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: mariene@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): QVCA

12 Ticker symbol:

13 Account number(s): 

Part II Organizational Action

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

For Paperwork Reduction Act Notice, see the separate Instructions.
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 attached

18 Can any resulting loss be recognized? ► See attached

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► See attached

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 ► [Signature] Date ► 1/10/18

Print/Type preparer's name ► Ty Kearns
Preparer's signature

Print/Type preparer's name
Preparer's signature

Date
Check □ if self-employed
PTIN

Firm's name ►
Firm's address ►
Firm's EIN ►
Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054
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).