

SERIES ADJUSTMENTS - 2002-006 REVISED
ONN INFORMATION CIRCULAR #290

February 5, 2002

Please see OCC memo attached for more details
Expedia Inc. (EXPE) Completion of Merger with USA Networks, Inc. (USAI)

On February 4, 2002, the shareholders of Expedia Inc. (EXPE) approved the proposed merger with USA Networks, Inc. (USAI). Expedia, Inc. will recapitalize its stock to create a new class of Expedia, Inc. Class B Common Shares immediately prior to the merger. EXPE common shareholders will have the option to retain their Expedia, Inc. Common Shares and receive additional Expedia, Inc. warrants or exchange their shares for Expedia, Inc. Class B Common Shares.

The merger/recapitalization will attain the following aggregate results:

1) Between 65% and 73% of all outstanding EXPE Common Shares will be converted into Expedia, Inc. Class B Common Shares on a share per share basis. Upon consummation of the merger, Expedia Inc. Common Shareholders who have exchanged EXPE Common Shares for Expedia, Inc. Class B Common Shares will receive for each Class B share:

- a fractional amount of USAI common stock ranging in value from approximately \$15.54 to \$17.50,
- between 0.3500 and 0.3892 fractional shares of USA Networks, Inc. Cumulative convertible preferred stock, and
- between 0.3873 and 0.4524 fractional warrants to acquire one share of USAI common stock per one warrant. Each USA Networks, Inc. warrant will have a seven-year term and an exercise price \$35.10 per USAI Share.

2) The remainder of the EXPE Common Shares will remain outstanding and receive an additional amount of 0.1920 Expedia, Inc. per one warrant. The warrants will have a seven-year term and an exercise price of \$52.00 per EXPE Common Share. Cash will be paid in lieu of fractional Expedia warrants.

THE MERGER BECAME EFFECTIVE AFTER THE CLOSE OF BUSINESS ON MONDAY, FEBRUARY 4, 2002

Pending Contract Adjustments

Pursuant to Options Clearing Corporation (OCC) by-laws, all outstanding Expedia Inc. options will be adjusted as follows:

Adjustment Date:	February 5, 2002
ISE Underlying Symbol	Changes to QAS (New)
OPRA Option Symbols:	UED Becomes QAS
Strike Prices:	No Change
Multiplier:	100*(eg., Premium of 1.00 = \$100)
New Deliverable/Contract:	The deliverable for adjusted EXPE options will be based on the merger consideration which accrues to non-election EXPE Common Shareholders (stated in terms of a current 100-Share EXPE deliverable). 1) 100 Expedia, Inc. (EXPE) Common Shares 2) 19 Expedia, Inc. Warrants 3) Cash in lieu of .20 fractional Expedia, Inc. Warrants

***The foregoing is an unofficial summary of the terms of the Merger, prepared by the ISE for the convenience of its members. ISE accepts no responsibility for the accuracy or completeness of the summary. Members should refer to the proxy statement for the authoritative description of the merger terms and conditions.*

UNADJUSTED NEW SHARES:

New EXPE/UED series with a contract unit of 100 shares will be introduced on Wednesday February 6, 2002. Strike prices and expiration months will be announced on a separate release.

ADJUSTED EXERCISE PRICES:

Effective with the opening of February 6, 2002, trading in EXPE/QAS series will be on an adjusted basis.

GTC ORDER CANCELLATION:

Immediately after the ISE close on February 5, 2002, all resting orders in the EXPE order book will be cancelled

Expedia Inc. (EXPE)
(Before - Date To Be Announced)
100 shares EXPE

Expedia Inc. (EXPE)
(Beginning - Date To Be Announced)
(See New Deliverable Above)

ISESeries	OPRA	Month	Strike	Calls/Puts	ISESeries	OPRA	Month	Strike	Calls/Puts
EXPE2FEB25.0C/P	UED	FEB	25	BE/NE	QAS2FEB25.0CY/PY	QAS	FEB	25	BE/NE
EXPE2FEB30.0C/P	UED	FEB	30	BF/NF	QAS2FEB30.0CY/PY	QAS	FEB	30	BF/NF
EXPE2FEB35.0C/P	UED	FEB	35	BG/NG	QAS2FEB35.0CY/PY	QAS	FEB	35	BG/NG
EXPE2FEB40.0C/P	UED	FEB	40	BH/NH	QAS2FEB40.0CY/PY	QAS	FEB	40	BH/NH
EXPE2FEB45.0C/P	UED	FEB	45	BI/NI	QAS2FEB45.0CY/PY	QAS	FEB	45	BI/NI
EXPE2FEB50.0C/P	UED	FEB	50	BJ/NJ	QAS2FEB50.0CY/PY	QAS	FEB	50	BJ/NJ
EXPE2FEB55.0C/P	UED	FEB	55	BK/NK	QAS2FEB55.0CY/PY	QAS	FEB	55	BK/NK
EXPE2FEB60.0C/P	UED	FEB	60	BL/NL	QAS2FEB60.0CY/PY	UED	FEB	60	BL/NL
EXPE2FEB65.0C/P	UED	FEB	65	BM/NM	QAS2FEB65.0CY/PY	UED	FEB	65	BM/NM
EXPE2FEB70.0C/P	UED	FEB	70	BN/NN	QAS2FEB70.0CY/PY	UED	FEB	70	BN/NN
EXPE2MAR30.0C/P	UED	MAR	30	CF/OF	QAS2MAR30.0CY/PY	QAS	MAR	30	OF/OF
EXPE2MAR35.0C/P	UED	MAR	35	CG/OG	QAS2MAR35.0CY/PY	QAS	MAR	35	OG/OG
EXPE2MAR40.0C/P	UED	MAR	40	CH/OH	QAS2MAR40.0CY/PY	QAS	MAR	40	OH/OH
EXPE2MAR45.0C/P	UED	MAR	45	CI/OI	QAS2MAR45.0CY/PY	QAS	MAR	45	OI/OI
EXPE2MAR50.0C/P	UED	MAR	50	CJ/OJ	QAS2MAR50.0CY/PY	QAS	MAR	50	OJ/OJ
EXPE2MAR55.0C/P	UED	MAR	55	CK/OK	QAS2MAR55.0CY/PY	QAS	MAR	55	OK/OK
EXPE2MAR60.0C/P	UED	MAR	60	CL/OL	QAS2MAR60.0CY/PY	UED	MAR	60	CL/OL
EXPE2MAR65.0C/P	UED	MAR	65	CM/OM	QAS2MAR65.0CY/PY	UED	MAR	65	CM/OM
EXPE2MAR70.0C/P	UED	MAR	70	CN/ON	QAS2MAR70.0CY/PY	UED	MAR	70	CN/ON
EXPE2APR15.0C/P	UED	APR	15	DC/PC	QAS2APR15.0CY/PY	QAS	APR	15	DC/PC
EXPE2APR17.5C/P	UED	APR	17 1/2	DW/PW	QAS2APR17.5CY/PY	QAS	APR	17 1/2	DW/PW
EXPE2APR20.0C/P	UED	APR	20	DD/PD	QAS2APR20.0CY/PY	QAS	APR	20	DD/PD
EXPE2APR22.5C/P	UED	APR	22 1/2	DX/PX	QAS2APR22.5CY/PY	QAS	APR	22 1/2	DX/PX
EXPE2APR25.0C/P	UED	APR	25	DE/PE	QAS2APR25.0CY/PY	QAS	APR	25	DE/PE
EXPE2APR30.0C/P	UED	APR	30	DF/PF	QAS2APR30.0CY/PY	QAS	APR	30	DF/PF
EXPE2APR35.0C/P	UED	APR	35	DG/PG	QAS2APR35.0CY/PY	QAS	APR	35	DG/PG
EXPE2APR40.0C/P	UED	APR	40	DH/PH	QAS2APR40.0CY/PY	QAS	APR	40	DH/PH
EXPE2APR45.0C/P	UED	APR	45	DI/PI	QAS2APR45.0CY/PY	QAS	APR	45	DI/PI
EXPE2APR50.0C/P	UED	APR	50	DJ/PJ	QAS2APR50.0CY/PY	QAS	APR	50	DJ/PJ
EXPE2APR55.0C/P	UED	APR	55	DK/PK	QAS2APR55.0CY/PY	QAS	APR	55	DK/PK
EXPE2APR60.0C/P	UED	APR	60	DL/PL	QAS2APR60.0CY/PY	UED	APR	60	DL/PL
EXPE2APR65.0C/P	UED	APR	65	DM/PM	QAS2APR65.0CY/PY	UED	APR	65	DM/PM
EXPE2APR70.0C/P	UED	APR	70	DN/PN	QAS2APR70.0CY/PY	UED	APR	70	DN/PN
EXPE2JUL20.0C/P	UED	JUL	20	GD/SD	QAS2JUL20.0CY/PY	QAS	JUL	20	GD/SD
EXPE2JUL22.5C/P	UED	JUL	22 1/2	GX/SX	QAS2JUL22.5CY/PY	QAS	JUL	22 1/2	GX/SX
EXPE2JUL25.0C/P	UED	JUL	25	GE/SE	QAS2JUL25.0CY/PY	QAS	JUL	25	GE/SE
EXPE2JUL30.0C/P	UED	JUL	30	GF/SF	QAS2JUL30.0CY/PY	QAS	JUL	30	GF/SF
EXPE2JUL35.0C/P	UED	JUL	35	GG/SG	QAS2JUL35.0CY/PY	QAS	JUL	35	GG/SG
EXPE2JUL40.0C/P	UED	JUL	40	GH/SH	QAS2JUL40.0CY/PY	QAS	JUL	40	GH/SH
EXPE2JUL45.0C/P	UED	JUL	45	GI/SI	QAS2JUL45.0CY/PY	QAS	JUL	45	GI/SI
EXPE2JUL50.0C/P	UED	JUL	50	GJ/SJ	QAS2JUL50.0CY/PY	QAS	JUL	50	GJ/SJ
EXPE2KUL55.0C/P	UED	KUL	55	GK/SK	QAS2JUL55.0CY/PY	QAS	JUL	55	GK/SK
EXPE2KUL60.0C/P	UED	KUL	60	GL/SL	QAS2KUL60.0CY/PY	UED	KUL	60	GL/SL
EXPE2KUL65.0C/P	UED	KUL	65	GM/SM	QAS2KUL65.0CY/PY	UED	KUL	65	GM/SM



THE OPTIONS CLEARING CORPORATION

#17872

TO: ALL CLEARING MEMBERS

FROM: KEN RYPEL, DIRECTOR - NATIONAL OPERATIONS

DATE: FEBRUARY 5, 2002

SUBJECT: EXPEDIA, INC. (ELECTION MERGER) – CONTRACT ADJUSTMENT
OPTION SYMBOL: UED
NEW SYMBOL: QAS
DATE: 02-05-02 (ELECTION DEADLINE 02-04-02)

On February 4, 2002, Shareholders of Expedia, Inc., (“EXPE/UED”) voted on the proposed merger with USA Networks, Inc. (“USAI”). The merger was approved and consummated. As a result, immediately prior to the merger, Expedia, Inc. underwent a recapitalization in order to create a new class of Expedia, Inc. Class B Common Shares. EXPE Common Shareholders had the option to retain their Expedia, Inc. Common Shares and receive additional Expedia, Inc. warrants or exchange their shares for Expedia, Inc. Class B Common Shares. The merger/recapitalization will attain the following aggregate results:

- 1) Between 65% and 73% of all outstanding EXPE Common Shares will be converted into Expedia, Inc. Class B Common Shares on a share per share basis. Upon consummation of the merger, Expedia, Inc. Common Shareholders who have exchanged EXPE Common Shares for Expedia, Inc. Class B Common Shares will receive, for each Class B Share:
 - a fractional amount of USAI common stock ranging in value from approximately \$15.54 to \$17.50,
 - between 0.3500 and 0.3892 fractional shares of USA Networks, Inc. cumulative convertible preferred stock, and
 - between 0.3873 and 0.4524 fractional warrants to acquire one share of USAI common stock per one warrant. Each USA Networks, Inc. warrant will have a seven-year term and an exercise price \$35.10 per USAI Share.
- 2) The remainder of the EXPE Common Shares will remain outstanding and will receive an additional amount of 0.1920 Expedia, Inc. warrants per EXPE Share to acquire one Common Share of Expedia, Inc. per one warrant. The warrants will have a seven-year term and an exercise price of \$52.00 per EXPE Common Share. Cash will be paid in lieu of fractional Expedia warrants.

Only shares of Expedia, Inc. Class B Common Stock will be converted into USA securities in the merger.

THE FOREGOING IS AN UNOFFICIAL SUMMARY OF THE TERMS OF THE MERGER, PREPARED BY OCC FOR THE CONVENIENCE OF CLEARING MEMBERS. OCC ACCEPTS NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY. CLEARING MEMBERS SHOULD REFER TO THE EXPE/USAI JOINT PROXY STATEMENT/PROSPECTUS DATED NOVEMBER 13, 2001 AND THE SUPPLEMENT DATED JANUARY 14, 2002, FOR THE AUTHORITATIVE DESCRIPTION OF THE MERGER AND ALL ITS TERMS AND CONDITIONS.

CONTRACT ADJUSTMENT

Pursuant to Article VI, Section 11, of OCC's By-Laws, a panel of OCC's Securities Committee has determined to adjust all UED options as indicated below (the panel consists of two representatives from the Exchanges on which the affected option is traded (in this case The Chicago Board Options Exchange ("CBOE"), The American Stock Exchange ("AMEX"), The Philadelphia Stock Exchange ("PHLX"), The Pacific Exchange ("PCX"), The International Securities Exchange ("ISE") and the Chairman of OCC or his delegee, who only votes in case of a tie)).

DATE: February 5, 2002

OPTION SYMBOL: UED changes to QAS

STRIKE PRICES: No Change

NUMBER OF
CONTRACTS: No Change

MULTIPLIER 100 (e.g., for premium or strike price extensions, 1.00 equals \$100)

NEW DELIVERABLE

PER CONTRACT: The deliverable for adjusted QAS options will be BASED ON THE MERGER CONSIDERATION WHICH ACCRUES TO NON-ELECTING EXPE COMMON SHAREHOLDERS (stated in terms of a current 100-Share EXPE deliverable)

- 1) 100 Expedia, Inc. ("EXPE") Common Shares
- 2) 19 Expedia, Inc. Warrants ("EXPW")
- *3) Cash in lieu of .20 fractional Expedia, Inc. Warrants

NOTE: The Expedia, Inc. Warrants, which expire February 5, 2009, are currently trading "when issued" on the NASDAQ NMS under the trading symbol "EXPWV".

DELAYED SETTLEMENT

OCC will delay settlement of QAS option exercise/assignment activity until the end of “when-issued” trading in EXPE Warrants, and until the cash in lieu of fractional EXPE Warrants is determined.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

Questions regarding this memo can be addressed to Member Services at (800) 544-6091. Within Canada call (800) 424-7320.

CATEGORY: CONTRACT ADJUSTMENT
SUB-CATEGORY: ELECTION MERGER