==

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

FORM 10-Q

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

For the quarterly period ended October 31, 2001

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 INTERNATIONAL, 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)

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 December 10, 2001, there were 37,864,406 shares of the Registrant's common stock, $.01 par value per share, outstanding.

==

VALUEVISION INTERNATIONAL, INC. AND SUBSIDIARIES

FORM 10-Q TABLE OF CONTENTS
OCTOBER 31, 2001

<TABLE>
<CAPTION>

			PAGE OF FORM 10-Q
<S>	<C>	<C>	<C>
	PART I	FINANCIAL INFORMATION	
	Item 1.	Financial Statements	
		- Condensed Consolidated Balance Sheets as of October 31, 2001 and January 31, 2001	3
		- Condensed Consolidated Statements of Operations for the Three and Nine Months Ended October 31, 2001 and 2000	4

	-	Condensed Consolidated Statement of Shareholders' Equity for the Nine Months Ended October 31, 2001	5
	-	Condensed Consolidated Statements of Cash Flows for the Nine Months Ended October 31, 2001 and 2000	6
	-	Notes to Condensed Consolidated Financial Statements	7
Item 2.		Management's Discussion and Analysis of Financial Condition and Results of Operations	12
PART II		OTHER INFORMATION	
Item 6.		Exhibits and Reports on Form 8-K	19
		SIGNATURES	20

</TABLE>

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

<TABLE>
<CAPTION>

<S> <C>	OCTOBER 31, 2001 <C>	JANUARY 31, 2001 <C>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 73,962	$136,045
Short-term investments	149,245	108,678
Accounts receivable, net	52,546	61,173
Inventories, net	35,642	34,960
Prepaid expenses and other	9,416	9,298
Income taxes receivable	17,951	13,417
Deferred income taxes	3,965	3,965
Total current assets	342,727	367,536
PROPERTY & EQUIPMENT, NET	34,958	33,982
NBC TRADEMARK LICENSE AGREEMENT, NET	29,174	58,386
CABLE DISTRIBUTION AND MARKETING AGREEMENT, NET	6,212	5,701
INVESTMENTS AND OTHER ASSETS, NET	40,843	44,753
DEFERRED INCOME TAXES	891	339
	$454,805	$510,697
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 45,537	$ 56,033
Accrued liabilities	23,431	19,338
Total current liabilities	68,968	75,371
LONG-TERM CAPITAL LEASE OBLIGATIONS	456	--
SERIES A REDEEMABLE CONVERTIBLE PREFERRED STOCK, $.01 PER SHARE PAR VALUE, 5,339,500 SHARES AUTHORIZED; 5,339,500 SHARES ISSUED AND OUTSTANDING	42,110	41,900
SHAREHOLDERS' EQUITY:		
Common stock, $.01 per share par value, 100,000,000 shares authorized; 37,837,656 and 38,578,401 shares issued and outstanding	378	386
Warrants to purchase 8,198,485 and 7,854,760		

shares of common stock	47,467	73,170
Additional paid-in capital	272,826	286,258
Accumulated other comprehensive losses	(1,711)	(813)
Note receivable from officer	(3,982)	(3,863)
Retained earnings	28,293	38,288
Total shareholders' equity	343,271	393,426
	$454,805	$510,697

</TABLE>

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

VALUEVISION INTERNATIONAL, INC.
AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands, except share and per share data)

<TABLE>
<CAPTION>

	FOR THE THREE MONTHS ENDED OCTOBER 31,		FOR THE NINE MONTHS ENDED OCTOBER 31,	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
NET SALES	$ 109,420	$ 99,437	$ 326,184	$ 274,603
COST OF SALES	69,008	61,972	202,216	170,619
Gross profit	40,412	37,465	123,968	103,984
Margin %	36.9%	37.7%	38.0%	37.9%
OPERATING EXPENSES:				
Distribution and selling	37,710	27,071	107,998	79,209
General and administrative	3,729	4,258	11,989	12,143
Depreciation and amortization	3,096	1,948	9,177	4,666
Total operating expenses	44,535	33,277	129,164	96,018
OPERATING INCOME (LOSS)	(4,123)	4,188	(5,196)	7,966
OTHER INCOME (EXPENSE):				
Gain (loss) on sale of property and investments	3	(2)	(413)	(8)
Unrealized loss on security holdings	(260)	(30)	(530)	(94)
Write-down of investments	(1)	(54,564)	(7,568)	(55,147)
Equity in losses of affiliates	(1,735)	(1,288)	(6,352)	(1,694)
Interest income	1,630	3,837	6,973	11,301
Total other income (expense)	(363)	(52,047)	(7,890)	(45,642)
LOSS BEFORE INCOME TAXES	(4,486)	(47,859)	(13,086)	(37,676)
Income tax benefit	(1,743)	(11,124)	(3,629)	(7,356)
LOSS BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	(2,743)	(36,735)	(9,457)	(30,320)
Cumulative effect of accounting change	--	--	(329)	--
NET LOSS	(2,743)	(36,735)	(9,786)	(30,320)
Accretion of redeemable	(70)	(70)	(209)	(208)
preferred stock				
NET LOSS AVAILABLE TO COMMON SHAREHOLDERS	$ (2,813)	$ (36,805)	$ (9,995)	$ (30,528)
NET LOSS PER COMMON SHARE:				
Before cumulative effect of accounting change	$ (0.07)	$ (0.95)	$ (0.25)	$ (0.79)
Cumulative effect of				

accounting change	--	--	(0.01)	--
Net loss	$ (0.07)	$ (0.95)	$ (0.26)	$ (0.79)
NET LOSS PER COMMON SHARE:				
- ASSUMING DILUTION:				
Before cumulative effect of accounting change	$ (0.07)	$ (0.95)	$ (0.25)	$ (0.79)
Cumulative effect of accounting change	--	--	(0.01)	--
Net loss	$ (0.07)	$ (0.95)	$ (0.26)	$ (0.79)
Weighted average number of common shares outstanding:				
Basic	38,317,044	38,643,778	38,488,961	38,541,342
Diluted	38,317,044	38,643,778	38,488,961	38,541,342

</TABLE>

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

VALUEVISION INTERNATIONAL, INC.
AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED OCTOBER 31, 2001
(Unaudited)
(In thousands, except share data)

<TABLE>
<CAPTION>

	COMPREHENSIVE INCOME (LOSS)	COMMON STOCK NUMBER OF SHARES	COMMON STOCK PAR VALUE	COMMON STOCK PURCHASE WARRANTS	ADDITIONAL PAID-IN CAPITAL
<S>	<C>	<C>	<C>	<C>	<C>
BALANCE, JANUARY 31, 2001		38,578,401	$386	$73,170	$286,258
Comprehensive loss:					
Net loss	$ (9,786)	--	--	--	--
Other comprehensive income (loss), net of tax:					
Unrealized losses on securities, net of tax of $785	(1,280)				
Gains on securities included in net loss, net of tax of $109	177				
Cumulative effect of accounting change, net of tax of $124	205				
Other comprehensive income (loss)	(898)	--	--	--	--
Comprehensive loss	$(10,684)				
Revaluation of NBC common stock purchase warrants		--	--	(26,878)	--
Value assigned to common stock purchase warrants		--	--	1,175	--
Repurchases of common stock		(1,091,600)	(11)		(15,691)
Increase in note receivable from officer		--	--	--	--
Exercise of stock options		350,855	3	--	2,259
Accretion on redeemable preferred stock		--	--	--	--

BALANCE, OCTOBER 31, 2001	37,837,656	$ 378	$47,467	$272,826

</TABLE>

<TABLE>
<CAPTION>

	ACCUMULATED OTHER COMPREHENSIVE LOSSES	NOTE RECEIVABLE FROM OFFICER	RETAINED EARNINGS	TOTAL SHAREHOLDERS' EQUITY
<S>	<C>	<C>	<C>	<C>
BALANCE, JANUARY 31, 2001	$ (813)	$(3,863)	$38,288	$393,426
Comprehensive loss:				
Net loss	--	--	(9,786)	(9,786)
Other comprehensive income (loss), net of tax:				
Unrealized losses on securities, net of tax of $785				
Gains on securities included in net loss, net of tax of $109				
Cumulative effect of accounting change, net of tax of $124				
Other comprehensive income (loss)	(898)	--	--	(898)
Comprehensive loss				
Revaluation of NBC common stock purchase warrants	--	--	--	(26,878)
Value assigned to common stock purchase warrants	--	--	--	1,175
Repurchases of common stock	--	--	--	(15,702)
Increase in note receivable from officer	--	(119)	--	(119)
Exercise of stock options	--	--	--	2,262
Accretion on redeemable preferred stock	--	--	(209)	(209)
BALANCE, OCTOBER 31, 2001	$(1,711)	$(3,982)	$28,293	$343,271

</TABLE>

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

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

<TABLE>
<CAPTION>

	FOR THE NINE MONTHS ENDED OCTOBER 31,	
	2001	2000
<S>	<C>	<C>
OPERATING ACTIVITIES:		
Net loss	$(9,786)	$(30,320)
Adjustments to reconcile net loss to net cash provided by operating activities-		
Depreciation and amortization	9,177	4,666
Loss on sale of property and investments	413	8
Unrealized loss on security holdings	530	94

Equity in losses of affiliates	6,352	1,694
Write-down of investments	7,568	55,147
Cumulative effect of accounting change	329	--
Changes in operating assets and liabilities:		
Accounts receivable, net	8,570	(10,071)
Inventories, net	(682)	(8,990)
Prepaid expenses and other	(786)	(3,326)
Accounts payable and accrued liabilities	(6,919)	19,146
Income taxes receivable	(4,533)	(2,378)
Net cash provided by operating activities	10,233	25,670
INVESTING ACTIVITIES:		
Property and equipment additions	(9,710)	(20,380)
Proceeds from sale of investments and property	928	335
Purchase of short-term investments	(203,395)	(166,992)
Proceeds from sale of short-term investments	162,827	152,374
Payment for investments and other assets	(9,526)	(36,336)
Issuance of note receivable from officer	--	(500)
Proceeds from notes receivable	--	325
Net cash used for investing activities	(58,876)	(71,174)
FINANCING ACTIVITIES:		
Payments for repurchases of common stock	(15,702)	--
Proceeds from exercise of stock options and warrants	2,262	3,778
Net cash provided by (used for) financing activities	(13,440)	3,778
Net decrease in cash and cash equivalents	(62,083)	(41,726)
BEGINNING CASH AND CASH EQUIVALENTS	136,045	138,221
ENDING CASH AND CASH EQUIVALENTS	$73,962	$96,495
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	$ 34	$ 34
Income taxes paid	$ 920	$ 22
SUPPLEMENTAL NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Revaluation of common stock purchase warrants	$26,878	$ --
Issuance of 343,725 warrants in connection with NBC Distribution and Marketing Agreement	$ 1,175	$ --
Accretion of redeemable preferred stock	$ 209	$ 208
Equipment purchases under capital lease	$ 747	$ --

</TABLE>

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

VALUEVISION INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 31, 2001
(Unaudited)

(1) GENERAL

ValueVision International, 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 and fulfillment services.

The Company's television home shopping business uses on-air television home shopping 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. ValueVision's original intent was to re-launch its television network and companion Internet website under the SnapTV and SnapTV.com brand names, respectively, in conjunction with NBC Internet, Inc. ("NBCi"). On June 12, 2000, NBCi announced a strategy to integrate all of its consumer properties under the single NBCi.com brand, effectively abandoning the Snap name. This led to ValueVision's search for an alternative rebranding strategy culminating in the license agreement with NBC.

In mid-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.

(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 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 2000 Annual Report on Form 10-K. Operating results for the nine-month period ended October 31, 2001 are not necessarily indicative of the results that may be expected for the fiscal year ending January 31, 2002.

(3) NET 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:

	THREE MONTHS ENDED OCTOBER 31,		NINE MONTHS ENDED OCTOBER 31,	
	2001	2000	2001	2000
Net loss available to common shareholders	$ (2,813,000)	$ (36,805,000)	$ (9,995,000)	$(30,528,000)
Weighted average number of common shares outstanding - Basic	38,317,000	38,644,000	38,489,000	38,541,000
Dilutive effect of convertible preferred stock	--	--	--	--
Dilutive effect of stock options and warrants	--	--	--	--
Weighted average number of common shares outstanding - Diluted	38,317,000	38,644,000	38,489,000	38,541,000
Net loss per common share	$ (0.07)	$ (0.95)	$ (0.26)	$ (0.79)
Net loss per common share - assuming dilution	$ (0.07)	$ (0.95)	$ (0.26)	$ (0.79)

For the quarters ended October 31, 2001 and 2000, respectively, 7,342,000 and 8,439,000 potentially dilutive common shares have been excluded from the computation of diluted earnings per share, as required under SFAS No. 128, 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 loss was ($3,551,000) and ($26,742,000) for the three months ended October 31, 2001 and 2000, respectively. Total comprehensive loss was ($10,684,000) and ($39,900,000) for the nine months ended October 31, 2001 and 2000, 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, which through fiscal 2000 segregated the strategic business units into two segments: electronic media and print media. In fiscal 1999, the Company sold its remaining direct-mail catalog subsidiaries and exited from the print media business segment. The Company's remaining business units, which are categorized as the electronic media segment, 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 as outlined in the Statement since the Company's remaining business units have similar customers, products and sales processes. As a result, the Company now reports as a single business segment.

(6) NBC TRADEMARK LICENSE AGREEMENT

In November 2000, the Company entered into a Trademark License Agreement with NBC pursuant to which NBC granted the Company an exclusive, worldwide license for a term of 10 years to use certain NBC trademarks, service marks and domain names to rebrand the Company's business and corporate name on terms and conditions set forth in the License Agreement. In connection with the License Agreement, the Company issued to NBC warrants to purchase 6,000,000 shares of the Company's common stock at an exercise price of $17.375 per share. The original fair value assigned to the NBC License Agreement and related warrants was determined pursuant to an independent appraisal. At the date of the agreement, a measurement date had not yet been established and the Company revalued the Trademark License and warrants to $59,629,000, the estimated fair value as of January 31, 2001, including professional fees. In March 2001, the Company established a measurement date with respect to the NBC Trademark License Agreement by amending the agreement, and fixed the fair value of the Trademark License asset at $32,837,000, which is being amortized over the remaining term of the Trademark License Agreement.

(7) EQUITY INVESTMENTS

As of October 31, 2001, the Company had equity investments totaling approximately $38,956,000 of which $32,784,000 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 October 31, 2001, investments in the accompanying consolidated balance sheet also include approximately $4,161,000 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") as discussed in Note 10. In addition to the Company's investment in RLM, investments at October 31, 2001 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 $43.4 million has been funded through October 31, 2001. Currently, the Company's investment in RLM is $32,784,000 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. Being a minority shareholder, the Company does not have direct control over the strategic operational direction of this joint venture. 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 the realizability of its RLM investment, as it does with all of its investments, in conjunction with the continued development and forecast of the entity's operations.

The Company evaluates the carrying values of its investments using recent financing and securities transactions, present value and other pricing models, as well as by evaluating 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. During fiscal 2001, the Company recorded pre-tax investment losses totaling $7,568,000 of which $6,006,000 related 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 were determined by the Company to be other than temporary.

(8) NBC DISTRIBUTION WARRANTS

In the first quarter ended April 30, 2001, the Company issued to NBC warrants to purchase 343,725 shares of the Company's common stock at an exercise price of $23.07 per share. The warrants were issued in connection with the Company's Distribution and Marketing Agreement with NBC which provides that warrants will be granted at current market prices upon the achievement of specific goals in connection with distribution of the Company's television programming with respect to FTE subscriber homes. The warrants are immediately exercisable, and have a term of 5 years. The fair value assigned to the distribution warrants of $1,175,000, was determined using the Black Scholes warrant valuation model and is being amortized over the seven-year weighted average term of the new distribution agreements.

(9) RELATED PARTY TRANSACTION

At October 31, 2001 the Company held a note receivable totaling $3,982,000, 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.

(10) 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 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 is reflected in the consolidated statement of operations as a cumulative effect of change in accounting principle. For the nine-month period ended October 31, 2001, the Company also recorded unrealized losses on security holdings of ($530,000) relating to fair value adjustments made with respect to derivative common stock purchase warrants held by the Company.

On June 30, 2001, the Financial Accounting Standards Board issued SFAS No. 141, "Business Combinations," and SFAS No. 142, "Goodwill and Other Intangible Assets". SFAS No. 141 requires all business combinations initiated after June 30, 2001 to use the purchase method of accounting. SFAS No. 142 addresses how intangibles assets that are acquired individually or with a group of other assets (but not those acquired in a business combination) should be accounted for in financial statements upon their acquisition. SFAS No. 142 also addresses how goodwill and other intangible assets should be accounted for after they have been initially recognized in the financial statements. The Company does not anticipate any significant impact from the adoption of SFAS Nos. 141 and 142.

(11) 2001 OMNIBUS STOCK PLAN

In June 2001, the shareholders of the Company voted to approve the 2001 Omnibus Stock Plan (the "2001 Plan"), which provides for the issuance of up to 3,000,000 shares of the Company's common stock. The 2001 Plan is administered by the Company's Compensation Committee (the "Committee") and has two basic components, discretionary options for employees and consultants and options for outside directors. All employees of the Company or its affiliates are eligible to receive awards under the 2001 Plan. The Committee may also award nonstatutory stock options under the 2001 Plan to individuals or entities who are not employees but who provide services to the Company in capacities such as advisors, directors and consultants. The types of awards that may be granted under the 2001 Plan include restricted and unrestricted stock, incentive and nonstatutory stock options, stock appreciation rights, performance units and other stock-based awards. Incentive stock options may be granted to participants at such exercise prices as the Committee may determine but not less than 100% of the fair market value of the underlying stock as of the date of grant. With respect to incentive stock options, no stock option may be granted more than ten years after the effective date of the 2001 Plan or be exercisable more than ten years after the date of grant. The 2001 Plan also provides for additional restrictions on incentive stock options granted to an individual who beneficially owns 10% or more of the outstanding shares of the Company. The 2001 Plan also provides for option grants on an annual basis to each outside director of the Company. All options granted to outside directors pursuant to the 2001 Plan are nonstatutory stock options with an exercise price equal to 100% of the fair market value of the underlying stock as of the date of grant.

(12) 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 October 31, 2001, the Company had repurchased 977,000 shares of its common stock under the new stock repurchase program for a total net cost of $14,260,000 at an average price of $14.60 per share. The Company also repurchased 115,000 shares of its common stock under a previously authorized stock repurchase program for a total net cost of $1,442,000.

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, 2001.

SELECTED CONDENSED CONSOLIDATED FINANCIAL DATA

<TABLE>
<CAPTION>

	DOLLAR AMOUNT AS A PERCENTAGE OF NET SALES FOR THE THREE MONTHS ENDED OCTOBER 31,		DOLLAR AMOUNT AS A PERCENTAGE OF NET SALES FOR THE NINE MONTHS ENDED OCTOBER 31,	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
NET SALES	100.0%	100.0%	100.0%	100.0%
GROSS MARGIN	36.9%	37.7%	38.0%	37.9%
Operating expenses:				
Distribution and selling	34.5%	27.2%	33.1%	28.9%
General and administrative	3.4%	4.3%	3.7%	4.4%
Depreciation and amortization	2.8%	2.0%	2.8%	1.7%
	40.7%	33.5%	39.6%	35.0%
Operating income (loss)	(3.8)%	4.2%	(1.6)%	3.0%

</TABLE>

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

OVERVIEW

ValueVision International, 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 and fulfillment services.

The Company's television home shopping business uses on-air television home shopping 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. ValueVision's original intent was to re-launch its television network and companion Internet website under the SnapTV and SnapTV.com brand names, respectively, in conjunction with NBC Internet, Inc. ("NBCi"). On June 12, 2000, NBCi announced a strategy to integrate all of its consumer properties under the single NBCi.com brand, effectively abandoning the Snap name. This led to ValueVision's search for an alternative rebranding strategy culminating in the license agreement with NBC.

In mid-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.

WRITE-DOWN OF INVESTMENTS

During fiscal 2001, the Company recorded pre-tax investment losses totaling $7,568,000, of which $6,006,000 related 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 were determined by the Company to be other than temporary.

RESULTS OF OPERATIONS

NET SALES

Consolidated net sales, inclusive of shipping and handling revenue (reclassified effective January 31, 2001 per EITF Issue No. 00-10) for the three months ended October 31, 2001 (fiscal 2001) were $109,420,000 compared with net sales of $99,437,000 for the three months ended October 31, 2000 (fiscal 2000), a 10% increase. Consolidated net sales, inclusive of shipping and handling revenue for the nine months ended October 31, 2001 were $326,184,000 compared with $274,603,000 for the nine months ended October 31, 2000, a 19% increase. The increase in 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 businesses increased 11% to $107,461,000 for the quarter ended October 31, 2001 from $97,151,000 for the comparable prior year period. On a year-to-date basis, net sales attributed to the Company's television home shopping and Internet businesses increased 18% to $319,632,000 for the nine months ended October 31, 2001 from $270,521,000 for the comparable prior year period. The challenging retail economic environment currently being experienced by the Company and other merchandise retailers along with the economic effect following the dramatic and tragic events of September 11, 2001 has had a negative affect on total net sales growth for the quarter and year-to-date periods. 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 9 million homes since December 2000; 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 mature. During the 12-month period ended October 31, 2001, the Company added approximately 13.3 million FTE subscriber homes, a 48% 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 200% year-to-date increase in Internet sales over the prior year. 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 third quarter ended October 31, 2001 and 2000 were $40,412,000 and $37,465,000, respectively, an increase of $2,947,000 or 8%. Gross margins for the three months ended October 31, 2001 and 2000 were 36.9% and 37.7%, respectively. Gross profits for the nine months ended October 31, 2001 and 2000 were $123,968,000 and $103,984,000, respectively, an increase of $19,984,000 or 19%. Gross margins for the nine months ended October 31, 2001 and 2000 were 38.0% and 37.9%, 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. Overall, year-to-date television and Internet gross margins between comparable period slightly improved over prior year primarily as a result of improved and favorable vendor pricing on jewelry merchandise and increases in the gross margin percentages in the electronics/computer product category.

OPERATING EXPENSES

Total operating expenses for the three and nine months ended October 31, 2001 were $44,535,000 and $129,164,000, respectively, versus $33,277,000 and $96,018,000 for the comparable prior year periods. Distribution and selling expense increased $10,639,000 or 39% to $37,710,000 or 34% of net sales during the third quarter of fiscal 2001 compared to $27,071,000 or 27% of net sales for the comparable prior-year period. Distribution and selling expense increased $28,789,000 or 36% to $107,998,000 or 33% of net sales for the nine months ended October 31, 2001 compared to $79,209,000 or 29% 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 43% year-to-date increase in the number of average FTE subscribers over the prior year, increased marketing and advertising fees primarily associated with rebranding the ShopNBC name, and increased costs associated with credit card processing and telemarketing primarily 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 October 31, 2001 decreased $529,000 or 12% to $3,729,000 or 3% of net sales compared to $4,258,000 or 4% of net sales for the three months ended October 31, 2000. For the nine months ended October 31, 2001, general and administrative expense decreased $154,000 or 1% to $11,989,000 or 4% of net sales compared to $12,143,000 or 4% of net sales for the nine months ended October 31, 2000. On a quarter and year to date basis, 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. General and administrative expense as a percentage of net sales decreased over prior year's third 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. General and administrative expense as a percentage of net sales remained flat for the comparable nine-month periods.

Depreciation and amortization expense for the three months ended October 31, 2001 was $3,096,000 versus $1,948,000, representing an increase of $1,148,000 or 59% from the comparable prior-year period. Depreciation and amortization expense for the nine months ended October 31, 2001 was $9,177,000 versus $4,666,000, representing an increase of $4,511,000 or 97% from the comparable prior-year period. Depreciation and amortization expense as a percentage of net sales for the three and nine months ended October 31, 2001 and 2000 were 3% and 2%, each, respectively. The dollar increase is primarily due to additional amortization incurred in fiscal 2001 in connection with the Company's NBC Trademark License Agreement and increased depreciation associated with the Company's fixed assets and fulfillment service obligations with RLM.

OPERATING INCOME (LOSS)

For the three months ended October 31, 2001, the Company reported an operating loss of $4,123,000 compared to operating income of $4,188,000 for the three months ended October 31, 2000, a decrease of $8,311,000. For the nine months ended October 31, 2001, the Company reported an operating loss of $5,196,000 compared to operating income of $7,966,000, a decrease of $13,162,000. Operating income decreased from prior year primarily as a result of the Company achieving less than expected sales levels in the year-to-date period coupled with increased distribution and selling expenses, particularly net cable access fees for which the expense of adding approximately 9 million new homes since December 2000 is being incurred but the future revenue benefit and productivity of these additional homes is yet to be realized. The net sales shortfall has been a direct result of the challenging economic environment in general, the soft retail market in particular and the economic effect following the tragic events of September 11, 2001. In addition, operating income also decreased as a result of increased amortization expense associated with the Company's Trademark License Agreement with NBC and increases in depreciation associated with the Company's fixed assets and fulfillment obligations with RLM. Third quarter and year to date operating expense increases were partially offset by 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 attempts to control spending.

NET INCOME (LOSS)

For the three months ended October 31, 2001, the Company reported a net loss available to common shareholders of $2,813,000 or $.07 per share on 38,317,000 weighted average common shares outstanding, compared with a net loss available to common shareholders of $36,805,000 or $.95 per share on 38,644,000 weighted average common shares outstanding for the quarter ended October 31, 2000. The net loss available to common shareholders for the quarter ended October 31, 2001 includes net pre-tax losses totaling $257,000 recorded on the sale and holdings of the Company's property and other investments. For the quarter ended October 31, 2001, the net loss available to common shareholders also included a pre-tax loss of $1,735,000 related to the Company's equity interest in RLM and interest income totaling $1,630,000 earned on the Company's cash and short-term investments. The net loss available to common shareholders for the quarter ended October 31, 2000, includes a pre-tax loss of $54,564,000 related to the write-down of investments made primarily in a number of Internet retailers whose decline in fair value was determined by the Company to be other than temporary and pre-tax losses totaling $32,000 recorded on the sale and holdings of the Company's property and other investments. For the quarter ended October 31, 2000, net loss available to common shareholders also included a pre-tax loss of $1,288,000 related to the Company's equity interest in RLM and interest income totaling $3,837,000.

Excluding the net one-time gains/losses on the sale and holdings of property and investments and other one-time charges/benefits, the net loss available to common shareholders for the quarter ended October 31, 2001 totaled $2,813,000, or $.07 per share compared to net income available to common shareholders of $4,159,000, or $.09 per diluted share ($.11 per basic share) for the quarter ended October 31, 2000.

For the nine months ended October 31, 2001, the Company reported a net loss available to common shareholders of $9,995,000 or $.26 per share on 38,489,000 weighted average common shares outstanding, compared with a net loss available to common shareholders of $30,528,000 or $.79 per share on 38,541,000 weighted average common shares outstanding for the nine months ended October 31, 2000. The net loss available to common shareholders for the nine months ended October 31, 2001 includes a pre-tax loss of $7,568,000 related primarily to the write-down of the Company's investment in Internet retailer Wine.com and other investments whose decline in fair values were determined by the Company to be other than temporary and pre-tax losses totaling $943,000 recorded on the sale and holdings of the Company's property and other investments. For the nine months ended October 31, 2001, the net loss available to common shareholders also included a pre-tax loss of $6,352,000 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 $6,973,000 earned on the Company's cash and short-term investments. The net loss available to common shareholders for the nine months ended October 31, 2000 includes a pre-tax loss $55,147,000 related to the write-down of investments made primarily in a number of Internet retailers whose decline in fair value was determined by the Company to be other than temporary and pre-tax losses totaling $102,000 recorded on the sale and holdings of the Company's property and investments. For the nine months ended October 31, 2000, net loss available to common shareholders also included a pre-tax loss of $1,694,000 related to the Company's equity interest in RLM and interest income totaling $11,301,000.

Excluding the net one-time gains/losses on the sale and holdings of property and investments and other one-time charges/benefits, the net loss available to common shareholders for the nine months ended October 31, 2001 totaled $2,800,000, or $.07 per share compared to net income available to common shareholders of $10,804,000, or $.23 per diluted share ($.28 per basic share) for the nine months ended October 31, 2000.

The Company's year-to-date effective tax rate is lower than its historical effective tax rate as a result of the timing of future tax benefits relating to certain investments written down during the nine months ended October 31, 2001 and an increase in the mix of interest income generated from tax-free, short-term investments over prior year offset by a tax benefit recorded in the second quarter relating to a previously written off capital investment.

PROGRAM DISTRIBUTION

The Company's television home-shopping programming was available to approximately 50.1 million homes as of October 31, 2001, as compared to 42.6 million homes as of January 31, 2001 and to 35.5 million homes as of October 31, 2000. The Company's programming is currently available through affiliation and time-block purchase agreements with approximately 620 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 October 31, 2001 and 2000, the Company's programming was available to approximately 41.2 million and 27.9 million FTE households, respectively. As of January 31, 2001, the Company's programming was available to 34.2 million FTE households. Approximately 33.9 million and 23.3 million households at October 31, 2001 and 2000, 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.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As of October 31, 2001, cash and cash equivalents and short-term investments were $223,207,000, compared to $244,723,000 as of January 31, 2001, a $21,516,000 decrease. For the nine months ended October 31, 2001, working capital decreased $18,406,000 to $273,759,000 driven primarily from the reduction in cash and cash equivalents and short-term investments resulting primarily from the repurchase of common stock under the Company's authorized stock repurchase program. The current ratio was 5.0 at October 31, 2001 compared to 4.9 at January 31, 2001. At October 31, 2001, 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 original maturity dates and/or tender option terms ranging from one month to one year. Although 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 October 31, 2001 were $454,805,000, compared to $510,697,000 at January 31, 2001. Shareholders' equity was $343,271,000 at October 31, 2001, compared to $393,426,000 at January 31, 2001, a $50,155,000 decrease. The decrease in shareholders' equity and total assets for the nine-month period ended October 31, 2001 resulted primarily from the $26,878,000 revaluation of common stock purchase warrants granted to NBC in connection with the Company's NBC Trademark License Agreement pursuant to the establishment of a fixed measurement date. Shareholders' equity also decreased as a result of recording a $9,786,000 net loss for the nine-month period primarily attributable to write downs of historical investments. In addition, shareholders' equity also decreased $15,702,000 in connection with the Company's repurchase of 1,091,600 common shares under its authorized stock repurchase plan, $119,000 relating to increased notes receivable from officers, the recording of net unrealized losses on investments classified as "available-for-sale" totaling $898,000 and accretion on redeemable preferred stock of $209,000. These decreases were offset by increases in shareholders' equity relating to the issuance of 343,725 common stock purchase warrants valued at $1,175,000 to NBC and by proceeds received of $2,262,000 related to the exercise of stock options.

For the nine-month period ended October 31, 2001, net cash provided by operating activities totaled $10,233,000 compared to net cash provided by operating activities of $25,670,000 for the nine-month period ended October 31, 2000. Cash flows from operations after adding back depreciation and amortization expense, which the Company defines as EBITDA, was a positive $3,981,000 for the nine months ended October 31, 2001, compared to a positive $12,632,000 for the same prior-year period. Net cash provided by operating activities for the nine months ended October 31, 2001 reflects a net loss, as adjusted for depreciation and amortization, write-down of investments, unrealized losses on security holdings, equity in losses of affiliates, the cumulative effect of adopting SFAS No. 133 and losses on the sale of property and investments. In addition, net cash provided by operating activities for the nine months ended October 31, 2001 reflects decreases in accounts receivable, offset by an increase in inventories, income taxes receivable, prepaid expenses and a decrease in accounts payable and accrued liabilities. Accounts receivable decreased primarily due to the timing of customer collections made pursuant to the "ValuePay" installment program, a reduction in sales made utilizing extended payment terms, decreased vendor airtime receivables and decreased interest receivable resulting from lower interest rates driven by reductions in federal funds rates. Inventories slightly increased from year-end to prepare for the fourth quarter holiday season partially offset by third quarter aggressive management efforts to generally reduce inventory levels. The decrease in accounts payable and accrued liabilities is a direct result of management's inventory reduction efforts and the timing of vendor payments.

Net cash used for investing activities totaled $58,876,000 for the nine months ended October 31, 2001, which was primarily offset by an increase in short-term investments of $40,567,000, compared to net cash used for investing activities of $71,174,000 for the nine months ended October 31, 2000. For the nine months ended October 31, 2001 and 2000, expenditures for property and equipment were $9,710,000 and $20,380,000, respectively. Expenditures for property and equipment during the periods ended October 31, 2001 and 2000 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 nine months of fiscal 2001, the Company invested $203,395,000 in various short-term investments, received proceeds of $162,827,000 from the sale of short-term investments, received proceeds of $928,000 from the sale of property and investments and made disbursements of $9,526,000 for certain investments and other long-term assets primarily related to the Company's equity interest in RLM. In the first nine months of fiscal 2000, the Company invested $166,992,000 in various short-term investments, received proceeds of $152,374,000 from the sale of short-term investments, made disbursements of $36,336,000 for certain investments and other assets, made a $500,000 loan to an officer of the Company, received proceeds of $335,000 from the sale of property and investments and received proceeds of $325,000 in connection with the repayment of outstanding notes receivable.

Net cash used for financing activities totaled $13,440,000 for the nine months ended October 31, 2001 and related primarily to payments made of $15,702,000 in conjunction with the repurchase of 1,092,000 shares of the Company's common stock primarily in the third quarter at an average price of $14.60 per share, offset by cash proceeds received totaling $2,262,000 from the exercise of stock options. Net cash provided by financing activities totaled $3,778,000 for the nine months ended October 31, 2000 and related to proceeds received from the exercise of stock options.

Management believes that funds currently held by the Company will be sufficient to fund the Company's operations, anticipated capital expenditures, strategic investments and cable launch fees over the next twelve months.

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 various "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): consumer spending and debt levels; interest rates; seasonal variations in consumer purchasing activities; competitive pressures on sales; pricing and gross profit margins; 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 Ralph Lauren Media 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, 2001, specifically under the caption entitled "Risk Factors", 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.

PART II   OTHER INFORMATION

ITEM 6.   EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

None

(b) Reports on Form 8-K

None

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 INTERNATIONAL, 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 (Principal Financial and Accounting Officer), Chief Operating Officer

December 13, 2001