

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended April 30, 2002

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 0-20243

VALUEVISION MEDIA, INC.

(Exact name of registrant as specified in its charter)

Minnesota

41-1673770

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

6740 Shady Oak Road, Minneapolis, MN 55344

(Address of principal executive offices)

952-943-6000

(Registrant's telephone number, including area code)

ValueVision International, Inc.

(Former name, former address and former fiscal year, if changed since last
report)

Indicate by check mark whether the registrant: (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days.

YES X

NO

As of June 10, 2002, there were 38,297,298 shares of the Registrant's common
stock, \$.01 par value per share, outstanding.

VALUEVISION MEDIA, INC. AND SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

VALUEVISION MEDIA, INC.
AND SUBSIDIARIES CONDENSED
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except share data)

<TABLE>
<CAPTION>

	APRIL 30, 2002	JANUARY 31, 2002
	-----	-----
-		
<S>	<C>	<C>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 47,311	\$ 66,144
Short-term investments	186,939	165,723
Accounts receivable, net	43,343	54,104
Inventories, net	52,132	40,383
Prepaid expenses and other	5,096	5,189
Deferred income taxes	4,943	4,943
	-----	-----
Total current assets	339,764	336,486
PROPERTY & EQUIPMENT, NET	39,770	35,972
NBC TRADEMARK LICENSE AGREEMENT, NET	27,561	28,367
CABLE DISTRIBUTION AND MARKETING AGREEMENT, NET	5,823	6,038
GOODWILL	7,442	--
OTHER INTANGIBLE ASSETS, NET		1,899
INVESTMENTS AND OTHER ASSETS, NET	46,454	42,827
DEFERRED INCOME TAXES	1,118	--
	-----	-----
	\$ 469,831	\$449,690
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 53,657	\$ 43,489
Accrued liabilities	22,440	18,564
Income tax payable	452	144
	-----	-----
Total current liabilities	76,549	62,197
LONG-TERM CAPITAL LEASE OBLIGATIONS	1,762	395
DEFERRED INCOME TAXES	--	98
SERIES A REDEEMABLE CONVERTIBLE PREFERRED STOCK,		

\$.01 PER SHARE PAR VALUE, 5,339,500 SHARES AUTHORIZED;
5,339,500 SHARES ISSUED AND OUTSTANDING

42,250

42,180

SHAREHOLDERS' EQUITY:

Common stock, \$.01 per share par value, 100,000,000 shares
authorized; 38,261,615 and 38,061,455 shares issued
and outstanding

383

381

Warrants to purchase 8,198,485 shares of common stock

47,466

47,466

Additional paid-in capital

276,156

273,505

Accumulated other comprehensive income (losses)

232

(1,045)

Note receivable from officer

(4,025)

(4,006)

Retained earnings

29,058

28,519

Total shareholders' equity

349,270

344,820

\$ 469,831

\$449,690

</TABLE>

The accompanying notes are an integral part of these condensed consolidated
balance sheets.

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VALUEVISION MEDIA, INC.

AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except share and per share data)

<TABLE>

<CAPTION>

FOR THE THREE MONTHS ENDED
APRIL 30,

	2002	2001
<S>	<C>	<C>
NET SALES	\$ 132,849	\$ 111,979
COST OF SALES	81,030	69,710
Gross profit	51,819	42,269
OPERATING EXPENSES:		
Distribution and selling	42,352	33,981
General and administrative	4,161	4,325
Depreciation and amortization	3,321	3,137
Total operating expenses	49,834	41,443
OPERATING INCOME	1,985	826
OTHER INCOME (EXPENSE):		
Loss on sale of investments	(6)	(392)
Unrealized gain (loss) on security holdings	1,021	(215)
Write-down of investments	(985)	(6,006)
Equity in losses of affiliates	(2,098)	(1,737)
Interest income	1,035	2,851
Total other income (expense)	(1,033)	(5,499)
INCOME (LOSS) BEFORE INCOME TAXES	952	(4,673)
Income tax provision	343	350
INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	609	(5,023)
Cumulative effect of accounting change	--	(329)
NET INCOME (LOSS)	609	(5,352)
Accretion of redeemable preferred stock	(70)	(70)
NET INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS	\$ 539	\$ (5,422)
NET INCOME (LOSS) PER COMMON SHARE:		
Before cumulative effect of accounting change	\$ 0.01	\$ (0.13)
Cumulative effect of accounting change	--	(0.01)

Net income (loss)	\$ 0.01	\$ (0.14)
	=====	=====
NET INCOME (LOSS) PER COMMON SHARE:		
- ASSUMING DILUTION:		
Before cumulative effect of accounting change	\$ 0.01	\$ (0.13)
Cumulative effect of accounting change	--	(0.01)
	-----	-----
Net income (loss)	\$ 0.01	\$ (0.14)
	=====	=====
Weighted average number of common shares outstanding:		
Basic	38,153,172	38,525,111
	=====	=====
Diluted	46,558,647	38,525,111
	=====	=====

</TABLE>

The accompanying notes are an integral part of these condensed consolidated financial statements.

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VALUEVISION MEDIA, INC.
AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED APRIL 30, 2002
(Unaudited)
(In thousands, except share data)

<TABLE>
<CAPTION>

COMMON STOCK	COMMON STOCK		
	COMPREHENSIVE	NUMBER	PAR
	INCOME	OF SHARES	VALUE
	-----	-----	-----
- STOCK			
PURCHASE			
WARRANTS			
- -----			
<S>	<C>	<C>	<C>
<C>			
BALANCE, JANUARY 31, 2002		38,061,455	\$ 381
\$ 47,466			
Comprehensive income:			
Net income	\$ 609	--	--
--			
Other comprehensive income, net of tax:			
Unrealized gains on securities, net			
of tax of \$ 507	824		
Losses on securities included in net			
income, net of tax of \$277	453		

Other comprehensive income	1,277	--	--
--			
Comprehensive income	\$ 1,886		
	=====		
Repurchases of common stock		(25,000)	--
--			
Increase in note receivable from officer		--	--
--			
Exercise of stock options and common stock issuances		225,160	2
--			
Accretion on redeemable preferred stock		--	--
--			
		-----	-----

BALANCE, APRIL 30, 2002		38,261,615		\$ 383
\$ 47,466		=====		=====
=====				
<CAPTION>				
	ADDITIONAL	ACCUMULATED	NOTE	
TOTAL		OTHER	RECEIVABLE	
SHAREHOLDERS'	PAID-IN	COMPREHENSIVE	FROM	RETAINED
EQUITY	CAPITAL	INCOME (LOSSES)	OFFICER	EARNINGS
-	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
<C>				
BALANCE, JANUARY 31, 2002	\$ 273,505	\$ (1,045)	\$ (4,006)	\$ 28,519
\$ 344,820				
Comprehensive income:				
Net income	--	--	--	609
609				
Other comprehensive income, net of tax:				
Unrealized gains on securities, net				
of tax of \$ 507				
Losses on securities included in net				
income, net of tax of \$277				
Other comprehensive income	--	1,277	--	--
1,277				
Comprehensive income				
Repurchases of common stock	(419)	--	--	--
(419)				
Increase in note receivable from officer	--	--	(19)	--
(19)				
Exercise of stock options and common stock issuances	3,070	--	--	--
3,072				
Accretion on redeemable preferred stock	--	--	--	(70)
(70)				
-----	-----	-----	-----	-----
BALANCE, APRIL 30, 2002	\$ 276,156	\$ 232	\$ (4,025)	\$ 29,058
\$ 349,270	=====	=====	=====	=====
=====				
</TABLE>				

The accompanying notes are an integral part of these condensed consolidated financial statements.

VALUEVISION MEDIA, INC.
AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands, except share data)

<TABLE>				
<CAPTION>				
		FOR THE THREE MONTHS ENDED APRIL 30,		
-----		-----		
	2002		2001	
-----	-----		-----	
<S>	<C>		<C>	
OPERATING ACTIVITIES:				
Net income (loss)	\$ 609		\$	
(5,352)				
Adjustments to reconcile net income (loss) to net cash				
provided by operating activities-				
Depreciation and amortization	3,321			

3,137	Common stock issued to employees	8	
--			
	Loss on sale of investments	6	
392			
	Unrealized loss (gain) on security holdings	(1,021)	
215			
	Equity in losses of affiliates	2,098	
1,737			
	Write-down of investments	985	
6,006			
	Cumulative effect of accounting change	--	
329			
	Changes in operating assets and liabilities, net of businesses acquired:		
	Accounts receivable, net	11,241	
3,531			
	Inventories, net	(10,171)	
107			
	Prepaid expenses and other	(2,098)	
199			
	Accounts payable and accrued liabilities	10,821	
(3,061)			
	Income taxes payable (receivable)	308	
(542)			
		-----	-----

	Net cash provided by operating activities	16,107	
6,698			
		-----	-----

	INVESTING ACTIVITIES:		
	Property and equipment additions	(2,509)	
(2,842)			
	Proceeds from sale of investments and property	2	
68			
	Purchase of short-term investments	(58,076)	
(40,799)			
	Proceeds from sale of short-term investments	36,859	
54,778			
	Payment for investments and other assets	(1,434)	
(5,484)			
	Acquisition of FanBuzz, Inc., net of cash acquired	(12,307)	-
-			
		-----	-----

	Net cash provided by (used for) investing activities	(37,465)	
5,721			
		-----	-----

	FINANCING ACTIVITIES:		
	Payments for repurchases of common stock	(419)	
(1,275)			
	Proceeds from exercise of stock options	3,064	
112			
	Payment of long-term obligation	(120)	
--			
		-----	-----

	Net cash provided by (used for) financing activities	2,525	
(1,163)			
		-----	-----

	Net increase (decrease) in cash and cash equivalents	(18,833)	
11,256			
	BEGINNING CASH AND CASH EQUIVALENTS	66,144	
136,045			
		-----	-----

	ENDING CASH AND CASH EQUIVALENTS	\$ 47,311	\$
147,301			
		=====	
=====			
	SUPPLEMENTAL CASH FLOW INFORMATION:		
	Interest paid	\$ 32	\$
11			
		=====	
=====			
	Income taxes paid	\$ 35	\$
908			
		=====	

=====

SUPPLEMENTAL NON-CASH INVESTING
AND FINANCING ACTIVITIES:

Issuance of 343,725 warrants in connection with NBC Distribution and Marketing Agreement	\$	--	\$
1,175			

=====

Accretion of redeemable preferred stock	\$	70	\$
70			

=====

</TABLE>

The accompanying notes are an integral part of these condensed consolidated
financial statements.

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VALUEVISION MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
APRIL 30, 2002
(Unaudited)

(1) GENERAL

ValueVision Media, Inc. and its Subsidiaries ("ValueVision" or the "Company") is an integrated direct marketing company that markets its products directly to consumers through various forms of electronic media. The Company's operating strategy incorporates television home shopping, Internet e-commerce, vendor programming sales, fulfillment services and outsourced e-commerce and fulfillment solutions. Effective May 16, 2002, the Company changed its name to ValueVision Media, Inc. from ValueVision International, Inc.

The Company's television home shopping business uses on-air personalities to market brand name merchandise and proprietary / private label consumer products at competitive prices. The Company's live 24-hour per day television home shopping programming is distributed primarily through long-term cable and satellite affiliation agreements and the purchase of month-to-month full and part-time block lease agreements of cable and broadcast television time. In addition, the Company distributes its programming through Company-owned low power television ("LPTV") stations. The Company also complements its television home shopping business by the sale of merchandise through its Internet shopping website (www.shopnbc.com) which sells a broad array of merchandise and simulcasts its television home shopping show live 24 hours a day, 7 days a week.

The Company rebranded its growing home shopping network and companion Internet shopping website as "ShopNBC" and "ShopNBC.com", respectively, in fiscal 2001 as part of a wide-ranging direct marketing strategy the Company is pursuing in conjunction with certain of its strategic partners. This rebranding is intended to position ValueVision as a multimedia retailer, offering consumers an entertaining, informative and interactive shopping experience, and position the Company as a leader in the evolving convergence of television and the Internet. On November 16, 2000, the Company entered into an exclusive license agreement with National Broadcasting Company, Inc. ("NBC") pursuant to which NBC granted ValueVision worldwide use of an NBC-branded name and the Peacock image for a ten-year period. The new ShopNBC name is being promoted as part of a marketing campaign that the Company launched in the second half of 2001.

In 1999, the Company founded ValueVision Interactive, Inc. as a wholly owned subsidiary of the Company to manage and develop the Company's Internet e-commerce initiatives. The Company, through its wholly owned subsidiary, VVI Fulfillment Center, Inc. ("VVIFC"), provides fulfillment, warehousing and telemarketing services on a cost plus basis to Ralph Lauren Media, LLC ("RLM"). VVIFC's services agreement was entered into in conjunction with the execution of the Company's investment and electronic commerce alliance entered into with Polo Ralph Lauren Corporation, NBC and other NBC affiliates. VVIFC also provides fulfillment and support services for the NBC Experience Store in New York and direct to consumer products sold on NBC's website. Through its wholly owned subsidiary, FanBuzz, Inc., the Company is also an e-commerce and fulfillment solutions provider of affinity based merchandise to some of the most recognized sports, media and other well-known entertainment brands.

(2) BASIS OF FINANCIAL STATEMENT PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally

accepted accounting principles in the United States of America have been condensed or omitted in accordance with such rules and regulations. The information furnished in the interim condensed consolidated financial statements includes normal recurring accruals and reflects all adjustments which, in the opinion of management, are necessary for a fair presentation of such financial statements. Although management believes the disclosures and information presented are adequate to make the information not misleading, it is suggested that these interim condensed consolidated financial statements be read in conjunction with the Company's most recent audited financial statements and notes thereto included in its fiscal 2001 Annual Report on Form 10-K. Operating results for the three-month period ended April 30, 2002 are not necessarily indicative of the results that may be expected for the fiscal year ending January 31, 2003.

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The accompanying consolidated financial statements include the accounts of ValueVision and its wholly owned subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation. The accompanying consolidated results of operations for the three months ended April 30, 2002, include the operations of FanBuzz, Inc. as of the effective date of its acquisition, March 8, 2002.

(3) NET INCOME (LOSS) PER COMMON SHARE

The Company calculates earnings per share ("EPS") in accordance with the provisions of Statement of Financial Accounting Standards No. 128, "Earnings per Share" ("SFAS No. 128"). Basic EPS is computed by dividing reported earnings by the weighted average number of common shares outstanding for the reported period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock of the Company during reported periods.

A reconciliation of EPS calculations under SFAS No. 128 is as follows:

<TABLE>
<CAPTION>

	THREE MONTHS ENDED APRIL 30,	
	2002	2001
<S>	<C>	<C>
Net income (loss) available to common shareholders	\$ 539,000	\$ (5,422,000)
Weighted average number of common shares outstanding - Basic	38,153,000	38,525,000
Dilutive effect of convertible preferred stock	5,340,000	--
Dilutive effect of stock options and warrants	3,066,000	--
Weighted average number of common shares outstanding - Diluted	46,559,000	38,525,000
Net income (loss) per common share	\$ 0.01	\$ (0.14)
Net income (loss) per common share- assuming dilution	\$ 0.01	\$ (0.14)

</TABLE>

In accordance with SFAS No. 128, for the quarter ended April 30, 2001, approximately 7,292,000 in-the-money dilutive common shares have been excluded from the computation of diluted earnings per share, as the effect of their inclusion would be antidilutive.

(4) COMPREHENSIVE INCOME (LOSS)

The Company reports comprehensive income (loss) in accordance with Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" ("SFAS No. 130"). SFAS No. 130 establishes standards for reporting in the financial statements all changes in equity during a period, except those resulting from investments by and distributions to owners. For the Company, comprehensive income (loss) includes net income (loss) and other comprehensive income (loss), which consists of unrealized holding gains and losses from equity

investments classified as "available-for-sale". Total comprehensive income (loss) was \$1,886,000 and (\$5,087,000) for the three months ended April 30, 2002 and 2001, respectively.

(5) SEGMENT DISCLOSURES

Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("SFAS No. 131"), requires the disclosure of certain information about operating segments in financial statements. The Company's reportable segments are based on the Company's method of internal reporting. The Company's current business units are categorized as electronic media and consist primarily of the Company's television home shopping business and Internet shopping website business. Management has reviewed the provisions of SFAS No. 131 and determined that the Company meets the aggregation criteria

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as outlined in the Statement since the Company's current business units have similar customers, products and sales processes. As a result, the Company reports as a single business segment.

(6) EQUITY INVESTMENTS

As of April 30, 2002, the Company had equity investments totaling approximately \$41,984,000 of which \$31,764,000 related to the Company's investment in RLM after adjusting for the Company's equity share of RLM losses under the equity method of accounting. At April 30, 2002, investments in the accompanying consolidated balance sheet also include approximately \$8,209,000 related to equity investments made in companies whose shares are traded on a public exchange. Investments in common stock are classified as "available-for-sale" investments and are accounted for under the provisions of Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities" ("SFAS No.115"). Investments in the form of stock purchase warrants are accounted for under the provisions of Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No.133"). In addition to the Company's investment in RLM, investments at April 30, 2002 include certain other nonmarketable equity investments in private and other enterprises totaling approximately \$2,011,000 which are carried at the lower of cost or net realizable value.

In February 2000, the Company entered into a strategic alliance with Polo Ralph Lauren, NBC, NBCi and CNBC.com and created RLM, a joint venture formed for the purpose of bringing the Polo Ralph Lauren American lifestyle experience to consumers via multiple platforms, including the Internet, broadcast, cable and print. The Company owns a 12.5% interest in RLM. In connection with forming this strategic alliance, the Company has committed to provide up to \$50 million of cash for purposes of financing RLM's operating activities of which approximately \$47 million has been funded through April 30, 2002. Currently, the Company's investment in RLM is \$31,764,000 after adjusting for the Company's equity share of RLM's losses under the equity method of accounting. The RLM joint venture is still considered a start-up venture and to date has incurred significant operating losses since it commenced operations in November 2000. The Company does not have direct control over management's decisions affecting the strategic operational direction of this joint venture. The Company periodically evaluates the carrying value of its RLM investment by evaluating the current and forecasted financial condition of the entity, its liquidity prospects, its cash flow forecasts and by comparing its operational results to plan. The Company will record an impairment loss if events and circumstances indicate that its RLM investment has been impaired and a decline in value is deemed other than temporary. No assurance can be given that this alliance will be successful or that the Company will be able to ultimately realize any return on its ownership interest in RLM. The Company has also committed and spent significant resources totaling over \$12 million to develop facilities to allow the Company to fulfill its service obligations to RLM. There can be no assurance that the Company will recover its costs for developing and constructing these facilities and, if the alliance were not successful, the Company would have limited ability to recover such costs. The Company will continue to reevaluate its RLM investment, as it does with all of its investments, in conjunction with the continued development and forecast of RLM's operations.

The Company evaluates the carrying values of its other investments by using recent financing and securities transactions, present value and other pricing models, as well as by evaluating available information on financial condition, liquidity prospects, cash flow forecasts and comparing operating results to plan. Impairment losses are recorded if events or circumstances indicate that such investments may be impaired and the decline in value is other than temporary. For the three months ended April 30, 2002, the Company recorded a pre-tax investment loss of \$985,000 relating to an investment made in 1997. For the three months ended April 30, 2001, the Company recorded a pre-tax investment loss of \$6,006,000 relating to the write-off of the Company's investment in Internet company Wine.com pursuant to its announced employee layoff, sale of

assets to eVineyard.com and subsequent dissolution. The declines in fair value of such investments were determined by the Company to be other than temporary.

(7) RELATED PARTY TRANSACTION

At April 30, 2002, the Company held a note receivable totaling \$4,025,000, including interest (the "Note") from an officer of the Company for a loan made in accordance with provisions set forth in such officer's employment agreement with the Company. The Note is reflected as a reduction of shareholders' equity in the accompanying consolidated balance sheet as the Note is collateralized by a security interest in vested stock options and in shares of the Company's common stock to be acquired by the officer upon the exercise of such vested stock options.

(8) RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Statement of Financial Accounting Standards No. 133 ("SFAS No. 133"), "Accounting for Derivative Instruments and Hedging Activities", establishes accounting and reporting standards requiring that derivative instruments, as defined in the standard, be

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recorded in the balance sheet as either an asset or liability measured at its fair value. SFAS No. 133 requires changes in the derivative's fair value to be recognized currently in earnings unless specific hedge accounting criteria are met. The Company adopted the provisions of SFAS No. 133, as amended, effective February 1, 2001. The impact of the initial adoption of SFAS No. 133 was (\$329,000) and was reflected in the consolidated statement of operations for the three months ended April 30, 2001 as a cumulative effect of change in accounting principle.

In August 2001, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144"). SFAS No. 144 addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes FASB Statement No. 121, "Accounting for the Impairment of Long-Lived Assets to Be Disposed Of" and the accounting and reporting provisions of APB Opinion No. 30. The changes required by SFAS No. 144 resolve significant implementation issues related to SFAS No. 121 and improve financial reporting by requiring that one accounting model be used for long-lived assets to be disposed of by sale, whether previously held and used or newly acquired. The requirements of SFAS No. 144 also broaden the presentation of discontinued operations to include more disposal transactions. The Company adoption of SFAS No. 144 in fiscal 2002 did not have an effect on its financial position or results of operations.

(9) COMMON STOCK REPURCHASE PROGRAM

In the second quarter of fiscal 2001, the Company's Board of Directors authorized a \$25 million common stock repurchase program whereby the Company may repurchase shares of its common stock in the open market and through negotiated transactions, at prices and times deemed to be beneficial to the long-term interests of shareholders and the Company. The repurchase program is subject to applicable securities laws and may be discontinued at any time without any obligation or commitment by the Company to repurchase all or any portion of the shares covered by the authorization. As of April 30, 2002, the Company had repurchased 1,002,000 shares of its common stock under the new stock repurchase program for a total net cost of \$14,636,000 at an average price of \$14.61 per share. During the quarter ended April 30, 2002, the Company had repurchased 25,000 shares of its common stock at an average price of \$16.76 per share.

(10) ACQUISITION OF FANBUZZ, INC.

On February 25, 2002, the Company announced it had signed a definitive agreement to acquire 100% of the outstanding shares of the parent of Minneapolis-based FanBuzz, Inc. ("FanBuzz"), an e-commerce and fulfillment solutions provider of affinity-based merchandise to some of the most recognized sports, media and other well known entertainment brands in the world, including ESPN, CNN/Sports Illustrated, the Salt Lake 2002 Winter Games, the Chicago Bears and many other professional sports teams, leagues and colleges. FanBuzz, with expected annualized revenues of approximately \$20 million, has focused its business model of operating online stores for already-established brands and destinations. As a result of the acquisition, the Company has further positioned itself to become a provider of outsourcing solutions to companies wishing to add on-line/on-air commerce to their existing business models. The Company also expects to reduce FanBuzz's costs through economies of scale. The purchase price of the acquisition, which closed on March 8, 2002, was \$14.1 million and has been accounted for using the purchase method of accounting as stipulated by Statement of Financial Accounting Standards No. 141, "Business Combinations," ("SFAS No. 141"). The results of operations of FanBuzz have been included in the accompanying consolidated financial statements as of March 8, 2002, the date of acquisition. Pro-forma results of the Company, assuming the acquisition had been

made at the beginning of each period presented, would not be materially different from the results reported.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed from FanBuzz on the date of acquisition:

<TABLE>	
<S>	
<C>	
Current assets	\$ 3,965,000
Property and equipment	3,305,000
Other assets	2,078,000
Intangible assets	2,000,000
Goodwill	7,442,000

Total assets acquired	18,790,000

Current liabilities	3,265,000
Capital lease obligations	1,425,000

Total liabilities assumed	4,690,000

Net assets acquired	\$14,100,000
	=====
</TABLE>	

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Total amortizable intangible assets acquired was \$2,000,000 (4-year weighted average useful life) and were assigned as follows: registered website address of \$1,000,000 (3-year weighted average useful life), partnership contracts of \$280,000 (2-year weighted average useful life), non-compete agreements of \$230,000 (3-year weighted average useful life), favorable lease contracts of \$200,000 (13-year weighted average useful life) and other assets of \$290,000 (1-year weighted average useful life). Total goodwill recorded as a result of the acquisition was \$7,442,000 none of which is expected to be deductible for tax purposes. The Company does not expect there to be any significant residual value with respect to these acquired intangible assets.

(11) GOODWILL AND OTHER INTANGIBLE ASSETS

In June 2001, the FASB issued SFAS No. 141 which requires all business combinations initiated after June 30, 2001 to use the purchase method of accounting and addresses the initial recognition and measurement of goodwill and other intangible assets acquired in a business combination. The Company's adoption of SFAS No. 141 in fiscal 2001 did not have a material effect on its financial position or results of operations.

In June 2001, the FASB issued SFAS No. 142, "Goodwill and Other Intangible Assets," which addresses the financial accounting and reporting standards for the acquisition of intangible assets outside of a business combination and for goodwill and other intangible assets subsequent to their acquisition. This accounting standard requires that goodwill be separately disclosed from other intangible assets in the statement of financial position, and no longer be amortized but tested for impairment on a periodic basis. These impairment tests are required to be performed at adoption and at least annually thereafter. The Company's adoption of SFAS No. 142 in fiscal 2002 did not have a material effect on its financial position or results of operations.

Changes in the carrying amount of goodwill for the three months ended April 30, 2002 is as follows:

<TABLE>	
<S>	
<C>	
Balance as of January 31, 2002	\$ -
Goodwill acquired during the period	7,442,000
Impairment losses	-

Balance as of April 30, 2002	\$7,442,000
	=====
</TABLE>	

Intangible assets have been recorded by the Company as a result of the acquisition of FanBuzz in the first quarter of fiscal 2002. The components of amortized intangible assets in the accompanying consolidated balance sheets consists of the following:

<TABLE>
<CAPTION>

April 30, 2002		

Average	Gross	
Life	Carrying	Accumulated
(Years)	Amount	Amortization

<S>	<C>	<C>	<C>
Amortized intangible assets:			
Website address	3	\$ 1,000,000	\$ (28,000)
Partnership contracts	2	280,000	(19,000)
Non-compete agreements	3	230,000	(6,000)
Favorable lease contracts	13	200,000	(2,000)
Other	1	290,000	(46,000)
		-----	-----
Total		\$ 2,000,000	\$ (101,000)
		=====	=====

</TABLE>

Amortization expense for intangible assets for the three months ended April 30, 2002 was \$101,000. Estimated amortization expense for fiscal 2002 and the succeeding five years is as follows: \$699,000 in fiscal 2002, \$590,000 in fiscal 2003, \$431,000 in fiscal 2004, \$108,000 in fiscal 2005, \$5,000 in fiscal 2006 and \$5,000 in fiscal 2007.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

INTRODUCTION

The following discussion and analysis of financial condition and results of operations should be read in conjunction with the Company's accompanying unaudited condensed consolidated financial statements and notes included herein and the audited consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2002.

SELECTED CONDENSED CONSOLIDATED FINANCIAL DATA

<TABLE>
<CAPTION>

	DOLLAR AMOUNT AS A PERCENTAGE OF NET SALES FOR THE THREE MONTHS ENDED APRIL 30,	
	2002	2001
	----	----
<S>	<C>	<C>
NET SALES	100.0%	100.0%
	=====	=====
GROSS MARGIN	39.0%	37.7%
	-----	-----
Operating expenses:		
Distribution and selling	31.9%	30.3%
General and administrative	3.1%	3.9%
Depreciation and amortization	2.5%	2.8%
	-----	-----
	37.5%	37.0%
	-----	-----
Operating income	1.5%	0.7%
	=====	=====

</TABLE>

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

ValueVision Media, Inc. and its Subsidiaries ("ValueVision" or the "Company") is an integrated direct marketing company that markets its products directly to consumers through various forms of electronic media. The Company's operating strategy incorporates television home shopping, Internet e-commerce, vendor programming sales, fulfillment services and outsourced e-commerce and fulfillment solutions. Effective May 16, 2002, the Company changed its name to ValueVision Media, Inc. from ValueVision International, Inc.

The Company's television home shopping business uses on-air television personalities to market brand name merchandise and proprietary / private label consumer products at competitive prices. The Company's live 24-hour per day television home shopping programming is distributed primarily through long-term cable and satellite affiliation agreements and the purchase of month-to-month full and part-time block lease agreements of cable and broadcast television

time. In addition, the Company distributes its programming through Company-owned low power television ("LPTV") stations. The Company also complements its television home shopping business by the sale of merchandise through its Internet shopping website (www.shopnbc.com) which sells a broad array of merchandise and simulcasts its television home shopping show live 24 hours a day, 7 days a week.

The Company rebranded its growing home shopping network and companion Internet shopping website as "ShopNBC" and "ShopNBC.com", respectively, in fiscal 2001 as part of a wide-ranging direct marketing strategy the Company is pursuing in conjunction with certain of its strategic partners. This rebranding is intended to position ValueVision as a multimedia retailer, offering consumers an entertaining, informative and interactive shopping experience, and position the Company as a leader in the evolving convergence of television and the Internet. On November 16, 2000, the Company entered into an exclusive license agreement with National Broadcasting Company, Inc. ("NBC") pursuant to which NBC granted ValueVision worldwide use of an NBC-branded name and the Peacock image for a ten-year period. The new ShopNBC name is being promoted as part of a marketing campaign that the Company launched in the second half of 2001.

In 1999, the Company founded ValueVision Interactive, Inc. as a wholly owned subsidiary of the Company to manage and develop the Company's Internet e-commerce initiatives. The Company, through its wholly owned subsidiary, VVI Fulfillment Center, Inc. ("VVIFC"), provides fulfillment, warehousing and telemarketing services on a cost plus basis to Ralph Lauren Media, LLC ("RLM"). VVIFC's services agreement was entered into in conjunction with the execution of the Company's investment and electronic commerce alliance entered into with Polo Ralph Lauren Corporation, NBC and other NBC affiliates. VVIFC also provides fulfillment and support services for the NBC Experience Store in New York and direct to consumer products sold on NBC's website. Through its wholly owned subsidiary, FanBuzz, Inc., the Company is also an e-commerce and fulfillment solutions provider of affinity based merchandise to some of the most recognized sports, media and other well-known entertainment brands.

WRITE-DOWN OF INVESTMENTS

In the first quarter ended April 30, 2002, the Company recorded a pre-tax investment loss of \$985,000 relating to an investment made in 1997. In the first quarter ended April 30, 2001, the Company recorded a pre-tax investment loss of \$6,006,000 relating to the write-off of the Company's investment in Internet company Wine.com pursuant to its announced employee layoff, sale of assets to eVineyard.com and subsequent dissolution. The declines in fair values were determined by the Company to be other than temporary.

RESULTS OF OPERATIONS

NET SALES

Consolidated net sales, inclusive of shipping and handling revenue for the three months ended April 30, 2002 (fiscal 2002) were \$132,849,000 compared with net sales of \$111,979,000 for the three months ended April 30, 2001 (fiscal 2001), a 19% increase. The increase in consolidated net sales is directly attributable to the continued improvement in and increased sales from the Company's television home shopping and Internet operations. Net sales attributed to the Company's television home shopping and Internet operations increased 17% to \$127,887,000 for the quarter ended April 30, 2002 from \$109,495,000 for the comparable prior year period. The still challenging retail economic environment experienced by the Company and other merchandise retailers has continued to have a negative affect on total net sales growth for the quarter as compared to the prior year. Despite the challenging economic

situation, the continued growth in home shopping net sales is primarily attributable to the growth in FTE homes receiving the Company's television programming which increased by approximately 11 million homes since January 2001; however, the complete net sales impact and productivity from these additional homes is still to be realized as these additional new homes have yet to completely mature. During the 12-month period ended April 30, 2002, the Company added approximately 8 million FTE subscriber homes, a 22% increase. In addition to new FTE subscriber homes, television home shopping and Internet sales increased due to the continued addition of new customers from households already receiving the Company's television home shopping programming, an increase in the average order size and a 72% year-to-date increase in Internet sales over the prior year. In addition, total net sales increased over prior year as a result of the Company's acquisition of FanBuzz, Inc. in March 2002. The Company intends to continue to test and change its merchandising and programming strategies with the goal of improving its television home shopping and Internet sales results. However, while the Company is optimistic that television home shopping and Internet sales results will continue to improve, there can be no assurance that such changes in strategy will achieve the intended results.

GROSS PROFITS

Gross profits for the first quarter ended April 30, 2002 and 2001 were \$51,819,000 and \$42,269,000, respectively, an increase of \$9,550,000 or 23%. Gross margins for the three months ended April 30, 2002 and 2001 were 39.0% and 37.7%, respectively. The principal reason for the increase in gross profits was the increased sales volume from the Company's television home shopping and Internet businesses. In addition, gross profit for the first quarter of fiscal 2002 included positive contributions as a result of the Company's acquisition of FanBuzz, Inc. Overall, year-to-date television and Internet gross margins between comparable periods improved over prior year primarily as a result of an increase in the mix and gross margin percentages of higher margin jewelry merchandise categories.

OPERATING EXPENSES

Total operating expenses for the three months ended April 30, 2002 were \$49,834,000 versus \$41,443,000 for the comparable prior year period. Distribution and selling expense increased \$8,371,000 or 25% to \$42,352,000 or 32% of net sales during the first quarter of fiscal 2002 compared to \$33,981,000 or 30% of net sales for the comparable prior-year period. Distribution and selling expense increased primarily as a result of increases in net cable access fees due to a 25% year-to-date increase in the number of average FTE subscribers over the prior year, additional costs associated with the fulfillment and support for the NBC Experience Store in New York and direct-to-consumer products sold on NBC's website, increased costs associated with new celebrities, additional distribution and selling costs associated with the acquisition of FanBuzz, Inc. and increased costs associated with credit card processing resulting from increased sales. Distribution and selling expense increased as a percentage of net sales over the prior year primarily as a result of the Company's fixed cable access fee expense base growing at a faster rate than the related incremental increase in television home shopping net sales, which is to be expected from the increased subscriber carriage over the prior year.

General and administrative expense for the three months ended April 30, 2002 decreased \$164,000 or 4% to \$4,161,000 or 3% of net sales compared to \$4,325,000 or 4% of net sales for the three months ended April 30, 2001. Overall, general and administrative expense decreased from the prior year due to tight management controls over spending resulting in decreases in personnel costs, travel and information systems costs, consulting and placement fees offset by increases in general and administrative costs associated with the acquisition of FanBuzz, Inc. General and administrative expense as a percentage of net sales decreased over prior year's first quarter as a result of expenses growing at a slower rate than the increase in television home shopping and Internet net sales over the prior year.

Depreciation and amortization expense for the three months ended April 30, 2002 was \$3,321,000 versus \$3,137,000, representing an increase of \$184,000 or 6% from the comparable prior-year period. Depreciation and amortization expense as a percentage of net sales for the three months ended April 30, 2002 and 2001 were 2% and 3%, each, respectively. The dollar increase is primarily due to increased depreciation and amortization incurred in the first quarter of fiscal 2002 associated with the Company's acquisition of FanBuzz, Inc. in March 2002.

OPERATING INCOME

For the three months ended April 30, 2002, the Company reported operating income of \$1,985,000 compared to operating income of \$826,000 for the three months ended April 30, 2001, an increase of \$1,159,000. Operating income increased from prior year primarily as a result of the increase in net sales and gross profits reported by the Company's television home shopping and Internet businesses and a decrease in overall general and administrative expense as management controls spending. These increases were reduced by increased distribution and selling expenses, particularly net cable access fees for which the expense of adding approximately 11 million new homes since January 2001 is being incurred but the future revenue benefit and productivity of these additional homes is yet to be fully realized.

NET INCOME (LOSS)

For the three months ended April 30, 2002, the Company reported net income available to common shareholders of \$539,000 or \$.01 per share on 46,559,000 diluted weighted average common shares outstanding (\$.01 per share on 38,153,000 basic shares) compared with a net loss available to common shareholders of \$5,422,000 or \$.14 per share on 38,525,000 weighted average common shares outstanding for the quarter ended April 30, 2001. Net income available to common shareholders for the quarter ended April 30, 2002 includes a net pre-tax loss of \$985,000 related to the write-down of an investment made in 1997 whose decline in fair value was determined to be other than temporary and a net pre-tax

unrealized gain of \$1,015,000 recorded resulting primarily from market price increases on the holdings of the Company's warrant investments. For the quarter ended April 30, 2002, net income available to common shareholders also included a pre-tax loss of \$2,098,000 related to the Company's equity interest in RLM and interest income totaling \$1,035,000 earned on the Company's cash and short-term investments. The net loss available to common shareholders for the quarter ended April 30, 2001 includes a pre-tax loss of \$6,006,000 related to the write-down of the Company's investment in Internet retailer Wine.com, whose decline in fair value were determined by the Company to be other than temporary and pre-tax realized and unrealized losses totaling \$607,000 recorded on the sale and holdings of the Company's other investments. For the quarter ended April 30, 2001, the net loss available to common shareholders also included a pre-tax loss of \$1,737,000 related to the Company's equity interest in RLM, a loss of \$329,000 relating to the cumulative effect of adopting SFAS No. 133 and interest income totaling \$2,851,000 earned on the Company's cash and short-term investments.

Excluding the net one-time gains/losses on the sale and holdings of the Company's investments and other one-time charges, net income available to common shareholders for the quarter ended April 30, 2002 totaled \$1,174,000, or \$.03 per diluted share (\$.03 per basic share) compared to net income available to common shareholders of \$1,017,000, or \$.02 per diluted share (\$.03 per basic share) for the quarter ended April 30, 2001.

PROGRAM DISTRIBUTION

The Company's television home-shopping programming was available to approximately 53.0 million homes as of April 30, 2002, as compared to 51.9 million homes as of January 31, 2002 and to 45.5 million homes as of April 30, 2001. The Company's programming is currently available through affiliation and time-block purchase agreements with approximately 710 cable or satellite systems. In addition, the Company's programming is available unscrambled to homes equipped with satellite dishes and is broadcast full-time over eleven Company-owned, low-power television stations in major markets. As of April 30, 2002 and 2001, the Company's programming was available to approximately 45.2 million and 37.2 million FTE households, respectively. As of January 31, 2002, the Company's programming was available to 44.0 million FTE households. Approximately 37.7 million and 31.6 million households at April 30, 2002 and 2001, respectively, received the Company's programming on a full-time basis. Homes that receive the Company's television home shopping programming 24 hours per day are counted as one FTE each and homes that receive the Company's programming for any period less than 24 hours are counted based upon an analysis of time of day and day of week. The Company's television home shopping programming is also broadcast live 24 hours a day, 7 days a week through its Internet shopping website (www.shopnbc.com) which is not included in total FTE households.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

A discussion of the critical accounting policies related to accounting estimates and assumptions is contained in the Company's 2001 Annual Report on Form 10-K.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As of April 30, 2002, cash and cash equivalents and short-term investments were \$234,250,000, compared to \$231,867,000 as of January 31, 2002, a \$2,383,000 increase. For the three months ended April 30, 2002, working capital decreased \$11,074,000 to \$263,215,000. The current ratio was 4.4 at April 30, 2002 compared to 5.4 at January 31, 2002. At April 30, 2002, short-term investments and cash equivalents were invested primarily in money market funds, high quality commercial paper with original maturity dates of less than two hundred and seventy (270) days and investment grade corporate and municipal bonds and other tax advantaged certificates with tender option terms ranging from one month to one year. The Company's principal source of liquidity is its cash, cash equivalents and short-term investments as well as its operating cash flows. Although management believes the Company's short-term investment policy is very conservative in nature, certain short-term investments in commercial paper can be exposed to the credit risk of the underlying companies to which they relate. The average maturity of the Company's investment portfolio ranges from 30-60 days.

Total assets at April 30, 2002 were \$469,831,000, compared to \$449,690,000 at January 31, 2002. Shareholders' equity was \$349,270,000 at April 30, 2002, compared to \$344,820,000 at January 31, 2002, a \$4,450,000 increase. The increase in shareholders' equity for the three-month period ended April 30, 2002 resulted primarily from the recording of net income of \$609,000 for the quarter, the recording of unrealized gains on investments classified as "available-for-sale" totaling \$1,277,000 and from proceeds received of \$3,072,000 related to the exercise of stock options. These increases were offset

by decreases in shareholders' equity of \$419,000 relating to the repurchase of 25,000 common shares under its authorized stock repurchase plan, \$19,000 relating to an increased note receivable from an officer and accretion on redeemable preferred stock of \$70,000.

For the three-month period ended April 30, 2002, net cash provided by operating activities totaled \$16,107,000 compared to net cash provided by operating activities of \$6,698,000 for the three-month period ended April 30, 2001. Cash flows from operations after adding back depreciation and amortization expense (which the Company defines as EBITDA) was a positive \$5,306,000 for the three months ended April 30, 2002, compared to a positive \$3,963,000 for the same prior-year period. Net cash provided by operating activities for the three months ended April 30, 2002 reflects net income, as adjusted for depreciation and amortization, common stock issued to employees, write-down of investments, unrealized gains on security holdings, equity in losses of affiliates and losses on the sale of investments. In addition, net cash provided by operating activities for the three months ended April 30, 2002 reflects decreases in accounts receivable, increases in accounts payable and accrued liabilities and income taxes payable, offset by an increase in inventories and prepaid expenses. Accounts receivable decreased primarily due to the net effect of increased usage of the Company's ShopNBC private label credit card, a reduction in sales made utilizing extended payment terms and the timing of customer collections made pursuant to the "ValuePay" installment program offset by increased interest receivable. Inventories increased from year-end primarily to support continued sales growth. Inventories also increased due to a significant reduction in "advance order" selling over prior year in an effort to improve customer satisfaction through fewer stockouts and faster order fulfillment, the acquisition of FanBuzz, Inc in March 2002 and the timing of merchandise receipts. Prepaid expenses increased primarily as a result of the timing of long-term cable launch fee extension renewals. The increase in accounts payable and accrued liabilities is a direct result of the increase in inventory levels, the timing of cable and satellite affiliation vendor payments and the acquisition of FanBuzz, Inc.

Net cash used for investing activities totaled \$37,465,000 for the three months ended April 30, 2002, which was primarily offset by an increase in short-term investments of \$21,216,000, compared to net cash provided by investing activities of \$5,721,000 for the three months ended April 30, 2001. For the three months ended April 30, 2002 and 2001, expenditures for property and equipment were \$2,509,000 and \$2,842,000, respectively. Expenditures for property and equipment during the periods ended April 30, 2002 and 2001 primarily include capital expenditures made for the upgrade and conversion of new computer software, related computer equipment and other office equipment, warehouse equipment, production equipment and expenditures on leasehold improvements. Principal future capital expenditures include the upgrade of television production and transmission equipment and the upgrade and replacement of computer software, systems and related computer equipment associated with the expansion of the Company's home shopping business and e-commerce initiatives. In the first three months of fiscal 2002, the Company invested \$58,076,000 in various short-term investments, received proceeds of \$36,859,000 from the sale of short-term investments, received proceeds of \$2,000 from the sale of investments and property and made disbursements of \$1,434,000 for certain investments and other long-term assets primarily related to the Company's equity interest in RLM. Also during the first quarter of fiscal 2002, the Company invested \$12,307,000, net of cash acquired, in connection with the acquisition of FanBuzz, Inc. In the first three months of fiscal 2001, the Company invested \$40,799,000 in various short-term investments, received proceeds of \$54,778,000 from the sale of short-term investments, made disbursements of \$5,484,000 for certain investments and other assets, and received proceeds of \$68,000 from the sale of investments and property.

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Net cash provided by financing activities totaled \$2,525,000 for the three months ended April 30, 2002 and related primarily to cash proceeds received of \$3,064,000 from the exercise of stock options offset by payments made of \$419,000 in conjunction with the repurchase of 25,000 shares of the Company's common stock at an average price of \$16.76 per share and payments of long-term capital lease obligations of \$120,000. Net cash used for financing activities totaled \$1,163,000 for the three months ended April 30, 2001 and related primarily to payments made of \$1,275,000 in conjunction with the repurchase of 105,000 shares of the Company's common stock at an average price of \$12.14 per share offset by proceeds received of \$112,000 from the exercise of stock options.

Management believes that funds currently held by the Company should be sufficient to fund the Company's operations, anticipated capital expenditures, strategic investments and cable launch fees through at least the next twelve months. A discussion of the nature and amount of future cash commitments is contained in the Company's 2001 Annual Report on Form 10-K.

CAUTIONARY STATEMENT FOR PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Information contained in this Form 10-Q and in other materials filed by the

Company with the Securities and Exchange Commission (as well as information included in oral statements or other written statements made or to be made by the Company) contain certain "forward-looking statements" within the meaning of federal securities laws which represent management's expectations or beliefs concerning future events. These statements are based on management's current expectations and are accordingly subject to uncertainty and changes in circumstances. Actual results may vary materially from the expectations contained herein due to various important factors, including (but not limited to): changes in consumer spending and debt levels; changes in interest rates; seasonal variations in consumer purchasing activities; competitive pressures on sales; changes in pricing and gross profit margins; changes in the level of cable and satellite distribution for the Company's programming and fees associated therewith; the success of the Company's e-commerce and rebranding initiatives; the performance of the Company's equity investments; the success of the Company's strategic alliances and relationships; the performance of the Ralph Lauren Media joint venture and the Company's ultimate return on this investment; the ability of the Company to manage its operating expenses successfully; risks associated with acquisitions; changes in governmental or regulatory requirements; litigation or governmental proceedings affecting the Company's operations; and the ability of the Company to obtain and retain key executives and employees. Investors are cautioned that all forward-looking statements involve risk and uncertainty and the Company is under no obligation (and expressly disclaims any such obligation) to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

In addition to any specific risks and uncertainties discussed in this Form 10-Q, the risks and uncertainties discussed in detail in the Company's Form 10-K for the fiscal year ended January 31, 2002, specifically under the captions entitled "Risk Factors" and "Critical Accounting Policies and Estimates", provide information which should be considered in evaluating any of the Company's forward-looking statements. In addition, the facts and circumstances that exist when any forward-looking statements are made and on which those forward-looking statements are based may significantly change in the future, thereby rendering obsolete the forward-looking statements on which such facts and circumstances were based.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company does not enter into financial instruments for trading or speculative purposes and does not currently utilize derivative financial instruments as a hedge to offset market risk. The Company does hold certain equity investments in the form of common stock purchase warrants in public companies and accounts for these investments in accordance with the provisions of SFAS No. 133. The operations of the Company are conducted primarily in the United States and as such are not subject to foreign currency exchange rate risk. However, some of the Company's products are sourced internationally and may fluctuate in cost as a result of foreign currency swings. The Company has no long-term debt other than fixed capital lease obligations, and accordingly, is not significantly exposed to interest rate risk, although changes in market interest rates do impact the level of interest income earned on the Company's substantial cash and short-term investment portfolio.

PART II OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

- 3.1 Articles of Merger of the Registrant dated May 16, 2002.
- 10.1 Employment Agreement dated July 31, 2000 between the Registrant and Roy Seinfeld. +
- 10.2 Amendment to Employment Agreement dated December 19, 2001 between the Registrant and Mr. Seinfeld. +
- 10.3 Employment Agreement dated February 12, 2001 between the Registrant and Steven Goldsmith. +
- 10.4 Employment Agreement dated May 22, 2000 between the Registrant and Howard F. Fox. +
- + Management compensatory plan / arrangement.

(b) Reports on Form 8-K

- (i) The Registrant filed a Form 8-K on March 6, 2002 reporting under Item 5 that the Registrant announced that it had signed a definitive agreement to acquire Minneapolis-based FanBuzz, Inc.
- (ii) The Registrant filed a Form 8-K on May 16, 2002 reporting under Item 4 that the Registrant decided to discontinue the engagement of Arthur Andersen LLP as the

Registrant's independent auditors and to engage Deloitte & Touche LLP as the Registrant's independent auditors for the fiscal year ended January 31, 2003 and reporting under Item 5 that the Registrant changed its corporate name to ValueVision Media, Inc. from ValueVision International, Inc.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VALUEVISION MEDIA, INC. AND SUBSIDIARIES

/s/ Gene McCaffery

Gene McCaffery
Chief Executive Officer
(Principal Executive Officer)

/s/ Richard D. Barnes

Richard D. Barnes
Executive Vice President, Chief Financial
Officer Chief Operating Officer
(Principal Financial and
Accounting Officer)

June 14, 2002

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VALUEVISION INTERNATIONAL, INC.

ARTICLES OF MERGER

Pursuant to Section 302A.621 of the Minnesota Business Corporation Act, the undersigned officer of ValueVision International, Inc., a Minnesota corporation (the "Surviving Corporation"), which is the owner of all of the issued and outstanding shares of common stock, \$.01 par value per share, of VVM Name Change Subsidiary, Inc., a Minnesota corporation (the "Subsidiary Corporation"), which is the only outstanding class of capital stock of the Subsidiary Corporation, hereby executes and files these Articles of Merger:

FIRST: The Plan of Merger providing for the merger of the Subsidiary Corporation into the Surviving Corporation, in the form of resolutions duly adopted by the Board of Directors of the Surviving Corporation on April 24, 2002, is attached hereto as Exhibit A.

SECOND: The number of outstanding shares of each class and series of the Subsidiary Corporation and the number of shares of each class and series of the Subsidiary Corporation owned by the Surviving Corporation are as follows:

<TABLE>
<CAPTION>

Designation of Class & Series -----	Number of Outstanding Shares -----	Number of Shares Owned by Surviving Corporation -----
<S>	<C>	<C>
Common Stock, \$.01 par value	100	100

</TABLE>

THIRD: The Plan of Merger has been duly approved by the Surviving Corporation under Minnesota Statutes Section 302A.621.

FOURTH: There are no shareholders of the Subsidiary Corporation other than the Surviving Corporation, and accordingly, there is no notice required to any other shareholder pursuant to Minnesota Statutes Section 302A.621, Subd. 2.

FIFTH: Upon the effective time of the merger, pursuant to Minnesota Statutes Section 302A.621, Subd. 1, Article I of the Surviving Corporation's Restated Articles of Incorporation shall be amended in its entirety to read as follows:

"The name of the corporation is ValueVision Media, Inc."

SIXTH: The merger shall be effective at 12:01 a.m., Minneapolis, Minnesota time, on May 16, 2002.

Dated: May 16, 2002.

VALUEVISION INTERNATIONAL, INC.

By: /s/ Nathan E. Fagre
Nathan E. Fagre
Senior Vice President, General Counsel and Secretary

EXHIBIT A

VALUEVISION INTERNATIONAL, INC.

RESOLUTIONS OF THE
BOARD OF DIRECTORS

WHEREAS, the Company owns all of the issued and outstanding capital stock of VVM Name Change Subsidiary, Inc., a Minnesota corporation (the "Subsidiary"), consisting of 100 shares of common stock, \$.01 par value per

share; and

WHEREAS, the Company desires to effect the merger of the Subsidiary with and into the Company pursuant to Section 302A.621 of the Minnesota Business Corporation Act.

NOW, THEREFORE, BE IT RESOLVED, that the Subsidiary be merged with and into the Company pursuant to Section 302A.621 of the Minnesota Business Corporation Act in accordance with the further resolutions set forth below (which resolutions shall constitute the Plan of Merger).

RESOLVED FURTHER, that at the effective time of the merger, all of the outstanding shares of common stock of the Subsidiary, \$.01 par value per share, shall be canceled, and no securities of the Company or any other corporation, or any money or other property, shall be issued to the Company in exchange therefor.

RESOLVED FURTHER, that the merger shall be effective at 12:01 a.m., Minneapolis, Minnesota time, on May 16, 2002.

RESOLVED FURTHER, that Nathan E. Fagre, Senior Vice President, General Counsel and Secretary of the Company, or any other officer of the Company, is hereby authorized and directed to execute, for and on behalf of the Company, Articles of Merger setting forth the Plan of Merger and such other information as required by law, and to cause those articles to be filed for record with the Secretary of State of the State of Minnesota in the manner required by law.

RESOLVED FURTHER, that upon the effective time of the merger, pursuant to Section 302A.621, Subd. 1, of the Minnesota Business Corporation Act, by virtue of the filing of the Articles of Merger and without any further action by the Company, its Board of Directors, or its shareholders, Article I of the Company's Sixth Amended and Restated Articles of Incorporation shall be amended in its entirety to read as follows:

"The name of the corporation is ValueVision Media, Inc."

RESOLVED FURTHER, that the officers of the Company, and each of them, are hereby authorized, for and on behalf of the Company, to take such other action as those officers, or any of them, deem necessary or appropriate to carry out the purpose of the foregoing resolutions.

EMPLOYMENT AGREEMENT

THIS AGREEMENT made as of the 31st day of July 2000, by and between ValueVision International, Inc., a Minnesota corporation (hereinafter referred to as "Employer"), and Roy Seinfeld (hereinafter referred to as "Employee").

WITNESSETH:

WHEREAS, Employer desires to obtain the services of Employee and Employee desires to be employed by Employer as an employee on the terms and conditions set forth below;

NOW, THEREFORE, in consideration of the premises and mutual promises contained in this Agreement, the parties hereto agree as follows:

1. Employment. Employer agrees to employ Employee and Employee agrees to be employed by Employer on the terms and conditions set forth in this Agreement.
2. Term. The term of Employee's employment hereunder shall commence on the date hereof and shall continue on a full-time basis until September 10, 2002 (the "Term"), provided that Employee shall not commence working or receive any compensation until September 11, 2000. The "Employment Period" for purposes of this Agreement shall be the period beginning on the date hereof and ending at the time Employee shall cease to act as an employee of Employer.
3. Duties. Employee shall serve as Senior Vice President - Programming Sales of Employer reporting to the Chairman and shall perform the duties as assigned by Employer, from time to time, and shall faithfully, and to the best of his ability, perform such reasonable duties and services of an active, executive, administrative and managerial nature as shall be specified and designated, from time to time, by Employer. Employee agrees to devote his full time and skills to such employment while he is so employed, subject to a vacation allowance of not less than four (4) weeks during each year of the Term except for two (2) weeks during calendar year 2000, or such additional vacation allowance as may be granted in the sole discretion of Employer. Employer's Chairman shall provide Employee with a performance review at least annually.
4. Compensation. Employee's compensation for the services performed under this Agreement shall be as follows:
 - a) Base Salary. Employee shall receive a base salary of at least Three Hundred Thousand and No/100 Dollars (\$300,000.00) per year for the Term of this Agreement ("Base Salary").
 - b) Bonus Salary. Employee shall receive bonus salary ("Bonus Salary") within 90 days after the end of each of Employee's contract year during the Term of this Agreement of up to \$200,000 based criteria to be agreed upon annually by Employee and the Chairman, unless, prior to the date of payment, Employee's employment shall be terminated pursuant to Sections 6.c. or 6.d. hereof. The first \$50,000 of the Bonus Salary shall be guaranteed for first full year of the contract. In addition, Employee shall be entitled to a signing bonus of \$50,000 once he has commenced working for Employer.
 - c) Automobile Allowance. Employer shall pay Employee a monthly automobile allowance of \$500.00 per month ("Auto Allowance").
 - d) Moving Expenses. Employer shall pay for the normal household moving expenses associated with Employee's move to Minneapolis from New York ("Moving Expenses") in accordance with Employer's relocation expense policy previously provided to Employee.
5. Other Benefits During the Employment Period.
 - a) Employee shall receive all other benefits made available to officers of Employer, from time to time, at its discretion ("Benefits"). It is understood and agreed that Employer may terminate such Benefits or change any benefit programs at its sole discretion, as they are not contractual for the term hereof.
 - b) Employer shall reimburse Employee for all reasonable and necessary out-of-pocket business expenses incurred during the regular performance of services for Employer, including, but

not limited to, entertainment and related expenses so long as Employer has received proper documentation of such expenses from Employee.

- c) Employer shall furnish Employee with such working facilities and other services as are suitable to Employee's position with Employer and adequate to the performance of his duties under this Agreement.

6. Termination of Employment.

- a) Death. In the event of Employee's death, this Agreement shall terminate and Employee shall cease to receive Base Salary, Bonus Salary, Auto Allowance, and Benefits as of the date on which his death occurs, except that Employee shall receive Bonus Salary prorated for the number of months to date of death.
- b) Disability. If Employee becomes disabled such that Employee cannot perform the essential functions of his job, and the disability shall have continued for a period of more than one hundred twenty (120) consecutive days, then Employer may, in its sole discretion, terminate this Agreement and Employee shall then cease to receive Base Salary, Bonus Salary, Auto Allowance, and all

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other Benefits, on the date this Agreement is so terminated, except that Employee shall receive Bonus Salary prorated for the number of months to date of disability; provided however, Employee shall then be entitled to such disability, medical, life insurance, and other benefits as may be provided generally for disabled employees of Employer when payments and benefits hereunder ceases.

- c) Voluntary Termination. In the event that Employee voluntarily terminates his employment, he shall cease to receive Base Salary, Bonus Salary, Auto Allowance, and all other Benefits as of the date of such termination. In addition, Employee shall repay Employer on a pro-rata basis (calculated based on the remaining months in the Term), the Moving Expenses.
- d) Termination With Cause. Employer shall be entitled to terminate this Agreement and Employee's employment hereunder for Cause (as herein defined), and in the event that Employer elects to do so, Employee shall cease to receive Base Salary, Bonus Salary, Auto Allowance, and Benefits as of the date of such termination specified by Employer. In addition, Employee shall repay Employer on a pro-rata basis (calculated based on the remaining months in the Term), the Moving Expenses. For purposes of this Agreement, "Cause" shall mean: (i) a material act or act of fraud which results in or is intended to result in Employee's personal enrichment at the direct expense of Employer, including without limitation, theft or embezzlement from Employer, (ii) public conduct by Employee substantially detrimental to the reputation of Employer, (iii) material violation by Employee of any Employer policy, regulation or practice; (iv) conviction of a felony; or (v) habitual intoxication, drug use or chemical substance use by any intoxicating or chemical substance. Notwithstanding the foregoing, Employee shall not be deemed to have been terminated for Cause unless and until Employee has received thirty (30) days' prior written notice (a "Dismissal Notice") of such termination. In the event Employee does not dispute such determination within thirty (30) days after receipt of the Dismissal Notice, Employee shall not have the remedies provided pursuant to Section 6.g. of this Agreement. In addition, Employee shall repay Employer on a pro-rata basis (calculated based on the remaining months in the Term), the Moving Expenses.
- e) By Employee for Employer Cause. Employee may terminate this Agreement upon thirty (30) days written notice to Employer (the "Employee Notice") upon the occurrences without Employee's express written consent, of any one or more of the following events, provided, however, that Employee shall not have the right to terminate this Agreement if Employer is able to cure such event within thirty (30) days (ten (10) days with regard to Subsection (ii) hereof) following delivery of such notice:

(i) Employer substantially diminishes Employee's duties such that they are no longer of an executive nature as contemplated by Section 3 hereof or

(ii) Employer materially breaches its obligations to pay Employee as provided for herein and such failure to pay is not a result of a good faith dispute between Employer and Employee.

- f) Other. If Employer terminates this Agreement for any reason other than as set forth in Sections 6.a, 6.b., 6.c or 6.d. above, or if Employee terminates this Agreement pursuant to Section 6.e. above, Employer shall immediately pay Employee in a lump sum payment, an amount equal the greater of (i) one year's Base Salary, Auto Allowance, and Bonus Salary, or (ii) all Base Salary, Bonus Salary and Auto Allowance which would otherwise be payable until the end of the Term, (collectively, the "Severance Payment"). In addition, Employer shall continue to provide Employee with Benefits until the end of the Term. For purposes of calculating Bonus Salary payable pursuant to this Section 6.f, Employee shall receive Bonus Salary equal to the last Bonus Salary actually paid the Employee, prorated for the number of months to be covered by the Severance Payment (if terminated before the end of the first fiscal year of Employer, the Bonus Salary shall equal the Bonus Salary objective stated in 4.b, prorated as aforesaid).
- g) Arbitration. In the event that Employee disputes a determination that Cause exists for terminating his employment pursuant to Section 6.d. of this Agreement, or Employer disputes the determination that cause exists for Employee's termination of his employment pursuant to Section 6.e of this Agreement, either such disputing party may, in accordance with the Rules of the American Arbitration Association ("AAA"), and within 30 days of receiving a Dismissal Notice or Employee Notice, as applicable, file a petition with the AAA for arbitration of the dispute, the costs thereof (including legal fees and expenses) to be shared equally by the Employer and Employee unless an order of the AAA provides otherwise. Such proceeding shall also determine all other items then in dispute between the parties relating to this Agreement, and the parties covenant and agree that the decision of the AAA shall be final and binding and hereby waive their rights to appeal thereof.

7. Confidential Information. Employee acknowledges that the confidential information and data obtained by him during the course of his performance under this Agreement concerning the business or affairs of Employer, or any entity related thereto are the property of Employer and will be confidential to Employer. Such confidential information may include, but is not limited to, specifications, designs, and processes, product formulae, manufacturing, distributing, marketing or selling processes, systems, procedures, plans, know-how, services or material, trade secrets, devices (whether or not patented or patentable), customer or supplier lists, price lists, financial

information including, without limitation, costs of materials, manufacturing processes and distribution costs, business plans, prospects or opportunities, and software and development or research work, but does not include Employee's general business or direct marketing knowledge (the "Confidential Information"). All the Confidential Information shall remain the property of Employer and Employee agrees that he will not disclose to any unauthorized persons or use for his own account or for the benefit of any third party any of the Confidential Information without Employer's written consent. Employee agrees to deliver to Employer at the termination of his employment, all memoranda, notes, plans, records, reports; video and audio tapes and any and all other documentation (and copies thereof) relating to the business of Employer, or any entity related thereto; which he may then possess or have under his direct or indirect control. Notwithstanding any provision herein to the contrary, the Confidential Information shall specifically exclude information which is publicly available to Employee and others by proper means, readily ascertainable from public sources known to Employee at the time the information was disclosed or which is rightfully obtained from a third party, information required to be disclosed by law provided Employee provides notice to Employer to seek a protective order, or information disclosed by Employee to his attorney regarding litigation with Employer.

8. Inventions and Patents. Employee agrees that all inventions, innovations or improvements in the method of conducting Employer's

business or otherwise related to Employer's business (including new contributions, improvements, ideas and discoveries, whether patentable or not) conceived or made by him during the Employment Period belong to Employer. Employee will promptly disclose such inventions, innovations and improvements to Employer and perform all actions reasonably requested by Employer to establish and confirm such ownership.

9. Noncompete and Related Agreements.

a) Employee agrees that during the Noncompetition Period (as herein defined), he will not:

(i) directly or indirectly own, manage, control, participate in, lend his name to, act as consultant or advisor to or render services alone or in association with any other person, firm, corporation or other business organization for any other person or entity engaged in the television home shopping and infomercial business, any mail order or internet business that directly competes with Employer or any of its affiliates by selling merchandise primarily of the type offered in and using a similar theme as any of Employer's or its affiliates' catalogs or internet sites during the Term of this Agreement or any business which Employer (upon authorization of its board of directors) has invested significant research and development funds or resources and contemplates entering into during the next twelve (12) months (the "Restricted Business"), anywhere that Employer or any of its affiliates

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operates during the Term of this Agreement within the continental United States (the "Restricted Area"); (ii) have any interest directly or indirectly in any business engaged in the Restricted Business in the Restricted Area other than Employer (provided that nothing herein will prevent Employee from owning in the aggregate not more than one percent (1%) of the outstanding stock of any class of a corporation engaged in the Restricted Business in the Restricted Area which is publicly traded, so long as Employee has no participation in the management or conduct of business of such corporation), (iii) induce or attempt to induce any employee of Employer or any entity related to Employer to leave his, her or their employ, or in any other way interfere with the relationship between Employer or any entity related to Employer and any other employee of Employer or any entity related to Employer, or (iv) induce or attempt to induce any customer, supplier, franchisee, licensee, other business relation of any member of Employer or any entity related to Employer to cease doing business with Employer or any entity related to Employer, or in any way interfere with the relationship between any customer, franchisee or other business relation and Employer or any entity related to Employer, without the prior written consent of Employer. For purposes of this Agreement, "Noncompetition Period" shall mean the period commencing as of the date of this Agreement and ending on either (i) the date on which Employee ceases to be employed, if no Severance is paid (except in the case of a voluntary departure by Employee), or (ii) the last day of the sixth (6th) month following either the date on which the Employee voluntarily departs or the date on which Employee is terminated during the Term of this Agreement if Severance is paid.

b) If, at the time of enforcement of any provisions of Section 9, a court of competent jurisdiction holds that the restrictions stated therein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances will be substituted for the stated period, scope or area.

c) Employee agrees that the covenants made in this Section 9 shall be construed as an agreement independent of any other provision of this Agreement and shall survive the termination of this Agreement.

d) Employee represents and warrants to Employer that he is not subject to any existing noncompetition or confidentiality agreements which would in any way limit him from working in the television home shopping, catalog, infomercial or internet businesses, or from performing his duties hereunder or subject Employer to any liability as a result of his employment hereunder. Employee agrees to indemnify and hold Employer and its affiliates harmless from and against any and all claims, liabilities, losses, costs, damages and expenses (including

reasonable attorneys' fees) arising as a result of any noncompete or confidentiality agreements applicable to Employee.

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10. Termination of Existing Agreements. This Agreement supersedes and preempts any prior understandings, agreements or representations, written or oral, by or between Employee and Employer, which may have related to the employment of Employee, Employee's Agreement Not to Compete with Employer, or the payment of salary or other compensation by Employer to Employee, and upon this Agreement becoming effective, all such understandings, agreements and representations shall terminate and shall be of no further force or effect.
11. Specific Performance. Employee and Employer acknowledge that in the event of a breach of this Agreement by either party, money damages would be inadequate and the nonbreaching party would have no adequate remedy at law. Accordingly, in the event of any controversy concerning the rights or obligations under this Agreement, such rights or obligations shall be enforceable in a court of equity by a decree of specific performance. Such remedy; however, shall be cumulative and nonexclusive and shall be in addition to any other remedy to which the parties may be entitled.
12. Sale, Consolidation or Merger. In the event of a sale of the stock, or substantially all of the stock, of Employer, or consolidation or merger of Employer with or into another corporation or entity, or the sale of substantially all of the operating assets of Employer to another corporation, entity or individual, Employer may assign its rights and obligations under this Agreement to its successor-in-interest and such successor-in-interest shall be deemed to have acquired all rights and assumed all obligations of Employer hereunder.
13. Stock Options. Employee is being granted non-qualified stock options for 250,000 shares of ValueVision International, Inc. common stock ("Stock Options") with an exercise price of \$14.375 per share, subject to the provisions thereof and exercisable at the time or times established by, and subject to, the stock option agreement representing the Stock Options (the "Stock Option Agreement"). The Stock Options vest in equal amounts as follows: one-third on the date of grant, one-third on the first anniversary of the date of grant, and one-third on the second anniversary of the date of grant. All such Stock Options shall automatically vest upon a termination of this Agreement prior to the end of the Term (unless pursuant to Sections 6.c or 6.d.).
14. No Offset - No Mitigation. Employee shall not be required to mitigate damages under this Agreement by seeking other comparable employment. The amount of any payment or benefit provided for in this Agreement, including welfare benefits, shall not be reduced by any compensation or benefits earned by or provided to Employee as the result of employment by another employer.
15. Waiver. The failure of either party to insist, in any one or more instances, upon performance of the terms or conditions of this Agreement shall not be construed as a waiver or relinquishment of any right granted hereunder or of the future performance of any such term, covenant or condition.

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16. Attorney's Fees. In the event of any action for breach of, to enforce the provisions of, or otherwise arising out of or in connection with this Agreement, the prevailing party in such action, as determined by a court of competent jurisdiction in such action, shall be entitled to receive its reasonable attorney fees and costs from the other party. If a party voluntarily dismisses an action it has brought hereunder, it shall pay to the other party its reasonable attorney fees and costs.
17. Notices. Any notice to be given hereunder shall be deemed sufficient if addressed in writing, and delivered by registered or certified mail or delivered personally: (i) in the case of Employer, to Employer's principal business office; and (ii) in the case of Employee, to his address appearing on the records of Employer, or to such other address as he may designate in writing to Employer.
18. Severability. In the event that any provision shall be held to be invalid or unenforceable for any reason whatsoever, it is agreed such invalidity or unenforceability shall not affect any other provision of this Agreement and the remaining covenants, restrictions and provisions hereof shall remain in full force and effect and any court of competent

jurisdiction may so modify the objectionable provisions as to make it valid, reasonable and enforceable.

19. Amendment. This Agreement may be amended only by an agreement in writing signed by the parties hereto.
20. Benefit. This Agreement shall be binding upon and inure to the benefit of and shall be enforceable by and against Employee's heirs, beneficiaries and legal representatives. It is agreed that the rights and obligations of Employee may not be delegated or assigned except as specifically set forth in this Agreement.
21. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Minnesota.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Agreement to be executed as of the day, month and year first above written.

EMPLOYER: VALUEVISION INTERNATIONAL, INC.

By: /s/ Gene McCaffery

Gene McCaffery
Chairman

EMPLOYEE:

By: /s/ Roy Seinfeld

Roy Seinfeld

AMENDMENT NO. 1 TO EMPLOYMENT AGREEMENT

THIS AMENDMENT NO. 1 ("Amendment") is made as of the 19th day of December, 2001, to the Employment Agreement, made as of the 31st day of July, 2000 (the "Employment Agreement"), by and between ValueVision International, Inc., a Minnesota corporation (hereinafter referred to as "Employer"), and Roy Seinfeld (hereinafter referred to as "Employee").

WITNESSETH:

WHEREAS, Employer and Employee mutually desire to amend the provisions of the Employment Agreement as set forth below;

NOW, THEREFORE, in consideration of the premises and mutual promises contained in this Amendment, the parties hereto agree as follows:

1. The first sentence of Section 2 "Term" of the Employment Agreement is hereby amended in its entirety to read as follows: "The term of Employee's employment hereunder shall commence on the date hereof and shall continue on a full-time basis until September 10, 2003 (the "Term")."

This Amendment shall become effective as of the date first above written.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Amendment No. 1 to be executed as of the day, month and year first above written.

EMPLOYER:

VALUEVISION INTERNATIONAL, INC.

By: /s/ Gene McCaffery

Gene McCaffery
Its: Chief Executive Officer

EMPLOYEE:

By: /s/ Roy Seinfeld

Roy Seinfeld

EMPLOYMENT AGREEMENT

THIS AGREEMENT made as of the 12th day of February, 2001, by and between ValueVision International, Inc., a Minnesota corporation (hereinafter referred to as "Employer"), and Steven Goldsmith (hereinafter referred to as "Employee").

WITNESSETH:

WHEREAS, Employer desires to obtain the services of Employee and Employee desires to be employed by Employer as an employee on the terms and conditions set forth below;

NOW, THEREFORE, in consideration of the premises and mutual promises contained in this Agreement, the parties hereto agree as follows:

1. Employment. Employer agrees to employ Employee and Employee agrees to be employed by Employer on the terms and conditions set forth in this Agreement.
2. Term. The term of Employee's employment hereunder shall commence on the date hereof and shall continue on a full-time basis until February 11 2004 (the "Term"). The "Employment Period" for purposes of this Agreement shall be the period beginning on the date hereof and ending at the time Employee shall cease to act as an employee of Employer.
3. Duties. Employee shall serve as Senior Vice President and General Merchandise Manager of Employer reporting to Employer's President of TV Home Shopping Operations and shall perform the duties as assigned by Employer, from time to time, and shall faithfully, and to the best of his ability, perform such reasonable duties and services of an active, executive, administrative and managerial nature as shall be specified and designated, from time to time, by Employer. Employee agrees to devote his full time and skills to such employment while he is so employed, subject to a vacation allowance of not less than three (3) weeks during each year of the Term, or such additional vacation allowance as may be granted in the sole discretion of Employer. Employer's President of TV Home Shopping Network shall provide Employee with a performance review at least annually.
4. Compensation. Employee's compensation for the services performed under this Agreement shall be as follows: .
 - a) Base Salary. Employee shall receive a base salary of at least Two Hundred and Eighty Thousand and No/100 Dollars (\$280,000.00) per year for the Term of this Agreement ("Base Salary").
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 - b) Bonus Salary. Employee shall receive bonus salary ("Bonus Salary") within 90 days after the end of each of Employer's fiscal years during the Term of this Agreement (beginning with the fiscal year ending January 31, 2002) of up to \$150,000 based on the following calculation: \$37,500 if ValueVision obtains an operating profit equal to at least 1% of net sales, an additional \$37,500 if ValueVision obtains a net operating profit of at least 2% of net sales, an additional \$37,500 if ValueVision obtains a net operating profit of at least 3% of net sales; and an additional \$37,500 if ValueVision obtains a net operating profit of at least 4% of net sales, unless prior to the date of payment, Employee's employment shall be terminated pursuant to Sections 6.c. or 6.d. hereof. The first \$50,000 of the Bonus Salary shall be guaranteed for the first year during the Term (i.e., the fiscal year ending January 31, 2002).
 - c) Automobile Allowance. Employer shall pay Employee a monthly automobile allowance of \$550.00 per month ("Auto Allowance").
 - d) Moving Expenses. Employer shall pay for the normal household moving expenses associated with Employee's move to Minneapolis from Maryland ("Moving Expenses") in accordance with Employer's relocation expense policy previously provided to Employee.
5. Other Benefits During the Employment Period.
 - a) Employee shall receive all other benefits made available to officers of Employer, from time to time, at its discretion ("Benefits"). It is understood and agreed that Employer may terminate such Benefits or change any benefit programs at its sole discretion, as they are not contractual for the term hereof.
 - b) Employer shall reimburse Employee for all reasonable and necessary

out-of-pocket business expenses incurred during the regular performance of services for Employer, including, but not limited to, entertainment and related expenses so long as Employer has received proper documentation of such expenses from Employee.

- c) Employer shall furnish Employee with such working facilities and other services as are suitable to Employee's position with Employer and adequate to the performance of his duties under this Agreement.

6. Termination of Employment.

- a) Death. In the event of Employee's death, this Agreement shall terminate and Employee shall cease to receive Base Salary, Bonus Salary, Auto Allowance, and Benefits as of the date on which his death occurs, except that Employee shall receive Bonus Salary prorated for the number of months to date of death.

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- b) Disability. If Employee becomes disabled such that Employee cannot perform the essential functions of his job, and the disability shall have continued for a period of more than one hundred twenty (120) consecutive days, then Employer may, in its sole discretion, terminate this Agreement and Employee shall then cease to receive Base Salary, Bonus Salary, Auto Allowance, and all other Benefits, on the date this Agreement is so terminated, except that Employee shall receive Bonus Salary prorated for the number of months to date of disability; provided however, Employee shall then be entitled to such disability, medical, life insurance, and other benefits as may be provided generally for disabled employees of Employer when payments and benefits hereunder ceases.
- c) Voluntary Termination. In the event that Employee voluntarily terminates his employment, he shall cease to receive Base Salary, Bonus Salary, Auto Allowance, and all other Benefits as of the date of such termination. In addition, Employee shall repay Employer on a pro-rata basis (calculated based on the initial 12 months of the Term), the Moving Expenses.
- d) Termination With Cause. Employer shall be entitled to terminate this Agreement and Employee's employment hereunder for Cause (as herein defined), and in the event that Employer elects to do so, Employee shall cease to receive Base Salary, Bonus Salary, Auto Allowance, and Benefits as of the date of such termination specified by Employer. In addition, Employee shall repay Employer on a pro-rata basis (calculated based on the initial 12 months of the Term), the Moving Expenses. For purposes of this Agreement, "Cause" shall mean: (i) a material act or act of fraud which results in or is intended to result in Employee's personal enrichment at the direct expense of Employer, including without limitation, theft or embezzlement from Employer, (ii) public conduct by Employee substantially detrimental to the reputation of Employer, (iii) material violation by Employee of any Employer policy, regulation or practice; (iv) conviction of a felony; or (v) habitual intoxication, drug use or chemical substance use by any intoxicating or chemical substance. Notwithstanding the foregoing, Employee shall not be deemed to have been terminated for Cause unless and until Employee has received thirty (30) days' prior written notice (a "Dismissal Notice") of such termination. In the event Employee does not dispute such determination within thirty (30) days after receipt of the Dismissal Notice, Employee shall not have the remedies provided pursuant to Section 6.g. of this Agreement. In addition, Employee shall repay Employer on a pro-rata basis (calculated based on the initial 12 months of the Term), the Moving Expenses.
- e) By Employee for Employer Cause. Employee may terminate this Agreement upon thirty (30) days written notice to Employer (the "Employee Notice") upon the occurrences without Employee's express written consent, of any one or more of the following events, provided, however, that Employee shall not

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have the right to terminate this Agreement if Employer is able to cure such event within thirty (30) days (ten (10) days with regard to Subsection (ii) hereof) following delivery of such notice:

(i) Employer substantially diminishes Employee's duties such that they are no longer of an executive nature as contemplated by Section 3 hereof or

(ii) Employer materially breaches its obligations to pay Employee as provided for herein and such failure to pay is not a result of a good faith dispute between Employer and Employee.

- f) Other. If Employer terminates this Agreement for any reason other than

as set forth in Sections 6.a, 6.b., 6.c or 6.d. above, or if Employee terminates this Agreement pursuant to Section 6.e. above, Employer shall immediately pay Employee in a lump sum payment, an amount equal the greater of (i) one year's Base Salary, Auto Allowance, and Bonus Salary, or (ii) all Base Salary, Bonus Salary and Auto Allowance which would otherwise be payable until the end of the Term (collectively, the "Severance Payment"). In addition, Employer shall continue to provide Employee with Benefits until the end of the Term. For purposes of calculating Bonus Salary payable pursuant to this Section 6.f., Employee shall receive Bonus Salary equal to the last Bonus Salary actually paid the Employee, prorated for the number of months to be covered by the Severance Payment (if terminated before the end of the first fiscal year of Employer, the Bonus Salary shall equal the Bonus Salary objective stated in 4.b, prorated as aforesaid).

- g) Arbitration. In the event that Employee disputes a determination that Cause exists for terminating his employment pursuant to Section 6.d. of this Agreement, or Employer disputes the determination that cause exists for Employee's termination of his employment pursuant to Section 6.e of this Agreement, either such disputing party may, in accordance with the Rules of the American Arbitration Association ("AAA"), and within 30 days of receiving a Dismissal Notice or Employee Notice, as applicable, file a petition with the AAA for arbitration of the dispute, the costs thereof (including legal fees and expenses) to be shared equally by the Employer and Employee unless an order of the AAA provides otherwise. Such proceeding shall also determine all other items then in dispute between the parties relating to this Agreement, and the parties covenant and agree that the decision of the AAA shall be final and binding and hereby waive their rights to appeal thereof.

7. Confidential Information. Employee acknowledges that the confidential information and data obtained by him during the course of his performance under this Agreement concerning the business or affairs of Employer, or any entity related thereto are the property of Employer and will be confidential to Employer. Such confidential

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information may include, but is not limited to, specifications, designs, and processes, product formulae, manufacturing, distributing, marketing or selling processes, systems, procedures, plans, know-how, services or material, trade secrets, devices (whether or not patented or patentable), customer or supplier lists, price lists, financial information including, without limitation, costs of materials, manufacturing processes and distribution costs, business plans, prospects or opportunities, and software and development or research work, but does not include Employee's general business or direct marketing knowledge (the "Confidential Information"). All the Confidential Information shall remain the property of Employer and Employee agrees that he will not disclose to any unauthorized persons or use for his own account or for the benefit of any third party any of the Confidential Information without Employer's written consent. Employee agrees to deliver to Employer at the termination of his employment, all memoranda, notes, plans, records, reports, video and audio tapes and any and all other documentation (and copies thereof) relating to the business of Employer, or any entity related thereto, which he may then possess or have under his direct or indirect control. Notwithstanding any provision herein to the contrary, the Confidential Information shall specifically exclude information which is publicly available to Employee and others by proper means, readily ascertainable from public sources known to Employee at the time the information was disclosed or which is rightfully obtained from a third party, information required to be disclosed by law provided Employee provides notice to Employer to seek a protective order, or information disclosed by Employee to his attorney regarding litigation with Employer.

8. Inventions and Patents. Employee agrees that all inventions, innovations or improvements in the method of conducting Employer's business or otherwise related to Employer's business (including new contributions, improvements, ideas and discoveries, whether patentable or not) conceived or made by him during the Employment Period belong to Employer. Employee will promptly disclose such inventions, innovations and improvements to Employer and perform all actions reasonably requested by Employer to establish and confirm such ownership.

9. Noncompete and Related Agreements.

- a) Employee agrees that during the Noncompetition Period (as herein defined), he will not: (i) directly or indirectly own, manage, control, participate in, lend his name to, act as consultant or advisor to or render services alone or in association with any other person, firm, corporation or other business organization for any other person or entity engaged in the television home shopping and infomercial business, any mail order or internet business that

directly competes with Employer or any of its affiliates by selling merchandise primarily of the type offered in and using a similar theme as any of Employer's or its affiliates' catalogs or internet sites during the Term of this Agreement or any business which Employer (upon authorization of its board of directors) has invested significant research and development funds or

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resources and contemplates entering into during the next twelve (12) months (the "Restricted Business"), anywhere that Employer or any of its affiliates operates during the Term of this Agreement within the continental United States (the "Restricted Area"); (ii) have any interest directly or indirectly in any business engaged in the Restricted Business in the Restricted Area other than Employer (provided that nothing herein will prevent Employee from owning in the aggregate not more than one percent (1%) of the outstanding stock of any class of a corporation engaged in the Restricted Business in the Restricted Area which is publicly traded, so long as Employee has no participation in the management or conduct of business of such corporation), (iii) induce or attempt to induce any employee of Employer or any entity related to Employer to leave his, her or their employ, or in any other way interfere with the relationship between Employer or any entity related to Employer and any other employee of Employer or any entity related to Employer, or (iv) induce or attempt to induce any customer, supplier, franchisee, licensee, other business relation of any member of Employer or any entity related to Employer to cease doing business with Employer or any entity related to Employer, or in any way interfere with the relationship between any customer, franchisee or other business relation and Employer or any entity related to Employer, without the prior written consent of Employer. For purposes of this Agreement, "Noncompetition Period" shall mean the period commencing as of the date of this Agreement and ending on either (i) the date on which Employee ceases to be "employed; if no Severance is paid (except in the case of a voluntary departure by Employee); or (ii) the last day of the sixth (6th) month following either the date on which the Employee voluntarily departs or the date on which Employee is terminated during the Term of this Agreement if Severance is paid.

- b) If, at the time of enforcement of any provisions of Section 9, a court of competent jurisdiction holds that the restrictions stated therein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances will be substituted for the stated period, scope or area.
- c) Employee agrees that the covenants made in this Section 9 shall be construed as an agreement independent of any other provision of this Agreement and shall survive the termination of this Agreement.
- d) Employee represents and warrants to Employer that he is not subject to any existing noncompetition or confidentiality agreements which would in any way limit him from working in the television home shopping, catalog, infomercial or internet businesses, or from performing his duties hereunder or subject Employer to any liability as a result of his employment hereunder. Employee agrees to indemnify and hold Employer and its affiliates harmless from and against any and all claims, liabilities, losses, costs, damages and

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expenses (including reasonable attorneys' fees) arising as a result of any noncompete or confidentiality agreements applicable to Employee.

- 10. Termination of Existing Agreements. This Agreement supersedes and preempts any prior understandings, agreements or representations, written or oral, by or between Employee and Employer, which may have related to the employment of Employee, Employee's Agreement Not to Compete with Employer, or the payment of salary or other compensation by Employer to Employee, and upon this Agreement becoming effective, all such understandings, agreements and representations shall terminate and shall be of no further force or effect.
- 11. Specific Performance. Employee and Employer acknowledge that in the event of a breach of this Agreement by either party, money damages would be inadequate and the nonbreaching party would have no adequate remedy at law. Accordingly, in the event of any controversy concerning the rights or obligations under this Agreement, such rights or obligations shall be enforceable in a court of equity by a decree of specific performance. Such remedy, however, shall be cumulative and nonexclusive and shall be in addition to any other remedy to which the parties may be entitled.
- 12. Sale, Consolidation or Merger. In the event of a sale of the stock, or substantially all of the stock, of Employer, or consolidation or merger of

Employer with or into another corporation or entity, or the sale of substantially all of the operating assets of Employer to another corporation, entity or individual, Employer may assign its rights and obligations under this Agreement to its successor-in-interest and such successor-in-interest shall be deemed to have acquired all rights and assumed all obligations of Employer hereunder.

13. Stock Options. Employee shall be granted incentive stock options in accordance with the 1990 Stock Option Plan of Employer (the "Plan") for 150,000 shares of ValueVision International, Inc. common stock ("Stock Options") with an exercise price per share to be determined at the date of grant, subject to the provisions thereof and exercisable at the time or times established by the stock option agreement representing the Stock Options (the "Stock Option Agreement"). The Stock Options vest in equal amounts as follows: one-third on the first anniversary of the date of grant, one-third on the second anniversary of the date of grant, and one-third on the third anniversary of the date of grant. All such Stock Options shall automatically vest upon a termination of this Agreement prior to the end of the Term (unless pursuant to Sections 6.c or 6.d.).
14. No Offset - No Mitigation. Employee shall not be required to mitigate damages under this Agreement by seeking other comparable employment. The amount of any payment or benefit provided for in this Agreement, including welfare benefits, shall not be reduced by any compensation or benefits earned by or provided to Employee as the result of employment by another employer.
15. Waiver. The failure of either party to insist, in any one or more instances, upon performance of the terms or conditions of this Agreement shall not be construed as a waiver or relinquishment of any right granted hereunder or of the future performance of any such term, covenant or condition.
16. Attorney's Fees. In the event of any action for breach of, to enforce the provisions of; or otherwise arising out of or in connection with this Agreement, the prevailing party in such action, as determined by a court of competent jurisdiction in such action, shall be entitled to receive its reasonable attorney fees and costs from the other party. If a party voluntarily dismisses an action it has brought hereunder, it shall pay to the other party its reasonable attorney fees and costs.
17. Notices. Any notice to be given hereunder shall be deemed sufficient if addressed in writing, and delivered by registered or certified mail or delivered personally: (i) in the case of Employer, to Employer's principal business office; and (ii) in the case of Employee, to his address appearing on the records of Employer, or to such other address as he may designate in writing to Employer.
18. Severability. In the event that any provision shall be held to be invalid or unenforceable for any reason whatsoever, it is agreed such invalidity or unenforceability shall not affect any other provision of this Agreement and the remaining covenants, restrictions and provisions hereof shall remain in full force and effect and any court of competent jurisdiction may so modify the objectionable provisions as to make it valid, reasonable and enforceable.
19. Amendment. This Agreement may be amended only by an agreement in writing signed by the parties hereto.
20. Benefit. This Agreement shall be binding upon and inure to the benefit of and shall be enforceable by and against Employee's heirs, beneficiaries and legal representatives. It is agreed that the rights and obligations of Employee may not be delegated or assigned except as specifically set forth in this Agreement.
21. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Minnesota.
22. Obligation to Former Employer. The Employer shall pay to Employee's former employer promptly after the date of this Agreement a lump-sum cash payment in the approximate amount of \$65,000 in satisfaction of a retention incentive liability that would otherwise be owing from Employee to such former employer.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Agreement to be executed as of the day, month and year first above written.

By: /s/ Steve Jackel

Steve Jackel
President -- TV Home Shopping Operations

EMPLOYEE:

By: /s/ Steven Goldsmith

Steven Goldsmith

EMPLOYMENT AGREEMENT

THIS AGREEMENT made as of the 22nd day of May, 2000, by and between ValueVision International, Inc., a Minnesota corporation (hereinafter referred to as "Employer"), and Howard Fox (hereinafter referred to as "Employee").

WITNESSETH:

WHEREAS, Employer desires to obtain the services of Employee and Employee desires to be employed by Employer as an employee on the terms and conditions set forth below;

NOW, THEREFORE, in consideration of the premises and mutual promises contained in this Agreement, the parties hereto agree as follows:

1. Employment. Employer agrees to employ Employee and Employee agrees to be employed by Employer on the terms and conditions set forth in this Agreement.
2. Term. The term of Employee's employment hereunder shall commence on the date hereof and shall continue on a full-time basis until May 21, 2003 (the "Term"). The "Employment Period" for purposes of this Agreement shall be the period beginning on the date hereof and ending at the time Employee shall cease to act as an employee of Employer.
3. Duties. Employee shall serve as Senior Vice President of Operations and Polo Project Manager of Employer reporting to Employer's President of TV Home Shopping Operations and shall perform the duties as assigned by Employer, from time to time, and shall faithfully, and to the best of his ability, perform such reasonable duties and services of an active, executive, administrative and managerial nature as shall be specified and designated, from time to time, by Employer. Employee agrees to devote his full time and skills to such employment while he is so employed, subject to a vacation allowance of not less than four (4) weeks during each year of the Term except for two (2) weeks during calendar year 2000, or such additional vacation allowance as may be granted in the sole discretion of Employer. Employer's President of TV Home Shopping Network shall provide Employee with a performance review at least annually.
4. Compensation. Employee's compensation for the services performed under this Agreement shall be as follows:

- a) Base Salary. Employee shall receive a base salary of at least Two Hundred Forty Thousand and No/100 Dollars (\$240,000.00) per year for the Term of this Agreement ("Base Salary").

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- b) Bonus Salary. Employee shall receive bonus salary ("Bonus Salary") within 90 days after the end of each of Employer's fiscal years during the Term of this Agreement of up to \$100,000 based on the following calculation: \$25,000 if ValueVision obtains an operating profit equal to at least 1% of net sales, an additional \$25,000 if ValueVision obtains a net operating profit of at least 2% of net sales, an additional \$25,000 if ValueVision obtains a net operating profit of at least 3% of net sales, and an additional \$25,000 if ValueVision obtains a net operating profit of at least 4% of net sales, unless prior to the date of payment, Employee's employment shall be terminated pursuant to Sections 6.c. or 6.d. hereof. The first \$25,000 of the Bonus Salary shall be guaranteed for each year during the Term. In addition, Employee shall be entitled to a signing bonus of \$25,000 once he has commenced working for Employer.
- c) Automobile Allowance. Employer shall pay Employee a monthly automobile allowance of \$550.00 per month ("Auto Allowance").
- d) Moving Expenses. Employer shall pay for the normal household moving expenses associated with Employee's move to Minneapolis from California ("Moving Expenses") in accordance with Employer's relocation expense policy previously provided to Employee.

5. Other Benefits During the Employment Period.

- a) Employee shall receive all other benefits made available to officers of Employer, from time to time, at its discretion ("Benefits"). It is understood and agreed that Employer may terminate such Benefits or change any benefit programs at its sole discretion, as they are not contractual for the term

hereof.

- b) Employer shall reimburse Employee for all reasonable and necessary out-of-pocket business expenses incurred during the regular performance of services for Employer, including, but not limited to, entertainment and related expenses so long as Employer has received proper documentation of such expenses from Employee.
- c) Employer shall furnish Employee with such working facilities and other services as are suitable to Employee's position with Employer and adequate to the performance of his duties under this Agreement.

6. Termination of Employment.

- a) Death. In the event of Employee's death, this Agreement shall terminate and Employee shall cease to receive Base Salary, Bonus Salary, Auto Allowance, and Benefits as of the date on which his death occurs; except that Employee shall receive Bonus Salary prorated for the number of months to date of death.

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- b) Disability. If Employee becomes disabled such that Employee cannot perform the essential functions of his job, and the disability shall have continued for a period of more than one hundred twenty (120) consecutive days; then Employer may, in its sole discretion, terminate this Agreement and Employee shall then cease to receive Base Salary, Bonus Salary, Auto Allowance, and all other Benefits, on the date this Agreement is so terminated, except that Employee shall receive Bonus Salary prorated for the number of months to date of disability; provided however, Employee shall then be entitled to such disability, medical, life insurance, and other benefits as may be provided generally for disabled employees of Employer when payments and benefits hereunder ceases.
- c) Voluntary Termination. In the event that Employee voluntarily terminates his employment, he shall cease to receive Base Salary, Bonus Salary, Auto Allowance, and all other Benefits as of the date of such termination. In addition, Employee shall repay Employer on a pro-rata basis (calculated based on the initial 12 months of the Term), the Moving Expenses.
- d) Termination With Cause. Employer shall be entitled to terminate this Agreement and Employee's employment hereunder for Cause (as herein defined), and in the event that Employer elects to do so, Employee shall cease to receive Base Salary, Bonus Salary, Auto Allowance, and Benefits as of the date of such termination specified by Employer. In addition, Employee shall repay Employer on a pro-rata basis (calculated based on the initial 12 months of the Term), the Moving Expenses. For purposes of this Agreement, "Cause" shall mean: (i) a material act or act of fraud which results in or is intended to result in Employee's personal enrichment at the direct expense of Employer, including without limitation, theft or embezzlement from Employer; (ii) public conduct by Employee substantially detrimental to the reputation of Employer, (iii) material violation by Employee of any Employer policy, regulation or practice; (iv) conviction of a felony; or (v) habitual intoxication, drug use or chemical substance use by any intoxicating or chemical substance. Notwithstanding the forgoing, Employee shall not be deemed to have been terminated for Cause unless and until Employee has received thirty (30) days' prior written notice (a "Dismissal Notice") of such termination. In the event Employee does not dispute such determination within thirty (30) days after receipt of the Dismissal Notice, Employee shall not have the remedies provided pursuant to Section 6.g. of this Agreement. In addition, Employee shall repay Employer on a pro-rata basis (calculated based on the initial 12 months of the Term), the Moving Expenses.
- e) By Employee for Employer Cause. Employee may terminate this Agreement upon thirty (30) days written notice to Employer (the "Employee Notice") upon the occurrences without Employee's express written consent of any one or more of the following events, provided, however, that Employee shall not

have the right to terminate this Agreement if Employer is able to cure such event within thirty (30) days (ten (10) days with regard to Subsection (ii) hereof) following delivery of such notice:

- (i) Employer substantially diminishes Employee's duties such that they are no longer of an executive nature as contemplated by Section 3 hereof or
 - (ii) Employer materially breaches its obligations to pay Employee as provided for herein and such failure to pay is not a result of a good faith dispute between Employer and Employee.
- f) Other. If Employer terminates this Agreement for any reason other than as set forth in Section 6.a, 6.b., or 6.d above, or if Employee terminates this Agreement pursuant to Section 6.e. above, Employer shall immediately pay Employee in a lump sum payment, an amount equal the greater of (i) one year's Base Salary, Auto Allowance, and Bonus Salary, or (ii) all Base Salary, Bonus Salary and Auto Allowance which would otherwise be payable until the end of the Term (collectively, the "Severance Payment"). In addition, Employer shall continue to provide Employee with Benefits until the end of the Term. For purposes of calculating Bonus Salary payable pursuant to this Section 6.f., Employee shall receive Bonus Salary equal to the last Bonus Salary actually paid the Employee, prorated for the number of months to be covered by the Severance Payment (if terminated before the end of the first fiscal year of Employer, the Bonus Salary shall equal the Bonus Salary objective stated in 4.b, prorated as aforesaid).
- g) Arbitration. In the event that Employee disputes a determination that Cause exists for terminating his employment pursuant to Section 6.d. of this Agreement, or Employer disputes the determination that cause exists for Employee's termination of his employment pursuant to Section 6.e of this Agreement, either such disputing party may, in accordance with the Rules of the American Arbitration Association ("AAA"), and within 30 days of receiving a Dismissal Notice or Employee Notice, as applicable, file a petition with the AAA for arbitration of the dispute, the costs thereof (including legal fees and expenses) to be shared equally by the Employer and Employee unless an order of the AAA provides otherwise. Such proceeding shall also determine all other items then in dispute between the parties relating to this Agreement, and the parties covenant and agree that the decision of the AAA shall be final and binding and hereby waive their rights to appeal thereof.

7. Confidential Information. Employee acknowledges that the confidential information and data obtained by him during the course of his performance under this Agreement concerning the business or affairs of Employer, or any entity related thereto are the property of Employer and will be confidential to Employer. Such confidential

information may include, but is not limited to, specifications, designs, and processes, product formulae, manufacturing, distributing, marketing or selling processes, systems, procedures, plans, know-how, services or material, trade secrets, devices (whether or not patented or patentable), customer or supplier lists, price lists, financial information including, without limitation, costs of materials, manufacturing processes and distribution costs, business plans, prospects or opportunities, and software and development or research work, but does not include Employee's general business or direct marketing knowledge (the "Confidential Information"). All the Confidential Information shall remain the property of Employer and Employee agrees that he will not disclose to any unauthorized persons or use for his own account or for the benefit of any third party any of the Confidential Information without Employer's written consent. Employee agrees to deliver to Employer at the termination of his employment, all memoranda, notes, plans, records, reports, video and audio tapes and any and all other documentation (and copies thereof) relating to the business of Employer, or any entity related thereto, which he may then possess or have under his direct or indirect control. Notwithstanding any provision herein to the contrary, the Confidential Information shall specifically exclude information which is publicly available to Employee and others by proper means, readily ascertainable from public sources known to Employee at the time the information was

disclosed or which is rightfully obtained from a third party, information required to be disclosed by law provided Employee provides notice to Employer to seek a protective order, or information disclosed by Employee to his attorney regarding litigation with Employer.

8. Inventions and Patents. Employee agrees that all inventions, innovations or improvements in the method of conducting Employer's business or otherwise related to Employer's business (including new contributions, improvements, ideas and discoveries, whether patentable or not) conceived or made by him during the Employment Period belong to Employer. Employee will promptly disclose such inventions, innovations and improvements to Employer and perform all actions reasonably requested by Employer to establish and confirm such ownership.

9. Noncompete and Related Agreements.

- a) Employee agrees that during the Noncompetition Period (as herein defined), he will not: (i) directly or indirectly own, manage, control, participate in, lend his name to, act as consultant or advisor to or render services alone or in association with any other person, firm, corporation or other business organization for any other person or entity engaged in the television home shopping and infomercial business, any mail order or internet business that directly competes with Employer or any of its affiliates by selling merchandise primarily of the type offered in and using a similar theme as any of Employer's or its affiliates' catalogs or internet sites during the Term of this Agreement or any business which Employer (upon authorization of its board of directors) has invested significant research and development funds or

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resources and contemplates entering into during the next twelve (12) months (the "Restricted Business"), anywhere that Employer or any of its affiliates operates during the Term of this Agreement within the continental United States (the "Restricted Area"); (ii) have any interest directly or indirectly in any business engaged in the Restricted Business in the Restricted Area other than Employer (provided that nothing herein will prevent Employee from owning in the aggregate not more than one percent (1%) of the outstanding stock of any class of a corporation engaged in the Restricted Business in the Restricted Area which is publicly traded, so long as Employee has no participation in the management or conduct of business of such corporation), (iii) induce or attempt to induce any employee of Employer or any entity related to Employer to leave his, her or their employ, or in any other way interfere with the relationship between Employer or any entity related to Employer and any other employee of Employer or any entity related to Employer, or (iv) induce or attempt to induce any customer, supplier, franchisee, licensee, other business relation of any member of Employer or any entity related to Employer to cease doing business with Employer or any entity related to Employer, or in any way interfere with the relationship between any customer, franchisee or other business relation and Employer or any entity related to Employer, without the prior written consent of Employer. For purposes of this Agreement, "Noncompetition Period" shall mean the period commencing as of the date of this Agreement and ending on either (i) the date on which Employee ceases to be employed, if no Severance is paid (except in the case of a voluntary departure by Employee), or (ii) the last day of the sixth (6th) month following either the date on which the Employee voluntarily departs or the date on which Employee is terminated during the Term of this Agreement if Severance is paid.

- b) If, at the time of enforcement of any provisions of Section 9, a court of competent jurisdiction holds that the restrictions stated therein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances will be substituted for the stated period, scope or area.
- c) Employee agrees that the covenants made in this Section 9 shall be construed as an agreement independent of any other provision of this Agreement and shall survive the termination of this Agreement.
- d) Employee represents and warrants to Employer that he is not subject to any existing noncompetition or confidentiality agreements which would in any way limit him from working in

the television home shopping, catalog, infomercial or internet businesses, or from performing his duties hereunder or subject Employer to any liability as a result of his employment hereunder. Employee agrees to indemnify and hold Employer and its affiliates harmless from and against any and all claims, liabilities, losses, costs, damages and

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expenses (including reasonable attorneys' fees) arising as a result of any noncompete or confidentiality agreements applicable to Employee.

10. Termination of Existing Agreements. This Agreement supersedes and preempts any prior understandings, agreements or representations, written or oral, by or between Employee and Employer, which may have related to the employment of Employee, Employee's Agreement Not to Compete with Employer, or the payment of salary or other compensation by Employer to Employee, and upon this Agreement becoming effective, all such understandings, agreements and representations shall terminate and shall be of no further force or effect.
11. Specific Performance. Employee and Employer acknowledge that in the event of a breach of this Agreement by either party, money damages would be inadequate and the nonbreaching party would have no adequate remedy at law. Accordingly, in the event of any controversy concerning the rights or obligations under this Agreement, such rights or obligations shall be enforceable in a court of equity by a decree of specific performance. Such remedy, however, shall be cumulative and nonexclusive and shall be in addition to any other remedy to which the parties may be entitled.
12. Sale, Consolidation or Merger. In the event of a sale of the stock, or substantially all of the stock, of Employer, or consolidation or merger of Employer with or into another corporation or entity, or the sale of substantially all of the operating assets of Employer to another corporation, entity or individual, Employer may assign its rights and obligations under this Agreement to its successor-in-interest and such successor-in-interest shall be deemed to have acquired all rights and assumed all obligations of Employer hereunder.
13. Stock Options. Employee shall be granted incentive stock options in accordance with the 1990 Stock Option Plan of Employer (the "Plan") for 150,000 shares of ValueVision International, Inc. common stock ("Stock Options") with an exercise price per share to be determined at the date of grant, subject to the provisions thereof and exercisable at the time or times established by the stock option agreement representing the Stock Options (the "Stock Option Agreement"). The Stock Options vest in equal amounts as follows: one-third on the date of grant, one-third on the first anniversary of the date of grant, and one-third on the second anniversary of the date of grant. All such Stock Options shall automatically vest upon a termination of this Agreement prior to the end of the Term (unless pursuant to Sections 6.c or 6.d.).
14. No Offset - No Mitigation. Employee shall not be required to mitigate damages under this Agreement by seeking other comparable employment. The amount of any payment or benefit provided for in this Agreement, including welfare benefits shall not be reduced by any compensation or benefits earned by or provided to Employee as the result of employment by another employer.
15. Waiver. The failure of either party to insist, in any one or more instances, upon performance of the terms or conditions of this Agreement shall not be construed as a

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waiver or relinquishment of any right granted hereunder or of the future performance of any such term, covenant or condition.

16. Attorney's Fees. In the event of any action for breach of, to enforce the provisions of, or otherwise arising out of or in connection with this Agreement, the prevailing party in such action, as determined by a court of competent jurisdiction in such action, shall be entitled to receive its reasonable attorney fees and costs from the other party. If a party voluntarily dismisses an action it has brought hereunder, it shall pay to the other party its reasonable attorney fees and costs.
17. Notices. Any notice to be given hereunder shall be deemed sufficient if addressed in writing, and delivered by registered or certified mail or delivered personally: (i) in the case of Employer, to Employer's principal business office; and (ii) in the case of Employee, to his

address appearing on the records of Employer, or to such other address as he may designate in writing to Employer.

18. Severability. In the event that any provision shall be held to be invalid or unenforceable for any reason whatsoever, it is agreed such invalidity or unenforceability shall not affect any other provision of this Agreement and the remaining covenants, restrictions and provisions hereof shall remain in full force and effect and any court of competent jurisdiction may so modify the objectionable provisions as to make it valid, reasonable and enforceable.
19. Amendment. This Agreement may be amended only by an agreement in writing signed by the parties hereto.
20. Benefit. This Agreement shall be binding upon and inure to the benefit of and shall be enforceable by and against Employee's heirs, beneficiaries and legal representatives. It is agreed that the rights and obligations of Employee may not be delegated or assigned except as specifically set forth in this Agreement.
21. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Minnesota

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IN WITNESS WHEREOF, the parties hereto have executed or caused this Agreement to be executed as of the day, month and year first above written.

EMPLOYER: VALUEVISION INTERNATIONAL, INC.

By: /s/ Steve Jackel

Steve Jackel
Its: President - TV Home Shopping Operations

EMPLOYEE:

By: /s/ Howard Fox

Howard Fox

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