VALUEVISION MEDIA INC

FORM 10-Q
(Quarterly Report)

Filed 6/9/2005 For Period Ending 4/30/2005

Address	6740 SHADY OAK RD
	MINNEAPOLIS, Minnesota 55344-3433
Telephone	612-947-5200
CIK	0000870826
Industry	Retail (Catalog & Mail Order)
Sector	Services
Fiscal Year	01/31

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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 April 30, 2005

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, Eden Prairie, 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 [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

YES [X] NO [ ]

As of June 7, 2005, there were 36,992,572 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

(In thousands, except share and per share data)

	APRIL 30, 2005	JANUARY 31, 2005
	(UNAUDITED)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 63,682	$ 62,640
Short-term investments	39,731	37,941
Accounts receivable, net	73,010	79,405
Inventories	59,308	54,903
Prepaid expenses and other	5,490	5,635
Total current assets	241,221	240,524
PROPERTY & EQUIPMENT, NET	50,761	52,725
FCC BROADCASTING LICENSE	31,943	31,943
NBC TRADEMARK LICENSE AGREEMENT, NET	17,881	18,687
CABLE DISTRIBUTION AND MARKETING AGREEMENT, NET	3,326	3,550
OTHER INTANGIBLE ASSETS, NET	-	68
OTHER ASSETS	2,799	2,799
	$ 347,931	$ 350,296
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 59,458	$ 48,012
Accrued liabilities	37,910	41,062
Total current liabilities	97,368	89,074
LONG-TERM CAPITAL LEASE OBLIGATIONS	1,212	1,380
SERIES A REDEEMABLE CONVERTIBLE PREFERRED STOCK, $.01 PER SHARE PAR VALUE, 5,339,500 SHARES AUTHORIZED; 5,339,500 SHARES ISSUED AND OUTSTANDING	43,102	43,030
SHAREHOLDERS' EQUITY:		
Common stock, $.01 per share par value, 100,000,000 shares authorized; 37,094,081 and 37,043,912 shares issued and outstanding	371	370
Warrants to purchase 7,630,583 shares of common stock	46,683	46,683
Additional paid-in capital	264,079	264,005
Deferred compensation	(295)	(353)
Accumulated deficit	(104,589)	(93,893)
Total shareholders' equity	206,249	216,812
	$ 347,931	$ 350,296

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

VALUEVISION MEDIA, INC.
AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(In thousands, except share and per share data)

	FOR THE THREE MONTHS ENDED APRIL 30,	
	2005	2004
Net sales	$ 156,163	$ 159,197
Cost of sales (exclusive of depreciation and amortization shown below)	103,780	106,113
Gross profit	52,383	53,084
OPERATING EXPENSE:		
Distribution and selling	51,145	50,802
General and administrative	6,610	5,675
Depreciation and amortization	5,291	4,784
Asset impairment	400	--
Employee termination costs	528	--
Total operating expense	63,974	61,261
OPERATING LOSS	(11,591)	(8,177)
OTHER INCOME:		
Other income	255	--
Interest income	646	274
Total other income	901	274
LOSS BEFORE INCOME TAXES	(10,690)	(7,903)
Income tax provision	6	--
NET LOSS	(10,696)	(7,903)
Accretion of redeemable preferred stock	(72)	(71)
NET LOSS AVAILABLE TO COMMON SHAREHOLDERS	$ (10,768)	$ (7,974)
NET LOSS PER COMMON SHARE	$ (0.29)	$ (0.22)
NET LOSS PER COMMON SHARE - ASSUMING DILUTION	$ (0.29)	$ (0.22)
Weighted average number of common shares outstanding:		
Basic	37,077,473	36,640,477
Diluted	37,077,473	36,640,477

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

VALUEVISION MEDIA, INC.
AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED APRIL 30, 2005
(Unaudited)

(In thousands, except share data)

	COMPREHENSIVE LOSS	COMMON STOCK NUMBER OF SHARES	COMMON STOCK PAR VALUE	COMMON STOCK PURCHASE WARRANTS	ADDITIONAL PAID-IN CAPITAL	DEFERRED COMPENSATION	ACCUMULATED DEFICIT	TOTAL SHAREHOLDERS' EQUITY
BALANCE, JANUARY 31, 2005		37,043,912	$ 370	$46,683	$264,005	$ (353)	$ (93,893)	$ 216,812
Net loss	$(10,696)	--	--	--	--	--	(10,696)	(10,696)
Exercise of stock options and common stock issuances		50,169	1	--	155	--	--	156
Restricted stock forfeited		--	--	--	(9)	9	--	--
Amortization of deferred compensation		--	--	--	--	49	--	49
Accretion on redeemable preferred stock		--	--	--	(72)	--	--	(72)
BALANCE, APRIL 30, 2005		37,094,081	$ 371	$46,683	$264,079	$ (295)	$(104,589)	$ 206,249

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)

	FOR THE THREE MONTHS ENDED APRIL 30,	
	2005	2004
OPERATING ACTIVITIES:		
Net loss	$ (10,696)	$ (7,903)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	5,291	4,784
Common stock issued to employees	4	7
Amortization of deferred compensation	49	81
Asset impairment	400	--
Gain on sale of investments	(5)	--
Changes in operating assets and liabilities:		
Accounts receivable, net	6,395	3,125
Inventories	(4,405)	1,906
Prepaid expenses and other	(59)	(1,346)
Accounts payable and accrued liabilities	8,294	(82)
Net cash provided by operating activities	5,268	572
INVESTING ACTIVITIES:		
Property and equipment additions	(2,426)	(2,837)
Purchase of short-term investments	(31,924)	(68,538)
Proceeds from sale of short-term investments	30,139	25,173
Net cash used for investing activities	(4,211)	(46,202)
FINANCING ACTIVITIES:		
Proceeds from exercise of stock options	152	1,395
Payment of long-term obligation	(167)	(336)
Net cash (used for) provided by financing activities	(15)	1,059
Net increase (decrease) in cash and cash equivalents	1,042	(44,571)
BEGINNING CASH AND CASH EQUIVALENTS	62,640	81,033
ENDING CASH AND CASH EQUIVALENTS	$ 63,682	$ 36,462
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	$ 33	$ 53
Income taxes paid	$ 6	$ 31
SUPPLEMENTAL NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Exercise of common stock purchase warrants	$ --	$ 955
Restricted stock forfeited	$ 9	$ --
Accretion of redeemable preferred stock	$ 72	$ 71

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2005
(Unaudited)

(1) GENERAL

ValueVision Media, Inc. and its subsidiaries (the "Company") is an integrated direct marketing company that markets, sells and distributes 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.

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 one Company-owned full power television station in Boston, Massachusetts and one low power television station in Atlanta, Georgia. The Company also complements its television home shopping business by the sale of a broad array of merchandise through its Internet shopping website, www.shopnbc.com.

On November 16, 2000, the Company entered into an exclusive license agreement with National Broadcasting Company, Inc., currently known as NBC Universal, Inc. ("NBC"), pursuant to which NBC granted the Company worldwide use of an NBC-branded name and the Peacock image for a ten-year period. The Company rebranded its growing home shopping network and companion Internet shopping website as "ShopNBC" and "ShopNBC.com", respectively, in fiscal 2001. This rebranding was intended to position the Company 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.

The Company, through its wholly owned subsidiary, ValueVision Interactive, Inc. maintains the ShopNBC.com website and manages its Internet e-commerce initiatives. The Company, through its wholly owned subsidiary, VVI Fulfillment Center, Inc. ("VVIFC"), provides fulfillment, warehousing, customer service and telemarketing services to Ralph Lauren Media, LLC ("RLM"). VVIFC also provides fulfillment and warehousing services for the NBC Experience Store in New York City and direct-to-consumer products sold on NBC's website, fulfillment of certain non-jewelry merchandise sold on the Company's television home shopping program and Internet website and fulfillment to the Company's FanBuzz, Inc. subsidiary ("FanBuzz").

(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, 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 2004 Annual Report on Form 10-K. Operating results for the three month period ended April 30, 2005 are not necessarily indicative of the results that may be expected for the fiscal year ending February 4, 2006.

The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Intercompany accounts and transactions have been eliminated in consolidation.

FISCAL YEAR

The Company's most recently completed fiscal year ended on January 31, 2005 and this year is designated "fiscal 2004". On April 29, 2005, the Company elected to change its fiscal year from a fiscal year ending January 31 to a 52/53 week fiscal year ending on the first Saturday in February of each calendar year. This is effective for the Company's current fiscal year, which will end on February 4, 2006 and is designated "fiscal 2005". The Company is making this change in order to align its fiscal year more closely to its retail seasonal merchandising plan. The change will also enhance the weekly and monthly comparability of sales results relating to the Company's television home-shopping business. The Company does not expect this change to have a significant impact on its consolidated financial statements.

(3) STOCK-BASED COMPENSATION

At April 30, 2005, the Company had a number of stock-based compensation plans. The Company accounts for these plans under the recognition and measurement principles of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations. No stock-based employee compensation cost is reflected in the net loss, as all options granted under those plans had an exercise price equal to the market value of the underlying common stock on the date of grant. The following table illustrates the effect on net loss and net loss per share if the Company had applied the fair value recognition provisions of Statement of Financial Accounting Standards No. 123,"Accounting for Stock-Based Compensation", to stock-based employee compensation:

	THREE MONTHS ENDED APRIL 30, 2005	2004
Net loss available to common shareholders:		
As reported	$ (10,768,000)	$ (7,974,000)
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(5,034,000)	(2,302,000)
Pro forma	$ (15,802,000)	$ (10,276,000)
Net loss per share:		
Basic:		
As reported	$ (0.29)	$ (0.22)
Pro forma	(0.43)	(0.28)
Diluted:		
As reported	$ (0.29)	$ (0.22)
Pro forma	(0.43)	(0.28)

(4) 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 APRIL 30,	
	2005	2004
Net loss available to common shareholders	$ (10,768,000)	$ (7,974,000)
Weighted average number of common shares outstanding - Basic	37,077,000	36,640,000
Dilutive effect of convertible preferred stock	--	--
Dilutive effect of stock options and warrants	--	--
Weighted average number of common shares outstanding - Diluted	37,077,000	36,640,000
Net loss per common share	$ (0.29)	$ (0.22)
Net loss per common share- assuming dilution	$ (0.29)	$ (0.22)

In accordance with SFAS No. 128, for the three months ended April 30, 2005 and 2004, approximately 860,000 and 1,456,000, respectively, in-the-money potentially dilutive common share stock options and warrants and 5,340,000 shares of convertible preferred stock have been excluded from the computation of diluted earnings per share, as the effect of their inclusion would be antidilutive.

(5) COMPREHENSIVE LOSS

The Company reports comprehensive 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 loss includes net loss and other comprehensive income (loss). Total comprehensive loss was $(10,696,000) and $(7,903,000) for the three months ended April 30, 2005 and 2004, respectively. As of January 31, 2004, the Company no longer had any long-term equity investments classified as "available-for-sale".

(6) 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 primary business segment is its electronic media segment, which consists of the Company's television home shopping business and Internet shopping website business. Management has reviewed the provisions of SFAS No. 131 and has determined that the Company's television and internet home shopping businesses meet the aggregation criteria as outlined in SFAS No. 131 since these two business units have similar customers, products, economic characteristics and sales processes. Products sold through the Company's electronic media segment primarily include jewelry, computers and other electronics, housewares, apparel, health and beauty aids, fitness products, giftware, collectibles, seasonal items and other merchandise. The Company's segments primarily operate in the United States and no one customer represents more than 5% of the Company's overall revenue. There are no material intersegment product sales. Segment information as of and for the three month periods ended April 30, 2005 and 2004 are as follows:

THREE MONTHS ENDED APRIL 30 (IN THOUSANDS)	ELECTRONIC MEDIA	FANBUZZ	ALL OTHER (a)	TOTAL
2005				
Revenues	$ 151,215	$ 2,687	$ 2,261	$ 156,163
Operating (loss) income	(10,039)	(1,566)	14	(11,591)
Depreciation and amortization	4,855	186	250	5,291
Interest income (expense)	663	(17)	--	646
Income taxes	6	--	--	6
Net loss	(8,756)	(1,706)	(234)	(10,696)
Identifiable assets	334,866	2,629	10,436	347,931
2004				
Revenues	$ 151,127	$ 6,125	$ 1,945	$ 159,197
Operating (loss) income	(7,408)	(979)	210	(8,177)
Depreciation and amortization	4,277	341	166	4,784
Interest income (expense)	299	(25)	--	274
Income taxes	--	--	--	--
Net loss	(6,739)	(1,126)	(38)	(7,903)
Identifiable assets	360,710	21,735	7,307	389,752

(a) Revenue from segments below quantitative thresholds are attributable to VVIFC, which provides fulfillment, warehousing and telemarketing services primarily to RLM, the Company and the NBC Experience Store.

Information on net sales by significant product groups are as follows (in thousands):

	THREE MONTHS ENDED APRIL 30, 2005	2004
Jewelry	$ 76,826	$ 97,322
Computers	15,200	17,113
Home	16,932	15,595
All others, less than 10% each	47,205	29,167
Total	$ 156,163	$ 159,197

(7) RELATED PARTY TRANSACTION

In conjunction with its services agreement with RLM, the Company records revenue for amounts billed to RLM for customer service and fulfillment services. Revenues recorded from these services were $1,784,000 and $1,944,000 for the quarters ended April 30, 2005 and 2004, respectively. Amounts due from RLM were $1,250,000 and $850,000, as of April 30, 2005 and January 31, 2005, respectively.

In July 2004, the Company entered into an agreement with Right Now Technologies, Inc. ("Right Now") under which the Company paid Right Now approximately $150,000 during fiscal year 2004 to utilize certain customer services technologies developed by Right Now. The Company's President and Chief Executive Officer, William J. Lansing, serves on the board of directors of Right Now. The Company pays Right Now approximately $17,000 for annual software maintenance fees relating to this technology.

(8) RESTRICTED STOCK

On February 1, 2003, the Company awarded 114,170 shares of restricted stock from the Company's 2001 Omnibus Stock Plan (as amended) to certain executive officers. The restricted stock vests one third on each of the next three anniversary dates of the grant so long as the recipient is still employed with the Company. The aggregate market value of the restricted stock at the date of award was $1,491,000 and has been recorded as deferred compensation, a separate component of shareholders' equity, and is being amortized as compensation expense over the three-year vesting period. In the second quarter of fiscal 2004, the Company awarded an additional 25,000 shares of restricted stock to certain employees. The restricted stock vests over different periods ranging from 17 to 53 months so long as the recipient is still employed with the Company. The aggregate market value of the restricted stock at the award dates was $308,000 and has been recorded as deferred compensation, a separate component of shareholders' equity, and is being amortized as compensation expense over the respective vesting periods.

(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. In the second quarter of fiscal 2002, the Company's Board of Directors authorized the repurchase of an additional $25 million of the Company's common stock. In November 2002, the Company's Board of Directors authorized a third repurchase of up to $25 million of the Company's common stock pursuant to its common stock repurchase program. The repurchase programs are 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, 2005, the Company had repurchased a total of 3,820,000 shares of its common stock under its stock repurchase programs for a total net cost of $54,322,000 at an average price of $14.22 per share. The Company did not repurchase any shares under its repurchase program during the three-month periods ended April 30, 2005 or 2004.

(10) GOODWILL AND OTHER INTANGIBLE ASSETS

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("SFAS No. 142"), 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. Goodwill has been recorded by the Company as a result of the acquisition of FanBuzz in the fiscal 2002.

During the third quarter of fiscal 2004, the Company wrote off goodwill totaling $9,442,000 attributable to the FanBuzz acquisition as the Company had determined that the goodwill was impaired following FanBuzz's loss of its National Hockey League contract in September 2004.

Intangible assets have been recorded by the Company as a result of the acquisition of FanBuzz in fiscal 2002 and television station WWDP TV-46 in fiscal 2003. The components of amortized and unamortized intangible assets in the accompanying condensed consolidated balance sheets consist of the following:

		APRIL 30, 2005		JANUARY 31, 2005	
	AVERAGE LIFE (YEARS)	GROSS CARRYING AMOUNT	ACCUMULATED AMORTIZATION	GROSS CARRYING AMOUNT	ACCUMULATED AMORTIZATION
Amortized intangible assets:					
Website address.............	3	$ 1,000,000	$(1,000,000)	$ 1,000,000	$ (945,000)
Partnership contracts.......	2	280,000	(280,000)	280,000	(280,000)
Non-compete agreements......	3	230,000	(230,000)	230,000	(217,000)
Favorable lease contracts...	13	200,000	(200,000)	200,000	(200,000)
Other.......................	2	290,000	(290,000)	290,000	(290,000)
Total....................		$ 2,000,000	$ 2,000,000)	$ 2,000,000	$(1,932,000)
Unamortized intangible assets:					
FCC broadcast license.......		$31,943,000		$31,943,000	

Amortization expense for intangible assets for the three months ended April 30, 2005 and 2004 was $68,000 and $117,000, respectively. During the third quarter of fiscal 2004, the Company wrote off approximately $160,000 of intangible assets in connection with the FanBuzz asset impairment. As of April 30, 2005, intangible assets relating to the FanBuzz acquisition have a remaining carrying value of $-0-.

(11) RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In December 2004, the FASB issued a revision to Statement of Financial Accounting Standards No. 123, "Share-Based Payment" ("SFAS No. 123(R)"). The revision requires all entities to recognize compensation expense in an amount equal to the fair value of share-based payments granted to employees. The statement eliminates the alternative method of accounting for employee share-based payments previously available under Accounting Principles Board Opinion No. 25. The statement will be effective for public companies for fiscal years beginning after June 15, 2005. The Company has not completed the process of evaluating the full financial statement impact that will result from the adoption of SFAS No. 123(R). See Note 3, "Stock-Based Compensation", for the Company's disclosure regarding the pro forma effect of the adoption of SFAS No. 123(R) on the Company's consolidated financial statements.

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 153, "Exchange of Nonmonetary Assets" ("SFAS No. 153"), an amendment of APB Opinion No. 29. SFAS No. 153 requires all nonmonetary exchanges to be recorded at fair value, unless the assets exchanged do not have commercial substance. A nonmonetary exchange has commercial substance under SFAS No. 153 if future cash flows are expected to change significantly as a result of the exchange. SFAS No. 153 will be effective for all nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The Company does not expect the adoption of SFAS No. 153 to have a significant impact on its financial statements.

(12) ASSET IMPAIRMENT AND EMPLOYEE TERMINATION COSTS

During the quarter ended April 30, 2005, a number of FanBuzz customers had notified FanBuzz that they had elected to not renew the term of their e-commerce services agreement or had decided to terminate their agreement for convenience as permitted in the agreement. Following these notifications, the Company assessed whether there had been an impairment of the FanBuzz long-lived assets in accordance with Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144"). The Company performed a cash flow analysis and concluded that the book value of certain long-lived assets at FanBuzz was significantly higher than their probability-weighted expected future cash flows and that an impairment had occurred. Accordingly, the Company recorded a non-cash impairment loss and related charge of $400,000 in the quarter ended April 30, 2005.

During the quarter ended April 30, 2005, the Company also recorded an additional $528,000 charge to earnings and established a related accrual primarily in connection with the downsizing of the Company's FanBuzz operations. The charge consisted primarily of severance pay and related benefit costs associated with the elimination of approximately twelve positions. The severance is expected to be paid out over periods ranging from one to twelve months.

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

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, 2005.

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 that 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 habits and debt levels; changes in interest rates; seasonal variations in consumer purchasing activities; changes in the mix of products sold by the Company; competitive pressures on sales; changes in pricing and gross profit margins; changes in the level of cable, satellite and other distribution for the Company's programming and fees associated therewith; the success of the Company's strategic alliances and relationships; 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 involving or otherwise affecting the Company's operations; significant factors difficult to predict, such as widespread weather catastrophes or other significant television-covering events causing an interruption of television coverage or that directly competes with the viewership of our programming, and the ability of the Company to obtain and retain key executives, on-air hosts and other key 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, 2005, specifically under the captions entitled "Risk Factors" and "Critical Accounting Policies and Estimates," provide information that 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. 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.

OVERVIEW

Company Description

ValueVision Media, Inc. is an integrated direct marketing company that markets its products directly to consumers through various forms of electronic media. The Company's principal lines of business is its television home shopping business, ShopNBC, and companion Internet shopping website, ShopNBC.com, which sells 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.

Products and Customers

Products sold on the Company's television home shopping network and Internet shopping website include jewelry, computers and other electronics, housewares, apparel, cosmetics, fitness products, giftware, collectibles, seasonal items and other merchandise. Jewelry represents the Company's largest single category of merchandise, representing 58% and 65% of television home shopping and Internet net sales for the three months ended April 30, 2005 and April 30, 2004, respectively. After jewelry, the second largest product category of merchandise sold is computers and electronics, representing 19% and 14% of television home shopping and Internet net sales for the three months ended April 30, 2005 and April 30, 2004, respectively. The Company believes that product diversification will appeal to a broader segment of potential customers and is important to growing the Company's business. The Company's product diversification strategy is to continue to develop new product offerings primarily in the home, apparel and accessories, cosmetics, fitness and consumer electronics categories to supplement the existing jewelry and computer and electronics business. The Company continued to make progress on its strategic objective of diversifying the merchandise mix offered to consumers during fiscal 2005, growing product categories outside of jewelry and computers and electronics in the three months ended April 30, 2005 from 21% to 23% of total television home shopping and Internet sales as compared to the three months ended April 30, 2004. The Company believes that its customers are primarily women between the ages of 35 and 55 with annual household incomes between $50,000 and $75,000 and believes its customers make purchases based primarily on convenience, unique product offerings, value and quality of merchandise.

Company Strategy

The Company's mission is to be a leader in innovative multimedia retailing, offering consumers an entertaining, informative and interactive shopping experience. The following business strategies are intended to continue the growth of the Company's television home shopping business and complementary website: (i) leverage the strong brand recognition of the NBC name and associated peacock symbol to achieve greater brand recognition with the ShopNBC television channel and ShopNBC.com website; (ii) diversify the types of products offered for sale outside of the historical categories of jewelry and computers;
(iii) increase program distribution in the United States through new or expanded broadcast agreements with cable and satellite operators and other creative means for reaching consumers such as webcasting on ShopNBC.com; (iv) increase average net sales per home by increasing penetration within the existing audience base and by attracting new customers through a broadening of its merchandise mix and targeted marketing efforts; (v) continue to grow the Company's Internet business with innovative use of marketing and technology, such as advanced search strategies, personalization, webcasting and unique auction capabilities; and
(vi) upgrade the overall quality of the Company's network, programming and customer support infrastructure consistent with expectations associated with the NBC brand name.

Challenge

The Company's television home shopping business operates with a high fixed cost base, which is primarily due to fixed contractual fees paid to cable and satellite operators to carry the Company's programming. In addition, the Company has invested in new initiatives intended to sustain sales growth that has required significant up-front investment. These new initiatives include increased marketing support, improved customer experience, enhanced on-air quality and improved business intelligence. In order to attain profitability, the Company must achieve sufficient sales volume through the acquisition of new customers and the increased retention of existing customers to cover its high fixed costs and these new initiatives. The Company's growth and profitability could be adversely impacted if sales volume does not meet expectations, as the Company will have limited immediate capability to reduce its fixed cable and satellite distribution operating expenses to mitigate any potential sales shortfall.

Company's Competition

The direct marketing and retail businesses are highly competitive. In its television home shopping and Internet operations, the Company competes for consumer expenditures with other forms of retail businesses, including traditional "brick and mortar" department, discount, warehouse and specialty stores, other mail order, catalog and television home shopping companies, infomercial companies and other direct sellers. The television home shopping industry is also highly competitive and is dominated by two companies, QVC Network, Inc. and HSN, Inc., both of which are larger, more diversified and have greater financial and distribution resources than the Company. In 2002, Shop at Home, Inc. ("SATH") and E.W. Scripps Company ("Scripps") announced the completion of a transaction that resulted in Scripps owning a controlling interest in the SATH television network, which also directly competes with the Company. In addition, the American Collectibles Network ("ACN"), which broadcasts the Jewelry Television home shopping channel, competes with the Company in the jewelry sector of the television home shopping industry. There are also a number of other small niche players and start-ups competing in the television home shopping industry. The Company further competes with retailers who sell and market their products through the highly competitive Internet medium. Many companies sell products over the Internet that are competitive with the Company's products. As the use of the Internet and other online services increase, larger, well-established and well-financed entities may continue to acquire, invest in or form joint ventures with providers of e-commerce and direct marketing solutions, and existing providers of e-commerce and direct marketing solutions may continue to consolidate. The Company expects increasing competition for viewers and customers and for experienced home shopping personnel from major cable systems, television networks, e-commerce and other retailers that may seek to enter the television home shopping industry. The continued evolution and consolidation of retailers on the Internet, together with strategic alliances being formed by other television home shopping networks and providers of e-commerce and direct marketing solutions, will also result in increased competition. The Company also competes to lease cable television time and enter into cable affiliation agreements. The Company believes that its ultimate success in the television home shopping industry is dependent upon several key factors, one of which is obtaining carriage on additional cable systems and obtaining additional sales penetration from the Company's existing customer base.

Results for the First Quarter of Fiscal 2005

Consolidated net sales for the quarter ended April 30, 2005 were $156,163,000 compared to $159,197,000 for the quarter ended April 30, 2004, a 2% decrease. The decrease in consolidated net sales is directly attributable to a decrease in sales from the Company's FanBuzz operations following the loss of its National Hockey League ("NHL") contract in September 2004. Net sales attributed to the Company's television and Internet operations increased slightly to $151,215,000 for the quarter ended April 30, 2005 from $151,127,000 for the quarter ended April 30, 2004. Consolidated gross margins were 33.5% for the quarter ended April 30, 2005 compared to 33.3% for the quarter ended April 30, 2004. The Company reported an operating loss of $11,591,000 and a net loss of $10,696,000 for the first quarter of fiscal 2005 compared to an operating loss of $8,177,000 and a net loss of $7,903,000 for the first quarter of fiscal 2004.

ASSET IMPAIRMENT AND EMPLOYEE TERMINATION COSTS

During the quarter ended April 30, 2005, a number of FanBuzz customers had notified FanBuzz that they had elected to not renew the term of their e-commerce services agreement or had decided to terminate their agreement for convenience as permitted in the agreement. Following these notifications, the Company assessed whether there had been an impairment of the FanBuzz long-lived assets in accordance with SFAS No. 144. The Company performed a cash flow analysis and concluded that the book value of certain long-lived assets at FanBuzz was significantly higher than their probability-weighted expected future cash flows and that an impairment had occurred. Accordingly, the Company recorded a non-cash impairment loss and related charge of $400,000 in the quarter ended April 30, 2005.

During the quarter ended April 30, 2005, the Company also recorded an additional $528,000 charge to earnings and established a related accrual in connection with the downsizing of the FanBuzz operations and the decision to eliminate a number of positions within the Company in an effort to streamline the corporate organization and reduce operating expenses. The charge consisted primarily of severance pay and related benefit costs associated with the elimination of approximately twelve positions. The severance is expected to be paid out over periods ranging from one to twelve months.

RESULTS OF OPERATIONS

SELECTED CONDENSED CONSOLIDATED FINANCIAL DATA
(UNAUDITED)

	DOLLAR AMOUNT AS A PERCENTAGE OF NET SALES FOR THE THREE MONTHS ENDED APRIL 30,	
	2005	2004
NET SALES	100.0%	100.0%
GROSS MARGIN	33.5%	33.3%
Operating expenses:		
Distribution and selling	32.7%	31.9%
General and administrative	4.2%	3.5%
Depreciation and amortization	3.4%	3.0%
Asset impairment	0.3%	--%
Employee termination costs	0.3%	--%
	40.9%	38.4%
Operating loss	(7.4)%	(5.1)%

KEY PERFORMANCE METRICS*
(UNAUDITED)

	FOR THE THREE MONTHS ENDED APRIL 30,		
	2005	2004	% CHANGE
PROGRAM DISTRIBUTION			
Cable FTE's (Average 000,s)	37,510	35,896	4%
Satellite FTE's (Average 000's)	23,325	20,151	16%
Total FTEs (Average 000's)	60,835	56,047	9%
Net Sales per FTE (Annualized)	$ 9.97	$ 10.79	(8)%
Active Customers - 12 month rolling	770,348	736,370	5%
% New Customers - 12 month rolling	58%	63%	
% Reactivated & Retained - 12 month rolling	42%	37%	
Customer Penetration - 12 month rolling	1.3%	1.3%	
MERCHANDISE MIX			
Jewelry	58%	65%	
Apparel	5%	5%	
Health & Beauty	4%	3%	
Computers & Electronics	19%	14%	
Fitness	2%	2%	
Home	12%	11%	
Shipped Units (000's)	1,196	1,316	(9%)
Average Selling Price - Shipped Units	$ 183	$ 168	9%

*Includes television home shopping and Internet sales only.

PROGRAM DISTRIBUTION

Average full time equivalent ("FTE") subscribers grew 9% in the first quarter ended April 30, 2005, resulting in a 4,788,000 increase in average FTE's compared to the prior year comparable quarter. The increase was driven by continued strong growth in satellite distribution and increased penetration of digital cable.

NET SALES PER FTE

Net sales per FTE for the first quarter ended April 30, 2005 decreased 8%, or $0.82 per FTE, compared to the prior year comparable quarter. The decrease was primarily due to flat first quarter television home shopping and Internet sales and the 9% increase in average FTE's for the quarter.

CUSTOMERS

The Company added 34,000 active customers over the twelve-month period ended April 30, 2005, a 5% increase over active customers added in the prior year comparable twelve-month period. The increase in active customers resulted from the increase in household distribution, product diversification efforts and an increase in the marketing and promotional efforts aimed at attracting new customers.

CUSTOMER PENETRATION

Penetration measures the total number of customers who purchased from the Company over the past twelve months divided by the Company's average FTE's for that same period. This measure was 1.3% for the twelve months ended April 30, 2005 and 2004.

MERCHANDISE MIX

During the quarter ended April 30 2005, jewelry net sales decreased to 58% of total television and Internet net sales from 65% during the prior year comparable quarter. Computer and electronic net sales as a percentage of total merchandise mix increased from 14% to 19% and all other merchandise categories increased from 21% to 23% versus the comparable prior year quarter. The Company's merchandise mix is evolving away from its historical reliance on jewelry and computers to a broader mix that also includes apparel, health and beauty, fitness, home and other product lines. The evolution of the merchandise mix is a key component of the Company's strategy to appeal to a broader audience, attract new customers and increase household penetration. Computer and electronic net sales as a percentage of total television home shopping and Internet net sales increased during the first quarter of fiscal 2005 primarily due to increased sales associated with LCD television sets, which are very popular with the Company's customers.

SHIPPED UNITS

The number of units shipped during the first quarter ended April 30, 2005 decreased 9% from the prior year comparable quarter to 1,196,000 from 1,316,000. The decrease in shipped units for the quarter ended April 30, 2005 was due primarily to a shift in the product mix in the first quarter of fiscal 2005 to higher priced merchandise in the computer and electronics categories driven primarily by sales of LCD televisions.

AVERAGE SELLING PRICE

The Average Selling Price ("ASP") per unit for the Company was $183 in the quarter ended April 30, 2005, a 9% increase from the comparable prior year quarter. The increase in the ASP during the first quarter of fiscal 2005 was due primarily driven by increases in price points associated with gems, gold, apparel and home merchandise categories.

NET SALES

Consolidated net sales, inclusive of shipping and handling revenue, for the three months ended April 30, 2005 were $156,163,000 compared with net sales of $159,197,000 for the three months ended April 30, 2004, a 2% decrease. The decrease in consolidated net sales is directly attributable to a $3,438,000 decrease in sales from the Company's FanBuzz operations following the loss of its NHL contract in September 2004. Net sales attributed to the Company's television and Internet operations increased slightly to $151,215,000 for the quarter ended April 30, 2005 from $151,127,000 for the quarter ended April 30, 2004. The growth in year-to-

date television home shopping and Internet net sales is primarily attributable to increased shipping and handling revenue as a result of fewer shipping promotions in the first quarter of fiscal 2005 compared to fiscal 2004 and the growth in FTE homes receiving the Company's television programming. During the twelve-month period ended April 30, 2005, the Company added approximately 4.8 million average FTE subscriber homes, a 9% increase, which was offset by an 8% decrease in the productivity of already existing FTE homes. Annualized net sales per FTE was $9.97 during the first quarter of fiscal 2005 decreasing from $10.79 during the first quarter of fiscal 2004. The Company intends to continue to develop its merchandising and programming strategies, including the continuation of its strategy of product diversification and increased marketing spending with the goal of improving its television home shopping and Internet sales results. While the Company is optimistic that television home shopping and Internet sales results will improve, there can be no assurance that such changes in strategy will achieve the intended results.

GROSS PROFIT

Gross profit for the three months ended April 30, 2005 and 2004 were $52,383,000 and $53,084,000, respectively, a decrease of $701,000. The decrease in consolidated gross profit is directly attributable to a $1,674,000 decrease in gross profit from the Company's FanBuzz operations following the loss of its NHL contract in September 2004. Gross profit attributed to the Company's television and Internet operations increased $966,000 for the quarter ended April 30, 2005 over the quarter ended April 30, 2004 due primarily to increased gross profit margins on shipping and handling and increased sales volume from the Company's television home shopping business. Gross margins for the three months ended April 30, 2005 and 2004 were 33.5% and 33.3%, respectively. Gross margins for the three months ended April 30, 2005 increased as compared to gross margins of the comparable prior year periods primarily due to a 1.3% margin increase resulting from an increase in television and Internet shipping and handling margins driven by the negative impact of the Company's fiscal 2004 free shipping loyalty club launched in February 2004, offset by a reduction in overall merchandise margins and a 1.0% decrease in margin relating to the reduction in FanBuzz's operations. Gross margins may not be comparable to those of other entities, since some entities include all of the costs related to their product distribution network in cost of sales and others, including the Company, exclude a portion of them from gross margin, including them instead as a component of distribution and selling expense. The Company expects the retail environment to continue to be uncertain and anticipates continued promotional activity for the remainder of the fiscal year.

OPERATING EXPENSES

Total operating expenses for the three months ended April 30, 2005 were $63,974,000 compared to $61,261,000 for the comparable prior year period. Total operating expenses for the three month period ended April 30, 2005 included a non-cash charge of $400,000 relating to impairments of long-lived assets associated with the Company's FanBuzz subsidiary. Total operating expenses for the three month period ended April 30, 2005 also included a charge of $528,000 recorded in connection with the downsizing of the FanBuzz operations and management's decision to eliminate a number of positions within the Company. Distribution and selling expense increased $343,000, or 1%, to $51,145,000, or 33% of net sales, during the first quarter of fiscal 2005 compared to $50,802,000, or 32% 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 of $1,108,000 for the three-month period ended April 30, 2005 due to a 9% year-to-date increase in the number of average FTE subscribers over the comparable prior year period and increased credit card fees of $491,000 due to an overall decline in first quarter net sales made using the ShopNBC credit card, which generally carries lower fees, and as a result of a higher percentage of the quarter's ShopNBC credit card sales being used for extended payment plans which are more costly. In addition, distribution and selling expense also increased over the comparable prior-year period as a result of increased costs associated with the hiring of programming personnel and on-air talent of $512,000, offset by a $1,677,000 decrease in distributing and selling expenses associated with the downsizing of the FanBuzz operations and decreased direct-mail and marketing expenses of $185,000 for the quarter ended April 30, 2005.

General and administrative expense for the three months ended April 30, 2005 increased $935,000, or 16%, to $6,610,000, or 4% of net sales, compared to $5,675,000, or 4% of net sales, for the three months ended April 30, 2004. General and administrative expense increased on a year-to-date basis over prior year primarily as a result of increased information system personnel salaries and consulting fees and software maintenance fees of $1,078,000 and increased legal fees of $151,000, offset by a decrease in executive bonuses totaling $314,000.

Depreciation and amortization expense for the three months ended April 30, 2005 was $5,291,000 compared to $4,784,000 for the three months ended April 30, 2004, representing an increase of $507,000, or 11%, from the comparable prior-year period. Depreciation and amortization expense as a percentage of net sales for the three months ended April 30, 2005 and 2004 was 3%. The increase is primarily due to increased depreciation and amortization as a result of assets placed in service in connection with the Company's various application software development and functionality enhancements.

OPERATING LOSS

For the three months ended April 30, 2005, the Company reported an operating loss of $11,591,000 compared to an operating loss of $8,177,000 for the three months ended April 30, 2004. The Company's operating loss increased for the three month period ended April 30, 2005 from the comparable prior-year period as a result of the Company's decrease in gross profit as described above under "Gross Profit." In addition to the decrease in gross profit over the comparable prior-year period, there were increases in distribution and selling expenses, particularly net cable access fees, credit card fees and additional costs associated with production and on-air talent, increases in general and administrative expenses recorded in connection with information system personnel salaries, consulting fees and software maintenance fees and increases in depreciation and amortization expense as a result of assets placed in service in connection with the Company's various application software development and functionality enhancements, the details of which are discussed above. Additionally, the Company's operating loss also increased for the three-month period ended April 30, 2005 from the comparable prior-year period due to a $400,000 asset impairment charge recorded in the first quarter of fiscal 2005 and a charge of $528,000 recorded in connection with costs incurred associated with first quarter employee terminations.

NET LOSS

For the three months ended April 30, 2005, the Company reported a net loss available to common shareholders of $10,768,000 or $(.29) per share on 37,077,000 weighted average common shares outstanding compared with a net loss available to common shareholders of $7,974,000 or $(.22) per share on 36,640,000 weighted average common shares outstanding for the quarter ended April 30, 2004. The net loss available to common shareholders for the three months ended April 30, 2005 includes a $250,000 cash dividend received from RLM, a $5,000 gain on the sale of investments and interest income totaling $646,000 earned on the Company's cash and short-term investments. For the quarter ended April 30, 2004, the net loss available to common shareholders included interest income of $274,000 earned on the Company's cash and short-term investments.

The Company has not recorded an income tax benefit on the losses recorded in the quarters ended April 30, 2005 and 2004 due to the uncertainty of such benefit's realization in the future as indicated by the Company's recording of an income tax valuation reserve. The Company recorded an income tax provision in the quarter ended April 30, 2005, relating to state income taxes payable on certain income for which there was no loss carryforward benefit available. The Company will continue to maintain a valuation reserve against its net deferred tax assets until such time that the Company believes it is more likely than not that such assets will be realized in the future.

PROGRAM DISTRIBUTION

The Company's television home-shopping programming was available to approximately 60.8 million average FTE households for the three months ended April 30, 2005 and approximately 56.0 million average FTE households for the three months ended April 30 2004. The Company's programming is currently available through affiliation and time-block purchase agreements with approximately 1,300 cable or satellite systems. Beginning in April 2003, the Company's programming was also made available full-time to homes in the Boston, Massachusetts market via a full-power television broadcast station that a subsidiary of the Company acquired. The Company also owns and operates a low power television station in Atlanta, Georgia. 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 that programming is received. The Company's television home shopping programming is also simulcast 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, ESTIMATES AND RISK FACTORS

A discussion of the critical accounting policies related to accounting estimates and assumptions and specific risks and uncertainties are discussed in detail in the Company's fiscal 2004 Annual Report on Form 10-K under the captions entitled "Risk Factors" and "Critical Accounting Policies and Estimates."

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As of April 30, 2005, cash and cash equivalents and short-term investments were $103,413,000, compared to $100,581,000 as of January 31, 2005, a $2,832,000 increase. For the three months ended April 30, 2005, working capital decreased $7,597,000 to $143,853,000. The current ratio was 2.5 at April 30, 2005 compared to 2.7 at January 31, 2005.

SOURCES OF LIQUIDITY

The Company's principal source of liquidity is its available cash, cash equivalents and short-term investments, accrued interest earned from its short-term investments and its operating cash flow, which is primarily generated from credit card receipts from sales transactions and the collection of outstanding customer accounts receivables. The timing of customer collections made pursuant to the Company's ValuePay installment program and the extent to which the Company extends credit to its customers is important to the Company's short-term liquidity and cash resources. A significant increase in the Company's accounts receivable aging or credit losses could negatively impact the Company's source of cash from operations in the short term. While credit losses have historically been within the Company's estimates for such losses, there is no guarantee that the Company will continue to experience the same credit loss rate that it has in the past. Historically, the Company has also been able to generate additional cash sources from the proceeds of stock option exercises and from the sale of its equity investments and other properties; however, these sources of cash are neither relied upon nor controllable by the Company. The Company has no long-term debt other than fixed capital lease obligations and believes it has the ability to obtain additional financing if necessary. At April 30, 2005, all short-term investments and cash equivalents were invested primarily in money market funds, high quality commercial paper with original maturity dates of less than 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. Although management believes the Company's short-term investment policy is 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 and interest earned on these investments are subject to interest rate market fluctuations. The average maturity of the Company's investment portfolio ranges from 30-180 days.

CASH REQUIREMENTS

The Company's principal use of cash is to fund its business operations, which consist primarily of purchasing inventory for resale, funding account receivables growth in support of sales growth and funding operating expenses, particularly the Company's contractual commitments for cable and satellite programming and the funding of capital expenditures. Expenditures made for property and equipment in fiscal 2005 and 2004 and for expected future capital expenditures include the upgrade and replacement of computer software and front-end merchandising systems, expansion of capacity to support the Company's growing business, continued improvements and modifications to the Company's owned headquarter buildings, the upgrade and digitalization of television production and transmission equipment and related computer equipment associated with the expansion of the Company's home shopping business and e-commerce initiatives. Historically, the Company has also used its cash resources for various strategic investments and for the repurchase of stock under the Company's stock repurchase program but is under no obligation to continue doing so if protection of liquidity is desired. The Company has the discretion in the future to continue its stock repurchase program and will make strategic investments as opportunities present themselves or when cash investments are determined to be beneficial to the long-term interests of its shareholders.

The Company ended April 30, 2005 with cash and cash equivalents and short-term investments of $103,413,000, no long-term debt and $1,212,000 of long-term capital lease obligations. The Company expects continued future growth in working capital as revenues grow beyond fiscal 2005 but expects cash generated from operations to largely offset the expected use. The Company believes its existing cash balances and its ability to raise additional financing will be sufficient to fund its obligations and commitments as they come due on a long-term basis as well as potential foreseeable contingencies. These estimates are subject to normal business risk factors as identified under "Risk Factors" in the Company's fiscal 2004 Annual Report on Form 10-K. In addition to these Risk Factors, a significant element of uncertainty in future cash flows arises from potential strategic investments, which are inherently opportunistic and difficult to predict. The Company believes existing cash balances, its ability to raise financing and the ability to structure transactions in a manner reflective of capital availability will be sufficient to fund any such investments while maintaining sufficient liquidity for its normal business operations.

Total assets at April 30, 2005 were $347,931,000, compared to $350,296,000 at January 31, 2005, a $2,365,000 decrease. Shareholders' equity was $206,249,000 at April 30, 2005, compared to $216,812,000 at January 31, 2005, a $10,563,000 decrease. The decrease in shareholders' equity for the three-month period ended April 30, 2005 resulted primarily from the net loss of $10,696,000 recorded during the three-month period and accretion on redeemable preferred stock of $72,000. These decreases were

offset by increases in shareholders' equity of $156,000 from proceeds received related to the exercise of stock options and vesting of deferred compensation of $49,000.

For the three-month period ended April 30, 2005, net cash provided by operating activities totaled $5,268,000 compared to net cash provided by operating activities of $572,000 for the three-month period ended April 30, 2004. Net cash provided by operating activities for the three-month periods ended April 30, 2005 and 2004 reflects the net loss, as adjusted for depreciation and amortization, common stock issued to employees, amortization of deferred compensation, gain on sale of investments and an asset impairment charge recorded in fiscal 2005. In addition, net cash provided by operating activities for the three months ended April 30, 2005 reflects primarily an increase in inventories and prepaid expenses and other assets, offset by a decrease in accounts receivable and an increase in accounts payable and accrued liabilities. Inventories increased from year-end primarily as a direct result of the Company's effort to diversify its product mix offerings and the timing of merchandise receipts. Prepaid expenses and other assets increased primarily as a result of increased prepaid postage. The increase in accounts payable and accrued expenses is a direct result of the increase in inventory levels and the timing of merchandise receipts. In addition, accounts payable and accrued expenses increased from year-end as a result of the timing of payments made for accrued cable access and marketing fees, the accrual recorded in connection with the first quarter employee termination costs, offset by a decrease in amounts due to customers for returned merchandise. Accounts receivable decreased primarily due to the timing of customer collections made pursuant to the "ValuePay" installment program and a reduction in credit card receivables.

Net cash used for investing activities totaled $4,211,000 for the three months ended April 30, 2005 compared to net cash used for investing activities of $46,202,000 for the three months ended April 30, 2004. For the three months ended April 30, 2005 and 2004, expenditures for property and equipment were $2,426,000 and $2,837,000, respectively. Expenditures for property and equipment during the periods ended April 30, 2005 and 2004 primarily include capital expenditures made for the upgrade and replacement of computer software and front-end ERP, customer care management and merchandising systems, related computer equipment, digital broadcasting equipment and other office equipment, warehouse equipment, production equipment and building improvements. Principal future capital expenditures include the upgrade and replacement of various enterprise software systems, continued improvements/modifications to the Company's owned headquarter buildings, the expansion of warehousing capacity, the upgrade and digitalization of television production and transmission equipment and related computer equipment associated with the expansion of the Company's home shopping business and e-commerce initiatives. In the three months ended April 30, 2005, the Company invested $31,924,000 in various short-term investments and received proceeds of $30,139,000 from the sale of short-term investments. In the three months ended April 30, 2004, the Company invested $68,538,000 in various short-term investments and received proceeds of $25,173,000 from the sale of short-term investments.

Net cash used for financing activities totaled $15,000 for the three months ended April 30, 2005 and related primarily to cash proceeds received of $152,000 from the exercise of stock options, offset by payments of long-term capital lease obligations of $167,000. Net cash provided by financing activities totaled $1,059,000 for the three months ended April 30, 2004 and related primarily to cash proceeds received of $1,395,000 from the exercise of stock options, offset by payments of long-term capital lease obligations of $336,000.

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 has held certain equity investments in the form of common stock purchase warrants in public companies and accounted for these investments in accordance with the provisions of SFAS No. 133. The Company no longer has investments in the form of common stock purchase warrants. 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.

ITEM 4. CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

As of the end of the period covered by this report, the Company's management conducted an evaluation, under the supervision and with the participation of the Company's chief executive officer and chief financial officer, of the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based on this evaluation, the officers concluded that the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's management, with the participation of the chief executive officer and chief financial officer, performed an evaluation as to whether any change in the internal controls over financial reporting (as defined in Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934) occurred during the period covered by this report. Based on that evaluation, the chief executive officer and chief financial officer concluded that no change occurred in the internal controls over financial reporting during the period covered by this report that materially affected, or were reasonably likely to materially affect, the internal controls over financial reporting.

PART II OTHER INFORMATION

ITEM 6. EXHIBITS

EXHIBIT NUMBER	EXHIBIT
3.1	Sixth Amended and Restated Articles of Incorporation, as Amended. (A)
3.2	Certificate of Designation of Series A Redeemable Convertible Preferred Stock. (B)
3.3	Articles of Merger. (C)
3.4	Bylaws, as amended. (A)
10	Employment Agreement between the Registrant and Bryan Venberg dated May 3, 2004. *+
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.*
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.*
32.1	Section 1350 Certification of Chief Executive Officer.*
32.2	Section 1350 Certification of Chief Financial Officer.*

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* Filed herewith.

+ Management compensatory plan/arrangement.

(A) Incorporated herein by reference to the Registrant's Quarterly Report on Form 10-QSB for the quarter ended August 31, 1994, filed on September 13, 1994, File No. 0-20243.

(B) Incorporated herein by reference to the Registrant's Current Report on Form 8-K dated April 15, 1999, filed on April 29, 1999, File No. 0-20243.

(C) Incorporated herein by reference to the Registrant's Current Report on Form 8-K Dated May 16, 2002, filed on May 17, 2002, File No. 0-20243.

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/ William J. Lansing

William J. Lansing
Chief Executive Officer, President and Director
(Principal Executive Officer)

/s/ Frank P. Elsenbast

Frank P. Elsenbast
Vice President Finance, Chief Financial Officer
(Principal Financial Officer)

June 9, 2005

EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT	FILED BY
3.1	Sixth Amended and Restated Articles of Incorporation, as Amended	Incorporated by reference
3.2	Certificate of Designation of Series A Redeemable Convertible Preferred Stock	Incorporated by reference
3.3	Articles of Merger	Incorporated by reference
3.4	Bylaws, as amended	Incorporated by reference
10	Employment Agreement between the Registrant and Bryan Venberg dated May 3, 2004	Filed herewith
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer	Filed herewith
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer	Filed herewith
32.1	Section 1350 Certification of Chief Executive Officer	Filed herewith
32.2	Section 1350 Certification of Chief Financial Officer.	Filed herewith

EXHIBIT 10

EMPLOYMENT AGREEMENT

THIS AGREEMENT made as of the 3rd day of May, 2004, by and between ValueVision Media, Inc., a Minnesota corporation (hereinafter referred to as "Company"), and Bryan Venberg (hereinafter referred to as "Employee").

WITNESSETH:

WHEREAS, Company desires to obtain the services of Employee and Employee desires to be employed by Company 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. Company agrees to employ Employee and Employee agrees to be employed by Company on the terms and conditions set forth in this Agreement.

2. Term. The term of Employee's employment hereunder shall commence on May 3, 2004 (the "Commencement Date") and shall continue on a full-time basis until the second (2nd) anniversary of the Commencement Date (the "Term"). The "Employment Period" for purposes of this Agreement shall be the period beginning on the Commencement Date and ending at the time Employee shall cease to act as an employee of Company.

3. Duties. Employee shall serve as Vice President - Human Resources of Company reporting to Company's Senior Vice President of Human Resources and shall perform the duties as assigned by Company, 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 Company. 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, or such additional vacation allowance as may be granted in the sole discretion of the Company. The Company's Senior Vice President of Human Resources 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 Five Thousand Dollars ($205,000.00) per year for the Term of this Agreement

("Base Salary").

b) Bonus Salary. Employee shall have a bonus objective of One Hundred Thousand Dollars ($100,000) for each fiscal year, and the award of Bonus Salary in each fiscal year shall be determined pursuant to the bonus plan and performance goals set for Employee each year. In order to receive a Bonus Salary with respect to any given fiscal year, Employee must be employed by Company as of the last day of such fiscal year. For the fiscal year ending January 31, 2005, the Employee shall have a guaranteed bonus minimum payment of One Hundred Thousand dollars ($100,000).

c) Signing Bonus. The Company shall pay Employee a signing bonus of Fifty Thousand dollars ($50,000), payable within five (5) business days of the commencement of employment with the Company by Employee.

5. Other Benefits During the Employment Period.

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

b) The Company shall reimburse Employee for all reasonable and necessary out-of-pocket business expenses incurred during the regular performance of services for the Company, including, but not limited to, entertainment and related expenses so long as Company has received proper documentation of such expenses from Employee.

c) The Company shall furnish Employee with such working facilities and other services as are suitable to Employee's position with the Company 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 Company 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 Company 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.

d. Termination With Cause. Company shall be entitled to terminate this Agreement and Employee's employment hereunder for Cause (as herein defined), and in the event that Company 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 Company. 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 Company, including without limitation, theft or embezzlement from Company; (ii) public conduct by Employee substantially detrimental to the reputation of Company, (iii) material violation by Employee of any Company 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.

e. By Employee for Company Cause. Employee may terminate this Agreement upon thirty (30) days written notice to Company (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 Company 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) Company substantially diminishes Employee's duties such that they are no longer of an executive nature as contemplated by Section 3 hereof; or

(ii) Company 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 Company and Employee.

f. Other. If Company 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, Company shall pay Employee by means of regular bi-weekly paychecks an amount equal to 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, Company shall continue to provide Employee with medical and dental benefits on the same terms as made available to active employees until the end of the Term.

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 Company 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 Company 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 Company, or any entity related thereto are the property of Company and will be confidential to Company. 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 Company 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 Company's written consent. Employee agrees to deliver to Company 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 Company, 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 Company to seek a protective order, or information disclosed by Employee to his attorney regarding litigation with Company.

8. Inventions and Patents. Employee agrees that all inventions, innovations or improvements in the method of conducting Company's business or otherwise related to Company's business (including new contributions, improvements, ideas and discoveries, whether patentable or not) conceived or made by him during the Employment Period belong to Company. Employee will promptly disclose such inventions, innovations and improvements to Company and perform all actions reasonably requested by Company 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, or any mail order or internet business that is affiliated with a television home shopping network or infomercial company (the "Restricted Business"), anywhere that Company 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 Company (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 Company or any entity related to Company to leave his, his or their employ, or in any other way interfere with the relationship between Company or any entity related to Company and any other employee of Company or any

entity related to Company, or (iv) induce or attempt to induce any customer, supplier, franchisee, licensee, other business relation of any member of Company or any entity related to Company to cease doing business with Company or any entity related to Company, or in any way interfere with the relationship between any customer, franchisee or other business relation and Company or any entity related to Company, without the prior written consent of Company. 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 twelfth (12th) 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 Company 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 Company to any liability as a result of his employment hereunder. Employee agrees to indemnify and hold Company 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.

10. Termination of Existing Agreements. This Agreement supersedes and preempts any prior understandings, agreements or representations, written or oral, by or between Employee and Company, which may have related to the employment of 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 Company 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 Company, or consolidation or merger of Company with or into another corporation or entity, or the sale of substantially all of the operating assets of Company to another corporation, entity or individual, Company 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 Company hereunder.

13. Stock Options. Employee shall be granted stock options for 75,000 shares of ValueVision Media, Inc. common stock ("Stock Options") with an exercise price per share to be determined, 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.

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 Company.

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 Company, to Company's principal business office; and (ii) in the case of Employee, to his address appearing on the records of Company, or to such other address as he may designate in writing to Company.

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.

COMPANY: *VALUEVISION MEDIA, INC.*

By: /s/ Stann Leff

Stann Leff
Senior Vice President

EMPLOYEE:

By: /s/ Bryan Venberg

Bryan Venberg

EXHIBIT 31.1

CERTIFICATION

I, William J. Lansing, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ValueVision Media, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ WILLIAM J. LANSING
--
William J. Lansing
Chief Executive Officer and President
(Principal Executive Officer)

June 9, 2005

EXHIBIT 31.2

CERTIFICATION

I, Frank P. Elsenbast, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ValueVision Media, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ FRANK P. ELSENBAST

Frank P. Elsenbast
Vice President Finance, Chief Financial Officer
(Principal Financial Officer)

June 9, 2005

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, William J. Lansing, Chief Executive Officer of ValueVision Media, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The Quarterly Report on Form 10-Q of the Company for the period ended April 30, 2005 (the "Report") fully complies with the requirements of Section 13(a) and 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ WILLIAM J. LANSING

William J. Lansing
Chief Executive Officer and President
(Principal Executive Officer)

June 9, 2005

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Frank P. Elsenbast, Acting Chief Financial Officer of ValueVision Media, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The Quarterly Report on Form 10-Q of the Company for the period ended April 30, 2005 (the "Report") fully complies with the requirements of Section 13(a) and 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ FRANK P. ELSENBAST
--
Frank P. Elsenbast
Vice President Finance, Chief Financial Officer
(Principal Financial Officer)

June 9, 2005

End of Filing

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