

qurate

RETAIL, INC.

CURATED EXPERIENCES.
INFINITE POSSIBILITIES.™

Q4 and 2018

Highlights & Key Milestones

Safe Harbor and Non-GAAP Measures

This presentation includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about target synergies resulting from the acquisition of HSN, and other matters that are not historical facts. These forward-looking statements involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including, without limitation, possible changes in market acceptance of new products or services, competitive issues, regulatory matters affecting our businesses, continued access to capital on terms acceptable to Qurate Retail, Inc. (“QRI”) and QVC, Inc. (“QVC”), availability of investment opportunities and market conditions conducive to stock repurchases. These forward-looking statements speak only as of the date of this presentation, and each of QRI and QVC expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in QRI’s or QVC’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Please refer to the publicly filed documents of QRI and QVC, including their most recent Forms 10-K, for additional information about QRI and QVC and about the risks and uncertainties related to their respective businesses which may affect the statements made in this presentation.

This presentation includes non-GAAP financial measures including adjusted OIBDA. Information regarding the comparable GAAP metric, along with required definitions and reconciliations can be found in the earnings press release issued February 27, 2019, which is available on our website. This presentation is designed to be read in conjunction with this earnings release, as well as the earnings releases relating to our first, second and third quarter of 2018, all of which are available on our website.

2018 Highlights & Key Milestones

- Launched Qurate Retail as an asset-backed stock
- Made substantial progress on HSN integration
- Formed QXH to drive accelerated performance across QVC US and HSN
- Achieved full-year sales growth at QVC US, QVC International and zulily
- Narrowed HSN sales decline in second half of 2018
- Increased customers at QVC US, QVC International and zulily
- Accelerated digital initiatives with increased marketing and digital store expansion
- Recorded strong gains in digital and mobile sales penetration and engagement
- Delivered \$40 million in annualized synergies related to HSN acquisition
 - Increased annual synergy target to \$370-\$400 million by 2022

Revenue & Adjusted OIBDA Growth by Quarter

Prior Year Comparative

Revenue (Excluding Reclassification of Private Label Credit Card Income)							
	Q4	FY 2017	Q1	Q2	Q3	Q4	FY 2018
QVC US ¹	4%	0%	2%	2%	1%	2%	2%
HSN ²	-8%	-5%	-10%	-12%	-5%	-1%	-7%
QVC International	11%	3%	14%	7%	1%	-3%	4%
QVC International (Constant Currency)	6%	4%	2%	1%	2%	-1%	1%
zulily ³	11%	4%	17%	13%	18%	5%	12%
Cornerstone	-7%	-5%	-8%	-9%	-7%	-4%	-7%

Adjusted OIBDA							
	Q4	FY 2017	Q1	Q2	Q3	Q4	FY 2018
QVC US	0%	1%	-3%	-2%	3%	-7%	-3%
HSN	5%	-15%	-10%	-8%	12%	-3%	-3%
QVC International	12%	11%	9%	-7%	-6%	-12%	-5%
QVC International (Constant Currency)	9%	13%	-1%	-12%	-7%	-11%	-8%
zulily	-5%	-19%	80%	12%	50%	-11%	19%
Cornerstone	-5%	10%	-50%	-10%	-200%	-50%	-54%

¹ QVC US 2018 as reported:

Q1 through Q4 is 3%, 4%, 3%, and 3%, respectively.

Full year 2018 is 3%.

² HSN 2018 as reported:

Q1 through Q4 is -9%, -11%, -4%, and -1%, respectively.

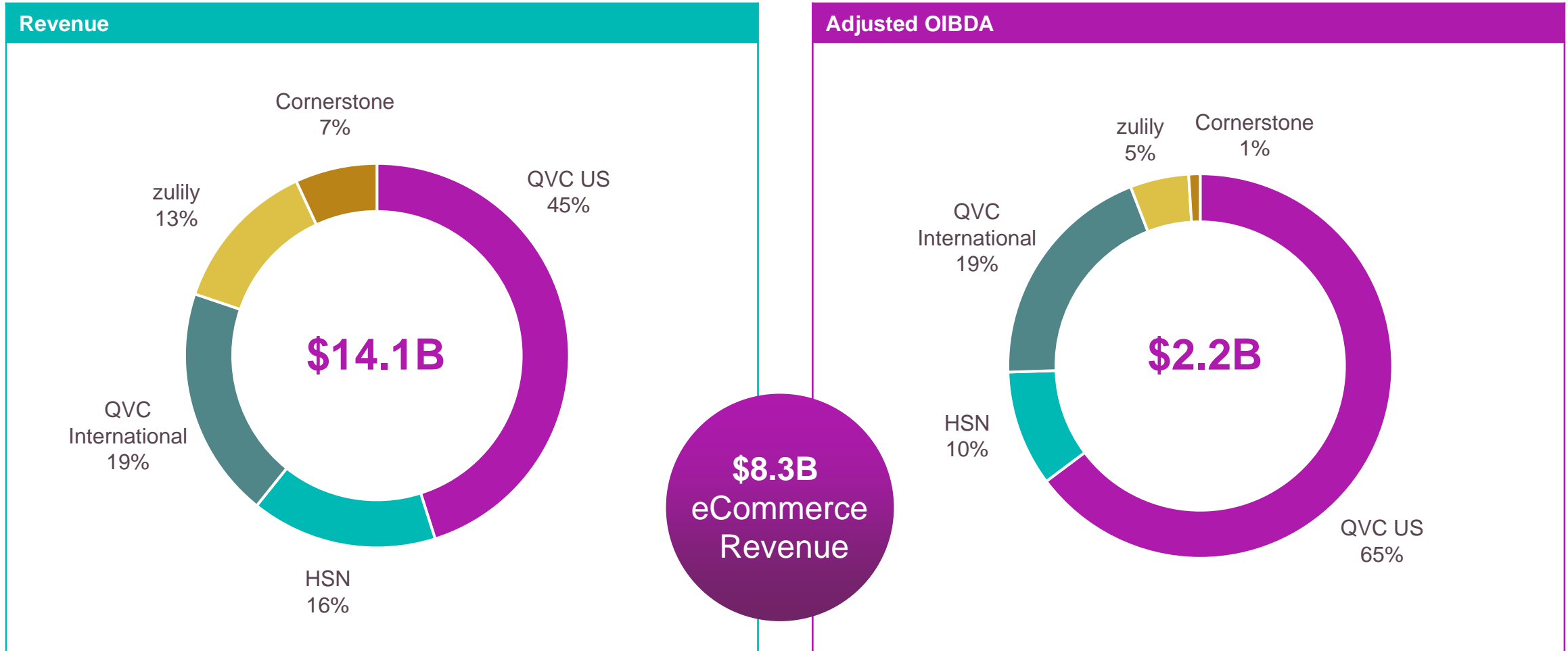
Full year 2018 is -6%.

³ zulily 2018 as reported:

Q1 through Q4 is 17%, 13%, 18%, and 6%, respectively.

Full year 2018 is 13%.

2018 Revenue and Adjusted OIBDA by Business Segment



Note: Percentages exclude intersegment eliminations and unallocated corporate costs.

Category Overview

Revenue Prior Year Comparative

Category	Q1		Q2		Q3		Q4		FY 2018	
	QVC US	HSN	QVC US	HSN	QVC US	HSN	QVC US	HSN	QVC US	HSN
Home	●	●	●	●	●	●	●	●	●	●
Apparel	●	●	●	●	●	●	●	●	●	●
Beauty	●	●	●	●	●	●	●	●	●	●
Accessories	●	●	●	●	●	●	●	●	●	●
Electronics	●	●	●	●	●	●	●	●	●	●
Jewelry	●	●	●	●	●	●	●	●	●	●

Key Brands:

