEFICIAL OWNERSHIP" in question



(a), please furnish the following information with respect to the person(s) other than the Shareholder who is the beneficial owner(s) of the Securities in question. If not applicable, please check box: / /

Name of Beneficial Owner: \_\_\_\_\_  
Relationship to the Shareholder: \_\_\_\_\_  
Number of Securities Beneficially Owned: \_\_\_\_\_  
NAME OF SHAREHOLDER: \_\_\_\_\_

(c) Are any of the Securities listed in response to question (a) the subject of a voting agreement, contract or other arrangement whereby others have voting control over, or any other interest in, any of the Shareholder's Securities?

/ / Yes                      / / No

If the answer is "Yes", please give details: \_\_\_\_\_.

(d) Please describe each position, office or other material relationship which the Shareholder has had with the Company or any of its affiliates, including any Subsidiary of the Company, within the past three years. Please include a description of any loans or other indebtedness, and any contracts or other arrangements or transactions involving a material amount, payable by the Shareholder to the Company or any of its affiliates, including its Subsidiaries, or by the Company or any of its affiliates, including its Subsidiaries, to the Shareholder. "Affiliates" of the Company include its directors and executive officers, and any other person controlling or controlled by the Company. IF NONE, PLEASE SO STATE.

Answer:

(e) Please provide the name and address of other person(s), if any, to whom any proxy statements, registration statements (including notice of effectiveness thereof), prospectuses or similar documents and information should be delivered by the Company on behalf of the Shareholder in the future, with respect to the Shareholder's shares:

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(f) Please advise of special stock certificate delivery requirements for closing, if any:

(g) Please advise if a NASD member has placed with you the Shares being purchased hereunder: (Name of Member:) \_\_\_\_\_

By: \_\_\_\_\_  
Name:

Dated:

EXHIBIT A

Explanation of "BENEFICIAL OWNERSHIP"

Securities that are subject to a power to vote or dispose are deemed beneficially owned by the person who holds such power, directly or indirectly. This means that the same securities may be deemed beneficially owned by more than one person, if such power is shared. In addition, the beneficial ownership rules provide that shares which may be acquired upon exercise of an option or warrant, or which may be acquired upon the termination of a Seller, discretionary account or similar arrangement, which can be effected within a period of 60 days from the date of determination, are deemed to be "beneficially" owned. Furthermore, shares that are subject to rights or powers even though such rights or powers to acquire are not exercisable within the 60-day period may also be deemed to be beneficially owned if the rights or powers were acquired "with the purpose or effect of changing or influencing the control of the issuer or in connection with or as a participant in any transaction having such purpose or effect."

In determining whether securities are "beneficially owned," benefits which are substantially equivalent to those of ownership by virtue of any contract, understanding, relationship, agreement or other arrangement should

cause the securities to be listed as "beneficially owned."

Thus, for example, securities held for a person's benefit in the name of others or in the name of any estate or Seller in which such person may be interested should also be listed. Securities held by a person's spouse, children or other members of such person's family who are such person's dependents or who live in such person's household should be listed as "beneficially owned" unless such person does not enjoy benefits equivalent to those of ownership with respect to such securities.

If a person has a proprietary or beneficial interest in a controlled corporation, partnership, personal holding company, Seller or estate which owns of record or beneficially any securities, such person should state the amount of such securities owned by such controlled corporation, partnership, personal holding company, Seller or estate in lieu of allocating such person's proprietary interest, and by note or otherwise, please indicate that. In any case, the name of the controlled corporation, partnership, personal holding company, or estate must be stated.

In all cases the nature of the beneficial ownership should be stated.

## REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this "Agreement"), is dated as of May 2, 2002, by and between:

1. USA NETWORKS, INC, a company incorporated under the laws of the state of Delaware whose principal executive offices are at 152 West 57th Street, New York, New York 10019 ("USA"); and
2. Each of the entities named on Schedule I hereto (each a "Shareholder" and collectively, the "Shareholders").

## W I T N E S S E T H:

WHEREAS, simultaneously with the execution hereof, the Shareholders have agreed to acquire up to 19,954,028 shares of common stock of USA, par value \$0.01 per share ("Common Stock"), in a private transaction (the "Transaction") exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to the terms and subject to the conditions set forth in a Stock Purchase Agreement, dated as of May 2, 2002 (the "Acquisition Agreement") (capitalized terms used in this Agreement and not otherwise defined shall have the meanings ascribed to such terms in the Acquisition Agreement);

WHEREAS, USA has agreed, on the terms and subject to the conditions set forth herein, to provide registration rights to the initial purchasers in the Transaction and Affiliates (as defined herein) of Shareholders who become holders of the Registrable Securities with respect to the shares of Common Stock acquired by the Shareholders in the Transaction.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual agreements, covenants, representations and warranties contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

## 1. SHELF REGISTRATION STATEMENT.

1.1 FILING; EFFECTIVE PERIOD. USA shall prepare and file with the Securities and Exchange Commission (the "SEC") as soon as reasonably practicable, but in no event more than 30 days after the date hereof, a Registration Statement on Form S-3 (or other appropriate form should Form S-3 be unavailable for USA) for an offering to be made on a delayed or continuous basis pursuant to Rule 415 of the Securities Act of 1933, as amended (the "Securities Act"), registering the resale from time to time of the Registrable

Securities and shall use reasonable best efforts to cause such Registration Statement to become effective as soon as practicable following the date hereof and remain effective until the earlier of (i) the date on which all Registrable Securities have been sold pursuant to the Registration Statement, and (ii) the second anniversary of the date hereof; provided, that USA may suspend the effectiveness of such Registration Statement if and only for so long as (i) the situation described in subsection 3(f)(i) exists or (ii) USA determines that such registration would require premature disclosure of material information relating to a pending corporate development; provided, further, that (i) any period of continuous suspension shall not exceed twenty (20) business days, and (ii) the Registration Statement shall not be suspended for an aggregate of greater than sixty (60) business days in any calendar year. USA shall promptly notify the Shareholders of the effective date of the Registration Statement by e-mail to the address set forth on the signature page hereof. USA's obligation under this Section 1.1 is subject to the Shareholders' timely cooperation in supplying information in connection with the preparation and filing of the Registration Statement.

1.2 REGISTRABLE SECURITIES. For purposes of this Agreement "Registrable Securities" shall mean only those shares of Common Stock acquired by the Shareholders in the Transaction or transferred to Affiliates thereof, and any shares received in connection with such shares of Common Stock as a result of a stock split, stock dividend, or similar transaction. For purposes of this Agreement, an "Affiliate" of a Shareholder shall mean (i) any person directly or indirectly controlling, controlled by, or under common control with such Shareholder (ii) with respect to a Shareholder that is a fund or account, shall also include any fund or account managed on a discretionary basis by the same manager that manages such Shareholder.

1.3 REGISTRATION STATEMENT EXPENSES. All fees, disbursements and out-of-pocket expenses and costs incurred by USA in connection with the preparation of the Registration Statement under this Section 1 and in complying with applicable securities and blue sky laws shall be borne by USA, including, without limitation, printing costs, listing fees and SEC filing fees applicable to the Registrable Securities being registered and all attorneys' fees of USA. The Shareholders shall bear all costs and expenses incurred by them applicable to the Registrable Securities being registered, including any brokerage discounts, fees or commissions relating thereto, and the fees and expenses of their respective counsel.

1.4 SHAREHOLDER REVIEW OF REGISTRATION STATEMENT AND COMMENT LETTERS. Each Shareholder and its respective counsel ("Counsel") shall have a reasonable period, not to exceed five (5) business days, to review the proposed Registration Statement or any amendment thereto, prior to filing with the SEC, and USA shall provide Counsel with copies of any comment letters received from the SEC with respect thereto within two (2) business days of receipt thereof.

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1.5 QUALIFICATIONS. USA shall qualify any of the Registrable Securities for sale in such states as Counsel reasonably designates and shall furnish indemnification in the manner provided in Section 4 hereof. However, USA shall not be required to qualify in any state which will require an escrow or other restriction relating to USA and/or the sellers, or which will require USA to qualify to do business in such state or require USA to file therein any general consent to service of process in or otherwise subject USA or its subsidiaries to any adverse business or financial consequences, including, without limitation, being subject to state income or other state taxes.

1.6 MANNER OF SALE. The Shareholder shall not be permitted to use the Registration Statement for purposes of an underwritten offering without the consent of USA.

2. COOPERATION WITH USA; REPRESENTATION. Each Shareholder shall cooperate with USA in connection with this Section 2 by timely supplying all information reasonably requested by USA (which shall include all information regarding the Shareholder and the proposed manner of sale of the Registrable Securities required to be disclosed in the Registration Statement) and executing and returning all documents reasonably requested in connection with the registration and sale of the Registrable Securities. A Shareholder's obligations under this Section 2 shall include compliance by the Shareholder with respect to information to be provided by Shareholder in connection with the Registration Statement, the prospectus (the "Prospectus") related thereto, or any supplement or amendment thereto, with the provisions of Sections 3(a), (f) and (g). Each Shareholder represents and warrants to USA that any sale by the Shareholder of its Registrable Securities, whether pursuant to a Registration Statement or otherwise, shall be made in compliance with applicable federal, state and foreign securities laws, to the extent such compliance is within the control of the Shareholder.

3. REGISTRATION PROCEDURES. If and whenever USA is required by any of the provisions of this Agreement to effect the registration of any of the Registrable Securities under the Securities Act, USA shall (except as otherwise provided in this Agreement), as expeditiously as possible, subject to the Shareholder's assistance and cooperation as reasonably required:

(a) (i) prepare and file with the SEC such amendments and supplements to the Registration Statement and the Prospectus as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the sale or other disposition of all securities covered by such registration statement whenever the Shareholders shall desire to sell or otherwise dispose of the Registrable Securities (including prospectus supplements with respect to the sales of securities from time to time in connection with a registration statement pursuant to Rule 415 promulgated under the Securities Act) and (ii) take all lawful action such that each of (A) the Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue

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statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and (B) the Prospectus, and any amendment or supplement thereto, does not at any time during the period in which the Registration Statement is effective include an untrue statement of a material fact or omit to state a material fact

required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, provided, however, that the obligations of USA set forth in this subparagraph shall not apply to the extent that such statement or omission relates to information to be provided by a Shareholder, so long as USA has included such information as provided by such Shareholder (or failed to include it due to such Shareholder's failure to provide such information);

(b) (i) prior to the filing with the SEC of any Registration Statement (including any amendments thereto) and the distribution or delivery of the Prospectus (including any supplements thereto), provide draft copies thereof to Counsel and (ii) furnish to Counsel such numbers of copies of the Prospectus (including a preliminary prospectus or any amendment or supplement to the Prospectus), as applicable, in conformity with the requirements of the Securities Act, and such other documents, as Counsel may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities; and USA hereby consents to the use of such Prospectus or each amendment or supplement thereto by each Shareholder in connection with the offering and sale of the Registrable Securities covered by such Prospectus or any amendment or supplement thereto in the manner set forth therein;

(c) comply with the blue sky laws with respect to the Registrable Securities, and do any and all other acts and things which may be reasonably necessary or advisable to enable the Shareholder to consummate the public sale or other disposition in such jurisdiction of the Registrable Securities, except that USA shall not for any such purpose be required to qualify to do business as a foreign corporation in any jurisdiction wherein it is not so qualified or to file therein any general consent to service of process;

(d) prepare and file with the SEC such amendments and supplements to the Registration Statement and the Prospectus as may be necessary (i) to reflect a change in the "Shareholders" hereunder that results from a transfer of Registrable Securities to an Affiliate that is not a sale under the Registration Statement and (ii) to reflect any change in information about a Shareholder contained in the Registration Statement or Prospectus, in each case as promptly as practicable after receipt of written notice of the change from the applicable Shareholder, and, in the event of an amendment, take all reasonable actions to ensure that such amendment becomes effective as promptly as practicable;

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(e) list such Registrable Securities on each securities exchange or quotation system on which similar securities issued by USA are then listed, if the listing of such Registrable Securities is then permitted under the rules of such exchange or quotation system or if the listing requirements are waived, or list such Registrable Securities on a mutually agreeable securities exchange or quotation system if the listing of such Registrable Securities is then permitted under the rules of such exchange or quotation system or if the listing requirements are waived. If listing on an exchange cannot be immediately effected, then it shall be accomplished as soon as possible;

(f) (i) notify Counsel at any time when the Prospectus is required to be delivered under the Securities Act, of the happening of any event of which it has knowledge as a result of which the Prospectus, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and (ii) prepare and file a curative amendment or curative supplement under Section 3(a) as quickly as commercially possible;

(g) as promptly as practicable after becoming aware of such event, notify Counsel of the issuance by the SEC or any state authority of any stop order or other suspension of the effectiveness of the Registration Statement at the earliest possible time and take all lawful action to effect the withdrawal, rescission or removal of such stop order or other suspension;

(h) maintain a transfer agent for its securities; and

(i) cooperate with each Shareholder to facilitate the timely preparation and delivery of certificates representing Registrable Securities sold pursuant to a Registration Statement and cause such certificates to be registered in such names as the Shareholder may request in writing; provided however, that the Shareholder shall be responsible to pay any applicable transfer fees and taxes.

#### 4. INDEMNIFICATION AND CONTRIBUTION.

4.1 INDEMNIFICATION BY USA. USA agrees to indemnify and hold harmless the Shareholder and each person, if any, who controls the Shareholder within the meaning of the Securities Act (collectively with the Shareholder, the "Distributing Shareholder") against any losses, claims, damages or liabilities, joint or several (which shall, for all purposes of this Agreement, include, but not be limited to, all reasonable costs of defense and investigation and all reasonable attorneys' fees), to which the Distributing Shareholder may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, or any related preliminary prospectus, the

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Prospectus or amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein in light of the circumstances under which they were made not misleading; PROVIDED, HOWEVER, that USA will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, preliminary prospectus, the Prospectus or amendment or supplement thereto in reliance upon, and in conformity with, information furnished to USA in writing by the Distributing Shareholder specifically for use in the preparation thereof. This Section 4.1 shall not inure to the benefit of any Distributing Shareholder with respect to any person asserting such loss, claim, damage or liability who purchased the Registrable Securities which are the subject thereof if the Distributing Shareholder failed to send or give a copy of the Prospectus, or any amendment or supplement thereto, to such person at or prior to the written confirmation to such person of the sale of such Registrable Securities, where the Distributing Shareholder was obligated to do so under the Securities Act or the rules and regulations promulgated thereunder and where the document required to be distributed would have corrected the misstatement or alleged misstatement or the omission or alleged omission. This indemnity agreement, together with the contribution agreement contained herein, shall be in addition to any liability which USA may otherwise have with respect to the matters described herein.

4.2 INDEMNIFICATION BY A SHAREHOLDER. Each Shareholder agrees that it will, severally and not jointly, indemnify and hold harmless USA, and each officer, director of USA or person, if any, who controls USA within the meaning of the Securities Act, against any losses, claims, damages or liabilities, joint or several (which shall, for all purposes of this Agreement, include, but not be limited to, all reasonable costs of defense and investigation and all reasonable attorneys' fees) to which USA or any such officer, director or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, or any related preliminary prospectus, the Prospectus or amendment or supplement thereto, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein in light of circumstances under which they were made not misleading, but in each case only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, preliminary prospectus, the Prospectus or amendment or supplement thereto in reliance upon, and in conformity with, written information furnished to USA by such Shareholder specifically for use in the preparation thereof. This indemnity agreement will be in addition to any liability which the Shareholder may otherwise have to USA with respect to the matters described herein.

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4.3 CONTRIBUTION. In order to provide for just and equitable contribution under the Securities Act in any case in which the indemnification provided in Section 4.1 or 4.2 is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages or liabilities, then USA and the applicable Shareholder shall contribute to the payment or satisfaction of the aggregate losses, claims, damages or liabilities to which they may be subject (which shall, for all purposes of this Agreement, include, but not be limited to, all reasonable costs of defense and investigation and all reasonable attorneys' fees), in either such case (after contribution from others) on the basis of relative fault as well as any other relevant equitable considerations, which shall include both the relative fault of the parties and the relative benefits to the parties. The relative fault

shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by USA on the one hand or the applicable Shareholder on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. USA and the Shareholder agree that it would not be just and equitable if contribution pursuant to this Section 4.3 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 4.3. The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this Section 4.3 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 4.3, no Shareholder shall be required to indemnify or contribute any amount in excess of the amount by which the total price at which the Registrable Securities sold by such Shareholder exceeds the amount of damages that such Shareholder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 4.3, each person, if any, who controls a Shareholder, within the meaning of the Securities Act, shall have the same rights to contribution as the Shareholder and each person who controls the Company, within the meaning of the Securities Act, shall have the same rights to contribution as the Company.

4.4 NOTIFICATION. Promptly after receipt by an indemnified party under this Section 4 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 4, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve the indemnifying party from any liability which it may have to any indemnified party except to the extent of actual prejudice demonstrated by the indemnifying party. In case any such action is brought against any indemnified

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party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate in, and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, assume the defense thereof, subject to the provisions herein stated, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section 4 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation, unless the indemnifying party shall not pursue the action to its final conclusion. The indemnified party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall not be at the expense of the indemnifying party (nor shall such party control the defense thereof) if the indemnifying party has assumed the defense of the action with counsel reasonably satisfactory to the indemnified party; PROVIDED, HOWEVER, that the fees and expenses of counsel to the indemnified party shall be at the expense of the indemnifying party if (i) the employment of such counsel has been specifically authorized in writing by the indemnifying party, or (ii) the named parties to any such action (including any impleaded parties) include both the Distributing Shareholder and USA and the indemnified party shall have been advised by such counsel in writing that there may be one or more legal defenses available to the indemnifying party in conflict with any legal defenses which may be available to the indemnified party (in which case the indemnifying party shall not have the right to assume the defense of such action on behalf of the indemnified party, it being understood, however, that the indemnifying party shall, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable only for the reasonable fees and expenses of one separate firm of attorneys for the indemnified party, which firm shall be designated in writing by the indemnified party and be approved by the indemnifying party). No settlement of any action against an indemnified party shall be made without the prior written consent of the indemnified party, which consent shall not be unreasonably withheld, PROVIDED, FURTHER, that a settlement which does not include an admission of liability by the indemnified party nor the payment of any monetary or other damages by such party shall not require such consent.

4.5 INDEMNIFICATION EXPENSES. All fees and expenses of the indemnified party (including reasonable costs of defense and investigation in a manner not inconsistent with this Section and all reasonable attorneys' fees and expenses)

shall be promptly paid to the indemnified party, as incurred, within ten (10) business days of written notice thereof (accompanied by customary documentation detailing such expenses) to the indemnifying party; PROVIDED, HOWEVER, that the indemnifying party may require such indemnified party to undertake to reimburse all such fees and expenses to the extent it is finally judicially determined that such indemnified party is not entitled to indemnification hereunder.

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5. REPRESENTATIONS AND WARRANTIES OF THE SHAREHOLDER. The Shareholder hereby represents and warrants to USA as follows:

5.1 DUE ORGANIZATION. If the Shareholder is a corporation, the Shareholder is a corporation duly organized, is validly existing and is in good standing under the laws of its jurisdiction of formation. If the Shareholder is a partnership or limited liability company, the shareholder is duly organized, validly existing and in good standing under the laws of the jurisdiction where it is organized. If the Shareholder is an individual, the Shareholder has the legal capacity to enter into this Agreement.

5.2 POWER; DUE AUTHORIZATION; BINDING AGREEMENT. The Shareholder has full legal capacity, power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the Shareholder and constitutes a valid and binding agreement of the Shareholder, enforceable against the Shareholder in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting or relating to the enforcement of creditors rights generally and to general principles of equity.

5.3 NO CONFLICTS. The execution and delivery of this Agreement by the Shareholder does not, and the performance of the terms of this Agreement by the Shareholder will not, (a) require the Shareholder or any of its affiliates to obtain the consent or approval of, or make any filing with or notification to, any governmental or regulatory authority, domestic or foreign, (b) require the consent or approval of any other person pursuant to any material agreement, obligation or instrument binding on the Shareholder or its properties and assets, (c) conflict with or violate any organizational document or law, rule, regulation, order, judgment or decree applicable to the Shareholder or pursuant to which any of its or its affiliates' respective properties or assets are bound or (d) violate any other agreement to which the Shareholder or any of its affiliates is a party including, without limitation, any voting agreement, stockholders agreement, irrevocable proxy or voting trust, except for any consent, approval, filing or notification which has been obtained as of the date hereof or the failure of which to obtain, make or give would not, or any conflict or violation which would not, prevent, delay or materially adversely effect the consummation of the transactions contemplated by this Agreement.

6. REPRESENTATIONS AND WARRANTIES OF USA.

6.1 REPRESENTATIONS AND WARRANTIES. USA hereby represents and warrants to the Shareholder as follows: USA is a corporation duly organized, validly existing and in good standing under the laws of the state of Delaware. USA has full corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation by USA of the transactions contemplated hereby have

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been duly and validly authorized by all necessary corporate action on the part of USA, and no other proceedings on the part of USA are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by USA and constitutes a valid and binding agreement of USA, subject to applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting or relating to the enforcement of creditors rights generally and to general principles of equity.

6.2 NO CONFLICTS. The execution and delivery of this Agreement by USA does not, and the performance of the terms of this Agreement by USA will not, (a) require USA or any of its affiliates to obtain the consent or approval of, or make any filing with or notification to, any governmental or regulatory authority, domestic or foreign (other than the requirements under the Securities Act and state securities laws with respect to the Registration Statement and the sale of the Registrable Securities thereunder), (b) require the consent or approval of any other person pursuant to any material agreement, obligation or instrument binding on the USA or its properties and assets, (c) conflict with or violate any organizational document or law, rule, regulation, order, judgment or



decease applicable to USA or pursuant to which any of its or its affiliates' respective properties or assets are bound or (d) violate any other agreement to which USA or any of its affiliates is a party including, without limitation, any registration rights agreement, except in each case for any consent, approval, filing or notification which has been obtained as of the date hereof or the failure of which to obtain, make or give would not, or any conflict or violation which would not, have a material adverse affect on the Company or prevent, materially delay or materially adversely affect the consummation of the transactions contemplated by this Agreement.

## 7. MISCELLANEOUS.

7.1 FURTHER ASSURANCES. From time to time, at the request of USA or the Shareholder and without further consideration, the Shareholder or USA, respectively, shall execute and deliver such additional documents and take all such further action as may be necessary or desirable to consummate and make effective the transactions contemplated by this Agreement.

7.2 SURVIVAL. The representations and warranties made herein shall not survive the termination of this Agreement. Sections 4.1, 4.2, 4.3, 4.4, 4.5 and 7.2 of this Agreement shall survive any termination of this Agreement.

7.3 ENTIRE AGREEMENT; NO THIRD PARTY BENEFICIARIES; ASSIGNMENT. This Agreement, together with the Acquisition Agreement, constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. Except as set forth in the preceding sentence, nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any

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right, benefit or remedy of any nature whatsoever under or by reason of this Agreement. This Agreement shall not be assigned or transferred, whether by merger, consolidation, asset disposition, operation of law or otherwise, and shall be binding upon and inure solely to the benefit of each party hereto.

7.4 AMENDMENTS. This Agreement may not be modified, amended, altered or supplemented, except upon the execution and delivery of a written agreement executed by each of the parties hereto. Notwithstanding the foregoing, an Affiliate of a Shareholder that acquires any of the Registrable Securities pursuant to the terms and conditions of this Agreement shall be entitled to the benefits and burdens of this Agreement as though such Affiliate were a signatory hereto.

7.5 NOTICES. All notices, requests and other communications to any party under this Agreement shall be in writing (including a facsimile or similar writing) and shall be given to a party hereto at the address or facsimile number set forth for such party on the signature page hereof or as such party shall at any time otherwise specify by notice to each of the other parties to such agreement or instrument. Each such notice, request or other communication shall be effective (i) if given by facsimile, at the time such facsimile is transmitted and the appropriate confirmation is received (or, if such time is not during a business day, at the beginning of the next such business day), (ii) if given by mail, five business days (or, if to an address outside the United States, ten calendar days) after such communication is deposited in the United States mails with first-class postage prepaid, addressed as aforesaid, or (iii) if given by any other means, when delivered at the address specified pursuant hereto. Further, all such documents to be delivered to USA shall be copied to:

Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, New York 10019  
Attention: Pamela S. Seymon  
Facsimile: (212) 403-2000

## 7.6 GOVERNING LAW.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

(b) Each party hereto irrevocably submits to the jurisdiction of any Delaware state court or any federal court sitting in the State of Delaware in any action arising out of or relating to this Agreement, and hereby irrevocably agrees that all claims in respect of such action may be heard and determined in such Delaware state or federal court. Each party hereto hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to

the maintenance of such action or proceeding. The parties hereto further agree, to the extent permitted by law, that final and unappealable judgment against any of them in any action or proceeding contemplated above shall be conclusive and may be enforced in any other jurisdiction within or outside the United States by suit on the judgment, a certified copy of which shall be conclusive evidence of the fact and amount of such judgment.

(c) To the extent that any party hereto has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, each party hereto hereby irrevocably waives such immunity in respect of its obligations with respect to this Agreement.

(d) Each party hereto waives, to the fullest extent permitted by applicable laws, any right it may have to a trial by jury in respect of any action, suit or proceeding arising out of or relating to this Agreement. Each party hereto certifies that it has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications set forth above in this Section.

7.7 REMEDIES. The Shareholder and USA recognize and acknowledge that a breach by it of any covenants or agreements contained in this Agreement will cause the other party to sustain irreparable injury and damages, for which money damages would not provide an adequate remedy, and therefore the Shareholder and USA agrees that in the event of any such breach by another party hereto, the Shareholder or USA, as the case may be, shall be entitled to the remedy of specific performance of such covenants and agreements and injunctive and other equitable relief.

7.8 COUNTERPARTS. This Agreement may be executed by facsimile and in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same Agreement.

7.9 DESCRIPTIVE HEADINGS. The descriptive headings used herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

7.10 SEVERABILITY. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such

invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

7.11 TERMINATION. This Agreement shall terminate if the Transaction is not completed on or before May 7, 2002, unless extended by the parties hereto.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

SIGNATURE PAGE - REGISTRATION RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Registration Rights Agreement to be duly executed and delivered as of the day and year first above written.

USA NETWORKS, INC.

By:

-----

Name:

Title:

Address for Notices:

USA NETWORKS, INC.  
152 West 57th Street

New York, New York 10019  
Attn:  
Fax:

NAME OF SHAREHOLDER: ADDRESS FOR NOTICES (Please Print):

SIGNATURE:

Attention:

Telecopy:

By: E-mail (Section 1.1):

Name:  
Title:

Exact Name to appear on Stock Certificate:

Number of Registrable Shares:

[SHAREHOLDER SIGNATURE PAGES - CONTINUED]

The Shareholder hereby provides the following additional information:

(a) Excluding the shares of Common Stock purchased in the Transaction, set forth below is the number of shares of Common Stock and options rights or warrants of USA Networks, Inc. (the "Company") ("Options" and together with the Common Stock, "Securities") which the Shareholder BENEFICIALLY OWNS or of which the Shareholder is the record owner on the date hereof. Please refer to the definition of BENEFICIAL OWNERSHIP on EXHIBIT A attached hereto. If none, please so state.

Number of Shares: \_\_\_\_\_ (excluding the shares purchased in the Transaction)

Number of Options: \_\_\_\_\_

Please indicate by an asterisk (\*) above if the Shareholder disclaims "BENEFICIAL OWNERSHIP" of any of the above listed Securities, and indicate in response to question (b) below who has beneficial ownership.

(b) If the Shareholder disclaims "BENEFICIAL OWNERSHIP" in question (a), please furnish the following information with respect to the person(s) other than the Shareholder who is the beneficial owner(s) of the Securities in question. If not applicable, please check box: / /

Name of Beneficial Owner: \_\_\_\_\_  
Relationship to the Shareholder: \_\_\_\_\_  
Number of Securities Beneficially Owned: \_\_\_\_\_  
NAME OF SHAREHOLDER: \_\_\_\_\_

(c) Are any of the Securities listed in response to question (a) the subject of a voting agreement, contract or other arrangement whereby others have voting control over, or any other interest in, any of the Shareholder's Securities?

/X/ Yes / / No

If the answer is "Yes", please give details: \_\_\_\_\_

(d) Please describe each position, office or other material relationship which the Shareholder has had with the Company or any of its affiliates, including any Subsidiary of the Company, within the past three years. Please include a description of any loans or other indebtedness, and any contracts or other arrangements or transactions involving a material amount, payable by the Shareholder to the Company or any of its affiliates, including its Subsidiaries, or by the Company or any of its affiliates, including its Subsidiaries, to the Shareholder. "Affiliates" of the Company include its directors and executive officers, and any other person controlling or controlled by the Company. IF NONE, PLEASE SO STATE.

Answer:

(e) Please provide the name and address of other person(s), if any, to whom any proxy statements, registration statements (including notice of effectiveness thereof), prospectuses or similar documents and information should be delivered by the Company on behalf of the Shareholder in the future, with respect to the Shareholder's shares:

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(f) Please advise of special stock certificate delivery requirements for closing, if any:

(g) Please advise if a NASD member has placed with you the Shares being purchased hereunder: (Name of Member:) \_\_\_\_\_

By: \_\_\_\_\_ Dated:  
Name:

EXHIBIT A

Explanation of "BENEFICIAL OWNERSHIP"

Securities that are subject to a power to vote or dispose are deemed beneficially owned by the person who holds such power, directly or indirectly. This means that the same securities may be deemed beneficially owned by more than one person, if such power is shared. In addition, the beneficial ownership rules provide that shares which may be acquired upon exercise of an option or warrant, or which may be acquired upon the termination of a Seller, discretionary account or similar arrangement, which can be effected within a period of 60 days from the date of determination, are deemed to be "beneficially" owned. Furthermore, shares that are subject to rights or powers even though such rights or powers to acquire are not exercisable within the 60-day period may also be deemed to be beneficially owned if the rights or powers were acquired "with the purpose or effect of changing or influencing the control of the issuer or in connection with or as a participant in any transaction having such purpose or effect."

In determining whether securities are "beneficially owned," benefits which are substantially equivalent to those of ownership by virtue of any contract, understanding, relationship, agreement or other arrangement should cause the securities to be listed as "beneficially owned."

Thus, for example, securities held for a person's benefit in the name of others or in the name of any estate or Seller in which such person may be interested should also be listed. Securities held by a person's spouse, children or other members of such person's family who are such person's dependents or who live in such person's household should be listed as "beneficially owned" unless such person does not enjoy benefits equivalent to those of ownership with respect to such securities.

If a person has a proprietary or beneficial interest in a controlled corporation, partnership, personal holding company, Seller or estate which owns of record or beneficially any securities, such person should state the amount of such securities owned by such controlled corporation, partnership, personal holding company, Seller or estate in lieu of allocating such person's proprietary interest, and by note or otherwise, please indicate that. In any case, the name of the controlled corporation, partnership, personal holding company, or estate must be stated.

In all cases the nature of the beneficial ownership should be stated.

SCHEDULE I

NAME OF SHAREHOLDER

[Letterhead of Wachtell, Lipton, Rosen & Katz]

May 22, 2002

USA Interactive  
152 West 57th Street  
New York, NY 10019

RE: REGISTRATION STATEMENT ON FORM S-3

Ladies and Gentlemen:

We have acted as special counsel to USA Interactive, a Delaware corporation (the "Company"), in connection with the preparation and filing of the Registration Statement on Form S-3 of the Company (as amended, the "Registration Statement,") as of the date hereof relating to the resale of up to 19,954,028 shares of the Company's common stock, par value \$0.01 per share (the "Common Stock").

In rendering this opinion, we have examined such corporate records and other documents, and we have reviewed such matters of law, as we have deemed necessary or appropriate. In rendering this opinion, we have, with your consent, relied upon oral and written representations of officers of the Company and certificates of officers of the Company and public officials with respect to the accuracy of the factual matters addressed in such representations and certificates. In addition, in rendering this opinion we have, with your consent, assumed the genuineness of all signatures or instruments relied upon by us, and the conformity of certified copies submitted to us with the original documents to which such certified copies relate.

We are members of the Bar of the State of New York and we express no opinion as to the laws of any jurisdiction other than the federal laws of the United States, the General Corporation Law of the State of Delaware and the laws of the State of New York.

Based on and subject to the foregoing, we are of the opinion that the Common Stock has been legally authorized and, when the Registration Statement has been declared effective by order of the Securities and Exchange Commission and the Common Stock has been sold and paid for upon the terms and conditions set forth in the Registration Statement, the Common Stock has been legally issued, fully paid and nonassessable.

We hereby consent to be named in the Registration Statement and in the related prospectus contained therein as the attorneys who passed upon the legality of the Common Stock and to the filing of a copy of this opinion as Exhibit 5.1 to the Registration Statement. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended.

Very truly yours,

/S/ WACHTELL, LIPTON, ROSEN & KATZ

CONSENT OF ERNST & YOUNG LLP

We consent to the reference to our firm under the caption "Experts" in this Registration Statement on Form S-3 of USA Interactive (formerly USA Networks, Inc.) and the related Prospectus and to the Incorporation by reference therein of our report dated January 29, 2002 with respect to the consolidated financial statements and financial statement schedule of USA Networks, Inc. included in its Annual Report (Form 10-K) for the year ended December 31, 2001, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

New York, New York  
May 22, 2002

EXHIBIT 24  
POWER OF ATTORNEY  
FOR REGISTRATION STATEMENT OF  
USA NETWORKS, INC.

KNOW ALL MEN BY THESE PRESENTS, That each of the undersigned Directors and officers of USA NETWORKS, INC., a Delaware corporation (the "Company"), which proposes to file with the Securities and Exchange Commission, Washington, DC, ("SEC") under the provisions of the Securities Act of 1933, as amended (the "Act"), one or more registration statements on Form S-3 ("Registration Statement") for the registration under said Act of common stock, par value \$0.01 per share, up to an aggregate amount of 19,954,028 shares, hereby constitutes and appoints Julius Genachowski and Dara Khosrowshahi, his or her true and lawful attorneys-in-fact and agents, and each of them with full power to act without the other his or her true and lawful attorney-in-fact and agent, for him or her and in his or her name, place and stead, in any and all capacities to sign the Registration Statement and any and all amendments (including post-effective amendments) thereto and all instruments necessary or advisable in connection therewith, and to file the same with all exhibits thereto and any and all other documents in connection therewith, with the SEC, hereby granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requested and necessary to be done in and about the premises as fully and to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his/her hand this 1st day of May, 2001.

/s/ BARRY DILLER

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Barry Diller  
Chairman of the Board, Chief Executive  
Officer and Director

/s/ VICTOR A. KAUFMAN

-----  
Victor A. Kaufman  
Vice Chairman and Director

/s/ WILLIAM J. SEVERANCE

-----  
William J. Severance  
Vice President and Controller (Chief  
Accounting Officer)

/s/ DARA KHOSROWSHAHI

-----  
Dara Khosrowshahi,  
Executive Vice President and Chief  
Financial Officer

/s/ PAUL G. ALLEN

-----  
Paul G. Allen, Director

/s/ ROBERT R. BENNETT

-----  
Robert R. Bennett, Director

/s/ EDGAR BRONFMAN, JR.

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Edgar Bronfman, Jr., Director

/s/ ANNE M. BUSQUET

-----  
Anne M. Busquet, Director

/s/ PHILIPPE GERMOND

-----  
Philippe Germond, Director

/s/ DONALD R. KEOUGH

-----  
Donald R. Keough, Director

/s/ MARIE-JOSEE KRAVIS

-----  
Marie-Josée Kravis, Director

/s/ PIERRE LESCURE

-----  
Pierre Lescure, Director

/s/ JOHN C. MALONE

-----  
John C. Malone, Director

/s/ JEAN-MARIE MESSIER

-----  
Jean-Marie Messier, Director

/s/ WILLIAM D. SAVOY

-----  
William D. Savoy, Director

/s/ GEN. H. NORMAN SCHWARZKOPF

-----  
Gen. H. Norman Schwarzkopf, Director

/s/ DIANE VON FURSTENBERG

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Diane Von Furstenberg, Director