

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
Under the Securities Exchange Act of 1934*
(Amendment No. 21)

QVC, Inc.

(Name of Issuer)

Common Stock, par value \$.01 per share

(Title of Class of Securities)

747262 10 3

(CUSIP Number)

Stanley L. Wang, Esq.
Senior Vice President and General Counsel
Comcast Corporation
1500 Market Street
Philadelphia, PA 19102
Tel. No. (215) 981-7510

(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications)

August 4, 1994

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box ☐.

Check the following box ☐ if a fee is being paid with this statement ☐. (A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of less than five percent of such class.) (See Rule 13d-7.)

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

*The remainder of this cover page should be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which

would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 747262 10 3

(1) Names of Reporting Persons S.S. or I.R.S. Identification Nos. of
Above Persons

COMCAST CORPORATION
23 - 1709202

(2) Check the Appropriate Box if a Member of a Group

(a) ☒ [X]

(3) SEC Use Only

(4) Source of Funds
BK, WC

(5) Check if Disclosure of Legal Proceedings is Required Pursuant to
Items 2(d) or 2(e)
[]

(6) Citizenship or Place of Organization
Pennsylvania

Number of	(7)	Sole Voting Power	0 Shares
Shares			
Beneficially	(8)	Shared Voting Power	23,216,572 Shares
Owned by			
Each Reporting	(9)	Sole Dispositive Power	0 Shares
Person			
With	(10)	Shared Dispositive Power	23,216,572 Shares

(11) Aggregate Amount Beneficially Owned by Each Reporting Person
23,216,572 Shares (consisting of 8,627,934 Shares held by
Comcast directly, 4,000,000 Shares previously reported to be held by
Barry Diller, 10,255,867 previously reported to be held by Liberty
Media Corporation, a Delaware corporation ("Liberty") and 332,771
Shares held by TeleCommunications, Inc., a Delaware corporation
("TCI") which may be deemed to be beneficially owned by Comcast as
part of a group with Barry Diller, with Liberty and with TCI under
Rule 13d-5 of the Act. See Item 5.)

(12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares [X]

Excludes shares of Common Stock beneficially owned by the Executive Officers
and Directors of Comcast. The Reporting Person disclaims beneficial ownership
of all such shares. See Item 5.

(13) Percent of Class Represented by Amount in Row (11)

46.9% See Item 5.

(14) Type of Reporting Person (See Instructions)
CO

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
(Amendment No. 21)

Statement Of

COMCAST CORPORATION

Pursuant to Section 13(d) of the
Securities Exchange Act of 1934

in respect of

QVC, INC.

This Report on Schedule 13D relates to the common stock, par value \$.01 per share (the "Common Stock"), of QVC, Inc. (formerly, "QVC Network, Inc."), a Delaware corporation (the "Company"). The Report on Schedule 13D originally filed by Comcast Corporation, a Pennsylvania corporation ("Comcast" or the "Reporting Person"), as most recently amended by Amendment No. 20 thereto, dated as of July 22, 1994 (as amended, the "Schedule 13D"), is hereby amended and supplemented as set forth below. The Reporting Person filed Amendment Nos. 7 through 18 of the Schedule 13D as a member of a Reporting Group with Barry Diller and Liberty Media Corporation, a Delaware corporation ("Liberty"). Comcast, which may be deemed to be part of a "group" with Barry Diller and as part of another "group" with Liberty and Tele-Communications, Inc., a Delaware corporation ("TCI") (in each case within the meaning of Rule 13d-5 under the Act), has elected to file this Report separately and not as part of a joint filing with Mr. Diller, Liberty or TCI. All information regarding Barry Diller, Liberty and TCI is provided to the best knowledge of Comcast but is without verification. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Schedule 13D.

Item 2. Identity and Background

Item 2 of the Schedule 13D is hereby amended and supplemented to include the following information:

As a result of a revised letter agreement, dated August 4, 1994, among Comcast, Liberty and TCI (the "Bidder Agreement") (which supersedes the Letter Agreement dated July 21, 1994 between Comcast and Liberty in its entirety), a copy of which is filed as an exhibit hereto and is incorporated by reference herein, Comcast, Liberty and TCI may be deemed to be a group within the meaning of Rule 13d-5 under the Act. As a result of a letter agreement (the "Diller Agreement"), dated August 4, 1994, among Comcast, Barry Diller and Arrow Investments, L.P. ("Arrow", and together with Diller and entities controlled by Diller or Arrow, the "Arrow Group"), a copy of which is filed as an exhibit hereto and is incorporated by reference herein, Comcast, Diller and Arrow may be deemed to be a group within the meaning of Rule 13d-5 under the Act. Under the Stockholders Agreement to which Comcast and Barry

Diller were parties, as previously described in the Schedule 13D, Comcast and Mr. Diller were deemed to be a group within the meaning of Rule 13d-5 under the Exchange Act. This Stockholders Agreement is being terminated, subject to the absence or waiver of any inconsistent agreements (as described in Item 4 below).

Item 3. Source and Amount of Funds or Other Consideration

Item 3 of the Schedule 13D is hereby amended and supplemented to include the following information:

The total cost of the acquisition (as described in Item 4 below) of the remainder of the Company's stock not currently owned by Comcast or Liberty will be approximately \$1.42 billion. Comcast and Liberty have agreed to fund approximately \$267 million and \$20 million respectively, of the acquisition with the balance to be provided through debt financing, which, after the merger will be an obligation of the Company.

Item 4. Purpose of Transaction

Item 4 of the Schedule 13D is hereby amended and supplemented to include the following information:

On August 4, 1994, Comcast, Liberty, Comcast QMerger, Inc., a Delaware corporation ("QMerger"), and the Company executed a definitive merger agreement (the "Merger Agreement") pursuant to which Comcast and Liberty will acquire the Company. In accordance with the Merger Agreement, the Offer will commence on or prior to Thursday, August 11, 1994 for all of the outstanding shares of Common Stock at a price of \$46 per share in cash and for all of the outstanding shares of Preferred Stock at a price of \$460 per share in cash. Following expiration of the Offer, a wholly-owned subsidiary of QMerger will merge with and into the Company and any remaining shares of the Company will be converted into cash at the same price as offered in the Offer. Following the Merger, Comcast and Liberty will own approximately 57% and 43%, respectively, of the QMerger.

The Offer is conditioned upon (i) Comcast and Liberty acquiring a number of Shares which, together with the Shares already owned by Comcast and Liberty, represent, on a fully diluted basis, a majority of the outstanding shares of Common Stock of the Company, (ii) Comcast and Liberty obtaining the requisite financing on satisfactory terms to purchase all of the outstanding shares of the Company and (iii) the receipt of certain governmental approvals.

The Company has agreed that if the Merger Agreement is terminated in certain circumstances prior to consummation of the Merger, the Company will pay \$55 million to Comcast and Liberty, which will first be applied to fees and expenses incurred in connection with the transactions contemplated by the Merger Agreement, and then will be divided evenly between Comcast and Liberty.

The Board of Directors of the Company has determined that the transactions contemplated in the Merger Agreement, including the Merger and the Offer are fair and in the best interests of the Company's shareholders other than Comcast and Liberty.

Also on August 4, 1994, Comcast, Liberty and TCI executed the Bidder Agreement pursuant to which Comcast and Liberty, among other things, amended the Offer from \$44 per share of Common Stock to \$46 per share of Common Stock and \$460 per share of Preferred Stock. Comcast and Liberty also agreed to contribute to QMerger their respective holdings in Common Stock, or securities convertible into Common Stock. Comcast has also agreed to contribute to QMerger an amount of cash approximately equal to \$267 million

plus the amount necessary to exercise all warrants to acquire Common Stock that it agreed to simultaneously contribute to QMerger. Liberty agreed to contribute approximately \$20 million cash to QMerger. In addition, Comcast and Liberty agreed to arrange financing required by the Merger Agreement and to cause the Company to waive any remaining rights it may have pursuant to the Company Repurchase Rights (as defined in the Stockholders Agreement). Comcast, Liberty and TCI have agreed to vote all of their respective shares of Common Stock in favor of the Merger.

Also on August 4, 1994, Comcast, Arrow and Barry Diller entered into the Diller Agreement pursuant to which the Stockholders Agreement and all obligations thereunder were terminated, subject to the absence or waiver of any inconsistent agreements, provided, however, that if the Merger Agreement is terminated, the Stockholders Agreement will be restored immediately. Diller agreed to vote, as a Director of the Company, in favor of the Merger Agreement and the transactions contemplated therein, subject to Diller's fiduciary duties as a member of the Board of Directors. The Arrow Group agreed to tender all shares of Common Stock owned by it pursuant to the Offer and to vote in favor of the Merger Agreement and the Merger and against any similar transaction involving the Company unless Comcast or Liberty consents. Diller and Arrow agreed that neither will solicit a proposal with respect to an Alternative Transaction (as defined in the Merger Agreement) other than as permitted under the Merger Agreement. Further, Comcast agreed to continue Diller's employment under the Equity Compensation Agreement until December 12, 1994.

The description contained herein of the Bidder Agreement, the Merger Agreement and the Diller Agreement is qualified in its entirety by reference to such agreements, copies of which are filed as Exhibits 99.48, 99.49, and 99.50, respectively, hereto and are incorporated by reference herein.

Notwithstanding anything contained herein, Comcast reserves the right, depending on other relevant factors to change its intention with respect to any and all of the matters as referred to in Item 4 of this Report.

Item 5. Interest in Securities of the Issuer

Item 5 is hereby amended and supplemented to include the following information:

(a) As of the date hereof, the beneficial ownership by Comcast of equity securities of the Company, the total amounts thereof now outstanding and the percentage of said ownership are set forth in the table below. Except as noted therein, such table: (i) includes all of the Company's securities as to which Comcast has sole voting power or sole investment power and all such securities as to which Comcast shares voting power or shares investment power; (ii) assumes that there is no exercise by the Company of its right to require Comcast to sell certain of the securities held by it to the Company in the event that certain carriage requirements related to the Company's programming are not met (the "Company Repurchase Rights"); and (iii) assumes the exercise of all Warrants, the conversion of all shares of Preferred Stock (all of which are presently exercisable or convertible) beneficially owned by Comcast and the adjustment of the number of shares of the Company's Common Stock that would be outstanding subsequent to such exercise or conversion.

According to the Company's representation in the Merger Agreement, the number of shares of the Common Stock which were issued and outstanding as of June 30, 1994 was 40,226,197.

	Registered Equity Securities	No. of Shares Beneficially Owned	Adjusted Shares to be Outstanding	% Beneficially owned
	-----	-----	-----	-----
Comcast	Common Stock	8,627,934(1,2)	42,646,697	20.2%

(1) The shares of Preferred Stock beneficially owned by Comcast may be subject to Company Repurchase Rights. The Company Repurchase Rights relating to the Preferred Stock are exercisable until 2004. However, Comcast and Liberty have agreed that following the Merger they will cause the Company to waive all such Company Repurchase Rights.

(2) Includes 720,500 shares of Common Stock issuable upon the conversion of 72,050 shares of Preferred Stock and 1,700,000 shares of Common Stock issuable upon the exercise of certain Warrants. Does not include any shares of Common Stock which may be considered beneficially owned by Comcast as a result of the relationship of Mr. Brian L. Roberts, Mr. Ralph J. Roberts or Sural Corporation to Comcast. Also excludes shares of Common Stock beneficially owned by the Executive Officers and Directors of Comcast and Sural. Does not include any shares of Common Stock beneficially owned by Barry Diller, Arrow, Liberty or TCI, who may be deemed to be part of a group with Comcast within the meaning of Rule 13d-5 under the Act. Mr. Diller has previously reported on Schedule 13D beneficial ownership of 4,000,000 shares of Common Stock (which includes options to purchase 3,000,000 shares of Common Stock which are presently exercisable), Liberty has previously reported on Schedule 13D beneficial ownership of 10,255,867 shares of Common Stock (which includes 372,866 shares of Series B and Series C Preferred Stock presently convertible into 3,728,660 shares of Common Stock) and TCI has previously reported on Schedule 13D beneficial ownership of 332,771 shares of Common Stock (which includes 17,922 shares of Series B Preferred Stock presently convertible into 179,220 shares of Common Stock) which if deemed to be beneficially owned by Comcast would result in Comcast having beneficial ownership of 23,216,572 shares of Common Stock or about 46.9% of the fully diluted outstanding shares of Common Stock.

To the knowledge of Comcast, the number of shares of Common Stock beneficially owned by its executive officers, directors and controlling persons listed on Schedule 1 to the Schedule 13D (beneficial ownership of which shares is disclaimed by Comcast) is set forth below:

Individual	No. of Shares of Common Stock Beneficially Owned
Ralph J. Roberts	5,000(3)
Brian L. Roberts	750
Daniel Aaron	1,500
Irving A. Wechsler	12,000
Sheldon M. Bonovitz	1,500(4)
Suzanne F. Roberts	5,000(5)
Anne Wexler	500
Robert B. Clasen	1,000(6)

(3) Excludes 5,000 shares beneficially owned by Suzanne F. Roberts, Mr. Roberts' wife, as to which shares Mr. Roberts disclaims beneficial ownership.

(4) Excludes 6,500 shares owned by certain trusts of which Mr. Bonovitz serves as trustee and 1,000 shares beneficially owned by Mr. Bonovitz' wife, as to which shares Mr. Bonovitz disclaims beneficial ownership.

(5) Excludes 5,000 shares beneficially owned by Ralph J. Roberts, Mrs. Roberts' husband, as to which shares Mrs. Roberts disclaims beneficial ownership.

(6) Mr. Clasen purchased his shares in open market transactions on April 14, 1994 at \$39 per share.

(b) Pursuant to the Bidder Agreement, Liberty, TCI and Comcast have an agreement with respect to the disposition or voting of the outstanding equity securities of the Company and Comcast has shared beneficial ownership of Common Stock beneficially owned by Liberty and TCI. Pursuant to the Diller Agreement, Barry Diller and Comcast have an agreement with respect to the disposition or voting of the outstanding equity securities of the Company and Comcast has shared beneficial ownership of Common Stock beneficially owned by Barry Diller.

Item 6. Contracts, Arrangements, Understandings
or Relationships with Respect to the
Securities of the Issuer

Item 6 is hereby supplemented and amended to include the following information:

The information contained in Item 4 is incorporated herein by reference.

Comcast, Liberty and TCI (but as to TCI, only with respect to clauses (i) and (iv) below) have agreed to (i) vote all shares of the Company's capital stock in which it has, directly or indirectly, the power to vote or control the voting of, in favor of the Merger and the related matters provided for in the Merger Agreement, (ii) not sell or dispose of any shares of the Company's capital stock (or rights to acquire such shares) owned (now or at any time prior to the Merger), directly or indirectly, by it or enter into any agreement, arrangement or understanding with any other person the effect of which is to limit or restrict its right to vote such shares in accordance with the terms of the Bidder Agreement, (iii) not enter into any agreement, arrangement or understanding with any person with respect to the purchase, sale or voting of shares of the Company, and (iv) not solicit or encourage any Alternative Transaction (as defined in the Merger Agreement).

Further, if any proposal for an Alternative Transaction which offers an amount per share greater than that offered in the Merger (a "Superior Proposal") shall be received by the Company prior to the consummation of the Merger, Comcast and Liberty agree to use all reasonable efforts, acting in good faith, to agree on a response to such Superior Proposal.

The description contained herein of the Merger Agreement or the Bidder Agreement is qualified in its entirety by reference to such agreements, copies of which are filed as exhibits hereto and are incorporated by reference herein.

Item 7. Material to be Filed as Exhibits

Item 7 of the Schedule 13D is hereby supplemented and amended by adding the following information thereto:

Exhibit Title

99.48 Letter Agreement dated August 4, 1994 among Comcast Corporation, Liberty Media Corporation and Tele-Communications, Inc.

99.49 Agreement and Plan of Merger, dated August 4, 1994 among Comcast Corporation, Liberty Media Corporation, Comcast QMerger, Inc. and QVC, Inc.

99.50 Letter Agreement, dated August 4, 1994, among Comcast Corporation, Liberty Media Corporation and Barry Diller.

99.51 Press Release dated August 4, 1994 of Comcast Corporation and Liberty Media Corporation.

SIGNATURE

After reasonable inquiry and to the best of their knowledge and belief, the undersigned certify that the information in this statement is true, complete and correct.

Dated: August 8, 1994

COMCAST CORPORATION

By: /s/ Julian A. Brodsky
Name: Julian A. Brodsky
Title: Vice Chairman

COMCAST CORPORATION
1500 Market Street
Philadelphia, PA 19102-4735

August 4, 1994

LIBERTY MEDIA CORPORATION
8101 East Prentice Avenue
Suite 500
Denver, Colorado 80111

Gentlemen:

This letter agreement (the "Agreement") confirms our agreement with respect to the joint acquisition (the "Acquisition") of QVC, Inc. ("QVC") on the terms described in the Merger Agreement (the "Merger Agreement") dated the date hereof among Comcast Corporation ("Comcast"), Liberty Media Corporation ("Liberty"), Comcast QMerger, Inc. ("QVC Holdings") and QVC. This Agreement supersedes in its entirety the agreement dated July 21, 1994 between Comcast and Liberty which, effective upon the execution and delivery of this Agreement, shall terminate. Simultaneously with the execution of this Agreement, Comcast, Arrow Investments, L.P. ("Arrow") and Barry Diller are entering into a letter agreement (the "Letter Agreement") relating to the Acquisition.

1. The Acquisition. Comcast and Liberty agree to proceed with the transactions contemplated by this Agreement and the Merger Agreement jointly and to use all reasonable efforts to cause the transactions contemplated by this Agreement and the Merger Agreement to be consummated as promptly as practicable. Until the merger (the "Merger") contemplated by the Merger Agreement is consummated, except as provided in Section 7, all material decisions with respect to the Acquisition shall be unanimous. Comcast and Liberty agree to use all reasonable efforts, acting in good faith, to resolve, on a mutually acceptable basis, any disagreements they may have with respect to such material decisions.

In connection with the Acquisition, Comcast and Liberty shall contribute to QVC Holdings (simultaneously with QVC Holdings' acceptance for payment of shares tendered pursuant to the Offer (as defined in the Merger Agreement)) the QVC securities (or shares of QVC common stock into which such securities are convertible) as are respectively specified on Schedule IV. Comcast will also contribute at such time to QVC Holdings an amount of cash equal to (i) the amount necessary to exercise all warrants to acquire QVC common stock that are contributed by Comcast to QVC Holdings (which warrants shall be exercised immediately following such contribution) and (ii) \$267 million (the "Comcast Additional Contribution"). Liberty will also contribute at such time to QVC Holdings \$20 million, in cash (the "Liberty Additional Contribution"). Based upon the parties' relative contributions (with all shares valued at \$46 per share of common stock or common stock equivalent) to QVC Holdings, following the Merger the equity interests in QVC Holdings will be owned 57.4% by Comcast and 42.6% by Liberty. The parties agree that all such contributions shall be made by, and the equity interests in QVC Holdings received in consideration therefor shall be issued to, wholly-owned subsidiaries of Comcast or Liberty, as the case may be.

The parties agree to work together to arrange the financing required by the Merger Agreement, as heretofore proposed by Comcast, including (i) a margin credit facility to be made available to QVC Holdings for purposes of purchasing shares of QVC capital stock tendered pursuant to the Offer, which margin credit facility shall be secured by the shares of QVC capital stock purchased in the Offer and the shares contributed to QVC Holdings as provided above; and (ii) permanent financing to be put in place in connection with the Merger consisting of (A) \$200 million of subordinated debt of QVC Holdings and (B) a \$950 million senior secured bank facility to be made available to QVC which, together with the proceeds of such subordinated debt, shall be used to repay the margin tender offer facility, to pay for shares of QVC acquired in the Merger, to pay certain fees and expenses of the transaction (and/or reimburse the parties for certain previously paid fees and expenses as provided below) and to provide certain working capital to QVC. Neither Comcast nor Liberty shall be required to give any guarantee or similar credit support to QVC Holdings or QVC in connection with any such financing

referred to in clauses (i) and (ii) above.

In connection with the consummation of the Merger, Comcast and Liberty agree to cause QVC (i) to waive any remaining rights that it may have pursuant to the Company Repurchase Rights (as defined in the Stockholders Agreement (the "Stockholders Agreement") dated July 16, 1993 among Comcast, Liberty, Barry Diller and Arrow) (or any similar contingent right of QVC to reacquire shares of its capital stock) with respect to all shares of capital stock of QVC (or rights to acquire such shares) currently held by Liberty, TCI or Comcast (or any of their respective direct and indirect subsidiaries and affiliates); and (ii) to agree that all of such shares (and related rights) are vested and no longer subject to such repurchase rights.

2. Post-Merger Structure. Following the Merger, the charter and by-laws of QVC Holdings will provide that matters submitted to the board of directors or to the shareholders of QVC Holdings shall be determined by a majority vote of the directors or shareholders, as the case may be. The parties also agree that without the consent of Liberty, QVC Holdings may not take or cause or permit to be taken any of the actions set forth on Schedule I hereto.

Each of Comcast and Liberty will be entitled to cause its shares of QVC Holdings to be registered under the Securities Act of 1933 in the manner set forth in Schedule II hereto, subject to a right of first refusal by the other party. Unless Liberty through the exercise of its demand registration rights set forth in Schedule II shall have been the party which first caused the common stock of QVC Holdings to be registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), then Liberty may at any time during the 60-day period following the fifth anniversary of the Merger (or if not previously exercised, at any time during the 60-day period following each of the sixth, seventh, eighth and ninth anniversaries of the Merger) exercise its exit rights set forth in Schedule III. All other transfers (except to majority-owned affiliates that agree to be bound by all of the terms of the definitive agreement referred to below) will be subject to a right of first refusal to the other party except that a change of control of Liberty Parent (as defined in Schedule III), Comcast, any successor controlling shareholder thereof or any subsidiary thereof in which QVC Holdings securities do not constitute more than 50% of such subsidiary asset shall not be deemed to trigger such rights of first refusal.

The foregoing provisions of this Section 2 will be included in a definitive stockholders' agreement to be prepared and executed by the parties hereto as soon as practicable, but in any event prior to the consummation of the Offer.

3. Representations and Warranties of Comcast. Comcast represents and warrants to Liberty that: (a) Comcast is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania, and has full power and authority to execute, deliver and perform this Agreement and the performance of Comcast's obligations hereunder have been duly authorized by all necessary action (corporate or other) on the part of Comcast; (b) this Agreement has been duly executed and delivered by Comcast and, assuming the due execution and delivery thereof by Liberty and TCI, is a valid and binding obligation of Comcast, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and by general principles of equity; (c) the execution and delivery of this Agreement and the performance of Comcast's obligations hereunder will not (i) require the consent, approval or authorization of, or any registration, qualification or filing with, any governmental agency or authority or any other person or (ii) conflict with or result in a material breach or violation of (A) any material agreement to which Comcast is a party or (B) assuming expiration of all applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), without objection to the transactions contemplated hereby by the DOJ or the FTC, any applicable law or regulation; (d) except for certain Delaware shareholder suits, there is no litigation, governmental or other proceeding, investigation or controversy pending or, to Comcast's knowledge, threatened against Comcast relating to the transactions contemplated by this Agreement; (e) except for filings under the HSR Act, no consent, approval or authorization of, nor any registration, qualification or filing with, any governmental agency or authority or any other person is required in order for Comcast to execute, deliver or perform this Agreement; (f) neither Comcast nor any of its subsidiaries or affiliates has any remaining obligations under the Stockholders Agreement (or any successor or other similar agreement); and (g) Comcast has good title to all of the QVC securities set forth under its name on Schedule IV hereto, subject to no liens, claims or encumbrances (including pursuant to the Stockholders Agreement or any successor or other similar agreement) other than pursuant to the Company Repurchase Rights (or any similar contingent rights of QVC).

4. Representations and Warranties of Liberty. Liberty

represents and warrants to Comcast that: (a) Liberty is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has full power and authority to execute, deliver and perform this Agreement and the performance of Liberty's obligations hereunder have been duly authorized by all necessary action (corporate or other) on the part of Liberty; (b) this Agreement has been duly executed and delivered by Liberty and, assuming the due execution and delivery thereof by Comcast and TCI, is a valid and binding obligation of Liberty, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and by general principles of equity; (c) the execution and delivery of this Agreement and the performance of Liberty's obligations hereunder will not (i) require the consent, approval or authorization of, or any registration, qualification or filing with, any governmental agency or authority or any other person or (ii) conflict with or result in a material breach or violation of (A) any material agreement to which Liberty is a party or (B) assuming expiration of all applicable waiting periods under the HSR Act without objection to the transactions contemplated hereby by the DOJ or the FTC, any applicable law or regulation; (d) Liberty has previously made filings (and the applicable waiting period has expired) under the HSR Act with respect to the acquisition of up to 49.9% of the shares of common stock of QVC; (e) except for certain Delaware shareholder suits, there is no litigation, governmental or other proceeding, investigation or controversy pending or, to Liberty's knowledge, threatened against Liberty relating to the transactions contemplated by this Agreement; and (f) except for filings under the HSR Act, no consent, approval or authorization of, nor any registration, qualification or filing with, any governmental agency or authority or any other person is required in order for Liberty to execute, deliver or perform this Agreement; and (g) Liberty has good and valid title to all of the QVC securities set forth under its name on Schedule IV hereto, subject to no liens, claims or encumbrances other than pursuant to the Company Repurchase Rights (or any similar contingent rights of QVC).

5. Covenants of Liberty, Comcast and TCI. Each of Liberty,

Comcast and TCI (but as to TCI, only with respect to clauses (i) and (iv) below) agree that it will (i) vote (or, if requested by any other party hereto, cause QVC Holdings to exercise all warrants and convert all shares of QVC preferred stock contributed to QVC Holdings and to vote) all shares of QVC capital stock in respect of which it has, directly or indirectly, the power to vote or control the voting of, in favor of the Merger and the related matters provided for in the Merger Agreement; (ii) except for transfers to QVC Holdings as provided above, not sell or dispose of any shares of QVC capital stock (or rights to acquire such shares) owned (now or at any time prior to the Merger), directly or indirectly, by it or enter into any agreement, arrangement or understanding with any other person the effect of which is to limit or restrict its right to vote such shares in accordance with the terms of this Agreement; (iii) not enter into any agreement, arrangement or understanding with any other person with respect to the purchase, sale or voting of shares of QVC; and (iv) not solicit or encourage any Alternative Transaction (as defined in the Merger Agreement).

If any proposal for an Alternative Transaction which offers an amount per share greater than that offered in the Merger (a "Superior Proposal") shall be received by QVC prior to the consummation of the Merger, Comcast and Liberty agree to use all reasonable efforts, acting in good faith, to agree on a response to such Superior Proposal. If the parties are unable to agree on such response, each of Liberty and Comcast shall have the right to propose to QVC one or more other transactions at a price in excess of \$46 per share of QVC common stock; provided that, if both Liberty and Comcast desire to make proposals and such proposals are different, then Liberty and Comcast shall use all reasonable efforts to resolve any such difference, or if they are unable to do so then Lazard Freres & Co. shall determine the manner in which such difference shall be resolved. Prior to making each such proposal to QVC, the party making such proposal (the "Proposing Party") shall offer to the other party (the "Responding Party") the right to participate in such transaction substantially on the terms contemplated by this Agreement except that the Comcast Additional Contribution (other than such of it as is attribute to the Warrant exercise) and the Liberty Additional Contribution shall be increased proportionately such that QVC Holdings shall continue to be owned following the Merger 57.4% and 42.6% by Comcast and Liberty, respectively (such increase to be in cash or such other consideration as the parties shall agree). If the Responding Party fails to accept such proposal within 48 hours, this Agreement shall terminate; provided, that notwithstanding any such termination, the provisions of the first paragraph of this Section 5 shall remain binding on each party with respect to the most recent of such proposals made by a Proposing Party to the extent that the shares of QVC stock held by the Responding Party and TCI (if Liberty is the Responding Party) are treated in such proposal the same as all other shares held by QVC shareholders other than the Proposing Party (and any other joint bidder with the Proposing Party) but only until such Proposing Party withdraws

or otherwise terminates all such proposals (of which withdrawal or termination such Proposing Party shall promptly notify the other parties hereto). The provisions of this paragraph shall apply to successive Superior Proposals (as well as successive responses by a Proposing Party).

In addition, Comcast agrees that in the event Liberty is the Proposing Party and Comcast has not elected to participate in the transaction being proposed by Liberty, that Comcast shall cooperate fully with Liberty with respect to any consents or approvals Comcast is entitled to grant pursuant to the Letter Agreement, and that upon the written request of Liberty, Comcast shall grant or withhold such approvals and consents as Liberty shall direct.

6. Mutual Covenants. Each of Comcast and Liberty agree, following consummation of the Merger, to cooperate in good faith to cause QVC and Home Shopping Network, Inc. to pursue jointly business opportunities outside the United States and Canada. The parties also agree that following consummation of the Merger, no party shall be under any obligation (legal or otherwise) to offer to QVC or any other party any business opportunity which any of them may now or thereafter desire to pursue.

7. Regulatory Approvals. The obligations of the parties under this Agreement will be conditioned upon the receipt of all necessary governmental and agency approvals required for the consummation of the transactions contemplated hereby, including but not limited to, compliance with all securities laws and the termination of all applicable waiting periods under the HSR Act; provided that, either Comcast or Liberty shall be entitled to cause QVC Holdings to terminate the Offer as provided in the Merger Agreement (and in connection therewith, the Merger Agreement pursuant to 8.01(b)(x) thereof) in the event that all waiting periods applicable to the Acquisition and the related transactions under the HSR Act have not terminated prior to December 31, 1994.

8. Fees and Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby (other than any costs and expenses related to the Comcast Additional Contribution or the Liberty Additional Contribution, which shall be paid by Comcast and Liberty, respectively) shall be paid or reimbursed by QVC following the Merger, or if the Merger is not consummated, then paid by the party incurring such expenses (except for financing and financial advisory fees not related to the Comcast Additional Contribution or the Liberty Additional Contribution, which shall be borne equally by the parties).

If QVC makes a payment pursuant to Section 8.05(b) of the Merger Agreement, then all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid out of the proceeds of such payment. After the payment of all such costs and expenses, any remainder of the proceeds of such payment shall be divided equally between Comcast and Liberty.

9. Indemnification. If any act or omission of a party causes the termination of the Merger Agreement pursuant to Section 8.01(b)(z) thereof, then such party shall indemnify the other party for any loss, damage or expense such other party may incur or suffer as a result of such termination. If an act or omission by MergerCo (as defined in the Merger Agreement) causes such termination pursuant to Section 8.01(b)(z), or if the acts or omissions of both parties cause or contribute to such loss, damage or expense, then such loss, damage or expense shall be allocated among Comcast and Liberty in proportion to the relative fault of each party.

10. Governing Law. This letter shall be governed by and construed in accordance with the substantive law of the State of New York.

11. Termination. Except as provided in Section 5, the obligations of the parties hereunder shall only terminate if the Merger Agreement is terminated pursuant to Section 8.01(a) through (d) thereof or pursuant to Section 8.01(e) (except in the case of the making of a Superior Proposal to which the second paragraph of Section 5 above applies).

12. Binding Obligation. It is understood that this letter agreement constitutes a legally binding obligation of the parties hereto. The parties acknowledge and agree that the proposed business combination of TCI and Liberty shall not constitute a sale or transfer of the shares of QVC capital stock held by Liberty.

Very truly yours,

COMCAST CORPORATION

By: /s/ Brian L. Roberts

Name: Brian L. Roberts
Title: President

Agreed to:

LIBERTY MEDIA CORPORATION

By: /s/ Peter Barton

Name: Peter Barton
Title: President

TELE-COMMUNICATIONS, INC.

Agreed to, as to clauses (i) and
(iv) of Section 5 only:

By: /s/ John Malone

Name: John Malone
Title:

SCHEDULE I

MANAGEMENT STRUCTURE

Management Committee:	Subsequent to the Merger, the Management Committee of QVC Holdings will be comprised of three representatives appointed by Comcast and two representatives appointed by Liberty; provided, that each of such representatives shall be reasonably acceptable to the other party.
Day-to-Day Management:	The day-to-day operations of QVC Holdings will be managed by Comcast. Comcast shall use reasonable efforts to manage QVC Holdings in the best interests of QVC Holdings, subject to the provision of this Agreement.
Significant Transactions:	Neither QVC Holdings nor QVC shall engage in any of the following transactions or take any of the following actions unless approved in advance by Liberty: (i) any transaction or action which would result in QVC Holdings, directly or indirectly, (x) conducting or engaging in any business other than the Primary Business, (y) participating (whether by means of a management, advisory, operating, consulting or similar agreement or arrangement) in a business other than the Primary Business, or (z) having any record or beneficial equity interest, either as a principal, trustee, stockholder, partner, joint venturer or otherwise, in any Person not primarily engaged in the Primary Business (a "Restricted Person"); provided, however, that the beneficial ownership for investment purposes of ten percent (10%) or less of the equity of any such Restricted Person shall not constitute a violation of this clause; the term "Primary Business" shall mean the business of (x) marketing of goods or services over any electronic media (other than principally entertainment programming) and (y) any activities ancillary thereto or vertically integrated therewith (including, without limitation, manufacturing, production, warehousing and distribution of such goods and services and customer financing); (ii) any transaction not in the ordinary course of

business, launching new or additional channels or engaging in any new field of business, in each case, which would result in, or would have a reasonable likelihood of resulting in, Liberty or any of its affiliates being required (pursuant to any law, statute, rule, regulation, order or judgement promulgated or issued by any court of competent jurisdiction or the United States government or any Federal governmental, regulatory, or administrative authority or agency or tribunal) to divest itself of its QVC Holdings securities, or interests therein, or any other assets of such entity, or which would render such entity's continued ownership of such stock or assets illegal or subject to the imposition of a fine or penalty or which would impose material restrictions or limitations on such entity's full rights of ownership (including, without limitation, voting) thereof or therein;

- (iii) the disposition, directly or indirectly by QVC Holdings (or any subsidiary thereof) in a transaction or series of transactions not in the ordinary course of business of QVC Holdings or any subsidiary of QVC Holdings, of a material amount of the assets of QVC Holdings or any such subsidiary (to be defined in the definitive agreements), except for pledges, grants of security interests, security deeds, mortgages or similar encumbrances securing bona fide indebtedness;
- (iv) the merger or consolidation of QVC Holdings or QVC (except (A) a merger between a wholly-owned subsidiary and QVC Holdings or QVC where QVC Holdings or QVC, as the case may be, is the surviving entity of such merger and where there is no change in any class or series of outstanding capital stock of QVC Holdings or QVC, as the case may be, or (B) a merger between QVC Holdings and QVC in which QVC Holdings is the surviving entity of such merger and there is no change in any class or series of outstanding capital stock of QVC Holdings) or the dissolution or liquidation of QVC Holdings;
- (v) any amendments to the Certificate of Incorporation or By-Laws of QVC Holdings;
- (vi) the issuance, grant, offer, sale, acquisition, redemption or purchase by QVC Holdings or QVC of any shares of its capital stock or other equity securities, or any securities convertible into, or options, warrants or rights of any kind to subscribe to or acquire, any shares of its capital stock or other equity securities; any split-up, combination or reclassification of the capital stock of QVC Holdings or the entering into of any contract, agreement, commitment or arrangement with respect to any of the foregoing, except that QVC Holdings may issue an aggregate of up to 1% of its capital stock (at any time outstanding) pursuant to employee stock options granted to employees on or after the closing and repurchase stock or options from present or former employees;
- (vii) the amendment or modification of any outstanding options, warrants or rights to acquire, or securities convertible into, shares of the capital stock or other securities of QVC Holdings or of any outstanding stock option or stock purchase plans or agreements;
- (viii) the filing by QVC Holdings (or any material subsidiary thereof) of a petition under the Bankruptcy Act or any other insolvency law, or the admission in writing of its bankruptcy, insolvency or general inability to pay its debts;

- (ix) except with the consent of Liberty (such consent not to be unreasonably withheld), the commencement or settlement of litigation or arbitration which is other than in the ordinary course of business and is likely to have a material impact on QVC Holdings and its subsidiaries, taken as a whole;
- (x) the entering into by QVC Holdings or any of its subsidiaries of material contracts, except any such contract which is connected with carrying on the Primary Business; and
- (xi) (a) without the consent of Liberty, such consent not to be unreasonably withheld, any transactions between QVC Holdings or any of its affiliates and Comcast or any of its affiliates or associates, other than transactions between Comcast and its affiliates or associates and QVC Holdings and its affiliates that are on armslength terms (which Comcast shall advise Liberty of) and (b) agreements between QVC Holdings or its affiliates and Comcast or its affiliates or associates relating to carriage of the Primary Business which are on terms no more favorable than those granted to Liberty and its affiliates.

Corporate Opportunities:

Notwithstanding anything contained herein, neither party (nor the directors, officers, members of the Management Committee, employees or agents of QVC Holdings or any subsidiary who are also directors, officers, employees or agents of either party) shall be obligated to present any corporate opportunity to QVC Holdings or its subsidiaries and each such party shall be free to pursue such opportunity for its sole benefit.

Transfer of Management Functions:

Upon the occurrence of a Management Transfer Event (as defined below), day-to-day management of QVC Holdings shall be transferred from Comcast to Liberty and Liberty shall thereafter be entitled to appoint three representatives of the Management Committee and Comcast shall be entitled to appoint two such representatives. From and after the date of the Management Transfer Event, (a) all rights and obligations of Comcast, as manager of the business of QVC Holdings, shall terminate and Liberty shall thereafter succeed to all such rights and obligations, and (b) any right to consent to the taking of any action theretofore granted to Liberty shall become the right of Comcast upon the same terms and conditions.

The term "Management Transfer Event" shall mean the first to occur of (x) the delivery of written notice by Liberty to Comcast exercising Liberty's right to purchase all of the common stock of QVC Holdings held by Comcast and its subsidiaries pursuant to Paragraph D of Schedule III of this Agreement and (y) a Comcast Purchase Default (as defined in Schedule III of this Agreement)

SCHEDULE II

Following the Merger, each of Comcast and Liberty shall be entitled to three demand registrations with respect to their stock of QVC Holdings pursuant to customary registration rights agreements to be included in the definitive agreement referred to in paragraph 2 of this Agreement. Prior to the time QVC Holdings has publicly-traded common stock, the price at which the nondemanding party may purchase the shares proposed to be registered of the demanding party pursuant to the right of first refusal shall be based upon a projected initial secondary public offering price of QVC Holdings common stock as determined by three investment bankers (one chosen by Comcast, one chosen by Liberty and, if they cannot agree, by a third independent investment banker chosen by the first two investment bankers).

SCHEDULE III

A. In the event that Liberty, through the exercise of its demand registration rights set forth in Schedule II of this Agreement, shall not have been the party which first caused the common stock of QVC Holdings to be registered under the Exchange Act, then Liberty shall have the right at any time during the 60-day period following the fifth anniversary of the Merger (or if not previously exercised, at any time during the 60-day period following each of the sixth, seventh, eighth and ninth anniversaries of the Merger)) to exercise its exit rights hereunder by notice in writing to Comcast, whereupon Liberty and Comcast shall seek to agree upon the "Fair Market Value" of QVC Holdings on the date such notice is given. The "Fair Market Value" of QVC Holdings shall mean the fair market value of QVC Holdings on a going concern or liquidation basis, whichever method would yield the highest valuation. The Fair Market Value of QVC Holdings on a going concern basis shall take into account such considerations as would customarily affect the price at which a willing seller would sell and a willing buyer would buy QVC Holdings as a going concern in an arms-length transaction in which such buyer purchases all of the stock of QVC Holdings. The Fair Market Value of QVC Holdings on a liquidation basis shall take into account tax liabilities that would be incurred on a liquidation assuming the most tax efficient and practical plan of liquidation.

B. If Liberty and Comcast are unable to agree upon the Fair Market Value within 30 days, then such value shall be determined pursuant to the appraisal process hereafter described. Liberty and Comcast shall, within 15 days after the expiration of such 30-day period, each designate a qualified independent appraiser to determine such value. Such appraisers shall submit their written appraisals not later than 45 days after the date of their retention. If the amount of the higher of the two appraisals is greater than 110% of the amount determined in the lower appraisal, then a third qualified independent appraiser designated by the first two qualified independent appraisers shall be retained promptly by Liberty and Comcast and shall deliver its written appraisal within 30 days after the date of such retention. If any valuation is made pursuant to such appraisal process, the value to be determined shall be the average of the first two appraisals, if only two appraisals are required, or if three appraisals are required, the average of the two closest appraisals (or if there are not two closest appraisals, the average of all three such appraisals). The term "qualified independent appraiser" shall mean a nationally recognized appraiser or investment banking firm with substantial experience in evaluating significant communications properties, including cable television programming businesses, that is not directly or indirectly affiliated with any party to this Agreement and which has no interest (other than the receipt of customary fees) in any of the transactions contemplated hereby.

C. Comcast shall have the right (exercisable by notice in writing to Liberty within 30 days after the determination of such Fair Market Value) to purchase all of the common stock of QVC Holdings held by Liberty and its subsidiaries for an amount (the "Liberty Exit Price") equal to the fraction of the Fair Market Value represented by such common stock as a percentage of the fully diluted common stock of QVC Holdings (after giving effect to any consideration that would be received by QVC Holdings upon the exercise of any options or warrants). The purchase price of each share of preferred stock or other securities of QVC Holdings convertible without payment of further consideration into common stock of QVC Holdings shall be determined by reference to the number of shares of common stock of QVC Holdings into which such share may be converted. The purchase price of each warrant or option or other securities of QVC Holdings exercisable in respect of shares of common stock of QVC Holdings shall be the applicable purchase price of the underlying share of common stock of QVC Holdings, less the applicable exercise price per share. If Comcast exercises such right, Comcast shall have the right to pay such purchase price in (at Comcast's election) one or more of the following: (i) cash; (ii) a Comcast promissory note maturing not later than three years after issuance and having an interest rate (determined by appraisal if the parties cannot agree) that, taking into account the terms of such note, would cause such note to trade at par immediately following its issuance; provided that, Comcast may only pay the Liberty Exit Price with such a promissory note if the interest rate thereon does not exceed 500 basis points over the three-year treasury note rate on the date of issuance of such note; or (iii) shares of Comcast common stock or other equity securities having an aggregate Average Market Price (as of the date the last of such appraisals are delivered to Comcast and Liberty) equal to the Liberty Exit Price; provided, that such Comcast common stock or other equity securities have been previously listed or traded on a national securities exchange or quoted on an inter-dealer quotation system. The term "Average Market Price" shall mean the average for the twenty prior trading days of the closing sales price of such security in the

over-the-counter market, as reported by NASDAQ, or if listed on a national securities exchange, as reported on the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which such securities are listed or admitted for trading (as such Average Market Price shall be adjusted for splits, recapitalizations, stock dividends and other events occurring during such twenty trading day period). Notwithstanding Comcast's election as to the form in which to pay the Liberty Exit Price, Liberty shall have the right, exercisable within 5 days of Comcast's written notice to it as to the form of consideration in which it intends to pay the Liberty Exit Price, to require that Comcast pay such amount by delivering to it Comcast common stock or other equity securities having an aggregate Average Market Price equal to the Liberty Exit Price; provided that, Comcast shall not be obligated to issue stock if (i) it would represent more than 4.9% of the outstanding common stock or more than 4.9% of the stockholder voting power of Comcast; or (ii) such issuance would result in, or would have a reasonable likelihood of resulting in, Comcast or any of its affiliates being required (pursuant to any law, statute, rule, regulation, order or judgement promulgated or issued by any court of competent jurisdiction or the United States government or any Federal governmental, regulatory, or administrative authority or agency or tribunal) to divest itself of any of its assets, or would render its continued ownership of such assets illegal or subject to the imposition of a fine or penalty or would impose material restrictions or limitations on its full rights of ownership of its assets. In the event Comcast elects to deliver Comcast stock to Liberty as aforesaid, it shall also grant to Liberty rights substantially equivalent to the registration rights set forth in Schedule II hereto with respect to the registration of such shares of Comcast stock. Any closing of the purchase of the QVC Holdings common stock held by Liberty and its subsidiaries pursuant to this Schedule III shall be consummated as soon as practicable after receipt of all applicable regulatory approvals, but in any event not later than the 135th day following the date upon which the form of the consideration to be paid to Liberty in payment of the Liberty Exit Price shall have been determined in accordance with this Paragraph (the "Liberty Determination Date"); provided however, that in the event Comcast is prohibited from consummating such purchase by such date because of the entry of any injunction, order, or decree or the enactment of any law or regulation, in each case subsequent to the date Liberty notifies Comcast of its exercise of the Liberty Exit Right, then the date by which such purchase was to be consummated pursuant to the foregoing clause shall be extended for an additional period ending on the earlier to occur of (x) the 10th day following the date such purchase is no longer prohibited as aforesaid and (y) the 195th day following the Liberty Determination Date.

D. In the event that Comcast (x) shall fail to elect to purchase Liberty's shares of QVC common stock within the time period specified or (y) following an election to so purchase, shall fail to consummate such purchase by the date specified in Paragraph C (the event specified in clause (y) is hereafter referred to as the "Comcast Purchase Default"), then Liberty shall have the right (exercisable by notice in writing to Comcast within 30 days thereafter) to purchase all of the common stock of QVC Holdings held by Comcast and its subsidiaries for an amount (the "Comcast Exit Price") equal to the fraction of the Fair Market Value represented by such common stock as a percentage of the fully diluted common stock of QVC Holdings (after giving effect to any consideration that would be received by QVC Holdings upon the exercise of any options or warrants). The purchase price of each share of preferred stock or other securities of QVC Holdings convertible without payment of further consideration into common stock of QVC Holdings shall be determined by reference to the number of shares of common stock of QVC Holdings into which such share may be converted. The purchase price of each warrant or option or other securities of QVC Holdings exercisable in respect of shares of common stock of QVC Holdings shall be the applicable purchase price of the underlying share of common stock of QVC Holdings, less the applicable exercise price per share. If Liberty exercises such right, Liberty shall have the right to pay such purchase price in (at Liberty's election) one or more of the following: (i) cash; (ii) a promissory note issued by Liberty (or if it is a subsidiary, issued by its ultimate parent entity) ("Liberty Parent") maturing not later than three years after issuance and having an interest rate (determined by appraisal if the parties cannot agree) that, taking into account the terms of such note, would cause such note to trade at par immediately following its issuance; provided that, Liberty may only pay the Comcast Exit Price with such a promissory note if the interest rate thereon does not exceed 500 basis points over the three-year treasury note rate on the date of issuance of such note; or (iii) shares of Liberty Parent common stock or other equity securities of Liberty Parent having an aggregate Average Market Price (as of the date the last of such appraisals are delivered to Liberty and Comcast) equal to the Comcast Exit Price; provided that such Liberty Parent common stock or other equity securities have been previously listed or traded on a national securities exchange or quoted on an inter-dealer quotation system. Notwithstanding Liberty's

election as to the form in which to pay the Comcast Exit Price, Comcast shall have the right, exercisable within 5 days of Liberty's written notice to it as to the form of consideration in which it intends to pay the Comcast Exit Price, to require that Liberty pay such amount by delivering to it Liberty Parent stock having an aggregate Average Market Price equal to the Comcast Exit Price; provided that, Liberty Parent shall not be obligated to issue stock if (i) it would represent more than 4.9% of the outstanding common stock or more than 4.9% of the stockholder voting power of Liberty Parent; or (ii) if such issuance would result in, or would have a reasonable likelihood of resulting in, Liberty Parent or any of its affiliates being required (pursuant to any law, statute, rule, regulation, order or judgement promulgated or issued by any court of competent jurisdiction or the United States government or any Federal governmental, regulatory, or administrative authority or agency or tribunal) to divest itself of any of its assets or would render its continued ownership of such stock or assets illegal or subject to the imposition of a fine or penalty or would impose material restrictions or limitations on its full rights of ownership of its assets. In the event Liberty elects to deliver Liberty Parent stock to Comcast as aforesaid, it shall also grant to Comcast rights substantially equivalent to the registration rights set forth in Schedule II hereto with respect to the registration of such shares of Liberty Parent stock. Any closing of the purchase of the QVC Holdings common stock held by Comcast and its subsidiaries pursuant to this Schedule III shall be consummated as soon as practicable after receipt of all applicable regulatory approvals, but in any event not later than the 135th day following the date upon which the form of the consideration to be paid to Comcast in payment of the Comcast Exit Price shall have been determined in accordance with this Paragraph (the "Comcast Determination Date"); provided however, that in the event Liberty is prohibited from consummating such purchase by such date because of the entry of any injunction, order, or decree or the enactment of any law or regulation, in each case subsequent to the date Comcast notifies Liberty of its exercise of the Comcast Exit Right, then the date by which such purchase was to be consummated pursuant to the foregoing clause shall be extended for an additional period ending on the earlier to occur of (x) the 10th day following the date such purchase is no longer prohibited as aforesaid and (y) the 195th day following the Comcast Determination Date.

E. In the event that Liberty (x) shall fail to elect to purchase Comcast's shares of QVC common stock within the time period specified or (y) following an election to so purchase, shall fail to consummate such purchase by the date specified in Paragraph D, then Liberty and Comcast shall use their best efforts to sell QVC Holdings. Liberty, Comcast or any of their respective affiliates may be purchasers (individually or as part of a group) in any such sale.

F. Notwithstanding anything contained herein, the parties agree to use all reasonable efforts to consummate any such purchase and sale pursuant to this Schedule III in a tax-free transaction or, if not available, most tax efficient method available. In the event that the party whose QVC Holdings securities are to be purchased pursuant to this Schedule III (the "Selling Party") shall notify the party required to purchase the Selling Party's QVC Holdings securities (the "Purchasing Party") at the time of its election to exercise its right to cause the other party to purchase, as to a structure of the transactions contemplated by the Liberty Exit Right or the Comcast Exit Right which is otherwise in accordance with the provisions of Paragraphs C or D above (as applicable) and which such Selling Party reasonably believes to be tax-free or the most tax efficient structure for such transaction (the "Proposed Structure"), and if requested by the Purchasing Party within 10 days of receipt of notice of the Proposed Structure, such Selling Party shall deliver an opinion of counsel (such counsel to be reasonably acceptable to the Purchasing Party) reasonably confirming the tax free or tax efficient nature of the Proposed Structure, then such sale shall be consummated in accordance with the Proposed Structure unless, within 15 days of the last to occur of the notice as to the Proposed Structure or such opinion of counsel, the Purchasing Party delivers to the Selling Party a notice setting forth an alternate structure for such transaction (the "Alternate Structure"), which is no less favorable from a tax standpoint to the Selling Party than the Proposed Structure (as evidenced by an opinion of counsel addressed to and reasonably acceptable to the Selling Party) and which does not result in the creation of restrictions or limitations applicable to the Selling Party which are, in the good faith, reasonable judgment of the Selling Party, more onerous to it than those which would result in the Proposed Structure, then the parties shall proceed to consummate such transaction in accordance with the Alternate Structure.

QVC Securities held
by Comcast and Liberty
to be contributed to QVC Holdings

I. Liberty

Common Stock: 6,527,207 shares

Class C. Preferred Stock: 372,866 shares (convertible
into 3,728,660 shares of Common Stock)

II. Comcast

Common Stock: 6,207,434 shares

Class C. Preferred Stock: 72,050 shares (convertible
into 720,500 shares of Common Stock)

Warrants to Purchase Common Stock: 1,700,000

AGREEMENT AND PLAN OF MERGER

among

QVC, INC.,

COMCAST CORPORATION,

LIBERTY MEDIA CORPORATION

and

COMCAST QMERGER, INC.

dated as of August 4, 1994

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AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER, dated as of August 4, 1994 (the "Agreement"), among COMCAST CORPORATION, a Pennsylvania corporation ("Comcast"), LIBERTY MEDIA CORPORATION, a Delaware corporation ("Liberty"), COMCAST QMERGER, INC., a Delaware corporation ("Buyer"), and QVC, INC., a Delaware corporation ("QVC").

W I T N E S S E T H:

WHEREAS, upon the terms and subject to the conditions of this Agreement and in accordance with the General Corporation Law of the State of Delaware ("Delaware Law"), Buyer will make the offer described in Section 1.01 below (the "Offer") and thereafter QVC and Buyer will enter into a business combination transaction pursuant to which a wholly-owned subsidiary of Buyer ("MergerCo") will merge with and into QVC (the "Merger");

WHEREAS, the Board of Directors of QVC has determined that the Offer and the Merger are fair to, and in the best interests of, QVC and its stockholders and has approved and adopted this Agreement, has approved the Offer and the Merger and the other transactions contemplated hereby and has recommended approval and adoption of this Agreement and approval of the Merger by the stockholders of QVC; and

WHEREAS, the Board of Directors of each of Comcast, Liberty and Buyer have approved and adopted this Agreement and have approved the Offer and the Merger and the other transactions contemplated hereby;

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth in this Agreement, the parties hereto agree as follows:

ARTICLE I

THE OFFER AND THE MERGER

SECTION 1.01. The Offer. (a) Provided that nothing shall have occurred that would result in a failure to satisfy any of the conditions set forth in paragraphs (a) through (d) of Annex I hereto, Buyer (or a subsidiary of Buyer) shall, as promptly as practicable after the date hereof, but in no event later than five business days following the public announcement of the terms of this Agreement, commence an offer to purchase (i) all of the outstanding shares (the "Common Shares") of Common Stock, par value \$.01 per share, of QVC (the "QVC Common Stock") at a price of \$46.00 per Common Share, and (ii) all of the outstanding shares (the "Preferred Shares") of QVC Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock, par value \$.10 per share, (collectively, the "QVC Preferred Stock") at a price of \$460 per Preferred Share, in each case net to the seller in cash. For purposes of this Agreement, "Shares" means the Common Shares and the Preferred Shares and "QVC Stock" means the QVC Common Stock and the QVC Preferred Stock.

(b) The Offer shall be subject to the conditions set forth in Annex I hereto. Buyer shall not, without the prior written consent of QVC, make any change in the terms or conditions of the Offer that is adverse to the holders of QVC Stock, change the form of consideration to be paid in the Offer, decrease the price per Share payable in the Offer or the number of Shares sought in the Offer, waive the Minimum Condition (as defined in Annex I) or impose conditions to the Offer in addition to those set forth in Annex I.

(c) As soon as practicable on the date of commencement of the Offer, Comcast, Liberty and Buyer shall file with the SEC (as defined in Section 3.01) a Tender Offer Statement on Schedule 14D-1 and, together with QVC, a Rule 13E-3 Transaction Statement on Schedule 13E-3, with respect to the Offer which will contain the offer to purchase and form of the related letter of transmittal (together with any supplements or amendments thereto, collectively the "Offer Documents"). QVC agrees to provide Comcast, Liberty and Buyer with such information concerning QVC as any of such parties may reasonably request in connection with the preparation of the Schedule 13E-3. Each party hereto agrees promptly to supplement, update and correct any information provided by it for use in the Offer Documents if and to the extent that it is or shall have become incomplete, false or misleading. Each of Comcast, Liberty and Buyer agrees to take all steps necessary to cause the Offer Documents as so corrected to be filed with the SEC and to be disseminated to holders of Shares, in each case as and to the extent required by applicable federal securities laws. QVC and its counsel shall be given an opportunity to review and comment on the Schedule 14D-1 prior to its being filed with the SEC.

SECTION 1.02. Company Action. (a) QVC hereby consents to the Offer and represents that its Board of Directors, at a meeting duly called and held, has unanimously (other than the directors affiliated with Comcast) (i) determined that this Agreement and the transactions contemplated hereby, including the Offer and the Merger, are fair to and in the best interest of QVC's stockholders (other than Comcast and Liberty and their affiliates), (ii) approved this Agreement and the transactions contemplated hereby, including the Offer and the Merger, which approval satisfies in full the requirements of Delaware Law (including all approvals required under Section 203 of Delaware Law in connection with the consummation of the transactions contemplated hereby (the "Transactions") and the contribution by each of Comcast and Liberty of Shares and other QVC Securities to Buyer in connection with the consummation of the Offer) and (iii) subject to its fiduciary duties under applicable law, resolved to recommend acceptance of the Offer, and approval and adoption of this Agreement and the Merger, by its stockholders. QVC

further represents that Allen & Company Incorporated has delivered to QVC's Board of Directors its written opinion dated the date hereof that the consideration to be paid in the Offer and the Merger is fair to the holders of Shares (other than Comcast and Liberty) from a financial point of view. To the best of QVC's knowledge, all of its directors (other than those directors affiliated with Comcast) and executive officers intend either to tender their Shares pursuant to the Offer or to vote in favor of the Merger. QVC will promptly furnish Buyer with a list of its stockholders, mailing labels and any available listing or computer file containing the names and addresses of all record holders of Shares and lists of securities positions of Shares held in stock depositories, in each case true and correct as of the most recent practicable date, and will provide to Buyer such additional information (including, without limitation, updated lists of stockholders, mailing labels and lists of securities positions) and such other assistance as Buyer may reasonably request in connection with the Offer.

(b) As soon as practicable on the day that the Offer is commenced QVC will file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 (the "Schedule 14D-9") which shall reflect the recommendations of QVC's Board of Directors referred to above. Each party hereto agrees promptly to supplement, update and correct any information provided by it for use in the Schedule 14D-9 if and to the extent that it is or shall have become incomplete, false, or misleading. QVC agrees to take all steps necessary to cause the Schedule 14D-9 as so corrected to be filed with the SEC and to be disseminated to holders of Shares, in each case as and to the extent required by applicable federal securities laws. Buyer and its counsel shall be given an opportunity to review and comment on the Schedule 14D-9 prior to its being filed with the SEC.

SECTION 1.03. Directors. (a) Effective upon the acceptance for payment by Buyer of any Shares, Buyer shall be entitled to designate the number of directors, rounded up to the next whole number, on QVC's Board of Directors that equals the product of (i) the total number of directors on QVC's Board of Directors (giving effect to the election of any additional directors pursuant to this Section) and (ii) the percentage that the number of Shares owned by Buyer, Comcast, Liberty or any of their respective wholly owned subsidiaries (including Shares accepted for payment) bears to the total number of Shares outstanding, and QVC shall take all action necessary to cause Buyer's designees to be elected or appointed to QVC's Board of Directors, including, without limitation, increasing the number of directors or seeking and accepting resignations of incumbent directors. At such times, QVC will use its best efforts to cause individuals designated by Buyer to constitute the same percentage as such individuals represent on QVC's Board of Directors of (x) each committee of the Board (other than any committee of the Board established to take action under this Agreement), (y) each board of directors of each QVC Subsidiary (as defined in Section 3.01) and (z) each committee of each such board (in each case rounded up to the next whole number). Notwithstanding the foregoing, until such time as Buyer acquires a majority of the outstanding Common Shares on a fully-diluted basis, QVC shall use its reasonable best efforts to ensure that all of the members of the Board of Directors and such boards and committees as of the date hereof who are not employees of QVC shall remain members of the Board of Directors and such boards and committees until the Effective Time (as defined in Section 1.06).

(b) QVC's obligations to appoint designees to the Board of Directors shall be subject to Section 14(f) of the Exchange Act (as defined in Section 3.05) and Rule 14f-1 promulgated thereunder and any other required material regulatory approvals. QVC shall promptly take all actions required pursuant to Section 14(f) and Rule 14f-1 in order to fulfill its obligations under this Section and shall include in the Schedule 14D-9 such information

with respect to QVC and its officers and directors (and to the extent required by law, those persons designated by Buyer) as is required under Section 14(f) and Rule 14f-1 to fulfill its obligations under this Section 1.03. Buyer will supply to QVC in writing and be solely responsible for any information with respect to itself and its nominees, officers, directors and affiliates required by Section 14(f) and Rule 14f-1.

(c) Following the election or appointment of Buyer's designee(s) pursuant to this Section and prior to the Effective Time (defined in Section 1.08), any amendment or termination of this Agreement, grant by QVC of any extension for the performance or waiver of the obligations or other acts of Buyer, Comcast or Liberty or waiver of QVC's rights hereunder, or action with respect to any QVC (or Surviving Corporation) employee benefit plan or option agreement, including, without limitation, any equity compensation agreement, shall require the concurrence of a majority of QVC's directors then in office who are directors on the date hereof, or are directors (other than directors designated by Buyer in accordance with Section 1.03(a) and other than the directors affiliated with Comcast) designated by such persons to fill any vacancy.

SECTION 1.04. The Merger. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with Delaware Law, at the Effective Time (as defined in Section 1.08), Buyer shall cause MergerCo to be merged with and into QVC. As a result of the Merger, the separate existence of MergerCo shall cease and QVC shall continue as the surviving corporation of the Merger (the "Surviving Corporation") under the name "QVC, Inc."

SECTION 1.05. Action by Stockholders. If required by applicable law to consummate the Merger, QVC, acting through its Board of Directors, shall, in accordance with applicable law, its Certificate of Incorporation and bylaws: (i) as soon as practicable after consummation of the Offer, duly call, give notice of, convene and hold a special meeting of stockholders for the purpose of adopting this Agreement and approving the Merger; (ii) subject to its fiduciary duties on the basis of advice of independent counsel, include in any proxy statement the determination and recommendation of the Board of Directors to the effect that the Board of Directors, having determined that this Agreement and the transactions contemplated hereby are in the best interests of QVC and its stockholders, has approved this Agreement and such transactions and recommends that the stockholders vote in favor of the approval and adoption of this Agreement and the Merger; and (iii) use its best efforts, subject to its fiduciary duties on the basis of advice of independent counsel, to obtain the necessary approval of this Agreement and the Merger by stockholders. Comcast, Liberty, MergerCo and Buyer shall vote all Shares acquired in the Offer, or heretofore owned, in favor of the Merger.

SECTION 1.06. Proxy Statement. (a) As promptly as practicable after consummation of the Offer, QVC shall prepare and file with the SEC (if necessary) a proxy statement relating to the meeting of QVC's stockholders to be held in connection with the Merger (together with any amendments thereof or supplements thereto, the "Proxy Statement"). Comcast, Liberty, MergerCo and Buyer shall furnish to QVC all information concerning Comcast, Liberty and Buyer as QVC may reasonably request in connection with the preparation of the Proxy Statement. As promptly as practicable after the Proxy Statement has been cleared by the SEC, QVC shall mail the Proxy Statement to its stockholders. The Proxy Statement shall include the recommendation of the Board of Directors of QVC in favor of the Merger, unless otherwise necessary due to the applicable fiduciary duties of the directors of QVC, as determined by such directors in good faith after consultation with, and

based upon the advice of, outside counsel.

(b) The information supplied by each of Comcast, Liberty, MergerCo and Buyer for inclusion in the Proxy Statement shall not, at (i) the time the Proxy Statement (or any amendment thereof or supplement thereto) is first mailed to the stockholders of QVC, (ii) the time of the QVC stockholders' meeting contemplated by such Proxy Statement, and (iii) the Effective Time, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading. If at any time prior to the Effective Time any event or circumstance relating to any party hereto, or their respective officers or directors, should be discovered by such party which should be set forth in an amendment or a supplement to the Proxy Statement, such party shall promptly inform QVC and Buyer thereof and take appropriate action in respect thereof.

(c) Notwithstanding anything in the foregoing to the contrary, in the event that Comcast, Liberty, MergerCo, Buyer and/or any other direct or indirect subsidiary thereof, shall acquire at least 90 percent of the outstanding shares of each class of capital stock of QVC, Comcast, Liberty and QVC hereby agree to take all necessary and appropriate action (subject to Section 1.07 hereof) to cause the Merger to become effective as promptly as practicable after the expiration of the Offer and the satisfaction or waiver of the conditions set forth in Article VII hereof, without a meeting of QVC's stockholders, in accordance with Section 253 of Delaware Law.

SECTION 1.07. Closing. Unless this Agreement shall have been terminated and the transactions herein contemplated shall have been abandoned pursuant to Section 8.01 and subject to the satisfaction or, if permissible, waiver of the conditions set forth in Article VII, the closing of the Merger will take place as promptly as practicable (and in any event, subject to the proviso at the end of this sentence, within ten business days) after satisfaction or waiver of the conditions set forth in Article VII, at the offices of Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York, unless another date, time or place is agreed to in writing by the parties hereto, provided that the Closing shall not occur prior to October 21, 1994.

SECTION 1.08. Effective Time. As promptly as practicable after the satisfaction or, if permissible, waiver of the conditions set forth in Article VII (but subject to Section 1.07 hereof), the parties hereto shall cause the Merger to be consummated by filing a certificate of merger with the Secretary of State of the State of Delaware and by making any related filings required under Delaware Law in connection with the Merger. The Merger shall become effective at such time (but not prior to October 21, 1994) as the certificate of merger is duly filed with the Secretary of State of the State of Delaware or at such later time as is specified in the certificate of merger (the "Effective Time").

SECTION 1.09. Effect of the Merger. From and after the Effective Time, the Surviving Corporation shall possess all the rights, privileges, powers and franchises and be subject to all of the restrictions, disabilities and duties of QVC and MergerCo, and the Merger shall otherwise have the effects, all as provided under Delaware Law.

SECTION 1.10. Certificate of Incorporation. The certificate of incorporation of MergerCo in effect at the Effective Time shall be the certificate of incorporation of the Surviving Corporation until amended in accordance with applicable law, except that the name of the Surviving Corporation shall be "QVC, Inc.", provided that (i) the par value of the common stock of the Surviving Corporation shall not be \$.01 per share, or (ii) there shall be such other changes made to the certificate of incorporation of

the Surviving Corporation or otherwise as shall be reasonably acceptable to the parties hereto as shall be necessary or appropriate in order for the Merger and the Transactions to qualify as a reclassification under Delaware Law.

SECTION 1.11. Bylaws. The bylaws of MergerCo in effect at the Effective Time shall be the bylaws of the Surviving Corporation until amended in accordance with applicable law.

SECTION 1.12. Directors and Officers. From and after the Effective Time, until successors are duly elected or appointed and qualified (or earlier resignation or removal) in accordance with applicable law, (i) the directors of MergerCo at the Effective Time shall be the directors of the Surviving Corporation and (ii) the officers of QVC at the Effective Time shall be the officers of the Surviving Corporation.

ARTICLE II

CONVERSION OF SECURITIES; EXCHANGE OF CERTIFICATES

SECTION 2.01. Conversion of Securities. At the Effective Time, by virtue of the Merger and without any action on the part of Buyer or MergerCo, QVC or the holders of any of the following securities:

(a) Each share of QVC Common Stock issued and outstanding immediately prior to the Effective Time (other than any shares of QVC Common Stock to be canceled pursuant to Section 2.01(b) and any Dissenting Shares (as defined in Section 2.05)) shall be converted into the right to receive \$46.00 in cash, without interest (the "Common Merger Consideration"). Each share of QVC Preferred Stock issued and outstanding immediately prior to the Effective Time (other than any shares of QVC Preferred Stock to be canceled pursuant to Section 2.01(b) and any Dissenting Shares), shall be converted into the right to receive \$460.00 in cash, without interest (the "Preferred Merger Consideration"). At the Effective Time, all shares of QVC Stock shall no longer be outstanding and shall automatically be canceled and retired and shall cease to exist, and each certificate previously evidencing any such shares shall thereafter represent the right to receive, upon the surrender of such certificate in accordance with the provisions of Section 2.02, the Common Merger Consideration or the Preferred Merger Consideration, as the case may be. The holders of such certificates previously evidencing such shares of QVC Stock outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such shares of QVC Stock except as otherwise provided herein or by law.

(b) Each share of QVC Stock held in the treasury of QVC or by any wholly owned subsidiary thereof and each share of QVC Stock owned by Buyer and MergerCo or any of its subsidiaries, immediately prior to the Effective Time shall automatically be canceled and extinguished without any conversion thereof and no payment shall be made with respect thereto.

(c) Each share of common stock of MergerCo outstanding immediately prior to the Effective Time shall be converted into and become one share of common stock of the Surviving Corporation with the same rights, powers and privileges as the shares so converted and shall constitute the only outstanding shares of capital

stock of the Surviving Corporation.

SECTION 2.02. Exchange of Certificates and Cash. (a)

Exchange Agent. Prior to the Effective Time, Buyer shall deposit, or shall cause to be deposited, with or for the account of a bank or trust company designated by Comcast, which shall be reasonably satisfactory to QVC (the "Exchange Agent"), for the benefit of the holders of shares of QVC Stock (other than Dissenting Shares), for exchange in accordance with this Article II, through the Exchange Agent, an amount in cash equal to the Common Merger Consideration and the Preferred Merger Consideration payable pursuant to Section 2.01(a) in exchange for all of the outstanding shares of QVC Stock (such cash funds are hereafter referred to as the "Exchange Fund"). The Exchange Agent shall, pursuant to irrevocable instructions, deliver the Merger Consideration (as defined in paragraph (b) below) to be paid and issued pursuant to Section 2.01(a) out of the Exchange Fund to holders of shares of QVC Stock. The Exchange Fund shall not be used for any other purpose. Any interest, dividends or other income earned on the investment of cash held in the Exchange Fund shall be for the account of Buyer.

(b) Exchange Procedures. As soon as reasonably practicable after the Effective Time, Buyer will instruct the Exchange Agent to mail to each holder of record of a certificate or certificates which immediately prior to the Effective Time evidenced outstanding shares of QVC Stock (other than Dissenting Shares) (the "Certificates"), (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon proper delivery of the Certificates to the Exchange Agent and shall be in such form and have such other provisions as Buyer may reasonably specify) and (ii) instructions to effect the surrender of the Certificates in exchange for cash. Upon surrender of a Certificate for cancellation to the Exchange Agent or to such other agent or agents as may be appointed by Buyer together with such letter of transmittal, duly executed, and such other customary documents as may be required pursuant to such instructions (collectively, the "Transmittal Documents"), the holder of such Certificate shall be entitled to receive in exchange therefor an amount in cash which such holder has the right to receive pursuant to Section 2.01(a) (the "Merger Consideration"), and the Certificate so surrendered shall forthwith be canceled. In the event of a transfer of ownership of shares of QVC Stock which is not registered in the transfer records of QVC, the Merger Consideration may be issued and paid in accordance with this Article II to a transferee if the Certificate evidencing such shares of QVC Stock is presented to the Exchange Agent, accompanied by all documents required to evidence and effect such transfer and by evidence that any applicable stock transfer taxes have been paid. The Merger Consideration will be delivered by the Exchange Agent as promptly as practicable following surrender of a Certificate and the related Transmittal Documents, and cash payments may be made by check (unless otherwise required by a depository institution in connection with the book-entry delivery of securities). No interest will be payable on such Merger Consideration regardless of any delay in making payments. Until surrendered as contemplated by this Section 2.02, each Certificate shall be deemed at any time after the Effective Time to evidence only the right to receive, upon such surrender, the Merger Consideration, without interest.

(c) Termination of Exchange Fund. Any portion of the Exchange Fund which remains undistributed to the holders of QVC Stock for six months after the Effective Time shall be delivered to Buyer, upon demand, and any holders of QVC Stock who have not theretofore complied with this Article II shall thereafter look only to Buyer for the Merger Consideration to which they are entitled pursuant to this Article II.

(d) No Liability. Neither Buyer, Comcast, Liberty, the Surviving Corporation nor QVC shall be liable to any holder of shares of QVC Stock for any cash from the Exchange Fund delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

(e) Withhold Rights. Buyer or the Exchange Agent shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of shares of QVC Stock such amounts as Buyer or the Exchange Agent is required to deduct and withhold with respect to the making of such payment under the United States Internal Revenue Code of 1986, as amended (the "Code"), or any provision of state, local or foreign tax law. To the extent that amounts are so withheld by Buyer or the Exchange Agent, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the shares of QVC Stock in respect of which such deduction and withholding was made by Buyer or the Exchange Agent.

SECTION 2.03. Stock Transfer Books. At the Effective Time, the stock transfer books of QVC shall be closed, and there shall be no further registration of transfers of shares of QVC Stock thereafter on the records of QVC. On or after the Effective Time, any Certificates presented to the Exchange Agent or the Surviving Corporation for any reason shall be converted into the Merger Consideration.

SECTION 2.04. Stock Options; Payment Rights. At the Effective Time, each outstanding QVC Stock Option (as defined in Section 3.03) to purchase shares of QVC Common Stock, whether or not then exercisable, shall be canceled and the holder thereof shall be entitled to receive, and shall receive, cash in an amount equal to the difference between \$46.00 and the per share exercise price thereof, multiplied by the number of shares issuable pursuant to such QVC Stock Option, provided, that if such QVC Stock Option was not issued pursuant to an employee benefit plan meeting the requirements described in Rule 16b-3 of the Exchange Act (as hereinafter defined), and is held by a person subject to the short swing profit recovery provisions of Section 16(b) of the Exchange Act, such QVC Stock Option shall not be canceled at the Effective Time and shall remain an obligation of the Surviving Corporation and shall remain enforceable in accordance with the terms thereof. The Surviving Corporation shall perform all of QVC's obligations under all QVC Stock Options and shall honor all rights with respect thereto, and the Surviving Corporation shall have no right of offset, counterclaim, reduction, recoupment or similar right with respect to any such QVC Stock Options or any Optionee's rights with respect thereto, on any basis whatsoever.

SECTION 2.05. Dissenting Shares. (a) Notwithstanding any other provision of this Agreement to the contrary, shares of QVC Stock that are outstanding immediately prior to the Effective Time and which are held by stockholders who shall have not voted in favor of the Merger or consented thereto in writing and who shall be entitled to and shall have demanded properly in writing appraisal for such shares in accordance with Section 262 of Delaware Law and who shall not have withdrawn such demand or otherwise have forfeited appraisal rights (collectively, the "Dissenting Shares") shall not be converted into or represent the right to receive the Merger Consideration. Such stockholders shall be entitled to receive payment of the appraised value of such shares of QVC Stock held by them in accordance with the provisions of Delaware Law, except that all Dissenting Shares held by stockholders who shall have failed to perfect or who effectively shall have withdrawn, forfeited or lost their rights to appraisal of such shares of QVC Stock under Delaware Law shall thereupon be deemed to have been converted into and to have become exchangeable, as of the Effective Time, for the right to receive, without any interest thereon, the Merger Consideration, upon surrender, in the manner

provided in Section 2.02, of the certificate or certificates that formerly evidenced such shares of QVC Stock.

(b) QVC shall give Buyer prompt notice of any demands for appraisal received by it, withdrawals of such demands, and any other instruments served pursuant to Delaware Law and received by QVC and relating thereto. QVC and Buyer shall jointly direct all negotiations and proceedings with respect to demands for appraisal under Delaware Law. Neither QVC nor Buyer shall, except with the prior written consent of the other, make any payment with respect to any demands for appraisal, or offer to settle, or settle, any such demands.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF QVC

QVC hereby represents and warrants to Comcast, Liberty and Buyer that:

SECTION 3.01. Organization and Qualifications; Subsidiaries.

(a) Each of QVC and each Material QVC Subsidiary (as defined below) is a corporation, partnership or other legal entity duly incorporated or organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization and has the requisite power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as it is now being conducted, except where the failure to be so organized, existing or in good standing or to have such power, authority and governmental approvals would not, individually or in the aggregate, have a QVC Material Adverse Effect (as defined below). QVC and each Material QVC Subsidiary is duly qualified or licensed as a foreign corporation to transact business, and is in good standing, in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except for such failures to be so qualified or licensed and in good standing that would not, individually or in the aggregate, have a material adverse effect on the business, results of operations or financial condition of QVC and the QVC Subsidiaries, taken as a whole (a "QVC Material Adverse Effect").

(b) Each subsidiary of QVC (a "QVC Subsidiary") that constitutes a Significant Subsidiary of QVC within the meaning of Rule 1-02 of Regulation S-X of the Securities and Exchange Commission (the "SEC") is referred to herein as a "Material QVC Subsidiary."

SECTION 3.02. Certificate of Incorporation and Bylaws. QVC has heretofore made available to Buyer a complete and correct copy of the certificate of incorporation and the bylaws or equivalent organizational documents, each as amended to the date hereof, of QVC and each Material QVC Subsidiary. Such certificates of incorporation, bylaws and equivalent organizational documents are in full force and effect. Neither QVC nor any Material QVC Subsidiary is in violation of any provision of its certificate of incorporation, bylaws or equivalent organizational documents, except for such violations that would not, individually or in the aggregate, have a QVC Material Adverse Effect.

SECTION 3.03. Capitalization. The authorized capital stock of QVC consists of 175,000,000 shares of QVC Common Stock and 5,000,000 shares of QVC Preferred Stock. As of June 30, 1994, (i) (a) 40,226,197 shares of QVC Common Stock were issued and outstanding, all of which were validly issued,

fully paid and nonassessable, (b) 5,586,730 shares of QVC Common Stock were reserved for issuance upon conversion of the QVC Preferred Stock, (c) 8,194,650 shares of QVC Common Stock were reserved for issuance upon the exercise of outstanding stock options granted pursuant to QVC's employee stock plans and certain other stock options not issued pursuant to employee stock plans ("QVC Stock Options"), (d) 1,700,000 shares of QVC Common Stock were reserved for issuance upon exercise of all outstanding warrants of QVC, (e) 730 shares of QVC Common Stock and no shares of QVC Preferred Stock were held in the treasury of QVC, (f) no shares of QVC Common Stock or QVC Preferred Stock were held by QVC Subsidiaries, and (g) 553,713 shares of QVC Common Stock and 0 shares of QVC Preferred Stock were reserved for future issuance pursuant to QVC Stock Options to be granted; and (ii) 27,788 shares of QVC Series B Preferred Stock, 530,757 shares of QVC Series C Preferred Stock, and 128 shares of QVC Series D Preferred Stock were issued and outstanding, all of which were fully paid and nonassessable and no other shares of QVC Preferred Stock were issued or outstanding. Except as set forth above, as of June 30, 1994, no shares of capital stock or other voting securities of QVC were issued, reserved for issuance or outstanding. Except as set forth in this Section 3.03 or in Section 3.03 of the Disclosure Schedule previously delivered by QVC to Comcast (the "QVC Disclosure Schedule"), there are no options, stock appreciation rights, warrants or other rights, agreements, arrangements or commitments of any character (collectively, "Options") relating to the issued or unissued capital stock of QVC or any QVC Subsidiary, or obligating QVC or any QVC Subsidiary to issue, grant or sell any shares of capital stock of, or other equity interests in, or convertible into equity interests in, QVC or any QVC Subsidiary. Since June 30, 1994, QVC has not issued any shares of its capital stock or Options in respect thereof, except upon the conversion of the securities or the exercise of the options or warrants referred to above. All shares of QVC Common Stock subject to issuance as aforesaid, upon issuance on the terms and conditions specified in the instruments pursuant to which they are issuable, will be duly authorized, validly issued, fully paid and nonassessable. Except as set forth in Section 3.03 of the QVC Disclosure Schedule, there are no outstanding contractual obligations of QVC or any QVC Subsidiary to repurchase, redeem or otherwise acquire any shares of QVC Common Stock or any capital stock of any Material QVC Subsidiary, or make any material investment (in the form of a loan, capital contribution or otherwise) in, any QVC Subsidiary or any other person. Except as set forth in Section 3.03 of the QVC Disclosure Schedule, each outstanding share of capital stock of each Material QVC Subsidiary is duly authorized, validly issued, fully paid and nonassessable and is owned by QVC or another QVC Subsidiary free and clear of all security interests, liens, claims, pledges, options, rights of first refusal, agreements, limitations on QVC's or such other QVC Subsidiary's voting rights, charges and other encumbrances of any nature whatsoever.

SECTION 3.04. Authority Relative to This Agreement. QVC has all necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Transactions. The execution and delivery of this Agreement by QVC and the consummation by QVC of the Transactions have been duly and validly authorized by all necessary corporate action and no other corporate proceedings on the part of QVC are necessary to authorize this Agreement or to consummate the Transactions (other than, with respect to the Merger, the approval and adoption of this Agreement by the holders of a majority of the then outstanding shares of QVC Common Stock and QVC Preferred Stock, voting together as a single class, and the filing and recordation of appropriate merger documents as required by Delaware Law). This Agreement has been duly and validly executed and delivered by QVC and, assuming the due authorization, execution and delivery by the other parties hereto, constitutes the legal, valid and binding obligation of QVC, enforceable against QVC in accordance with its terms. QVC has taken all appropriate actions so that the

restrictions on business combinations contained in Section 203 of Delaware Law will not apply with respect to or as a result of the Transactions or the transactions contemplated by the Bidding Agreement (as defined in Section 4.08).

SECTION 3.05. No Conflict; Required Filings and Consents. (a) Except as set forth in Section 3.05 of the QVC Disclosure Schedule, the execution and delivery of this Agreement by QVC do not, and the performance of this Agreement and the consummation of the Transactions by QVC will not, (i) conflict with or violate the certificate of incorporation or by-laws or equivalent organizational documents of QVC or any Material QVC Subsidiary, (ii) conflict with or violate any law, rule, regulation, order, judgment or decree applicable to QVC or any QVC Subsidiary or by which any property or asset of QVC or any QVC Subsidiary is bound or affected, or (iii) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, result in the loss of a material benefit under, or give to others any right of termination, amendment, acceleration, increased payments or cancellation of, or result in the creation of a lien or other encumbrance on any property or asset of QVC or any QVC Subsidiary pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which QVC or any QVC Subsidiary is a party or by which QVC or any QVC Subsidiary or any property or asset of QVC or any QVC subsidiary is bound or affected, except, in the case of clauses (ii) and (iii), for any such conflicts, violations, breaches, defaults or other occurrences which would not prevent or delay consummation of the Merger in any material respect, or otherwise prevent QVC from performing its obligations under this Agreement in any material respect, and would not, individually or in the aggregate, have a QVC Material Adverse Effect.

(b) The execution and delivery of this Agreement by QVC do not, and the performance of this Agreement and the consummation of the Transactions by QVC will not, require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, domestic or foreign (each a "Governmental Entity"), except (i) for (A) applicable requirements, if any, of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and state takeover laws, (B) the pre-merger notification requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder (the "HSR Act"), and (C) filing and recordation of appropriate merger and similar documents and the restated certificate of incorporation (the "Restated Certificate of Incorporation") as required by Delaware Law and (ii) where failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not prevent or delay consummation of the Merger in any material respect, or otherwise prevent QVC from performing its obligations under this Agreement in any material respect, and would not, individually or in the aggregate, have a QVC Material Adverse Effect.

SECTION 3.06. Compliance. Except as set forth in Section 3.06 of the QVC Disclosure Schedule, neither QVC nor any QVC Subsidiary is in conflict with, or in default or violation of, (i) any law, rule, regulation, order, judgment or decree applicable to QVC or any QVC Subsidiary or by which any property or asset of QVC or any QVC Subsidiary is bound or affected, or (ii) any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which QVC or any QVC Subsidiary is a party or by which QVC or any QVC Subsidiary or any property or asset of QVC or any QVC Subsidiary is bound or affected, except for any such conflicts, defaults or violations that would not, individually or in the aggregate, have a QVC Material Adverse Effect.

SECTION 3.07. SEC Filings; Financial Statements. (a) QVC has filed all forms, reports and documents required to be filed by it with the SEC since January 31, 1992, and has heretofore made available to Buyer, in the form filed with the SEC (excluding any exhibits thereto), (i) its Annual Reports on Form 10-K for the fiscal years ended January 31, 1992, 1993 and 1994, respectively, (ii) its Quarterly Report on Form 10-Q for the quarter ended April 30, 1994, (iii) all proxy statements relating to QVC's meetings of stockholders (whether annual or special) held since February 1, 1992, and (iv) all other forms, reports and other registration statements (other than Quarterly Reports on Form 10-Q not referred to in clause (iii) above and preliminary materials) filed by QVC with the SEC since January 31, 1992 (the forms, reports and other documents referred to in clauses (i), (ii), (iii) and (iv) above being referred to herein, collectively, as the "QVC SEC Reports"). The QVC SEC Reports and any forms, reports and other documents filed by QVC with the SEC after the date of this Agreement (x) were or will be prepared in accordance with the requirements of the Securities Act of 1933, as amended (the "Securities Act") and the Exchange Act, as the case may be, and the rules and regulations thereunder and (y) did not at the time they were filed, or will not at the time they are filed, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. No QVC Subsidiary is required to file any form, report or other document with the SEC.

(b) Each of the consolidated financial statements (including, in each case, any notes thereto) contained in the QVC SEC Reports was prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated (except as may be indicated in the notes thereto), and each fairly presented the consolidated financial position, results of operations and cash flows of QVC and the consolidated QVC Subsidiaries as at the respective dates thereof and for the respective periods indicated therein (subject, in the case of unaudited statements, to normal and recurring year-end adjustments which were not and are not expected, individually or in the aggregate, to be material in amount). Since January 31, 1994, there has been no change in any of the significant accounting (including tax accounting) policies, practices or procedures of QVC or any QVC Material subsidiary.

(c) Except (i) as set forth in Section 3.07 of the QVC Disclosure Schedule, (ii) as and to the extent set forth in the QVC SEC Reports filed with the SEC prior to the date of this Agreement, or (iii) since April 30, 1994, as incurred in the ordinary course of business, and not in violation of this Agreement (assuming this Agreement was in effect as of April 30, 1994), QVC and the QVC Subsidiaries do not have any liability or obligation of any nature (whether accrued, absolute, contingent or otherwise) other than liabilities and obligations which would not, individually or in the aggregate, have a QVC Material Adverse Effect.

SECTION 3.08. Absence of Certain Changes and Events. Except as set forth in Section 3.08 of the QVC Disclosure Schedule, contemplated by this Agreement or disclosed in any QVC SEC Report filed since April 30, 1994 and prior to the date of this Agreement, since April 30, 1994, (i) QVC and the QVC Subsidiaries have conducted their businesses only in the ordinary course and have not taken any of the actions set forth in paragraphs (a) through (j) of Section 5.01 and (ii) there has not been any material adverse change in the business, financial condition or results of operations of QVC and the QVC Subsidiaries, taken as a whole.

SECTION 3.09. Employee Benefit Plans. With respect to all the employee benefit plans, programs and arrangements maintained for the benefit

of any current or former employee, officer or director of QVC or any QVC Subsidiary (the "QVC Plans"), except as set forth in Section 3.09 of the QVC Disclosure Schedule or the QVC SEC Reports filed prior to the date of this Agreement: (i) none of the QVC Plans is a multi-employer plan within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (ii) none of the QVC Plans promises or provides retiree medical or life insurance benefits to any person, (iii) each QVC Plan intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service (the "IRS") that it is so qualified and nothing has occurred since the date of such letter that could reasonably be expected to affect the qualified status of such QVC Plan other than occurrences that would not, individually or in the aggregate, have a QVC Material Adverse Effect; (iv) each QVC Plan has been operated in all material respects in accordance with its terms and the requirements of applicable law; (v) neither QVC nor any QVC Subsidiary has incurred any direct or indirect liability under, arising out of or by operation of Title IV of ERISA in connection with the termination of, or withdrawal from, any QVC Plan or other retirement plan or arrangement, and no fact or event exists that could reasonably be expected to give rise to any such liability, other than any liability that would not, individually or in the aggregate, have a QVC Material Adverse Effect; and (vi) QVC and the QVC Subsidiaries have not incurred any liability under, and have complied in all material respects with, the Worker Adjustment Retraining Notification Act, and no fact or event exists that could give rise to liability under such act, other than any liability that would not, individually or in the aggregate, have a QVC Material Adverse Effect. Except as set forth in Section 3.09 of the QVC Disclosure Schedule or the QVC SEC Reports, the aggregate accumulated benefit obligations of each QVC Plan subject to Title IV of ERISA (as of the date of the most recent actuarial valuation prepared for such QVC Plan) do not exceed the fair market value of the assets of such QVC Plan (as of the date of such valuation).

SECTION 3.10. Opinion of Financial Advisor. QVC's Board of Directors has received the opinion of Allen & Company Incorporated dated the date hereof, to the effect that, as of such date, the consideration to be received by the holders of the Shares (other than Comcast and Liberty) pursuant to the Offer and the Merger is fair to such holders from a financial point of view, a copy of which opinion has been delivered to Buyer.

SECTION 3.11. Brokers. No broker, finder or investment banker (other than Allen & Company Incorporated) is entitled to any brokerage, finder's or other fee or commission in connection with the proposed transaction with CBS Inc., the Offer, the Merger or the Transactions based upon arrangements made by or on behalf of QVC. QVC has heretofore furnished to Comcast a complete and correct copy of all agreements between QVC and Allen & Company Incorporated as of the date hereof pursuant to which such firm would be entitled to any payment relating to the Transactions or the proposed transaction with CBS Inc.

SECTION 3.12. Taxes. (a) Except as set forth in Section 3.12(a) of the QVC Disclosure Schedule, each of QVC and the QVC Subsidiaries has filed all tax returns and reports required to be filed by it or requests for extensions to file such returns or reports have been timely filed, granted and have not expired, except to the extent that such failures to file or to have extensions granted that remain in effect individually and in the aggregate would not have a QVC Material Adverse Effect. All returns filed by QVC and each of the QVC Subsidiaries are complete and accurate in all material respects. QVC and each of the QVC Subsidiaries has timely paid (or QVC has paid on its behalf) all taxes shown as due on such returns, and the most recent financial statements contained in the QVC SEC Reports reflect an adequate reserve for all taxes payable by QVC and the QVC Subsidiaries for all

taxable periods and portions thereof accrued through the date of such financial statements. Except as set forth in Section 3.12(a) of the QVC Disclosure Schedule, no deficiencies for any taxes have been proposed, asserted or assessed against QVC or any QVC Subsidiary that are not adequately reserved for, except for deficiencies that individually or in the aggregate would not have a QVC Material Adverse Effect, and no requests for waivers of the time to assess any such taxes have been granted or are pending. QVC is not nor has it been within 5 years of the date hereof a "United States real property holding corporation" as defined in Section 897 of the Code.

(b) As used in this Section 3.12, "taxes" shall include all Federal, state, local and foreign income, franchise, alternative or add-on minimum tax, gross receipts, transfer, withholding on amounts paid to or by QVC or any QVC Subsidiary, payroll, employment, license, property, sales, use, excise and other taxes, tariffs or governmental charges of any nature whatsoever, together with any interest, penalty or addition to tax attributable to such taxes.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF COMCAST, LIBERTY AND BUYER

Comcast hereby makes to QVC the representations and warranties set forth below in Sections 4.01 through 4.06:

SECTION 4.01. Organization and Qualification. Comcast is a corporation duly incorporated, validly existing and in good standing under the laws of Pennsylvania and has the requisite power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as it is now being conducted, except where the failure to be so incorporated, existing or in good standing or to have such power, authority and governmental approvals would not, individually or in the aggregate, have a material adverse effect on the business, results of operations or financial condition of Comcast and its subsidiaries, taken as a whole (a "Comcast Material Adverse Effect"). Neither Comcast nor any of its subsidiaries is in violation of any provision of its certificate of incorporation, bylaws or equivalent organizational documents, except for such violations that would not, individually or in the aggregate, have a Comcast Material Adverse Effect.

SECTION 4.02. Authority Relative to This Agreement. Comcast has all necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Transactions. The execution and delivery of this Agreement by Comcast and the consummation by Comcast of the Transactions have been duly and validly authorized by all necessary corporate action and no other corporate proceedings on the part of Comcast are necessary to authorize this Agreement or to consummate the Transactions (other than the filing and recordation of appropriate merger documents as required by Delaware Law). This Agreement has been duly and validly executed and delivered by Comcast and, assuming the due authorization, execution and delivery by QVC and Liberty, constitutes the legal, valid and binding obligation of Comcast, enforceable against Comcast in accordance with its terms.

SECTION 4.03. No Conflict; Required Filings and Consents. (a) The execution and delivery of this Agreement by Comcast do not, and the performance of the Transactions by Comcast will not, (i) conflict with or violate the certificate of incorporation or by-laws or equivalent

organizational documents of Comcast, (ii) conflict with or violate any law, rule, regulation, order, judgment or decree applicable to Comcast or by which any property or asset of Comcast is bound or affected, or (iii) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, result in the loss of a material benefit under or give to others any right of termination, amendment, acceleration, increased payments or cancellation of, or result in the creation of a lien or other encumbrance on any property or asset of Comcast pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or any other instrument or obligation to which Comcast is a party or by which Comcast or any property or asset of Comcast is bound or affected, except in the case of clauses (ii) and (iii), for any such conflicts, violations, breaches, defaults or other occurrences which would not prevent or delay consummation of the Merger in any material respect, or otherwise prevent Comcast from performing its obligations under this Agreement in any material respect, and would not, individually or in the aggregate, have a Comcast Material Adverse Effect.

(b) The execution and delivery of this Agreement by Comcast do not, and the performance of this Agreement and the consummation of the Transactions by Comcast will not, require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Entity, except (i) for (A) applicable requirements, if any, of the Exchange Act and state takeover laws, (B) the pre-merger notification requirements of the HSR Act, and (C) filing and recordation of appropriate merger and similar documents as required by Delaware Law and (ii) where failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not prevent or delay consummation of the Merger in any material respect, or otherwise prevent Comcast from performing its obligations under this Agreement in any material respect, and would not, individually or in the aggregate, have a Comcast Material Adverse Effect.

SECTION 4.04. SEC Filings, Financial Statements. (a) Comcast has filed all forms, reports and documents required to be filed by it with the SEC since December 31, 1991, and has heretofore made available to QVC, in the form filed with the SEC (excluding any exhibits thereto), (i) its Annual Reports on Form 10-K for the fiscal years ended December 31, 1991, 1992 and 1993, respectively, (ii) its Quarterly Report on Form 10-Q for the quarter ended March 31, 1994, (iii) all proxy statements relating to Comcast's meetings of stockholders (whether annual or special) held since January 1, 1992, and (iv) all other forms, reports and other registration statements (other than Quarterly Reports on Form 10-Q not referred to in clause (ii) above and preliminary materials) filed by Comcast with the SEC since December 31, 1991 (the forms, reports and other documents referred to in clauses (i), (ii), (iii), and (iv) above being referred to herein, collectively, as the "Comcast SEC Reports"). The Comcast SEC Reports and any other forms, reports and other documents filed by Comcast with the SEC after the date of this Agreement (x) were or will be prepared in accordance with the requirements of the Securities Act and the Exchange Act, as the case may be, and the rules and regulations thereunder and (y) did not at the time they were filed, or will not at the time they are filed, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(b) Each of the consolidated financial statements (including, in each case, any notes thereto) contained in the Comcast SEC Reports was prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated (except as may be indicated in the notes thereto) and each fairly presented the consolidated

financial position, results of operations and cash flows of Comcast and the consolidated Comcast subsidiaries as at the respective dates thereof and for the respective periods indicated therein (subject, in the case of unaudited statements, to normal and recurring year-end adjustments which were not and are not expected, individually or in the aggregate, to be material in amount). Since December 31, 1993, there has been no change in any of the significant accounting (including tax accounting) policies, practices or procedures of Comcast.

SECTION 4.05. Brokers. No broker, finder or investment banker (other than Lazard Freres & Co.) is entitled to any brokerage, finder's or other fee or commission in connection with the Merger and the Transactions based upon arrangements made by or on behalf of Comcast.

Liberty hereby makes to QVC the representations and warranties set forth below in Sections 4.06 through 4.10:

SECTION 4.06. Organization and Qualification. Liberty is a corporation duly incorporated, validly existing and in good standing under the laws of Delaware and has the requisite power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as it is now being conducted, except where the failure to be so incorporated, existing or in good standing or to have such power, authority and governmental approvals would not, individually or in the aggregate, have a material adverse effect on the business, results of operations or financial condition of Liberty and its subsidiaries, taken as a whole (a "Liberty Material Adverse Effect"). Neither Liberty nor any of its subsidiaries is in violation of any provision of its certificate of incorporation, bylaws or equivalent organizational documents, except for such violations that would not, individually or in the aggregate, have a Liberty Material Adverse Effect.

SECTION 4.07. Authority Relative to This Agreement. Liberty has all necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Transactions. The execution and delivery of this Agreement by Liberty and the consummation by Liberty of the Transactions have been duly and validly authorized by all necessary corporate action and no other corporate proceedings on the part of Liberty are necessary to authorize this Agreement or to consummate the Transactions (other than the filing and recordation of appropriate merger documents as required by Delaware Law). This Agreement has been duly and validly executed and delivered by Liberty and, assuming the due authorization, execution and delivery by QVC and Comcast, constitutes the legal, valid and binding obligation of Liberty, enforceable against Liberty in accordance with its terms.

SECTION 4.08. No Conflict; Required Filings and Consents. (a) The execution and delivery of this Agreement by Liberty do not, and the performance of the Transactions by Liberty will not, (i) conflict with or violate the certificate of incorporation or by-laws or equivalent organizational documents of Liberty, (ii) conflict with or violate any law, rule, regulation, order, judgment or decree applicable to Liberty or by which any property or asset of Liberty is bound or affected, or (iii) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, result in the loss of a material benefit under or give to others any right of termination, amendment, acceleration, increased payments or cancellation of, or result in the creation of a lien or other encumbrance on any property or asset of Liberty pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or any other instrument or obligation to which Liberty is a party or by which Liberty or any property or asset of Liberty is bound or

affected, except in the case of clauses (ii) and (iii), for any such conflicts, violations, breaches, defaults or other occurrences which would not prevent or delay consummation of the Merger in any material respect, or otherwise prevent Liberty from performing its obligations under this Agreement in any material respect, and would not, individually or in the aggregate, have a Liberty Material Adverse Effect.

(b) The execution and delivery of this Agreement by Liberty do not, and the performance of this Agreement and the consummation of the Transactions by Liberty will not, require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Entity, except (i) for (A) applicable requirements, if any, of the Exchange Act and state takeover laws, (B) the pre-merger notification requirements of the HSR Act applicable to the transactions contemplated by the letter agreement dated August 4, 1994 among Comcast, Liberty and TCI (the "Bidding Agreement") and (C) filing and recordation of appropriate merger and similar documents as required by Delaware Law and (ii) where failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not prevent or delay consummation of the Merger in any material respect, or otherwise prevent Liberty from performing its obligations under this Agreement in any material respect, and would not, individually or in the aggregate, have a Liberty Material Adverse Effect.

SECTION 4.09. SEC Filings, Financial Statements. (a) Liberty has filed all forms, reports and documents required to be filed by it with the SEC since December 31, 1991, and has heretofore made available to QVC, in the form filed with the SEC (excluding any exhibits thereto), (i) its Annual Reports on Form 10-K for the fiscal years ended December 31, 1991, 1992 and 1993, respectively, (ii) its Quarterly Report on Form 10-Q for the quarter ended March 31, 1994, (iii) all proxy statements relating to Liberty's meetings of stockholders (whether annual or special) held since January 1, 1992, and (iv) all other forms, reports and other registration statements (other than Quarterly Reports on Form 10-Q not referred to in clause (ii) above and preliminary materials) filed by Liberty with the SEC since December 31, 1991 (the forms, reports and other documents referred to in clauses (i), (ii), (iii), and (iv) above being referred to herein, collectively, as the "Liberty SEC Reports"). The Liberty SEC Reports and any other forms, reports and other documents filed by Liberty with the SEC after the date of this Agreement (x) were or will be prepared in accordance with the requirements of the Securities Act and the Exchange Act, as the case may be, and the rules and regulations thereunder and (y) did not at the time they were filed, or will not at the time they are filed, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(b) Each of the consolidated financial statements (including, in each case, any notes thereto) contained in the Liberty SEC Reports was prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated (except as may be indicated in the notes thereto) and each fairly presented the consolidated financial position, results of operations and cash flows of Liberty and the consolidated Liberty subsidiaries as at the respective dates thereof and for the respective periods indicated therein (subject, in the case of unaudited statements, to normal and recurring year-end adjustments which were not and are not expected, individually or in the aggregate, to be material in amount). Since December 31, 1993, there has been no change in any of the significant accounting (including tax accounting) policies, practices or procedures of Liberty, except in connection with the business combination transaction between Liberty and Tele-Communications, Inc.

SECTION 4.10. Brokers. No broker, finder or investment banker (other than Lazard Freres & Co.) is entitled to any brokerage, finder's or other fee or commission in connection with the Merger and the Transactions based upon arrangements made by or on behalf of Liberty.

Buyer, Comcast and Liberty each hereby makes to QVC the representations and warranties in respect of Buyer set forth below in Sections 4.11 through 4.15:

SECTION 4.11. Organization and Qualification. Buyer is a corporation duly incorporated, validly existing and in good standing under the laws of Delaware and has the requisite power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as it is now being conducted, except where the failure to be so incorporated, existing or in good standing or to have such power, authority and governmental approvals would not, individually or in the aggregate, have a material adverse effect on the business, results of operations or financial condition of Buyer and its subsidiaries, taken as a whole (a "Buyer Material Adverse Effect"). Since the date of its incorporation, Buyer has not engaged in any activities other than in connection with or as contemplated by this Agreement or in connection with arranging any financing required to consummate Transactions. Buyer does not have any operating subsidiaries.

SECTION 4.12. Certificate of Incorporation and Bylaws. Buyer has heretofore made available to QVC a complete and correct copy of its certificate of incorporation and bylaws, each as amended to the date hereof. Such certificates of incorporation and bylaws are in full force and effect. Buyer is not in violation of its certificate of incorporation or bylaws.

SECTION 4.13. Authority Relative to This Agreement. Buyer has all necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Transactions. The execution and delivery of this Agreement by Buyer and the consummation by Buyer of the Transactions have been duly and validly authorized by all necessary corporate action and no other corporate proceedings on the part of Buyer are necessary to authorize this Agreement or to consummate the Transactions (other than the filing and recordation of appropriate merger documents as required by Delaware Law). This Agreement has been duly and validly executed and delivered by Buyer and, assuming the due authorization, execution and delivery by QVC, constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms.

SECTION 4.14. No Conflict; Required Filings and Consents. (a) The execution and delivery of this Agreement by Buyer do not, and the performance of the Transactions by Buyer will not, (i) conflict with or violate the certificate of incorporation or by-laws or equivalent organizational documents of Buyer, (ii) conflict with or violate any law, rule, regulation, order, judgment or decree applicable to Buyer or by which any property or asset of Buyer is bound or affected, or (iii) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, result in the loss of a material benefit under or give to others any right of termination, amendment, acceleration, increased payments or cancellation of, or result in the creation of a lien or other encumbrance on any property or asset of Buyer pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or any other instrument or obligation to which Buyer is a party or by which Buyer or any property or asset of Buyer is bound or affected, except in the case of clauses (ii) and (iii), for any such

conflicts, violations, breaches, defaults or other occurrences which would not prevent or delay consummation of the Merger in any material respect, or otherwise prevent Buyer from performing its obligations under this Agreement in any material respect, and would not, individually or in the aggregate, have a Buyer Material Adverse Effect.

(b) The execution and delivery of this Agreement by Buyer do not, and the performance of this Agreement and the consummation of the Transactions by Buyer will not, require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Entity, except (i) for (A) applicable requirements, if any, of the Exchange Act and state takeover laws, (B) the pre-merger notification requirements of the HSR Act and (C) filing and recordation of appropriate merger and similar documents as required by Delaware Law and (ii) where failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not prevent or delay consummation of the Merger in any material respect, or otherwise prevent Buyer from performing its obligations under this Agreement in any material respect, and would not, individually or in the aggregate, have a Buyer Material Adverse Effect.

SECTION 4.15. Brokers. No broker, finder or investment banker (other than Lazard Freres & Co.) is entitled to any brokerage, finder's or other fee or commission in connection with the Merger and the Transactions based upon arrangements made by or on behalf of Buyer.

ARTICLE V

CONDUCT OF BUSINESS PENDING THE MERGER

SECTION 5.01. Conduct of Business by QVC Pending the Merger. QVC covenants and agrees that, between the date of this Agreement and the Effective Time, unless Buyer shall have consented in writing (such consent not to be unreasonably withheld), QVC and its respective subsidiaries shall not, except as set forth on Schedule 5.01 to the QVC Disclosure Schedule:

(a) conduct its business in any manner other than in the ordinary course of business consistent with past practice;

(b) amend or otherwise change the certificate of incorporation or by-laws of QVC;

(c) issue, grant, sell, pledge, redeem or acquire for value (i) any of its or their securities, including options thereon (other than the issuance of equity securities upon the conversion of outstanding convertible securities or in connection with any dividend reinvestment plan or by any QVC Plan with an employee stock fund or employee stock ownership plan feature, consistent with applicable securities laws, or the exercise of options or warrants outstanding as of the date of this Agreement and in accordance with the terms of such options or warrants in effect on the date of this Agreement) or (ii) any material assets, except for sales of assets in the ordinary course of business;

(d) declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock, except dividends declared and paid by a subsidiary of QVC only to QVC, or subdivide, re-classify, recapitalize, split, combine or exchange any of its shares of capital stock (other than in connection with the exercise of

currently outstanding options or warrants);

(e) incur any material amount of indebtedness for borrowed money or make any loans or advances, except borrowings under existing bank lines of credit in the ordinary course of business;

(f) increase the compensation payable or to become payable to its executive officers or employees, except for increases in the ordinary course of business in accordance with past practices, or grant any severance or termination pay to, or enter into any employment or severance agreement with any director or executive officer of it or any of its subsidiaries, or establish, adopt, enter into or amend in any material respect or take action to accelerate any rights or benefits under any collective bargaining agreement or any employee benefit plan, agreement or policy;

(g) take any action, other than reasonable and usual actions in the ordinary course of business and consistent with past practice, with respect to accounting policies or procedures (including tax accounting policies and procedures);

(h) acquire by merger or consolidation, or by purchase of assets, or by any other manner, any material business;

(i) mortgage or otherwise encumber or subject to any lien any of its properties or assets that are material to it and its subsidiaries taken as a whole, except for liens in connection with indebtedness incurred in connection with the Merger as permitted by clause (e) above; or

(j) authorize any of, or commit or agree to take any of, the foregoing actions.

ARTICLE VI

ADDITIONAL COVENANTS

SECTION 6.01. Access to Information; Confidentiality. (a)

From the date hereof to the Effective Time, QVC shall (and shall cause its subsidiaries and officers, directors, employees, auditors and agents to) afford the officers, employees and agents of Comcast and Liberty (the "Respective Representatives") reasonable access at all reasonable times to its officers, employees, agents, properties, offices, plants and other facilities, books and records, and shall furnish such Respective Representatives with all financial, operating and other data and information as may be reasonably requested. All information obtained will be subject to the Confidentiality Agreement, dated as of July 13, 1994, between Comcast and QVC, and the Confidentiality Agreement, dated as of July 21, 1994, between Liberty and QVC (collectively, the "Confidentiality Agreements").

(b) No investigation pursuant to this Section 6.01 shall affect any representation or warranty in this Agreement of any party hereto or any condition to the obligations of the parties hereto.

SECTION 6.02. No Solicitation. QVC shall not, nor shall it permit any of its subsidiaries, or its or its subsidiaries' officers, directors, employees, agents or representatives (including, without limitation, any investment banker, attorney or accountant retained by it) to, initiate, solicit or encourage, directly or indirectly, any inquiries or the

making of any proposal with respect to an Alternative Transaction (as defined below), engage in any discussions or negotiations concerning, or provide to any other person any information or data relating to it or its subsidiaries for the purposes of, or otherwise cooperate in any way with or assist or participate in, facilitate or encourage, any inquiries or the making of any proposal which constitutes, or may reasonably be expected to lead to, a proposal to seek or effect an Alternative Transaction, or agree to or endorse any Alternative Transaction; provided, however, that nothing contained in this Section 6.02 shall prohibit QVC, or its Board of Directors from (i) taking and disclosing to its stockholders a position contemplated by Exchange Act Rule 14e-2 or (ii) making any disclosure to its stockholders that, in the judgment of its Board of Directors in accordance with, and based upon the advice of, outside counsel, is required under applicable law; and, provided, further, that (x) the QVC Board of Directors on behalf of QVC may upon the unsolicited request of a third party furnish information or data (including, without limitation, confidential information or data) relating to QVC for the purposes of an Alternative Transaction and participate in negotiations with a person making an unsolicited proposal regarding an Alternative Transaction and (y) following receipt of a proposal for an Alternative Transaction, the QVC Board of Directors may withdraw or modify its recommendation relating to the Offer or the Merger to the extent that it determines in good faith in accordance with, and based upon the advice of, outside counsel that such action is necessary or appropriate in order for the QVC Board of Directors to act in a manner that is consistent with its fiduciary obligations under applicable law. QVC shall promptly advise Buyer of, and communicate the terms of, any proposal it may receive, or any inquiries it receives which may reasonably be expected to lead to a proposal, and the identity of the person making it; prior to taking any such action, if QVC intends to participate in any such discussion or negotiation or provide any such information to any such third party, it shall give reasonable notice to Buyer and shall consult, and thereafter shall continue to consult, with Buyer. If QVC is required by this Section 6.02 to give notice of a request, Alternative Transaction proposal or inquiry, it shall keep Buyer reasonably informed of the status and details of any such request, Alternative Transaction, inquiry or proposal (or any amendment to any proposal). Nothing in this Section 6.02 shall (x) permit QVC to enter into any agreement with respect to an Alternative Transaction during the term of this Agreement (it being agreed that during the term of this Agreement QVC shall not enter into any agreement with any person that provides for, or in any way facilitates, an Alternative Transaction, other than a confidentiality agreement in customary form) or (y) affect any other obligation of QVC under this Agreement. "Alternative Transaction" means a transaction or series of related transactions (other than the Transactions) resulting in (a) any change of control of QVC, (b) any merger or consolidation of QVC in which another person acquires 25% or more of the aggregate voting power of all voting securities of it or the surviving corporation, as the case may be, (c) any tender offer or exchange offer for, or any acquisitions of, any securities of QVC which, if consummated, would result in another person owning 25% or more of the aggregate voting power of all voting securities of it or (d) any sale or other disposition of assets of QVC or any of its subsidiaries if the Fair Market Value of such assets exceeds 25% of the aggregate Fair Market Value of the assets of QVC and its subsidiaries taken as a whole before giving effect to such sale or other disposition. "Fair Market Value" of any assets or securities means the fair market value of such assets or securities, as determined by the Board of Directors of QVC in good faith.

SECTION 6.03. Directors' and Officers' Indemnification and Insurance. (a) From and after the Effective Time, the Surviving Corporation shall indemnify, defend and hold harmless the present and former officers and directors of QVC (collectively, the "Indemnified Parties") against all losses, expenses, claims, damages, liabilities or amounts that are paid in settlement

of, with the approval of the Surviving Corporation (which approval shall not unreasonably be withheld), or otherwise in connection with any claim, action, suit, proceeding or investigation (a "Claim"), based in whole or in part on the fact that such person is or was a director or officer of QVC and arising out of actions or omissions occurring at or prior to the Effective Time (including, without limitation, the transactions contemplated by this Agreement), in each case to the full extent permitted under Delaware Law (and shall pay any expenses in advance of the final disposition of any such action or proceeding to each Indemnified Party to the fullest extent permitted under Delaware Law, upon receipt from the Indemnified Party to whom expenses are advanced of any undertaking to repay such advances required under Delaware Law).

(b) For a period of three years after the Effective Time, the Surviving Corporation shall cause to be maintained in effect the current policies of directors' and officers' liability insurance maintained by QVC (provided that the Surviving Corporation may substitute therefor policies of at least the same coverage and amounts containing terms and conditions which are no less advantageous to such officers and directors) with respect to claims arising from facts or events which occurred before the Effective Time; provided, however, that in no event shall the Surviving Corporation be required to expend pursuant to this Section 6.03(b) more than an amount equal to 200% of the current annual premiums paid by QVC for such insurance (which premiums QVC represents and warrants to be approximately \$700,000 in the aggregate on an annualized basis in addition to the remaining premium to be paid during the next twelve months in connection with a prior acquisition by QVC).

(c) This Section 6.03 is intended to be for the benefit of, and shall be enforceable by, the Indemnified Parties, their heirs and personal representatives and shall be binding on the Surviving Corporation and its respective successors and assigns.

SECTION 6.04. Notification of Certain Matters. QVC shall give prompt notice to Buyer, and Buyer shall give prompt notice to QVC, of (a) the occurrence, or non-occurrence, of any event the occurrence, or non-occurrence, of which would be likely to cause (i) any representation or warranty contained in this Agreement to be untrue or inaccurate or (ii) any covenant, condition or agreement contained in this Agreement not to be complied with or satisfied and (b) any failure of QVC or Buyer (or Comcast or Liberty), as the case may be, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; provided, however, that the delivery of any notice pursuant to this Section 6.04 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

SECTION 6.05. Further Action; Best Efforts. (a) Upon the terms and subject to the conditions hereof, each of the parties hereto shall (i) make promptly its respective filings, and thereafter make any other required submissions, under the HSR Act with respect to the Transactions, and (ii) use its best efforts to take, or cause to be taken, all appropriate action, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations or otherwise to consummate and make effective the Transactions, including, without limitation, using its best efforts to obtain all financing necessary to consummate the Transactions as well as all licenses, permits, waivers, orders, consents, approvals, authorizations, qualifications and orders of Governmental Entities and parties to contracts with QVC and its subsidiaries as are necessary for the consummation of the Transactions. In case at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of this Agreement, the proper officers and directors of each party to this Agreement

shall use their best efforts to take all such action.

(b) Each party shall use its best efforts not to take any action, or enter into any transaction, which would cause any of its representations or warranties contained in this Agreement to be untrue or result in a breach of any covenant made by it in this Agreement.

SECTION 6.06. Public Announcements. Buyer, Comcast, Liberty and QVC shall consult with each other before issuing any press release or otherwise making any public statements with respect to this Agreement or any Transaction and shall not issue any such press release or make any such public statement without the prior consent of the other parties, which consent shall not be unreasonably withheld; provided, however, that a party may, without the prior consent of the other parties, issue such press release or make such public statement as may be required by law or any listing agreement or arrangement to which Buyer, Comcast, Liberty or QVC is a party with a national securities exchange or the National Association of Securities Dealers, Inc. Automated Quotation System if it has used all reasonable efforts to consult with the other parties and to obtain such parties' consent but has been unable to do so in a timely manner.

SECTION 6.07. Conveyance Taxes. Buyer and QVC shall cooperate in the preparation, execution and filing of all returns, questionnaires, applications, or other documents regarding any real property transfer or gains, sales, use, transfer, value added, stock transfer and stamp taxes, any transfer, recording, registration and other fees, and any similar taxes which become payable in connection with the Transactions that are required or permitted to be filed on or before the Effective Time.

SECTION 6.08. Gains Tax. Buyer shall pay any New York State Tax on Gains Derived from Certain Real Property Transfers (the "Gains Tax"), New York State Real Estate Transfer Tax and New York City Real Property Transfer Tax (the "Transfer Taxes") and any similar taxes in any other jurisdiction (and any penalties and interest with respect to such taxes), which become payable in connection with the Offer and the Merger, on behalf of the stockholders of QVC. Buyer and QVC shall cooperate in the preparation, execution and filing of any required returns with respect to such taxes (including returns on behalf of the stockholders of QVC) and in the determination of the portion of the consideration allocable to the real property of QVC and the QVC Subsidiaries in New York State and City (or in any other jurisdiction, if applicable). The terms of the Offer and Proxy Statement shall provide that the stockholders of QVC shall be deemed to have agreed to be bound by the allocation established pursuant to this Section 6.08 in the preparation of any return with respect to the Gains Tax and the Transfer Taxes and any similar taxes, if applicable.

SECTION 6.09. Obligations of Buyer. Comcast and Liberty each agree to take all action necessary to cause Buyer and the Surviving Corporation to perform their respective obligations under this Agreement and to consummate, and cause MergerCo to consummate, the Offer and the Merger on the terms and conditions set forth in this Agreement. Comcast and Liberty shall be jointly and severally liable for any breach of any representation, warranty, covenant or agreement of Buyer and for any breach of this covenant.

SECTION 6.10. Severance Policy; Employee Benefits. (a) Comcast, Liberty and Buyer will cause the Surviving Corporation to maintain for a period ending on the second anniversary of the Effective Time, without interruption, employee compensation and benefit plans, programs and policies and fringe benefits (including postemployment welfare benefits) that, in the aggregate, are no less favorable than those provided to such employees of QVC

and its subsidiaries, as applicable, as in effect on the date hereof. Notwithstanding the foregoing, for a period ending on the second anniversary of the Effective Time, Comcast, Liberty and Buyer will cause the Surviving Corporation to provide to all employees of QVC and its subsidiaries severance pay and benefits which are no less favorable than under the applicable severance plans, programs and policies of QVC and its subsidiaries, as applicable, as in effect on the date hereof.

(b) Immediately prior to consummation of the Offer, Buyer shall establish with a trustee satisfactory to QVC and Buyer, a "Rabbi" trust, in a form reasonably acceptable to QVC, and shall deposit in such trust cash in an amount sufficient to satisfy all obligations under QVC Stock Options. The terms of such trust shall provide that payments shall be made to the holders of QVC Stock Options following the Effective Time, in accordance with the provisions of Section 2.04, upon delivery to the trustee by or on behalf of the option holder of a copy of the option agreement evidencing such QVC Stock Options (or other appropriate documentation) and certification by the option holder that such option holder is entitled to such payment under the terms of such option agreement and Section 2.04.

SECTION 6.11. FCC Approvals. If not already withdrawn, within five business days after the date hereof QVC will withdraw any applications pending with the Federal Communications Commission (the "FCC") relating to the transfer of control of any licenses or other permits issued by the FCC to QVC or any QVC Subsidiary. QVC will not make any applications to the FCC in respect of the Transactions without Buyer's prior approval.

SECTION 6.12. Tax Certification. At any time during the period beginning on the date hereof and ending on the Effective Time, QVC shall provide to Buyer, within two business days of a request by Buyer, a certificate signed by QVC to the effect that QVC is not, nor has it been within 5 years of the date thereof, a "United States real property holding corporation" as defined in Section 897 of the Code.

ARTICLE VII

CLOSING CONDITIONS

SECTION 7.01. Conditions to Obligations of Each Party to Effect the Merger. The respective obligations of each party to effect the Merger and the Transactions shall be subject to the satisfaction at or prior to the Effective Time of the following conditions, any or all of which may be waived, in whole or in part, to the extent permitted by applicable law:

(a) Stockholder Approval. If required by Delaware Law, this Agreement and the Merger shall have been approved and adopted by the requisite vote of the stockholders of QVC.

(b) No Order. No Governmental Entity or federal or state court of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, injunction or other order (whether temporary, preliminary or permanent) which is in effect and which materially restricts, prevents or prohibits consummation of the Merger or any Transaction contemplated by this Agreement; provided, however, that the parties shall use their reasonable efforts to cause any such decree, judgment, injunction or other order to be vacated or lifted.

(c) Other Approvals. Other than the filing of merger

documents in accordance with Delaware Law, all authorizations, consents, waivers, orders or approvals required to be obtained, and all filings, notices or declarations required to be made, by Comcast, Liberty or Buyer and QVC prior to the consummation of the Merger and the Transactions shall have been obtained from, and made with, all required Governmental Entities, except for such authorizations, consents, waivers, orders, approvals, filings, notices or declarations the failure to obtain or make which would not have a material adverse effect, at or after the Effective Time, on the business, results of operations or financial condition (as existing immediately prior to the consummation of the Merger) of QVC and the QVC Subsidiaries, taken as a whole.

(d) The Offer. Buyer shall have purchased shares pursuant to the Offer.

ARTICLE VIII

TERMINATION, AMENDMENT AND WAIVER

SECTION 8.01. Termination. This Agreement may be terminated at any time prior to the Effective Time, whether before or after approval of this Agreement and the Merger by the stockholders of QVC:

(a) by mutual consent of QVC and Buyer;

(b) prior to the purchase of Shares pursuant to the Offer, (x) by Buyer or QVC upon termination of the Offer by Buyer pursuant to Annex I, (y) by Buyer upon a breach of any covenant or agreement on the part of QVC set forth in this Agreement which has not been cured, or if any representation or warranty of QVC shall have become untrue, in either case such that such breach or untruth is incapable of being cured by February 28, 1995 or (z) by QVC in the event of a breach of any representation, warranty, agreement or covenant (other than the covenant contained in Section 6.10(b)) of Comcast, Liberty or Buyer set forth in this Agreement, provided that such breach has not been cured (and cannot reasonably be expected to be cured before February 28, 1995) and will prevent or delay consummation of the Merger by or beyond February 28, 1995;

(c) by either Buyer or QVC, if any permanent injunction or action by any Governmental Entity preventing the consummation of the Merger shall have become final and nonappealable;

(d) by either Buyer or QVC, if the Offer shall not have been consummated before February 28, 1995, unless, in the case of termination by Buyer, Buyer shall not have purchased Shares pursuant to the Offer by reason of any failure by Buyer, Comcast or Liberty to fulfill its obligations hereunder; or

(e) by Buyer or QVC if (i) the Board of Directors of QVC shall withdraw, modify or change its recommendation so that it is not in favor of this Agreement, the Offer or the Merger or shall have resolved to do any of the foregoing or (ii) the Board of Directors of QVC shall have recommended or resolved to recommend to its stockholders an Alternative Transaction, provided that, in the case of any such termination by QVC, simultaneously with such termination it complies with Section 8.05(b) of this Agreement.

The right of any party hereto to terminate this Agreement pursuant to this Section 8.01 shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any party hereto, any person controlling any such party or any of their respective officers or directors, whether prior to or after the execution of this Agreement.

SECTION 8.02. Effect of Termination. Except as provided in Section 8.05 or Section 9.01, in the event of the termination of this Agreement pursuant to Section 8.01, this Agreement shall forthwith become void, there shall be no liability on the part of any party hereto, or any of their respective officers or directors, to the other and all rights and obligations of any party hereto shall cease; provided, however, that nothing herein shall relieve any party from liability for the wilful breach of any of its representations, warranties, covenants or agreements set forth in this Agreement.

SECTION 8.03. Amendment. This Agreement may be amended by the parties hereto by action taken by or on behalf of their respective Boards of Directors at any time prior to the Effective Time; provided, however, that, after approval of this Agreement and the Merger by the stockholders of QVC, no amendment, which under applicable law may not be made without the approval of the stockholders of QVC, may be made without such approval. This Agreement may not be amended except by an instrument in writing signed by the parties hereto.

SECTION 8.04. Waiver. At any time prior to the Effective Time, either party hereto may (a) extend the time for the performance of any of the obligations or other acts of the other party hereto, (b) waive any inaccuracies in the representations and warranties of the other party contained herein or in any document delivered pursuant hereto and (c) waive compliance by the other party with any of the agreements or conditions contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party or parties to be bound thereby.

SECTION 8.05. Fees, Expenses and Other Payments. (a) All costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred by the parties hereto shall be borne solely and entirely by the party which has incurred such costs and expenses (with respect to such party, its "Expenses"); provided, however, that all costs and expenses related to printing and mailing the Proxy Statement shall be borne equally by QVC and Buyer.

(b) Except to the extent earlier payment is required pursuant to Section 8.01(e), QVC agrees that if this Agreement shall be terminated by Buyer or QVC pursuant to Section 8.01(e), then QVC will pay to Buyer an amount equal to \$55,000,000, which amount is inclusive of all expenses of Buyer, Comcast and Liberty. Any payment required to be made pursuant to this paragraph (b) shall be made as promptly as practicable but not later than two business days after termination of this Agreement and, in any such case, shall be made by wire transfer of immediately available funds to an account designated by Buyer.

ARTICLE IX

GENERAL PROVISIONS

SECTION 9.01. Effectiveness of Representations, Warranties and Agreements. (a) Except as set forth in Section 9.01(b), the representations, warranties and agreements of each party hereto shall remain operative and in

full force and effect, regardless of any investigation made by or on behalf of any other party hereto, any person controlling any such party or any of their respective officers or directors, whether prior to or after the execution of this Agreement.

(b) The representations, warranties and agreements in this Agreement shall terminate at the Effective Time or upon the termination of this Agreement pursuant to Article VIII, except that the agreements set forth in Articles I, II and IX, and Sections 6.03, 6.09, 6.10 and 6.11 shall survive the Effective Time and those set forth in the last sentence of Section 6.01(a) and Sections 8.02 and 8.05 and Article IX shall survive termination.

SECTION 9.02. Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or transmitted, and shall be effective upon receipt, if delivered personally, mailed by registered or certified mail (postage prepaid, return receipt requested) to the parties at the following addresses (or at such other address for a party as shall be specified by like changes of address) or sent by electronic transmission to the telecopier number specified below:

(a) If to Comcast or Buyer:

Comcast Corporation
1500 Market Street
Philadelphia, Pennsylvania 19102-4735

Attention: General Counsel

Telecopier No.: (215) 981-7794

with a copy to:

Davis Polk & Wardwell
450 Lexington Avenue
New York, NY 10017

Attention: Dennis S. Hersch

Telecopier No.: (212) 450-4800

(b) If to Liberty or Buyer:

Liberty Media Corporation
8101 East Prentice Avenue
Suite 500
Englewood, CO 80111

Attention: President

Telecopier No.: (303) 721-5415

with a copy to:

Baker & Botts
885 Third Avenue
New York, NY 10022

Attention: Jerome H. Kern

Telecopier No.: (212) 705-5125

(c) If to QVC:

QVC, Inc.
1365 Enterprise Drive
Goshen Corporate Park
West Chester, PA 19380

Attention: Corporate Secretary

Telecopier No.: (610) 430-2380

with a copy to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019

Attention: Pamela S. Seymon

Telecopier No.: (212) 403-2000

SECTION 9.03. Certain Definitions. For purposes of this Agreement, the term:

(a) "affiliate" means a person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the first mentioned person;

(b) "business day" means any day other than a day on which (i) banks in the State of New York are authorized or obligated to be closed or (ii) the SEC or NYSE is closed;

(c) "control" (including the terms "controlled," "controlled by" and "under common control with") means the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of stock or as trustee or executor, by contract or credit arrangement or otherwise; and

(d) "subsidiary" or "subsidiaries" of any person means any corporation, partnership, joint venture or other legal entity of which such person (either alone or through or together with any other subsidiary) owns, directly or indirectly, 50% or more of the stock or other equity interests, the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity.

SECTION 9.04. Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 9.05. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any

manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

SECTION 9.06. Entire Agreement. This Agreement (together with the Exhibits, the QVC Disclosure Schedule, the Confidentiality Agreements and the other documents delivered in connection herewith), constitutes the entire agreement of the parties and supersedes all prior agreements and undertakings, both written and oral, between the parties, or any of them, with respect to the subject matter hereof.

SECTION 9.07. Assignment. This Agreement shall not be assigned by operation of law or otherwise and any purported assignment shall be null and void, provided that any of Comcast, Liberty or Buyer may assign its rights, but not its obligations, under this Agreement to any affiliate of Comcast, Liberty or Buyer.

SECTION 9.08. Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied (other than the provisions of Section 6.03 and 6.10, which provisions are intended to benefit and may be enforced by the beneficiaries thereof), is intended to or shall confer upon any person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

SECTION 9.09. Governing Law. Except to the extent that Delaware Law may be applicable to the Merger and the rights of the stockholders of QVC, this Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflicts of law.

SECTION 9.10. Enforcement of the Agreement. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which they are entitled at law or in equity.

SECTION 9.11. Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, Comcast, Liberty, Buyer and QVC have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

COMCAST CORPORATION

By /s/ Brian L. Roberts

Name: Brian L. Roberts
Title: President

LIBERTY MEDIA CORPORATION

By /s/ Peter Barton

Name: Peter Barton
Title: President

COMCAST QMERGER, INC.

By /s/ Brian S. Roberts

Name: Brian S. Roberts
Title: President

QVC, INC.

By /s/ Neal S. Grabell

Name: Neal S. Grabell
Title: General Counsel,
Senior Vice President
and Secretary

ANNEX I

Notwithstanding any other provision of the Offer, Buyer shall not be required to accept for payment or pay for any Shares, and may terminate the Offer, if (i) the Shares tendered pursuant to the Offer by the expiration of the Offer and not withdrawn, together with the Shares agreed to be contributed by Comcast and Liberty to Buyer pursuant to the Bidding Agreement (as in effect on the date hereof), represent, on a fully diluted basis less than a majority of the outstanding Common Shares, in each case calculated on a fully diluted basis (the "Minimum Condition"), (ii) Buyer has not obtained sufficient financing on terms satisfactory to it to purchase all of the outstanding Shares pursuant to the Offer, consummate the Merger and pay related fees and expenses, (iii) the waiting periods under the HSR Act applicable to the proposed Transactions and the transactions contemplated by the Bidding Agreement shall not have expired or been terminated, provided that prior to December 31, 1994, Buyer shall not terminate the Offer by reason of nonsatisfaction of the condition in this clause (iii) and will extend the offer in such event (it being understood that this provision shall not prohibit Buyer from terminating the Offer or failing to extend the Offer by reason of the nonsatisfaction of any other condition of the Offer), (iv) Buyer shall not be satisfied that it has received all consents as are required from the FCC for consent to the transfer of control of the FCC licenses listed in the QVC Disclosure Schedule or (v) at any time prior to the acceptance for payment of Shares, any of the following conditions exist:

- (a) there shall be instituted or pending any action or

proceeding by any government or governmental authority or agency, domestic or foreign, or by any other person, domestic or foreign, before any court or governmental authority or agency, domestic or foreign, (i) challenging or seeking to make illegal, to delay materially or otherwise directly or indirectly to restrain or prohibit the making of the Offer, the acceptance for payment of or payment for some of or all the Shares by Buyer or the consummation by Buyer of the Merger, seeking to obtain material damages or imposing any material adverse conditions in connection therewith or otherwise directly or indirectly relating to the transactions contemplated by the Offer or the Merger, (ii) seeking to restrain or prohibit the exercise of full rights of ownership or operation by Buyer or its affiliates of all or any portion of the business or assets of QVC and its subsidiaries, taken as a whole, or of Buyer or any of its affiliates, or to compel Buyer or any of its affiliates to dispose of or hold separate all or any material portion of the business or assets of QVC and its subsidiaries, taken as a whole, or of Buyer or any of its affiliates, (iii) seeking to impose limitations on the ability of Buyer or any of its affiliates effectively to exercise full rights of ownership of the Shares, including, without limitation, the right to vote any Shares acquired or owned by Buyer or any of its affiliates on all matters properly presented to QVC's stockholders or (iv) seeking to require divestiture by Buyer or any of its affiliates of any Shares; or

(b) there shall be any action taken, or any statute, rule, regulation, injunction, order or decree proposed, enacted, enforced, promulgated, issued or deemed applicable to the Offer, the acceptance for payment of or payment for any Shares or the Merger, by any court, government or governmental authority or agency, domestic, foreign or supranational, other than the application of the waiting period provisions of the HSR Act to the Offer or the Merger, that, in the reasonable judgment of Buyer, might, directly or indirectly, result in any of the consequences referred to in clauses (i) through (iv) of paragraph (a) above; or

(c) QVC shall have breached or failed to perform in any material respect any of its covenants or agreements under the Merger Agreement which has not been cured, or any of the representations and warranties of QVC set forth in the Merger Agreement shall not be true in any material respect when made or at any time prior to consummation of the Offer as if made at and as of such time, in each case and shall continue to be untrue; or

(d) the Merger Agreement shall have been terminated in accordance with its terms;

which, in the reasonable judgment of Buyer in any such case, and regardless of the circumstances giving rise to any such condition, makes it inadvisable to proceed with such acceptance for payment or payment.

AGREEMENT

August 4, 1994

Mr. Barry Diller
 Arrow Investments, L.P.
 1940 Coldwater Canyon
 Beverly Hills, California 90210

Dear Mr. Diller:

Reference is made to (i) the Merger Agreement (the "Merger Agreement"), dated the date hereof, among QVC, Inc. ("QVC"), Comcast Corporation ("Comcast"), Liberty Media Corporation ("Liberty") and Comcast Qmerger, Inc., (ii) the Stockholders Agreement, dated as of July 16, 1993, as amended to date (the "Stockholders Agreement"), among Comcast, Barry Diller ("Diller"), Arrow Investments, L.P. ("Arrow") and certain of their affiliates and (iii) the Equity Compensation Agreement dated as of December 9, 1992 by and among QVC, Diller and Arrow (the "Equity Agreement"). Capitalized terms used but not defined herein have the meanings set forth in the Merger Agreement.

We agree as follows:

1. The Arrow Group (as defined below) represents and warrants that as of the date hereof (a) it has good and marketable title to 1,000,000 shares (the "Shares," which term shall include any shares of Common Stock (as defined below) issued to the Arrow Group after the date hereof upon the exercise of any Options (as defined below) of common stock, par value \$.01 per share, of QVC (the "Common Stock"), (b) all of such Shares are registered in the name of Diller, entities controlled by Diller or Arrow (collectively, the "Arrow Group"), (c) the Arrow Group is the holder of presently exercisable options to purchase 3,000,000 shares of Common Stock and options to purchase an additional 3,000,000 shares of Common Stock which are not presently exercisable (collectively the "Options"), and (d) each of Diller and Arrow has the legal power, right and authority to enter into and perform this Agreement,

and this Agreement has been duly executed and delivered by each of Diller and Arrow and constitutes a legal, valid and binding agreement of each of them. The Shares and Options are sometimes collectively referred to as the "QVC Securities."

2. Subject to the absence or waiver of any inconsistent agreements, each of Comcast, Diller and Arrow agrees (for himself or itself and his or its respective affiliates) that the Stockholders Agreement shall terminate immediately without any further obligation thereunder, and each of Comcast, Diller and Arrow further agrees (for himself or itself and his or its respective affiliates) to release each other from any claim of whatever nature arising out of or under the Stockholders Agreement; provided, however, that if the Merger Agreement is terminated, such Stockholders Agreement (including all rights and obligations thereunder) and such claims will be restored effective as of the date hereof and this paragraph will be of no effect effective as of the date hereof.

3. Diller agrees to vote (as a director of QVC) in favor of the Merger Agreement and the Transactions, provided that there is not then a bona fide transaction proposed to QVC or its stockholders which would result in consideration to the QVC stockholders greater than \$46 per share (or such higher price then offered by Comcast and Liberty if they increase the \$46 price provided in the Merger Agreement) and further subject to Diller's fiduciary obligations as a member of the Board of Directors of QVC.

4. From the date hereof until the earlier of consummation of the Merger or termination of the Merger Agreement:

(a) The Arrow Group will not (i) sell, transfer, pledge, assign or otherwise dispose of, or agree to sell, transfer, pledge, assign or otherwise dispose of, any of the QVC Securities except that the Arrow Group shall be free to tender Shares pursuant to the Offer (provided that the Arrow Group shall be permitted to dispose

of Shares to QVC in order to effect cashless exercises of Options), (ii) deposit any QVC Securities owned by it into a voting trust or grant a proxy or enter into a voting agreement with respect to such QVC Securities, (iii) agree with any third-party to exercise any voting rights with respect to such QVC Securities, except pursuant to paragraph 4(b), or (iv) seek or solicit any of the foregoing, other than as

permitted (as a director of the Company) under the Merger Agreement.

(b) The Arrow Group agrees to tender, upon the request of Comcast, pursuant to and in accordance with the terms of the Offer, all shares of Common Stock owned by it. Upon the request of Comcast, Diller will exercise all of the then exercisable Options provided that arrangements satisfactory to Diller for the financing of the exercise and the purchase of the Shares by Comcast have been made.

(c) Unless each Share has been tendered pursuant to the Offer, the Arrow Group will cause each Share that it then owns or has power to vote to be voted (i) at the Company stockholder meeting to approve the Merger, for the approval and adoption of the Merger Agreement and the Merger and (ii) against any recapitalization, merger, business combination, or similar transaction involving QVC unless Comcast or Liberty consents.

The foregoing notwithstanding, this paragraph 4 shall not apply (i) upon the first to occur of (A) the last day on which to tender into a tender or exchange offer which would result in consideration to the QVC stockholders greater than \$46 per share (or such higher price then offered by Comcast and Liberty if they increase the \$46 price provided in the Merger Agreement) (a "Superior Offer") (subject to the subsequent condition that such Superior Offer is consummated) and (B) the fifth business day after any person or entity has made a Superior Offer which has not been matched by Comcast and Liberty (subject to the subsequent condition that such Superior Offer is consummated) or (ii) to the extent it could result in any violation of or liability under the federal securities laws.

5. From the date hereof until the earlier of consummation of the Merger or termination of the Merger Agreement, neither Diller nor Arrow will, directly or indirectly, initiate, solicit or encourage any Person concerning the making of any proposal with respect to an Alternative Transaction, other than as permitted (as a director of the Company) under the Merger Agreement.

6. Comcast and Liberty agree to cause QVC and the Surviving Corporation to fulfill and completely discharge all obligations under the options. Each of Comcast and Liberty agree that, upon consummation of the Offer, unless otherwise

agreed to by Diller, Diller's employment under the Equity Compensation Agreement shall continue until at least December 12, 1994 (it being agreed that Diller may perform his services to QVC as provided by the Equity Compensation Agreement on a non-exclusive basis and without minimum time requirements but will be reasonably available to facilitate the transaction), and QVC shall continue to pay all expenses incurred by Diller at least through December 12, 1994 on a basis consistent with past practice. In addition, each of Comcast, Liberty and Diller agree that, upon termination of Diller's employment, Comcast and Liberty shall cause QVC to execute for the benefit of Diller and the entities included in the Arrow Group, and, provided Diller shall have been paid all amounts due in respect of the Options and his employment (including payment of Diller's expenses), Diller shall execute for the benefit of QVC, general releases in a form mutually agreed to by the parties. This paragraph 6 shall survive termination of this agreement, if Liberty and/or Comcast (or their affiliates) acquire control of a majority of the outstanding voting stock or a majority of the board of directors of QVC.

7. This Agreement shall terminate automatically and simultaneously with the Merger Agreement in accordance with its terms.

If the foregoing reflects your understanding of our agreement, please execute this letter agreement in the space provided below. This letter agreement will be governed by and construed in accordance with the substantive law of the State of New York.

LIBERTY MEDIA CORPORATION

COMCAST CORPORATION

By: /s/ Peter Barton

Name: Peter Barton
Title: President

By: /s/ Brian L. Roberts

Name: Brian L. Roberts
Title: President

Accepted and Agreed:

/s/ Barry Diller

Barry Diller

ARROW INVESTMENTS, L.P.
By: Arrow Investments, Inc.,
its general partner

By: /s/ Barry Diller

Name: Barry Diller
Title: President

COMCAST AND LIBERTY MEDIA
SIGN MERGER AGREEMENT WITH QVC

PRICE INCREASED TO \$46 PER SHARE

Philadelphia, Pennsylvania, Englewood, Colorado and West Chester, Pennsylvania - -- August 5, 1994: Comcast Corporation, Liberty Media Corporation and QVC, Inc. jointly announced today that Comcast, Liberty and QVC have entered into a definitive merger agreement pursuant to which Comcast and Liberty will acquire QVC. QVC stockholders will receive \$46 in cash per share of QVC Common Stock and \$460 in cash per share of QVC Preferred Stock.

QVC's Board of Directors has received the opinion of Allen & Company Incorporated that the consideration to be received by QVC's shareholders (other than Comcast, Liberty and their affiliates) pursuant to the transaction is fair to such shareholders from a financial point of view.

In accordance with the merger agreement, Comcast and Liberty expect to commence on or prior to Thursday, August 11, 1994, a tender offer for all shares of stock of QVC at a net cash price of \$46 per share of QVC Common Stock and a net cash price of \$460 per share of QVC Preferred Stock. Lazard Freres & Co. will act as dealer manager for the tender offer.

Following expiration of the tender offer, a corporation controlled by both Comcast and Liberty will merge with QVC and any remaining shares of QVC will be converted into cash at the same price as offered in the tender offer.

The total cost of the acquisition of the remainder of QVC stock not currently owned by Comcast or Liberty will be approximately \$1.42 billion. Comcast and Liberty have agreed to fund approximately \$267 million and \$20 million respectively, of the acquisition with the balance to be provided through debt financing, which, after the merger, will be an obligation of QVC. Following the acquisition, Comcast and Liberty will own approximately 57% and 43%, respectively, of QVC and QVC will be managed by Comcast.

The transaction is conditioned upon Comcast and Liberty obtaining the requisite financing on satisfactory terms to purchase all of the outstanding shares of QVC, receipt of certain governmental approvals and other customary conditions.

Comcast, Liberty and Tele-Communications, Inc., who collectively currently own approximately 35% of QVC's outstanding voting shares on a fully diluted basis, have agreed to vote their shares of QVC in favor of the transaction. Barry Diller has also agreed, among other things, to vote his QVC shares in favor of the transaction to the extent such shares are not tendered in the offer.

QVC has agreed that if the merger agreement is terminated in certain circumstances prior to consummation of the merger, QVC will pay an aggregate of \$55 million to Comcast and Liberty.

Comcast Corporation is principally engaged in the development, management and operation of cable communications networks. Comcast's consolidated and affiliated operations served approximately 3.0 million cable subscribers at March 31, 1994. After completion of the acquisition of Maclean Hunter's United States cable properties, Comcast's consolidated and pro-rated affiliated operations will serve approximately 3.5 million cable subscribers, making it the third largest cable operator in the country. Comcast provides cellular telephone services in the Northeast United States to markets encompassing a population in excess of 7.4 million. Comcast also has investments in cable programming, telecommunications systems, and international cable and telephony franchises.

Comcast's Class A and Class A Special Common Stock are traded on The Nasdaq Stock Market under the symbols CMCSA and CMCSK, respectively.

Liberty, its affiliates and companies in which it holds investments operate cable television systems serving an aggregate of approximately 3.2 million subscribers in 30 states. Liberty's programming interests include BET, The Family Channel, Encore, Starz!, Home Shopping Club,

QVC, Court TV, X*PRESS and regional and national sports networks.

On August 4, 1994, TCI and Liberty consummated a business combination transaction resulting in TCI and Liberty becoming wholly-owned subsidiaries of a newly formed holding company, which has been renamed Tele-Communications, Inc. Beginning August 5, 1994, the new TCI's Class A Common Stock, Class B Common Stock and Class E Preferred Stock will trade on the NASDAQ National Market System under the symbols TCOMA, TCOMB and TCOMP, respectively. Liberty's Class A Common Stock, Class B Common Stock and Class E 6% Cumulative Redeemable Exchangeable Junior Preferred Stock discontinued trading on such market at the close of business on August 4, 1994.

QVC, Inc. is the world's largest electronic retailer, reaching more than 50 million homes across the United States and an additional 17 million households through joint ventures in the United Kingdom and Mexico.

FOR FURTHER INFORMATION CONTACT:

Comcast Corporation
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(215) 981-7392

Kathleen B. Jacoby
Director of Investor Relations
(215) 981-7392

Liberty Media Corporation
Vivian Carr
Vice President - Investor Relations
(303) 721-5406

QVC, Inc.
Investors: William F. Costello
Executive Vice President - Chief Financial Officer
(610) 430-8938

Media: Donald A. Van de Mark
Dir., Corporate Communications
(610) 429-5666