



Liberty Media Investor Meeting

9.26.2008



Forward-Looking Statements

This presentation includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about financial guidance, business strategies, market potential, future financial performance, new service and product launches and other matters that are not historical facts. These forward-looking statements involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including, without limitation, possible changes in market acceptance of new products or services, competitive issues, regulatory issues, and continued access to capital on terms acceptable to Liberty Media. These forward looking statements speak only as of the date of this presentation, and Liberty Media expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in Liberty Media's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Please refer to the publicly filed documents of Liberty Media, including the most recent Forms 10-Q and 10-K for additional information about Liberty Media and about the risks and uncertainties related to Liberty Media's business which may affect the statements made in this presentation.

At today's meeting we will discuss certain non-GAAP financial measures. Please refer to the Appendix at the end of this presentation for definitions of adjusted OIBDA as well as applicable GAAP reconciliations. The appendix will be available on our website www.libertymedia.com throughout this conference.

All market figures included or reflected in this presentation are as of market close 9/24/08.

Additional Information

Nothing in this presentation shall constitute a solicitation to buy or an offer to sell shares of Liberty Media stock or stock in new Liberty Entertainment, Inc. The offer and sale of shares of Liberty Entertainment in the proposed split-off will only be made pursuant to an effective registration statement. Liberty Media stockholders and other investors are urged to read the registration statement to be filed with the SEC, including the proxy statement/prospectus to be contained therein, because it will contain important information about the transaction. A copy of the registration statement and the proxy statement/prospectus, once filed, will be available free of charge at the SEC's website (<http://www.sec.gov>). Copies of the proxy statement/prospectus and the filings with the SEC that will be incorporated by reference in the proxy statement/prospectus can also be obtained, without charge, by directing a request to Liberty Media's Investor Relations, Telephone: (720) 875-5408.

Participation in Solicitation

The directors and executive officers of Liberty Media and other persons may be deemed to be participants in the solicitation of proxies in respect of proposals to approve the split-off of Liberty Entertainment. Information regarding the directors and executive officers of Liberty Media, those expected to serve as directors and executive officers of Liberty Entertainment and other participants in the proxy solicitation, together with a description of their respective direct and indirect interests, by security holdings or otherwise, will be available in the proxy materials to be filed with the SEC.



Today's Agenda

9:00 - 9:05	Good Morning	Courtnee Ulrich
9:05 - 9:25	Liberty Media Liberty Entertainment	Greg Maffei
9:25 - 9:55	DIRECTV	Chase Carey
9:55 - 10:10	Liberty Sports Group	Mark Shuken
10:10-10:40	Starz/Overture Films	Bob Clasen
10:40-10:50	Liberty Capital	Greg Maffei
10:50-11:00	Break	
11:00 - 11:10	Liberty Interactive	Greg Maffei
11:10 - 11:40	QVC	Michael George
11:40 - 12:15	e-commerce Panel Discussion	Courtnee Ulrich Ryan DeLuca Dan Haight Jim Holland Bill Strauss
12:15 - 1:00	Conclusion and Q&A	John Malone Greg Maffei



Innovate, Execute, Grow

Gregory B. Maffei
President and CEO



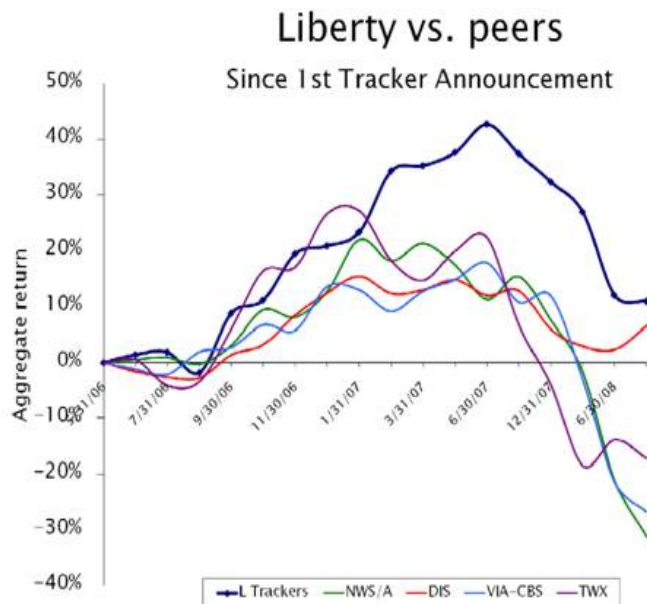
Since we met last September...

- Completed swap: NWS for DTV and RSNs
 - Bought 7% more of DTV
- Introduced Liberty Entertainment tracking stock
- Announced split-off of Liberty Entertainment
- Repurchased 14% of LCAPA in response to market conditions
- Completed three attractive e-commerce acquisitions at Liberty Interactive



Liberty Performance

Liberty has outperformed its peers since the initial tracker issuance



What We Do Well

1. Innovate, especially financially
2. Manage our portfolio of businesses
3. Empower operating managers



Financial Innovation

- Liberty Entertainment
 - NWS swap – value accretion and increased asset basis
 - DTV collar and 78.3m share purchase
 - Encouraged DTV buyback and completed voting standstill
- Liberty Capital
 - Share buybacks – reduced outstanding shares by 14%
 - Tax-efficient transactions, e.g., §355 swaps
 - Timely transactions – shorts, exchangeable debt, Sprint derivative
 - Arranged debt facility for mezzanine investments
- Liberty Interactive
 - Arranged credit capacity in better times



Swap / Transaction History

- News Corp – up \$6.5b since deal announcement
 - NWS down >42%, DTV +3.5%
- Time Warner – swapped 68.5m TWX shares at ~\$21 vs. current \$13.96
 - Up ~\$800m on trade and tax benefits
- CBS – swapped 7.6m CBS shares tax-free at \$30.82 v. current \$14.72
- OnCommand – sold OnCommand for \$380m
 - \$332m in cash and hedged LNET position with puts at \$30.88/share vs. current \$2.67
- OpenTV – sold 39.4m OPTV shares at \$2.98 vs. current \$1.49
- IDT – Swapped 17.2m IDT shares at ~\$13.50 vs. current \$0.70



Be Safe

- Protect our downside
 - Financial innovation limits our equity and other exposure
- Ensure liquidity
 - For operations, debt maturities, and opportunities
- Manage exposure
 - Counterparty exposure limited to high quality names
- Corporate cash in AAA and Treasury funds
 - Not perfect: some risk in money market funds



Manage Our Portfolio

- Allocate capital
 - Invest in attractive opportunities
 - Divest unattractive and non-core businesses and assets tax-efficiently
- Encourage efficiencies and synergy
 - Consolidate overlapping costs, especially overhead
 - Incent managers to work together
- Create options
 - Preserve structural flexibility
- Construct investor choice
 - “Purer plays” through trackers and spins



Empower Our Managers

- Part of Liberty's appeal is (relative) autonomy
- Encourage CEOs and management teams to work together
 - Financial incentives
 - CEO council
 - Marketing summit, marketing wiki
 - Strategic purchasing initiative
- Offer platforms for learning that require Liberty's scale
 - NetLeaders Forum
- Share best practices
 - e-commerce companies provide Internet DNA to QVC
- Provide capital, deal expertise and financial sophistication



Objectives and Strategy

- Liberty Entertainment
 - Complete split-off, reduce discount to SOP
 - Explore DTV options
 - Consider content and distribution investments
- Liberty Capital
 - Rationalize assets tax-efficiently
 - Deploy cash derived from tax shield
 - Repurchase stock opportunistically with excess capital
- Liberty Interactive
 - Improve operating results at QVC
 - Expand QVC's footprint: international, internet, other platforms
 - Acquire additional attractive e-commerce businesses
 - Expand liquidity and rationalize passive stakes





Chase Carey
President & CEO



The DIRECTV Group

Cautionary Statement

This presentation includes certain statements that may be considered to be, "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). These forward-looking statements generally can be identified by words such as "believe," "expect," "estimate," "anticipate," "intend," "plan," "foresee," "project" or other similar words or phrases. Similarly, statements that describe our objectives, plans or goals also are forward-looking statements. All of these forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or from those expressed or implied by the relevant forward-looking statement. Such risks and uncertainties include, but are not limited to: economic conditions; product demand and market acceptance; ability to improve customer service or create new and desirable programming content and interactive features; government action; political, economic and social uncertainties in many Latin American countries in which DTVLA operates; foreign currency exchange rates; competition; the outcome of legal proceedings; ability to achieve cost reductions; ability to renew programming contracts under favorable terms; technological risk; limitations on access to distribution channels reliance on satellites as a significant part of our infrastructure and we may face other risks described from time to time in periodic reports filed by us with the SEC.

Non-GAAP Financials

This presentation includes financial measures that are not determined in accordance with GAAP, such as Operating Profit before Depreciation and Amortization, Free Cash Flow and Cash Flow before Interest and Taxes. These financial measures should be used in conjunction with other GAAP financial measures and are not presented as an alternative measure of operating results, as determined in accordance with GAAP. DIRECTV management uses these measures to evaluate the profitability of DIRECTV U.S.' subscriber base for the purpose of allocating resources to discretionary activities such as adding new subscribers, upgrading and retaining existing subscribers and for capital expenditures. A reconciliation of these measures to the nearest GAAP measure is posted on our website and is included at the end of this presentation package.



Goal: Deliver The Best TV Experience

Through Leadership In:

- Content
- Technology
- Service



Financial Objectives

- Solid Top Line Growth
- Increasing Margins
- Strong Cash Flow Growth



Strong First Half Results

The DIRECTV Group

\$M except OPBDA Margin	1H 2007	1H 2008	Change
Revenue	8,043	9,398	17%
Operating Profit Before D&A (OPBDA)	2,063	2,539	23%
OPBDA Margin	25.6%	27.0%	137 Bps
Cash Flow Before Interest & Taxes	653	1,335	104%
Free Cash Flow	510	917	80%



High Quality Subscriber Growth

Net Subscriber Additions (K)	Full Year 2006	Full Year 2007	First Half 2008
DIRECTV U.S.	820	878	404
Dish Network	1,065	675	10
Cable	163	(520)	(270)
Verizon FiOS	205	742	439
AT&T U-Verse	3	228	318
Total Pay TV Market	2,256	2,003	900



Unique Marketing Strengths

The composite image consists of three main parts:

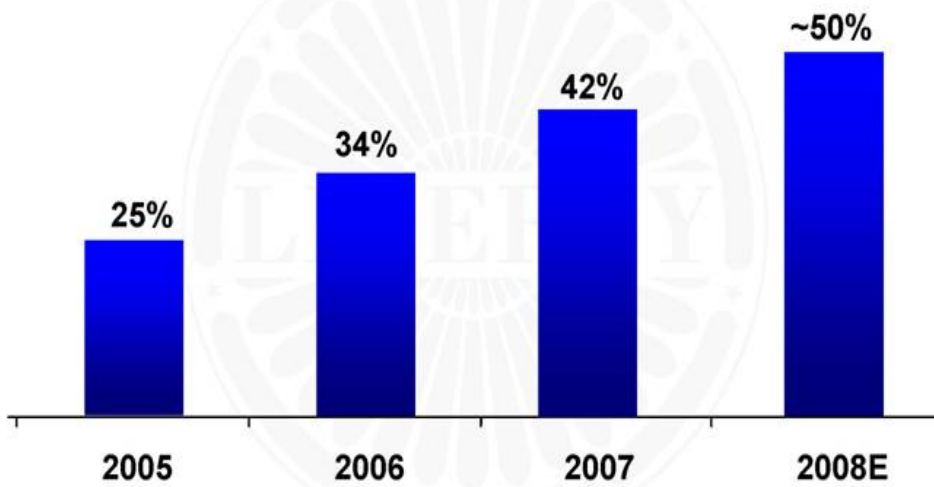
- Top Left:** A blue DIRECTV blimp with the text "DIRECTV Speed Channel HD On DIRECTV" written on its side.
- Bottom Left:** A photograph of a blonde woman wearing a red t-shirt with "BONNIE NEST" printed on it, surrounded by falling dollar bills.
- Right Side:** A DIRECTV advertisement for NFL Sunday Ticket. The ad features a football player in a blue jersey and includes the following text:
 - EVERY GAME. EVERY SUNDAY.**
 - GET 4 MONTHS FREE OF DIRECTV'S BEST TV PACKAGE!** (with a "OVER \$600 VALUE" badge)
 - Over 245 all-digital channels including: (logos for ESPN, ESPN2, ESPN3, ESPN4, ESPN5, ESPN6, ESPN7, ESPN8, ESPN9, ESPN10, ESPN11, ESPN12, ESPN13, ESPN14, ESPN15, ESPN16, ESPN17, ESPN18, ESPN19, ESPN20, ESPN21, ESPN22, ESPN23, ESPN24, ESPN25, ESPN26, ESPN27, ESPN28, ESPN29, ESPN30, ESPN31, ESPN32, ESPN33, ESPN34, ESPN35, ESPN36, ESPN37, ESPN38, ESPN39, ESPN40, ESPN41, ESPN42, ESPN43, ESPN44, ESPN45, ESPN46, ESPN47, ESPN48, ESPN49, ESPN50, ESPN51, ESPN52, ESPN53, ESPN54, ESPN55, ESPN56, ESPN57, ESPN58, ESPN59, ESPN60, ESPN61, ESPN62, ESPN63, ESPN64, ESPN65, ESPN66, ESPN67, ESPN68, ESPN69, ESPN70, ESPN71, ESPN72, ESPN73, ESPN74, ESPN75, ESPN76, ESPN77, ESPN78, ESPN79, ESPN80, ESPN81, ESPN82, ESPN83, ESPN84, ESPN85, ESPN86, ESPN87, ESPN88, ESPN89, ESPN90, ESPN91, ESPN92, ESPN93, ESPN94, ESPN95, ESPN96, ESPN97, ESPN98, ESPN99, ESPN100)
 - Over 30 premium movie channels
 - Local channels included
 - Get DIRECTV's PREMIER Package free for 4 months when you sign up for NFL SUNDAY TICKET for only \$14.99 a month for 4 months.
 - FREE HD DVR RECEIVER** (with a "FREE HD DVR RECEIVER" badge)
 - FREE PROFESSIONAL INSTALLATION** (with a "FREE PROFESSIONAL INSTALLATION" badge)
 - Month 1: \$29.99 (with a "\$29.99" badge)
 - ORDER TODAY! Limited-time offer.**

"It's broadcast in 1080i. I totally don't know what that means, but I want it."
 - Daisy Duke



Direct Sales Expansion

Direct Sales as a % of Total Gross Additions



Target Opportunistically

- Weak Cable
- Market Disruptions
- Unique Content Advantages
 - HD
 - Sports

Attention Chicago Comcast Customers:

FAIL TO ACT NOW AND YOU MAY LOSE 37 CHANNELS.

Comcast's pushing you to move to digital, which means that if you don't upgrade your hardware—and possibly pay more in the process—you could be stripped of 37 channels, including MTV, ESPN and Nick. **But you don't have to choose between getting less or paying more.**

There's a better choice: DIRECTV

Switch to DIRECTV now and get all this:

- FREE Professional Installation
- FREE HD Receiver or DVR upgrade
- No equipment to buy. No start-up costs.
- Local channels included in every package
- #1 in customer satisfaction seven years running
- 100% digital-quality picture and sound on every channel!

\$29.99 per month **was \$220**

OVER 140 CHANNELS

Dynamic Communications 5925 Merle Hay Road Chicago, IL 60601 1-773-289-0916

DIRECTV UNIVERSITY MICROFILMS



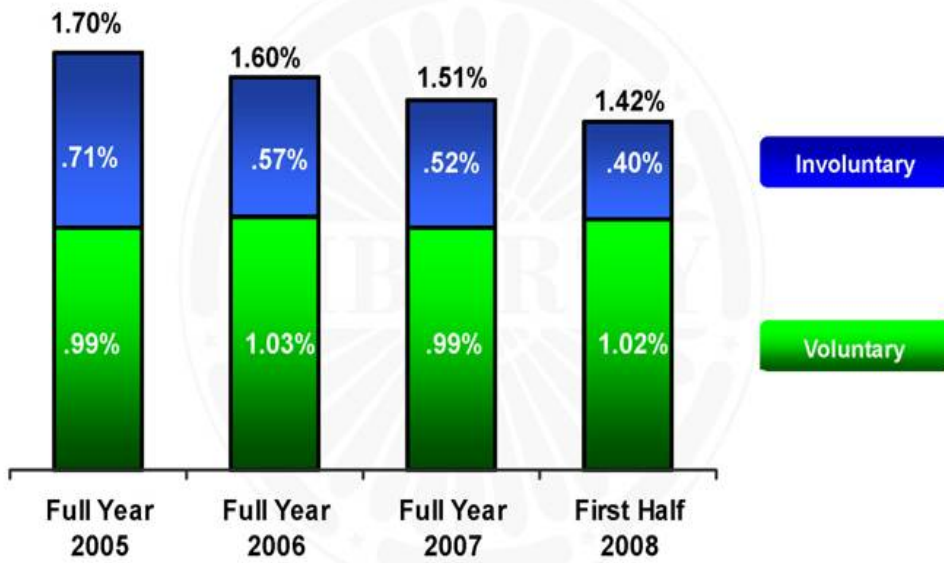
Build Key Niches

- Commercial
- MDU
- Ethnic
- Rural

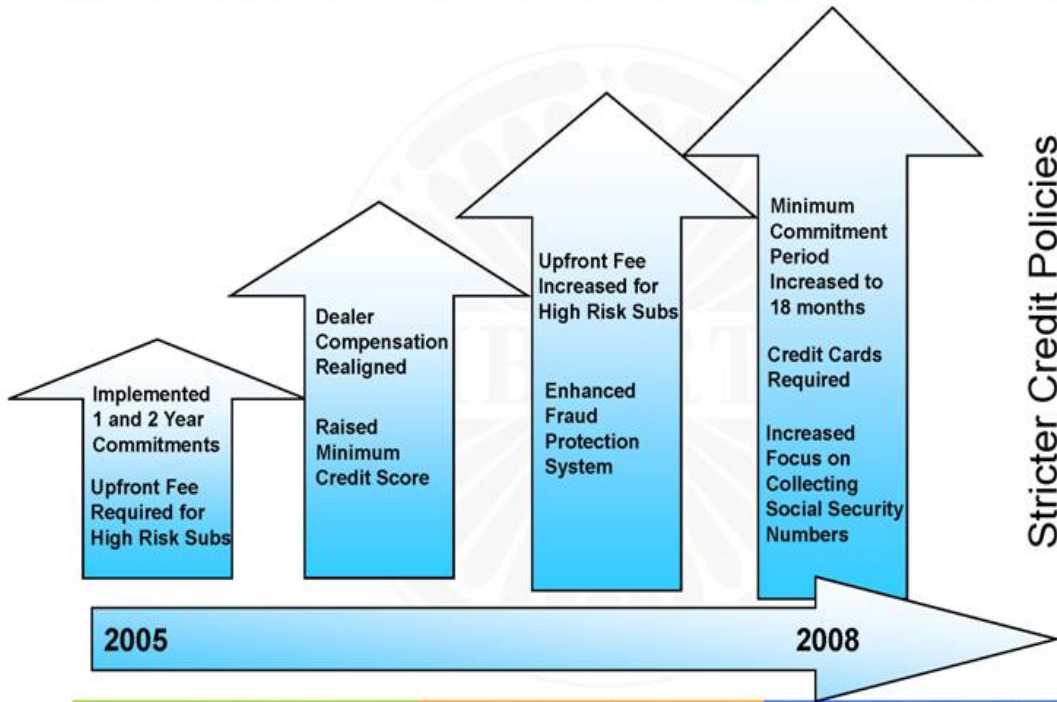


Manage Churn

DIRECTV U.S. Average Monthly Churn

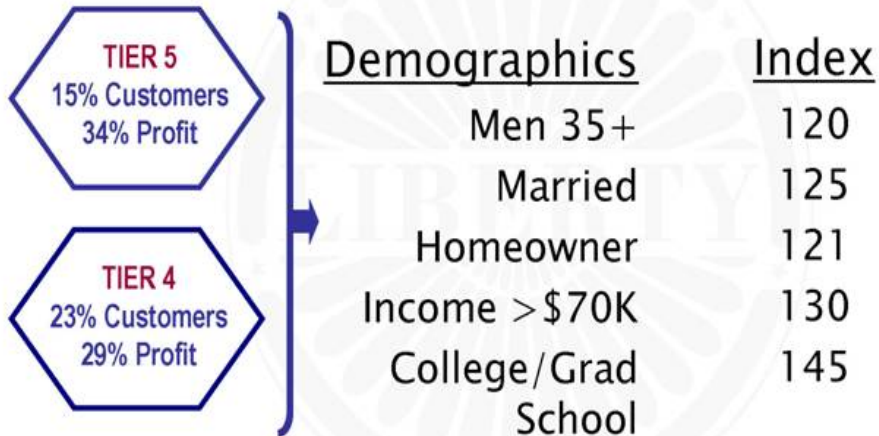


Tighter Credit Policies/Key Customer Terms



Customer Segmentation

- 38% of Customers Drive 63% of Profits



Communication / Loyalty



Dear John,
Loyal customer since May 2007*

Happy anniversary and thank you for being a loyal DIRECTV customer. It's because of viewers like you that we've become America's favorite satellite television provider. Please accept this anniversary gift:

SHOWTIME | **3 FREE MONTHS**
Channels 527-547

Just sit back and enjoy. There are no charges or strings attached. In fact, we've already turned it on for you.

Don't miss out on future anniversary gifts. Please go to directv.com/thanks, enter your account number and let us know the best place to email you. (Your account number is: XXXXXXXXXX)

And because we value your opinion, we would appreciate feedback on your DIRECTV experience. To make it easy, we've created a special place online where loyal customers like you can tell us what we're doing well and what we need to do better. You'll also find it at directv.com/thanks as well.

Sincerely,

Chase Carey
President and CEO, DIRECTV

P.S. Thank you again. Be sure to go to directv.com/thanks and update your email address so we'll know where to reach you on your next anniversary.

*Reflects your most recent activation date.



We strive to deliver the best television experience for you every day. Committed to the principles of honesty and integrity, our employees are determined to provide you with prompt, courteous and excellent service. We promise to do our best to resolve any issues that might arise as quickly as possible. And we will continue to develop the unique, innovative programming and services that you have come to expect and enjoy from DIRECTV.

This is our promise to you.



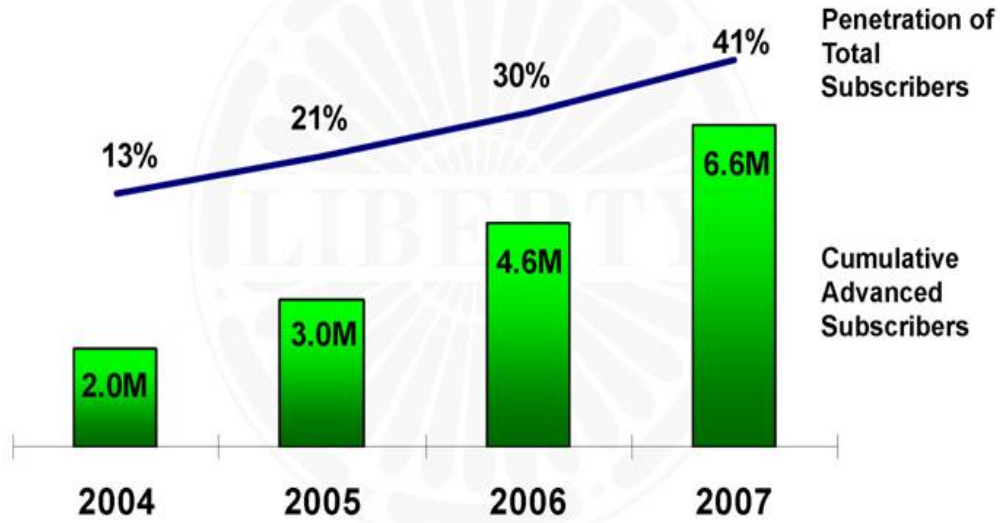
ARPU Growth

DIRECTV U.S.	Full Year 2005	Full Year 2006	Full Year 2007	First Half 2008
Packages / Premiums / Sports / PPV	\$55.70	\$58.50	\$60.30	\$59.70
Advanced Services / Equipment / Lease Fees	8.90	9.70	12.20	13.60
Other / Ad Sales	5.00	5.50	6.60	7.50
Total ARPU	\$69.61	\$73.74	\$79.05	\$80.79
<i>Year-over-Year Growth</i>	<i>ARPU</i> 4.0%	5.9%	7.2%	7.8%



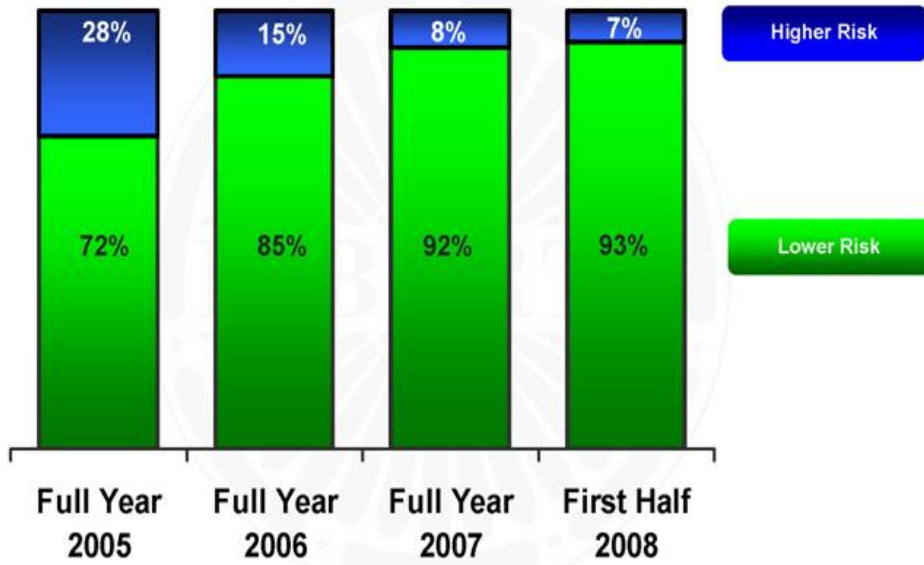
Advanced Product Leadership

Total HD and/or DVR Subscribers



Focus on Quality Subscribers

DIRECTV U.S. Gross Additions' Mix



DIRECTV on Demand



Advertising Opportunities

- Interactive
- Telescoping
- Local Advertising
- DVR Insertion
- Audience Measurement



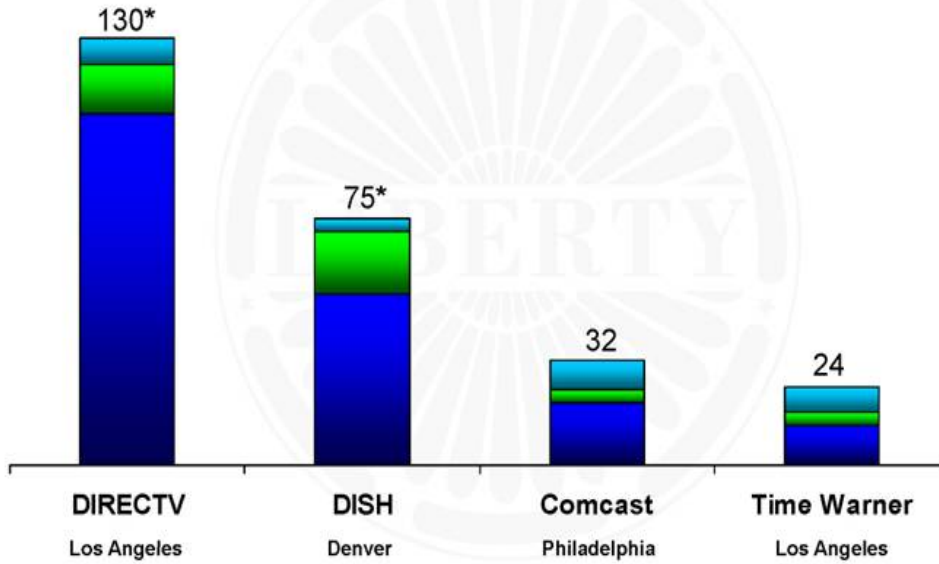
Content Leadership



HD Advantage

Based on August survey of websites

*Excludes Games-only Regional Sports Networks and VOD



Sports Leadership



Original / Unique Programming



New Season. New Network. New Wonders.



Interactive / Enhanced Services

The image displays three overlapping screens representing interactive services. The top screen is the DIRECTV SUPERCAST interface for a Giants vs Eagles game, showing a live video feed of a player (number 10) and various statistics. The bottom-left screen is a LOCAL weather forecast for Sunday, 11/23 12:34p, featuring a 'HURRICANE COVERAGE' alert and a 5-day forecast for ZIP 90245. The bottom-right screen is the GAME LOUNGE interface, which includes a menu with options like Games, Subscribe, Sign In, and Leaderboard, and a promotional banner for 'SUBSCRIBE TO GAME LOUNGE & GET 250 FREE TOKENS \$5.95'.



User Interface

guide

DIRECTV Red Slippers [®]

Wed 7:14p 8:00p - 9:00p TV-PG

Movie, Drama (2002) Joe Macauley, Danielle Lyful
Kata O...
the ma... This episode will be recorded. For recording options, press INFO.
Wed 1... Tip: Press RECORD again to record the series.

2 LA2 Quiet Time Red Slippers [®] >

4 LA4 The Fiesty Black Cat >

DIRECTV ON-DEMAND Infinite choices. Infinitely simple. SELECT to Watch

HELLO JOHN Log Out Search Entire Site

My Account My Programming & Equipment My TV Schedule Liberty

TV & Pay Per View [Go to PVR](#) [Go to Pay Per View](#) Edit Preferences

Select program start time: Sunday, February 19, 2011 (11:00 AM) Pacific

Show also: Local Channel for zip code: []

Show only: Channels from list: [All Channels] [Go]

CH	Name	11:00 AM	11:30 AM	12:00 PM	12:30 PM
LA2	LA2	Valley of the T-Rex			
YNTN	YNTN	Law & Order		Law & Order	
WDM	WDM	Law & Order		Law & Order	

Valley of the T-Rex [®] ^{HD}

A paleontologist unravels the secrets about the tyrannosaurus when he finds his specimens in Montana.

Channel: 35

Air Time: 12:00 PM - 1:00 PM

View More Information >>

Record to Recorder Send an Email Reminder >>

What's This? >>

QTV see HD Channel Guide >>>

WDM see HD Channel Guide >>>

GameSearch Found Your Program!

Suns vs. Spurs is blacked out on this channel. It has been found on channel 343 but it is not in HD. Do you want to tune there?

[Go to new channel](#)

[Stay on this channel](#)

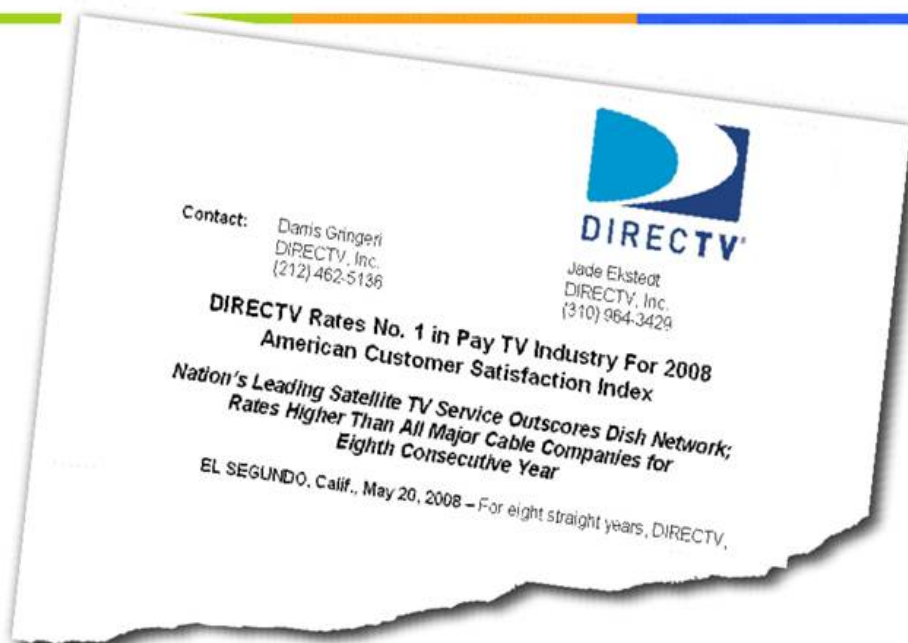


Technology and Engineering

- Improve Reliability
- Upgradeable
- Add Functionality
- Next Gen/Whole Home Experience



Ultimate Customer Experience



Optimize Quality and Efficiencies

- Simplify and Standardize
- Technology Advancements
 - Home Installation
 - Wireless Handheld
 - New Diagnostic Tools
- Increased Self-Care
 - Web
 - IVR



Owned and Operated Network

- Best Practices
- Accurate Metrics
- Flexibility and Speed

	% of Network Volume	States Served
180 Connect	~20%	California, Oregon, Washington, Idaho, Montana, Wyoming, Colorado, Utah, Arkansas, New Jersey, Pennsylvania, Virginia
Premier	~10%	Oklahoma, Missouri, Nebraska, Iowa, N. Dakota, S. Dakota, Minnesota, Wisconsin
Bruister	~5%	Mississippi, Alabama, Georgia, Tennessee, Florida, Louisiana
Total	~35%	

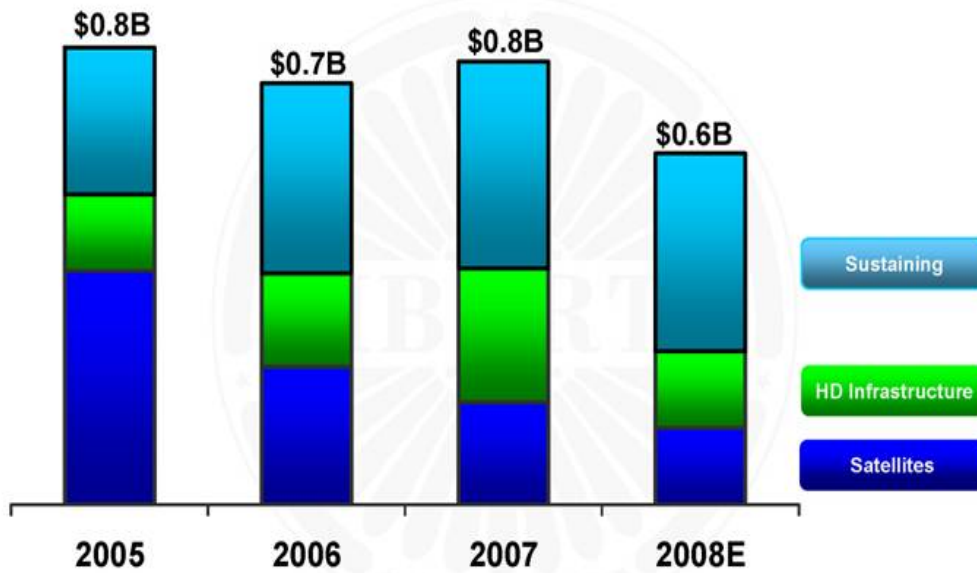


Subscriber Acquisition and Retention Costs

- Upward Pressure
 - Demand for Advanced Products
 - New Technologies (e.g. Connecting the Home)
 - Targeting High Quality Subscribers
 - Equipment Upgrade Flexibility
- Offsets:
 - Lower Box Costs
 - Use of Refurbished Boxes
 - Installation and Marketing Efficiencies



Declining Capital Expenditures



Note: Excludes Set-Top Box CapEx



DIRECTV U.S. 3 Year Outlook

- Revenues of \$20B in 2010
 - 1.5M – 2M New Subscribers Additions (cum)
 - ARPU Growth of 5%+
- OPBDA Margin Approaches 30%
- Cash Flow Before Interest and Taxes of ~\$4B in 2010
 - ~40% CAGR from 2007



DIRECTV Latin America

4th Largest Pay-TV Provider Outside the U.S. with 5.5M Subscribers



Latin America Market Overview

- Large TV Market with Low Pay-TV Penetration
 - Brazil - 11%; Mexico - 28%; PanAmericana - 36%
- Competitive Landscape:
 - Cable is Main Competitor
 - Digital Roll-Out Only in Major Urban Markets
 - Bundle Product Offers Increasing: Telmex, Telefonica
- Low Penetration of Advanced Products



DIRECTV Latin American Strategy

- Adapt DIRECTV U.S. roadmap to Latin America
- Content and Technology Leadership
- Customer Service Superiority
- Multi-Box and DVR Expansion
- Introduce HD and Secure Leadership Position
- Expand Pre-Paid Offer into New Countries



DIRECTV Latin America

	2006	2007	2008E
Cumulative Subscribers	2,711K	3,279K	~4,000K
Revenue	\$1,013M	\$1,719M	~\$2,200M+
Operating Profit Before Depreciation and Amortization (OPBDA)	\$244M	\$394M	~\$625+M
OPBDA Margin	24%	23%	28%
Cash Flow Before Interest & Taxes	\$0M	\$140M	~\$250M

Note: Excludes Mexico



Conclusions

- DIRECTV U.S.
 - Meeting or Exceeding Operating Targets
 - Generating Substantial Cash Flow Growth
- DIRECTV Latin America
 - Momentum Building
 - Tremendous Upside for Value Creation
- Strong Balance Sheet
 - Remains Underleveraged
 - \$6.5B in Buybacks Over Past 2.5 Years
 - Half Remaining on Current \$3B Program





Non-GAAP Financial Reconciliations

(Unaudited)

The DIRECTV Group		
Reconciliation of Operating Profit Before Depreciation and Amortization to Operating Profit		
	Six Months Ended June 30,	
	2008	2007
(Dollars in Millions)		
Operating Profit Before Depreciation and Amortization	\$2,539	\$2,063
Subtract: Depreciation and amortization expense	1,081	760
Operating Profit	\$1,458	\$1,303
Revenue	\$9,398	\$8,043
OPBDA Margin	27.0%	25.6%

The DIRECTV Group		
Reconciliation of Cash Flow Before Interest and Taxes and Free Cash Flow to Net Cash Provided by Operating Activities		
	Six Months Ended June 30,	
	2008	2007
(Dollars in Millions)		
Cash Flow Before Interest and Taxes	\$1,335	\$653
Adjustments:		
Cash paid for interest	(124)	(113)
Interest income	37	71
Income taxes paid	(331)	(101)
Subtotal - Free Cash Flow	917	510
Add Cash Paid For:		
Property and equipment	959	1,234
Satellites	77	112
Net Cash Provided by Operating Activities	\$1,953	\$1,856

Reconciliation of Operating Profit Before Depreciation and Amortization to Operating Profit			
	Twelve Months Ended December 31,		
	2008 Outlook	2007	2006
(Dollars in Millions)			
Operating Profit Before Depreciation and Amortization	-625+	\$394	\$244
Subtract: Depreciation and amortization expense	-225+	235	165
Operating Profit	-\$400	\$159	\$79
Revenue	-\$2,200	\$1,719	\$1,013
OPBDA Margin	-28%	22.9%	24.1%

DIRECTV Latin America			
Reconciliation of Cash Flow Before Interest and Taxes and Free Cash Flow to Net Cash Provided by Operating Activities			
	Twelve Months Ended December 31,		
	2008 Outlook	2007	2006
(Dollars in Millions)			
Cash Flow Before Interest and Taxes	-\$250	\$140	\$0
Adjustments:			
Cash paid for interest		(27)	(12)
Interest income		18	16
Income taxes paid *	-(100)	(51)	(14)
Add Cash Paid For:			
Property and equipment	-450	336	175
Net Cash Provided by Operating Activities	-\$600	\$416	\$165

*Outlook data combines interest received, interest paid and income taxes paid under income taxes paid



Mark Shuken
President & CEO

LIBERTY SPORTS GROUP



NORTHWEST™



PITTSBURGH™



ROCKY MOUNTAIN™



LSG Overview

- **3 Regional Sports Networks (RSNs)**
 - FSN Northwest
 - FSN Rocky Mountain
 - FSN Pittsburgh
- **Acquired from News Corp (Feb. 28, 2008)**
- **Keys:**
 - Exclusive media rights
 - Affiliate distribution & fees
 - LMC synergies and growth strategies



Exclusive Relationships

- **MLB** (Mariners, Rockies, Pirates)
- **NBA** (Jazz)
- **NFL** (Seahawks, Broncos, Steelers)
- **NHL** (Penguins)
- **College** (Washington, Washington State, Oregon State, Colorado, Pitt, Gonzaga)
- **Conferences** (PAC-10, Big 12, ACC, SEC)



Programming & Distribution

- 900 live events per year
- 500 in HD (full-time HD started Feb 08)
- 8M satellite & cable subscribers
- 17-State footprint
- Major Affiliates: Comcast, DIRECTV, Dish Network, Time Warner

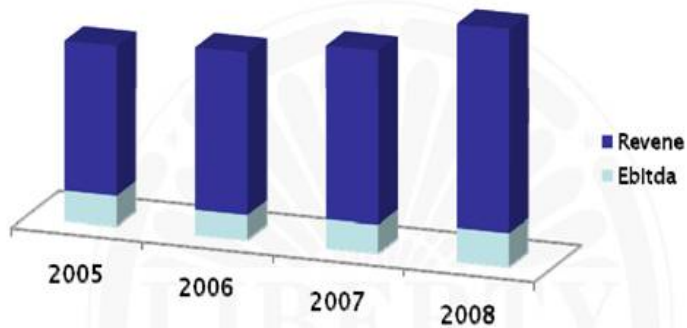


Business Model Advantages

- Proprietary, top-tier content
- Long-term strategic, revenue and cost certainty
- Multimedia rights and interactive future
- Advertising and sponsorship: core vs. DVR
- Operational agility, innovation and flexibility
- Accretive value in acquisitions



Financial Metrics



- Revenue mix:
 - 80% affiliate fees
 - 20% advertising & sponsorship
- 2008 EBITDA target margin– 15%



Growth Opportunities

- Core: increase earnings & asset value
- Expand portfolio vertically & horizontally
- Integrate LMC levers for mutual benefit
- Enhance DIRECTV brand, content & value
- Multimedia, interactive, digital strategies
- RSN synergies and best practices



Benefits from Liberty

- Aggressive, growth-oriented mandates
- Creative acquisition/deal structures
- DIRECTV: sports as driver
- Liberty Entertainment relationship
- Team, league, international relationships
- Financial expertise and partnerships



Bob Clasen
CEO



starz®

2007: The New Starz, Controlling our Own Destiny

2008: Executing on the Plan



Starz, LLC

The central graphic is a large, faint watermark of the Starz logo. It is divided into two main sections by a vertical line. The left section is titled 'starz ENTERTAINMENT' and includes logos for 'starz IN BLACK', 'starz EDGE COMEDY', 'starz KIDS & FAMILY CINEMA', a row of 'encore' sub-brands (westerns, action, love, mystery, drama, war), 'movieplex', 'indieplex', 'retroplex', and 'starz PLAY'. The right section is titled 'starz MEDIA' and includes logos for 'starz PRODUCTIONS', 'starz ANIMATION', 'ANCHOR BAY ENTERTAINMENT', 'OVERTURE FILMS', 'MANGA VIDEO', and 'FILM ROMAN'. Each of these sub-brands has a small 'a starz company' tagline below it.



The logo for Starz Entertainment, featuring the word "starz" in a bold, lowercase, sans-serif font with a registered trademark symbol, and the word "ENTERTAINMENT" in a smaller, uppercase, sans-serif font below it. The text is centered within a large, faint, circular watermark of a citrus slice.

starz[®]
ENTERTAINMENT



Suite of Video Subscription Services

MATCHES OUR AFFILIATES' EXPANDED DELIVERY PLATFORM

STARZ PLAY

- IP delivered Starz flagship stream
- Download (protected) 2,500 video selections (1,000 movies)

HIGH DEFINITION ON DEMAND

- Starz, Encore and MoviePlex HD-OD
- Average 100 titles per month
- HD-OD launched by 3 of the top ten cable operators

HIGH DEFINITION

- Starz, Starz Kids & Family, Starz Edge, Starz Comedy HD
- Launched Encore HD in July 2008
- Starz HD launched by top ten affiliates

ON DEMAND

- Star, Encore and MoviePlex OD
- Average 450 titles per month
- SOD launched by 9 of the top ten affiliates

LINEAR CHANNELS

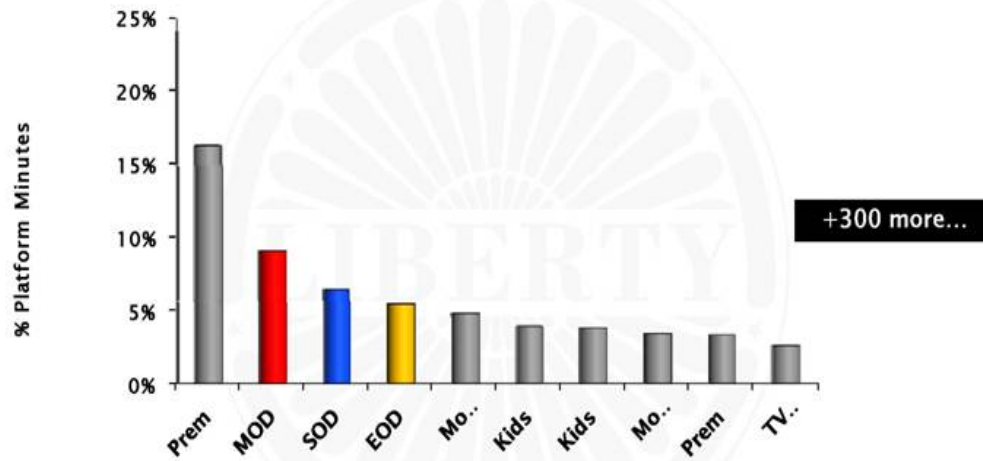
Starz	Starz In Black	Encore Drama	Encore Wam
Starz Comedy	Starz Cinema	Encore Love	MoviePlex
Starz Kids & Family	Encore	Encore Westerns	IndiePlex
Starz Edge	Encore Action	Encore Mystery	RetroPlex

New services highlighted



Starz Leads in On-Demand

Among 300 different on-demand services, Starz networks occupy three of the top five slots in terms of number of minutes



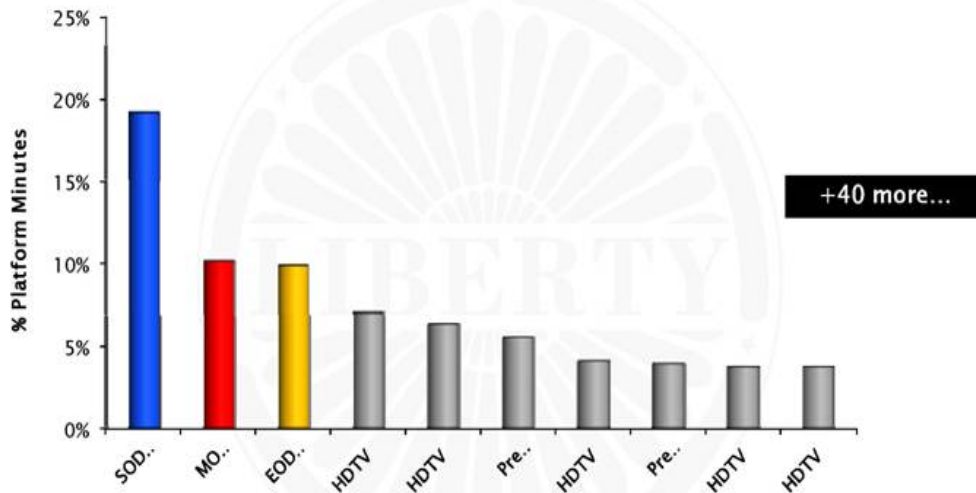
- Top 10 Providers (4 genres) account for 60% of platform minutes used and almost 50% of orders
- SOD, MOD and EOD are Top 10 Networks based on platform minutes and orders

SOURCE: Data provided by affiliate and Rentrak On Demand Essentials Competitive Performance Report, Total Play Time (minutes), Jan-June 2008



Starz Leads in HD On-Demand

Starz networks occupy top three spots among 50 HD On-Demand services in terms of minutes used

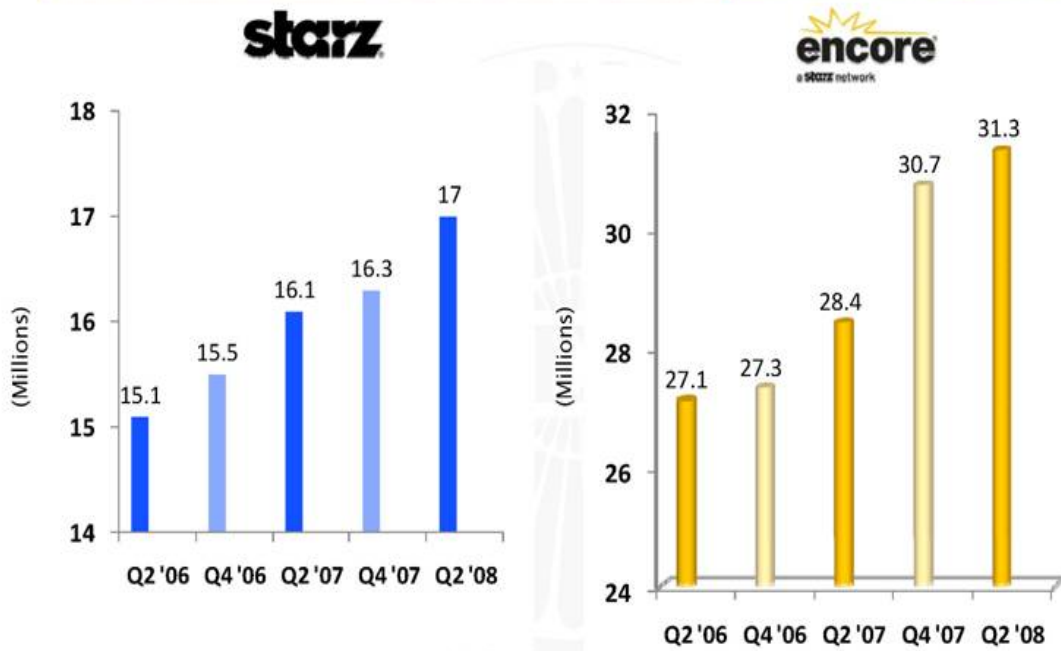


Even though STE services are not fully distributed like some other HD OD providers, STE services provide a high number of platform minutes and orders

SOURCE: Data provided by affiliate and Rentrak On Demand Essentials Competitive Performance Report, Total Play Time (minutes), Jan - June 2008



More Customers



Subscriber information derived from Starz estimates



Starz Originals

Head Case

- Therapist Dr. Elizabeth Goode is an unconventional “it therapist” to Hollywood’s celebrity elite



Martin Lawrence Presents: 1st Amendment Stand-up

- Stand-up Comedy show, Executive Produced by Martin Lawrence and hosted by Doug Williams



Crash

- TV adaptation of award-winning motion picture
- “Crash” has a star studded production team onboard for the series
 - Paul Haggis – *Crash, Million Dollar Baby, Casino Royale, The Black Donnelly’s*
 - Bobby Moresco – *Crash, Million Dollar Baby, The Black Donnelly’s*
 - Don Cheadle – *Crash, Hotel Rwanda, Traitor*
 - Tom Nunan – *Crash, The Illusionist*
 - Glen Mazzara – *The Shield, Life*

crash



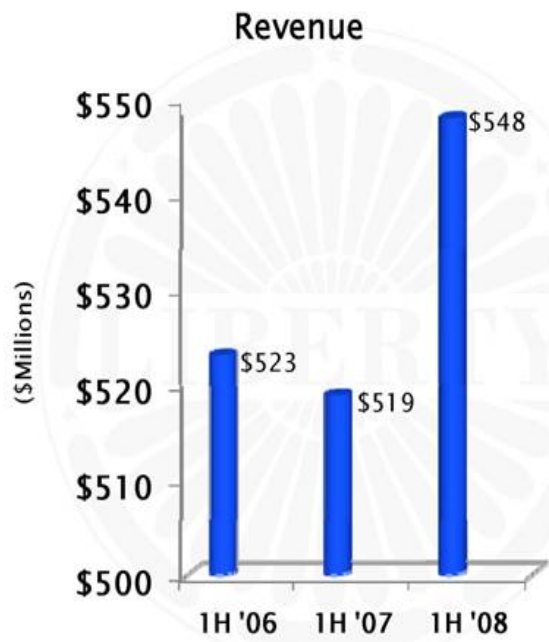
Starz Ratings

- #1 or tied for #1 among premium pay flagships in 11 of the first 26 weeks of 2008
- Never before ranked first in the weekly ratings

SOURCE: Nielsen Galaxy Explorer Live HH coverage area Total Day ratings, December 31, 2007-June 29, 2008. Subject to qualifications available on request.

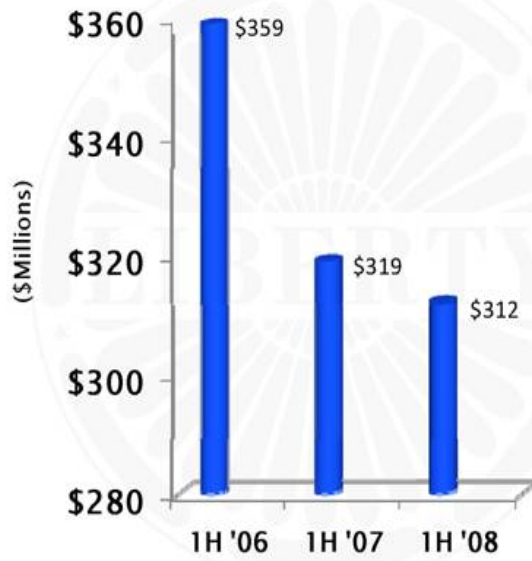


Revenue Up



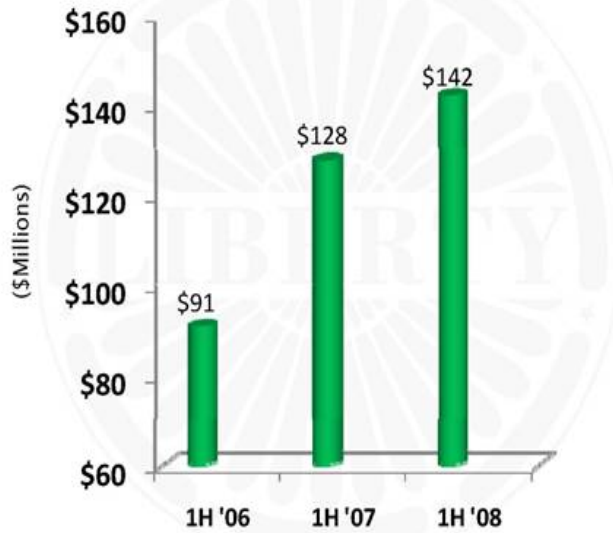
Costs Down

Programming costs continue to moderate



Income Up

Adjusted OIBDA





Overture Films

- Production and theatrical distribution of creatively compelling motion pictures:
 - Release 8–12 films per year
 - Recognizable star-power
 - Production budgets average \$15–20m
 - DVD distribution through Anchor Bay Entertainment
 - On-air distribution through Starz and Encore networks
- Provides Starz networks with access to talent, new promotional opportunities and exclusive content
- Released six theatrical films to date: *Mad Money*, *Sleepwalking*, *The Visitor*, *Henry Poole is Here*, *Traitor* and *Righteous Kill*
 - *The Visitor* rated "indie success of the summer" by Hollywood Reporter, ranked in top 15 films nearly every week during its run
 - *Righteous Kill* scored the highest opening weekend box office of any of our films to date, garnering \$16.3m



Anchor Bay Entertainment

- Transformed company from focus on catalog and genre to higher quality, first-run motion pictures
- *Mad Money* was the biggest selling new theatrical release the day it streeted on DVD, will generate about \$50m in gross revenue over 10 year ultimate
- More limited theatricals followed by DVD release. This month *Surfer, Dude*, with Matthew McConaughey, Willie Nelson and Woody Harrelson
- Wow! Wow! Wubbzy! hit on Nick Jr. and Noggin, produced by Film Roman, released on DVD this month



Suite of Digital Services

STARZ PLAY

- IP delivered Starz flagship stream
- Download (protected) 2,500 video selections (1,000 movies)

PPV, VOD, SVOD & EST/DTO

- 10+ partnerships exploiting 500+ title owned content library from Overture and Starz
- Satellite/cable/telco PPV/VOD is largest driver
- Internet partners

BROADBAND CHANNELS

- Ad supported, video centric websites built around owned content and brands
- Existing channels: Manga.com (anime) and StarzBunnies.com (animated comedy shorts)
- Channels/Sites in development ... Animation Site, Horror Site, Movie-Fan Site

DIGITAL CONTENT DEVELOPMENT & DISTRIBUTION

- Development, syndication and licensing of content developed specifically for online/wireless platforms (e.g. *30-Second Bunnies Theatre*, *Manga Minutes Podcast*)
- Development/distribution of online games from existing IP (e.g. *Righteous Kill: The Game*)

DIGITAL MARKETING & PROMOTION

- Websites supporting our brands (starz.com, overturefilms.net) and individual properties
- Video and other content syndication relationships with various internet and wireless partners including You Tube, MySpace, AOL, MSN, Yahoo, Heavy, Sling, and iMeem among others



Starz Animation

- *Space Chimps*, co-produced with Vanguard and released by Fox, generated about \$30m at box office
- Film Roman: 20th season of *The Simpsons*, 13th of *King of the Hill*. *The Goode Family* for ABC, *Deadspace* prequel to EA game: and three Marvel projects
- Toronto Studio: Three CGI films in production for other studios

starz
ANIMATION




LIBERTY
entertainment

LIBERTY
INTERACTIVE


LIBERTY
CAPITAL

Consolidated Operations

- Managed in three divisions – television, theatrical animation
- Centralized acquisitions – building a library of content with all rights
- Coordinated marketing & promotion
- Unified TV production for Starz Entertainment, Anchor Bay & third parties
- Coordinated support functions – HR, finance, IT, legal



Audience Aggregation

Example: *Mad Money*

- Cost: \$6m domestic rights acquisition plus \$27m P&A
- \$22m box office gross
- \$50m home video gross
- Pay-Per-View/VOD - Starz Entertainment affiliates
- Pay TV fees from Starz channels
- Sold to basic cable by Starz TV syndication team
- Digital distribution via Starz Play, third party Internet outlets

LONG TERM RIGHTS
FOR ALL PLATFORMS



Building a Brand in a Fragmented World

starz
ENTERTAINMENT

starz
PRODUCTIONS

starz
ANIMATION

starz 
PLAY

encore
a **starz** network

starz

starz

starz


ANCHOR BAY
ENTERTAINMENT
a **starz** company


OVERTURE
FILMS
a **starz** company


LIBERTY
entertainment

LIBERTY
INTERACTIVE


LIBERTY
CAPITAL

Innovate, Execute, Grow

Gregory B. Maffei
President and CEO



Making Progress...

- Equity shrink of 14%
- Strong liquidity
- Continue to seek tax efficient restructurings
- ...but discount persists



Liberty Capital



Missing LCAPA Value (\$b)

Public assets:

Time Warner	\$1.3	
Sprint	0.5	
Other & derivatives	2.7	
Public asset market value		\$4.5

Private assets: (analyst consensus)

Atlanta Braves	\$0.5	
Starz Media	0.4	
TruePosition	0.3	
Other	0.6	
Private asset market value		\$1.8

Net debt		(2.2)
LCAPA equity value (NAV)		\$4.1
Current LCAPA market value		\$1.5

Valuation Gap	\$2.6
% discount (pre-tax)	63.0%

Net debt represents debt at face value less cash and restricted cash as of 6/30



Liberty Capital Action Plan

- Rationalize non-core assets tax efficiently
 - Convert to cash and attractive assets
 - Reinvest in growth businesses
- Reduce discount
 - Capture through share repurchase



Innovate, Execute, Grow

Gregory B. Maffei
President and CEO

LIBERTY
iNTERACTIVE



Continued Expansion

- Strategic acquisitions
 - Bodybuilding.com
 - Red Envelope
 - Celebrate Express
 - QVC brand acquisitions
- Growth strategies
 - Differentiate product and service offerings
 - Build brand awareness
 - Enhance QVC.com, e.g., online community
 - Expand internationally
 - Leverage best practices across portfolio
 - Exploit new sales and marketing channels



QVC US vs. HSN

	QVC US	HSN
Rev Growth 2005-08E	12%	9%
Adjusted OIBDA Growth 2005-08E	16%	-50%
Adjusted OIBDA Margin 2005	23%	17%
Adjusted OIBDA Margin 2008E	24%	8%

- QVC has steadily grown revenue
 - Maintained consistent and high adjusted OIBDA margins
- HSN estimated 2008 adjusted OIBDA* is 50% of its 2005 level
- QVC has invested for future growth

* Adjusted to exclude stock and other equity-based compensation
2008 estimates based on YTD 6/30 growth rates and margins; HSN information based on SEC filings



Liberty Interactive Compares Favorably

- Adjusted OIBDA margins > 21% v. low double-digit % for comps
 - Has maintained strong margins through cost-control
- Current capex low as cycle for current operations has peaked
- High free cash flow yield
- LINT trading at discount to retail peers

	TTM Revenue GR%	OIBDA Margin	EV / TTM OIBDA	TTM OIBDA - CAPEX Yield
Costco	7.1%	3.4%	10.8x	3.1%
JC Penney	-0.2%	11.7%	4.6x	11.9%
Nordstrom	3.1%	13.7%	7.9x	8.7%
Kohls	5.6%	13.7%	7.4x	7.8%
<i>WAVG (EV)</i>	<i>5.0%</i>	<i>8.8%</i>	<i>8.5x</i>	<i>6.5%</i>
LINT	6.5%	21.1%	7.5x	18.4%

Source: Bloomberg; Other data: 12 months trailing using most recently available
 LINT EV calculated as market capitalization less value of public investments plus net debt



Liberty Interactive Action Plan

- Execute operationally
- Pursue growth initiatives
- Rationalize equity stakes
- Approach capital structure prudently
 - Conserve capital in uncertain markets
 - Maintain liquidity for near-term debt maturities
 - Launched tender for 2009 bonds
 - Adjust leverage target appropriately





Mike George
President & CEO



Key Messages

- Disciplined operational and financial management through economic downturn
- Accelerating efforts to 'reinvent' QVC as the preeminent multi platform lifestyle retailer
- Expanding globally and testing new business opportunities



Customer Growth Drivers

	NEW CUSTOMER FUNNEL		RETENTION	SPEND PER CUSTOMER		
	COUNT	REVENUE	RETENTION RATES	\$/CUSTOMER	GROWTH	ASP UNITS
Last 12 Months	-3%	7%	59%	\$640	4%	\$50 13
Prior 3 Years	-4%	3%	59%	\$575	8%	\$46 13

- New customer growth and customer retention healthy
- Growth in spend per customer slowed over past year

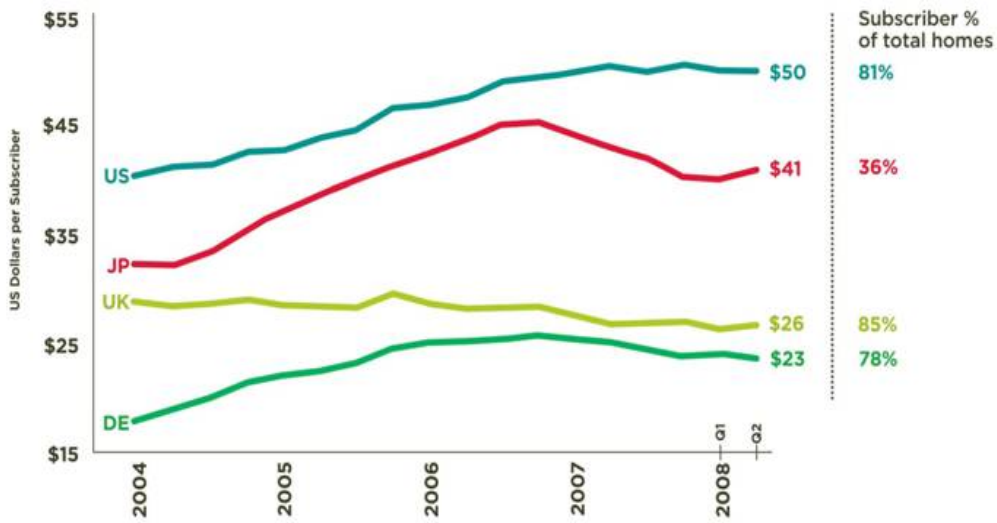


Impact of Economic Downturn



FORECLOSURE RATE	NBR STATES	YTD QVC SALES GROWTH
HIGH	11	-0.9%
MEDIUM	30	1.1%
LOW	10	4.1%
		TOTAL
		0.6%

International Growth Opportunities



*data is based on constant currency rates as of q104

Disciplined Execution In Downturn

- REVENUE GROWTH →
 - Program / product diversity
 - Record new show concepts
- GROSS MARGIN MANAGEMENT →
 - Stable margins by category
 - Some mix driven pressures
- INVENTORY MANAGEMENT →
 - Cautious receipt flow
 - Moving through challenged inventory, suppressing sales
- EXPENSE AND CAPITAL MANAGEMENT →
 - Constrained fixed cost growth
 - Focusing capital spend on productivity drivers or growth enablers

Addressing Underserved Needs



Creating a Lifestyle Destination

1. **COMPELLING CONTENT**
2. **MULTI PLATFORM DISTRIBUTION**
3. **DIFFERENTIATED SERVICE EXPERIENCE**
4. **ENGAGING BRAND**



Fashion | Jewelry | Beauty | Wellness | Home Style | Cooking & Dining | Electronics

1. COMPELLING CONTENT



Fashion | Jewelry | Beauty | Wellness | Home Style | Cooking & Dining | Electronics

Great Finds



AMERICAN GIRL
9.25.08



CLINIQUE
2.17.08



LUCKY HANDBAGS
9.26.08



DELL MINI
9.09.08



CLARISONIC
10.20.07



JAMES TAYLOR
9.12.08

Interesting People & Programming



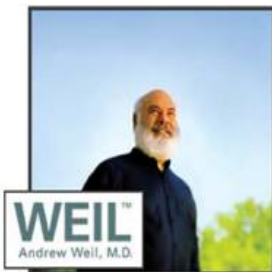
WHOOPI GOLDBERG
2.28.08



CLINTON KELLY
5.20.08



CESAR MILLAN
7.02.08



ANDREW WEIL, MD
10.16.08



RACHAEL RAY
10.19.08



ELIZABETH HASSELBECK
FEB 09

Exciting Places



YANKEE STADIUM
9.08.08



**LIVE FROM FASHION WEEK
BRYANT PARK**
9.08.08



**ORANGE COUNTY
CHOPPERS**
10.19.08



LIVE GOOGLE - CYBER MONDAY
12.01.08



Q VOYAGER - VIENNA
01.01.09



VICENZA
JAN 09

Engaging Environment



JEWELRY SET TBD



NEW ON-AIR GRAPHICS 10/18/08



5 NEW HOMES SETS 10/18/08



UPDATED ONLINE GRAPHICS 10/18/08

The Big 4



QVC FASHION WEEK
SEPTEMBER 8, 10PM



HOLIDAY GIFT KICKOFF
OCTOBER 18, ALL DAY



QVC BIRTHDAY
NOVEMBER 24



12 DAYS OF CHRISTMAS
DECEMBER 1-12

2. MULTIPLATFORM DISTRIBUTION



Goals:

- Increase customer convenience and control
- Better target customer sub segments
- Increase revenue through off air products/services
- Expand presence outside QVC

Fashion | Jewelry | Beauty | Wellness | Home Style | Cooking & Dining | Electronics

HDTV: Reaching More Eyeballs

A-84688
M by
Marc Bouwer
Animal Print
Flounce Sleeve
Georgette Top
Retail Value
\$199.00
QVC Price
~~\$150.00~~
Last Weekend at
Introductory Price
\$131.50
2 Easy Payments
\$65.75
S&H \$4.97

30-Day Money Back Guarantee
800 345 1515 QVC.com

M BY MARC BOUWER

You May Also Like

A-83655
M by
Marc Bouwer
Knit Dress
w/ Trapunto
Stitching
\$49.50
S&H \$5.72

Order Now
QVCHD Extra

- SD up convert simulcast launched Q2'07, HD Native launching Q2'08
- Verizon, ATT distribution deals completed, other discussions active
- Provides secondary placement and access to new viewers

QVC.com: The Power of Live



QVC.TV 7/28/08

- Introducing QVC TV experience to new broadband customers
- Convenience and additional options



2ND LIVE STREAM Q1 2009

- counter programming
- niche events
- behind the scenes
- clearance events

QVC.com: The Power of Video



BEAUTY BEST SELLERS 9/9/08

- Repurposed content
- Segmented VOD channels serving specific interests



EMBEDDED VIDEO 9/15/08

- Making video ubiquitous across qvc.com commerce and community

Mobile: Q on the Go



- Easy ordering on the go
- Featuring TSVs & key items
- Anticipated - text alerts

Interactive TV: Choice & Control



MULTISCREEN



ACTIVE (BUY BUTTON)



BEAUTY

- UK Interactive app launch: 9/08
 - Multiple levels of video content
 - Additional product detail; push to buy
- US pilots likely early/mid next year

Off-Platform: Reaching New Customers



TWITTER 6/6/08



FACEBOOK 7/30/08



YOUTUBE 8/8/08

- Enabling QVC customers to invite QVC into their digital lives and dialogues
- Reaching new customers through the viral nature of social media

3. DIFFERENTIATED SERVICE EXPERIENCE



TOP RATED

94%

TOP BOX CUSTOMER
SATISFACTION

97%

CORE CUSTOMER
RETENTION

- More personalized sales / service
 - Online/offline personalization
 - Self service
- Improved delivery
 - Expanded multi line shipping to reduce customer costs
 - Faster deliveries through regional hubs
 - More delivery options
 - Green packaging initiatives

Fashion | Jewelry | Beauty | Wellness | Home Style | Cooking & Dining | Electronics

4. ENGAGING BRAND



- iQdoU? launched 4Q/07
 - Strong emotional connection
 - Good gains on brand attributes
 - Leveraged event spend lifted sales

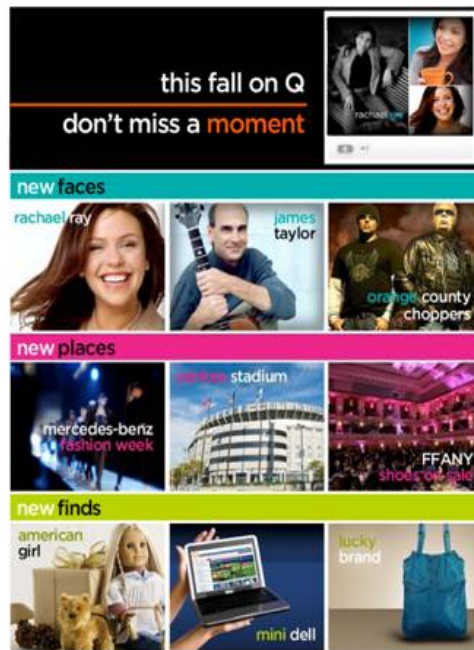
Fashion | Jewelry | Beauty | Wellness | Home Style | Cooking & Dining | Electronics

iQdoU? Phase II



- Screen Test Format: live, unrehearsed; spontaneous
- Deepens customer connection; affinity
- Cuts through the sea of commercial-sameness

Don't Miss a Moment



Leveraged Marketing



Fashion Week



- First step in ongoing partnership with IMG/Fashion Week
- Integrated marketing/programming effort
- Leverages our top tier designers; many of whom have runway shows at FW
- Breaks through home shopping stereotype

Fashion Week Results



SALES

- 25% over day part average; 22 of 29 items sold out

VIEWERSHIP

- Double the average minute box count for QVC during that time slot
- Time spent with program 40% higher than average

Global Expansion

- **ENTERING ITALY MARKET**

- Reached agreement with timb for dtb distribution
- Operations will begin on/before Q4 2010
- Projected 10mm+ subs by entry

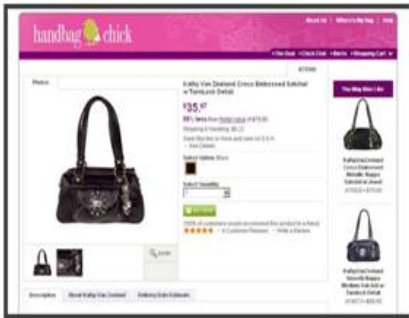
- **CONTINUING DISCUSSIONS IN OTHER TOP MARKETS**

COUNTRY	GDP (\$B)	MULTI CHANNEL HOMES (M)
US	\$ 13,843	90,200
Japan	\$ 4,384	30,140
Germany	\$ 3,322	32,878
China	\$ 3,250	141,060
UK	\$ 2,772	16,825
France	\$ 2,560	10,832
Italy	\$ 2,105	6,761
Spain	\$ 1,439	3,604
Brazil	\$ 1,313	17,480
Russia	\$ 1,290	11,027

International Start Up Experience

	UK	GERMANY	JAPAN
START-UP YEAR	1993	1996	2001
SUBSCRIBERS year 1 year 5	2.5 million 6.8 million	6.5 million 21.7 million	2.9 million 13.4 million
SALES/SUBSCRIBER year 5	\$35 per sub	\$9 per sub	\$35 per sub
first year over break-even	4	6	4
Cumulative losses before first break-even year	\$40 million	\$100 million	\$26 million
Start-up capital investment	\$79 million	\$290 million	\$94 million

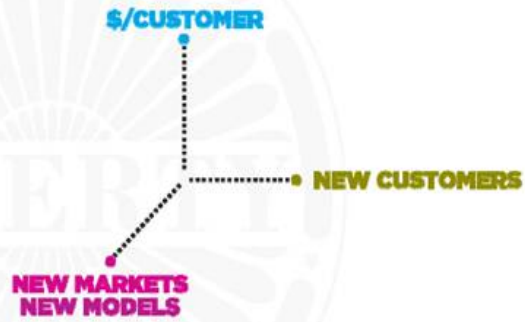
New Business Models



- New ecommerce brands
 - Leverage QVC / Liberty assets;
 - Attract new customers to Q experience
 - First ODAT site launched (with Backcountry.com)
- Product Brand investments where value creation possible
 - Several discussions underway
- Exploratory discussions with cable / internet players about commerce partnerships

CLOSING

- Maintain operational discipline in challenging market
- Position Q as preeminent multimedia lifestyle retailer
 - Drive growth with new and existing customers
- Expand into new growth arenas
 - Global
 - New business initiatives



e-commerce Discussion

Ryan DeLuca	CEO	Bodybuilding.com
Dan Haight	COO	BUYSEASONS
Jim Holland	CEO	Backcountry.com
Bill Strauss	CEO	Provide Commerce

LIBERTY
iINTERACTIVE



LIBERTY
iINTERACTIVE



Why e-commerce Acquisitions

- Generate strong IRRs
- Invest in high growth businesses
- Diversify revenue stream
- Exploit synergies across portfolio
 - Video and e-commerce

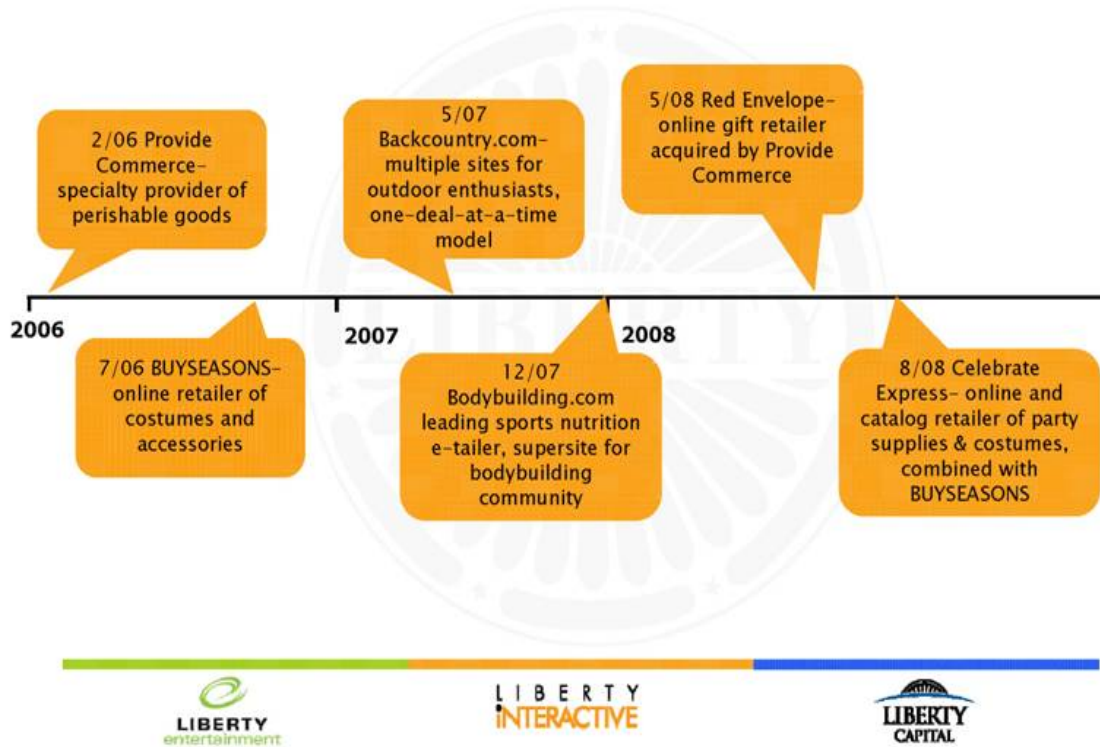


What We Want

- High growth, strong cash flow
- Low multiple relative to growth
- Niche markets
- Strong management teams
- Unique value propositions
- Differentiated business model/practices
- Synergistic with existing portfolio



Acquisition History



Value and Growth

- Blended acquisition multiple of <10x '08E adjusted OIBDA appears low
 - Relative to strong top-line and adjusted OIBDA growth
 - Compared to trading multiples (AMZN, NILE >20x)
- Significant growth as a group in the second quarter
 - Revenue up 97%, adjusted OIBDA up 108%, in part due to acquisitions
 - Assuming all businesses consolidated on January 1, 2007, revenue +41%, adjusted OIBDA +75%
- e-commerce companies generated 10% of 2Q LINT revenue

AMZN, NILE information from Bloomberg





Appendix



Non-GAAP Financial Measures

This presentation includes a presentation of adjusted OIBDA, which is a non-GAAP financial measure, for Starz Entertainment, the US operations of QVC, Liberty Interactive (which is not an entity, but rather a group of assets tracked by the Liberty Interactive tracking stock) and the e-commerce businesses collectively included in Liberty Interactive (Bodybuilding.com, BUYSEASONS, Backcountry.com and Provide Commerce) for certain applicable periods, together with a reconciliation of that non-GAAP measure to that business' operating income, determined under GAAP, for the corresponding periods. Liberty Media defines adjusted OIBDA as revenue less cost of sales, operating expenses, and selling, general and administrative expenses (excluding stock and other equity-based compensation) and excludes depreciation, amortization and restructuring and impairment charges that are included in the measurement of operating income pursuant to GAAP.

Liberty Media believes adjusted OIBDA is an important indicator of the operational strength and performance of its businesses, including the ability to service debt and fund capital expenditures. In addition, this measure allows management to view operating results and perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. Because adjusted OIBDA is used as a measure of operating performance, Liberty Media views operating income as the most directly comparable GAAP measure. Adjusted OIBDA is not meant to replace or supercede operating income or any other GAAP measure, but rather to supplement such GAAP measures in order to present investors with the same information that Liberty Media's management considers in assessing the results of operations and performance of its assets. Please see the reconciling schedules set forth below.



Reconciling Schedules

Reconciliation of Starz Entertainment Adjusted OIBDA to Operating Income

<i>(Sm)</i>	1H '06	1H '07	1H '08
Starz Entertainment			
Adjusted OIBDA	\$ 91	128	142
Depreciation and Amortization	(14)	(12)	(9)
Stock Compensation Expense	-	(14)	(20)
Operating Income	\$ 77	102	113



Reconciling Schedules

Reconciliation of e-commerce Adjusted OIBDA to Operating Income

<i>(\$m)</i>	Q2 2007	Q2 2008
Liberty Interactive Group e-commerce businesses		
Adjusted OIBDA	\$ 13	27
Depreciation and Amortization	(5)	(7)
Stock Compensation Expense	(1)	(6)
Operating Income	\$ 7	14

Reconciliation of e-commerce Adjusted Pro Forma OIBDA to Operating Income

<i>(\$m)</i>	Q2 2007	Q2 2008
Liberty Interactive Group e-commerce businesses Pro Forma		
Adjusted OIBDA pro forma for acquisitions	\$ 15	27
Less Adjusted OIBDA of non-consolidated businesses	(2)	-
Depreciation and Amortization	(5)	(7)
Stock Compensation Expense	(1)	(6)
Operating Income	\$ 7	14



Reconciling Schedules

Reconciliation of Liberty Interactive Adjusted OIBDA to Operating Income

<i>(\$m)</i>	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Trailing Twelve Months ended June 30, 2008
Liberty Interactive Group					
Adjusted OIBDA	\$ 363	546	\$ 401	410	1,720
Depreciation and Amortization	(135)	(139)	(139)	(136)	(549)
Stock Compensation Expense	(7)	(6)	(5)	(12)	(30)
Operating Income	\$ 221	401	257	262	1,141



Reconciling Schedules

Reconciliation of QVC US Adjusted OIBDA to Operating Income

<i>(\$m)</i>	Year ended 2005	
Liberty Interactive Group	<hr/>	
QVC US		
Adjusted OIBDA	\$	1,084
Depreciation and Amortization		(362)
Stock Compensation Expense		(39)
Operating Income	\$	<hr/> 683 <hr/>





Bill Strauss
CEO

provide-commerce™



provide-commerce™

ProFlowers



SECRET SPOON™
Secrets



redENVELOPE

- Collection of branded websites each offering high quality products shipped direct from the supplier to the consumer
- Designed specifically around the way consumers shop
- Our proprietary technology allows us to eliminate multiple intermediaries from the legacy supply chain, thereby realizing significant cost advantages and higher margins



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The Floral Market and Growth Trends

- The U.S. Department of Commerce's Bureau of Economic Analysis estimates the size of the retail floriculture industry to be about \$19.4 billion.
- The floricultural market has grown at an average annual pace of +4.1% over the last 10 years
- Online floral sales represent approximately \$1 billion of the overall floral market

Business Model Advantages

Consumer Benefits



- Great value
- 7-day freshness guarantee
- Prime varieties
- Accurate fulfillment
- 3 confirmation e-mails

- Internet-enabled:
NOT order aggregators
- Direct from the supplier
- Virtual model
- Removes cost from transaction
- Overnight delivery via FedEx/UPS

Supplier Benefits



- Enhanced profitability
- Broader customer reach
- Monthly feedback
- Improved quality
- Optimize production

provide-commerce®

Business Strategy Highlights

- **Focus on the customer**
 - Ongoing website improvements
 - Continued investment in quality
- **Optimize the core business**
 - Increase AOV and conversion
 - Product development and portfolio optimization



It's Also About Our Newest Brand

- Assumed ownership of RedEnvelope on June 23, 2008
- Offers an array of hard goods merchandise targeting “acquaintances, colleagues, and friends”
- Well-known brand name with high unaided recall
- Solid customer base
- Adding our strengths in management, marketing, planning, logistics, merchandising, and customer service to drive profitability and significant value

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Growth Opportunities

- Gain additional market share in the flower industry
- Grow other brands
- Make acquisitions



Jim Holland
CEO



backcountry.com



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Backcountry.com

- Founded in 1996, acquired by Liberty June 2007
- Located in Salt Lake City and Park City, Utah, 700 employees
- We run seven category-leading online stores that focus on high-end outdoor gear, snowboarding, skiing and closeout gear
- The largest and fastest growing outdoor gear and action sports e-tailer
- We offer 120,000 products from over 450 core brands



Some Brands We Sell



Opportunities / Competitive Edge

- Closeout business does well in a recession; five of our seven sites focus in this area
- Expanding into cycling
 - Strengthening our summer business smooths out our overhead and makes us more profitable
- Leveraging customer generated content - a snowball effect

