

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name Liberty Interactive Corporation		2 Issuer's employer identification number (EIN) 84-1288730	
3 Name of contact for additional information Marlene Hill	4 Telephone No. of contact 720-875-5400	5 Email address of contact marlene@libertymedia.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 12300 Liberty Boulevard		7 City, town, or post office, state, and ZIP code of contact Englewood, CO 80112	
8 Date of action December 29, 2017		9 Classification and description Reorganization with HSN, Inc.	
10 CUSIP number 53071M104	11 Serial number(s)	12 Ticker symbol QVCA	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► **See attached**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► **See attached**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► **See attached**

Part II Organizational Action *(continued)*17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attached18 Can any resulting loss be recognized? ▶ See attached19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attached**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶



Date ▶

1/10/18Print your name ▶ **Ty Kearns**Title ▶ **Vice President****Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if
self-employed

PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no.

Attachment to Form 8937

Line 14.

On December 29, 2017, Liberty Interactive Corporation (“Liberty Interactive”) acquired the remaining 62% of HSN, Inc. (“HSN”) that it did not already own. Pursuant to an Agreement and Plan of Merger dated July 5, 2017, a wholly owned merger subsidiary of Liberty Interactive merged with and into HSN, with HSN surviving as a wholly owned subsidiary of Liberty Interactive (the “Merger”). As a result of the Merger, HSN shareholders (other than Liberty Interactive and its wholly owned subsidiaries) received 1.65 shares of Liberty Interactive’s Series A QVC Group common stock (“QVCA”) in exchange for each share of HSN common stock surrendered in the Merger. Cash was received in lieu of fractional shares.

Line 15.

Liberty Interactive believes that the Merger qualifies as a tax-free reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended (the “Code”). Assuming the Merger so qualifies, no gain will be recognized by HSN shareholders, except to the extent of cash received in lieu of a fractional QVCA share, and an HSN shareholder’s aggregate basis (e.g. 100%) in the QVCA shares received in the Merger (including any fractional share deemed received and sold) will be equal to such shareholder’s aggregate basis (as of December 29, 2017) in its HSN shares surrendered.

Line 16.

Assuming the Merger qualifies as a reorganization, an HSN shareholder’s aggregate basis in the QVCA shares received in the Merger (including any fractional share deemed received and sold) will be equal to such shareholder’s aggregate basis (as of December 29, 2017) in its HSN shares surrendered. If an HSN shareholder acquired different blocks of HSN stock at different times or at different prices, then such holder’s tax basis in the QVCA shares received in the Merger may be determined with respect to each block of HSN stock surrendered. Any such holders should consult their tax advisors with respect to identifying the bases of the QVCA shares received in the Merger.

Line 17.

Code Sections 354(a), 358, 368(a), and 1001

Line 18.

No loss is recognized in the reorganization, except in respect of any loss recognized on the sale of a fractional QVCA share deemed to have been received in the Merger.

Line 19.

The Merger was effective on December 29, 2017. Therefore, an adjustment to basis would be taken into account in the shareholder's tax year that includes December 29, 2017 (e.g. the 2017 tax year for calendar year taxpayers).