

## BASIS ALLOCATION FOR LIBERTY EXPEDIA HOLDINGS SPLIT-OFF

**Redemption Date** 4-Nov-2016  
**First Trading Date** 7-Nov-2016

**LVNTA** For each share of Series A Liberty Ventures common stock ("LVNTA") held, Liberty Interactive Corporation redeemed 0.4 of a share of LVNTA for 0.4 of a share of Liberty Expedia Holdings, Inc. Series A common stock ("LEXEA"). 0.6 of each share of LVNTA remained outstanding.

**LVNTB** For each share of Series B Liberty Ventures common stock ("LVNTB") held, Liberty Interactive Corporation redeemed 0.4 of a share of LVNTB for 0.4 of a share of Liberty Expedia Holdings, Inc. Series B common stock ("LEXEB"). 0.6 of each share of LVNTB remained outstanding.

The Split-off is intended to qualify as a tax-free exchange under IRC sections 355 and 368(a)(1)(D). Under IRC section 358, the tax basis of the LVNTA shares before the exchange should equal the aggregate tax basis of the LVNTA and the LEXEA shares after the exchange. Similarly, the tax basis of the LVNTB shares before the exchange should equal the aggregate tax basis of the LVNTB and the LEXEB shares after the exchange.

The tax basis of each 0.4 of a share of LEXEA/LEXEB share after the exchange should be equal to 40% of the tax basis of each LVNTA/LVNTB share prior to the exchange and the tax basis of each 0.6 of a share of LVNTA/LVNTB share after the exchange should be equal to 60% of the tax basis of each LVNTA/LVNTB share prior to the exchange.

### Basis Allocation Example (the example below does not take into account cash received in lieu of fractional shares)

The following example assumes a Liberty Ventures Group shareholder who owned 10 LVNTA shares prior to the exchange. Each share had a tax basis of \$2.00.

	Prior to Exchange		After Exchange		Percent
	Shares	Basis	Shares	Basis	
LVNTA	10	\$ 20.00	6	\$ 12.00	60.00%
LEXEA			4	\$ 8.00	40.00%

**This is not tax advice.** Please note that the information above is provided solely as a convenience to shareholders. Liberty Interactive Corporation does not provide its shareholders with tax advice and the information above is not intended to provide tax advice. Liberty Interactive encourages its shareholders to consult with their own tax advisors with respect to their specific questions pertaining to their own tax positions.