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As filed with the Securities and Exchange Commission on January 27, 2011

REGISTRATION NO. 333-171201

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

Amendment No. 1 to

FORM S-4
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

LIBERTY SPLITCO, INC.
(Exact name of Registrant as specified in its charter)

Delaware	**4841**	**20-8988475**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification code number)	(I.R.S. Employer Identification No.)

12300 Liberty Boulevard, Englewood, Colorado 80112, (720) 875-5400
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Charles Y. Tanabe
Liberty Splitco, Inc.
12300 Liberty Boulevard
Englewood, Colorado 80112
(720) 875-5400
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:
Frederick H. McGrath
Renee L. Wilm
Baker Botts L.L.P.
30 Rockefeller Plaza
New York, New York 10112
(212) 408-2500

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective and all other conditions to the proposed transaction described herein have been satisfied or waived, as applicable.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box: ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier registration statement for the same offering. ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company ☐

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Information in this proxy statement/prospectus is not complete and may be changed. We may not sell the securities offered by this proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where an offer or solicitation is not permitted.

Subject to completion, dated January 27, 2011

LIBERTY MEDIA CORPORATION

12300 Liberty Boulevard
Englewood, Colorado 80112
(720) 875-5400

[ ], 2011

Dear Stockholder:

You are cordially invited to a special meeting of stockholders of Liberty Media Corporation (**Liberty Media**) Series A Liberty Capital common stock (**LCAPA**), Series B Liberty Capital common stock (**LCAPB**), Series A Liberty Starz common stock (**LSTZA**) and Series B Liberty Starz common stock (**LSTZB**) to be held at 9:00 a.m., local time, on March 31, 2011, at the Denver Marriott South at Park Meadows, 10345 Park Meadows Drive, Littleton, Colorado 80124, telephone (303) 925-0004. A notice of the special meeting, a proxy card, and a proxy statement/prospectus containing important information about the matters to be acted on at the special meeting accompany this letter.

Pursuant to the requirements of Liberty Media's restated certificate of incorporation, at the special meeting, holders of Liberty Capital common stock will be asked to consider and vote on the **Liberty Capital redemption proposal**, pursuant to which Liberty Media would redeem all the outstanding shares of Liberty Capital common stock for shares of a new Capital Group tracking stock of a wholly owned subsidiary of Liberty Media, **Liberty Splitco, Inc. (Splitco)** that tracks substantially all of the assets and liabilities currently attributed to Liberty Media's Capital Group. We expect to change the name of Splitco prior to the date this proxy statement/prospectus is mailed to stockholders. Also, at the special meeting, holders of Liberty Starz common stock will be asked to consider and vote on the **Liberty Starz redemption proposal**, pursuant to which Liberty Media would redeem all the outstanding shares of Liberty Starz common stock for shares of a new Starz Group tracking stock of Splitco that tracks all of the assets and liabilities currently attributed to Liberty Media's Starz Group. We refer to the redemptions and the resulting separation of Splitco from Liberty Media pursuant to the redemptions as the **Split-Off**. The Split-Off is conditioned on the receipt of the requisite stockholder approval of both the Liberty Capital redemption proposal and the Liberty Starz redemption proposal (together, the **Split-Off Proposals**) and the receipt of a private letter ruling from the Internal Revenue Service, among other things. In connection with the Split-Off, no changes will be made to the assets and liabilities that are currently attributed to Liberty Media's other tracking stock group, the Interactive Group, except that cash, exchangeable debt in the principal amount of approximately $1.1 billion, and the stock into which such debt is exchangeable will be reattributed from the Liberty Media Capital Group to the Interactive Group prior to the Split-Off. The holders of Liberty Interactive common stock are not being asked to vote on the Split-Off Proposals.

If all conditions to the Split-Off are satisfied or, where permissible, waived, on the date designated by the board (the **redemption date**), (i) each outstanding share of LCAPA will be redeemed for one share of Series A Splitco Capital common stock (**Splitco CAPA**), (ii) each outstanding share of LCAPB will be redeemed for one share of Series B Splitco Capital common stock (**Splitco CAPB**), (iii) each outstanding share of LSTZA will be redeemed for one share of Series A Splitco Starz common stock (**Splitco STZA**) and (iv) each outstanding share of LSTZB will be redeemed for one share of Series B Splitco Starz common stock (**Splitco STZB**).

As of [ ], 2011, there were [ ] outstanding shares of LCAPA, [ ] outstanding shares of LCAPB, [ ] outstanding shares of LSTZA and [ ] outstanding shares of LSTZB (exclusive of stock options or appreciation rights). Based on these outstanding share numbers, Splitco expects to issue an equivalent number of shares of each corresponding series of its tracking stock. Splitco expects to list its Splitco CAPA, Splitco CAPB, Splitco STZA and Splitco STZB on the Nasdaq Global Select Market under the symbols " ", " ", " " and " ", respectively. Liberty Media and Splitco have been advised that, for a short period following the Split-Off, Splitco's common stock may trade under temporary trading symbols, which will be announced by press release once available.

The Liberty Media board has unanimously approved each of the Liberty Capital redemption proposal and the Liberty Starz redemption proposal and unanimously recommends that the holders of Liberty Capital common stock and the holders of Liberty Starz common stock, respectively, vote "**FOR**" the applicable proposal.

Your vote is important, regardless of the number of shares you own. Whether or not you plan to attend the special meeting, please vote as soon as possible to make sure that your shares are represented.

Thank you for your cooperation and continued support and interest in Liberty Media.

Very truly yours,

Gregory B. Maffei
President and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Split-Off Proposals or the securities being offered in the Split-Off or has passed upon the adequacy or accuracy of this proxy statement/prospectus. Any representation to the contrary is a criminal offense.

Investing in the securities of Splitco involves risks. See "Risk Factors" beginning on page 23.

The accompanying proxy statement/prospectus is dated [ ], 2011 and is first being mailed on or about [ ], 2011 to the stockholders of record as of 5:00 p.m., New York City time, on [ ], 2011.

HOW YOU CAN FIND ADDITIONAL INFORMATION

Liberty Media is subject to the information and reporting requirements of the Securities Exchange Act of 1934, as amended (**Exchange Act**) and, in accordance with the Exchange Act, Liberty Media files periodic reports and other information with the Securities and Exchange Commission (**SEC**). In addition, this proxy statement/prospectus incorporates important business and financial information about Liberty Media from other documents that are not included in or delivered with this proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain copies of documents filed by Liberty Media with the SEC, including the documents incorporated by reference in this proxy statement/prospectus, through the SEC website at *http://www.sec.gov* or by contacting Liberty Media by writing or telephoning the office of Investor Relations:

Liberty Media Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112
Telephone: (720) 875-5408

If you would like to request any documents from Liberty Media please do so by [ ], 2011 in order to receive them before the special meeting. If you request any documents, they will be mailed to you by first class mail, or another equally prompt means, within one business day after your request is received.

See "Additional Information—Where You Can Find More Information" beginning on page [ ].

LIBERTY MEDIA CORPORATION

12300 Liberty Boulevard
Englewood, Colorado 80112
(720) 875-5400

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
to be Held on March 31, 2011

NOTICE IS HEREBY GIVEN of the special meeting of stockholders of Liberty Media Corporation (**Liberty Media**) to be held at 9:00 a.m., local time, on March 31, 2011, at the Denver Marriott South at Park Meadows, 10345 Park Meadows Drive, Littleton, Colorado 80124, telephone (303) 925-0004, to consider and vote on the following two related proposals (the **Split-Off Proposals**):

1. A proposal (the **Liberty Capital redemption proposal**) to allow Liberty Media to redeem all of the outstanding shares of Liberty Capital tracking stock for shares of Splitco Capital tracking stock, which will track substantially all of the assets and liabilities that are currently attributed to the Liberty Media Capital Group; and

2. A proposal (the **Liberty Starz redemption proposal**) to allow Liberty Media to redeem all of the outstanding shares of Liberty Starz tracking stock for shares of Splitco Starz tracking stock, which will track all of the assets and liabilities that are currently attributed to the Liberty Media Starz Group.

We refer to the Split-Off Proposals and the resulting separation of Splitco from Liberty Media pursuant to the redemption as the **Split-Off**.

Liberty Media encourages you to read the accompanying proxy statement/prospectus in its entirety before voting. Splitco's charter (the **Splitco charter**) is included as an exhibit to the registration statement of which this proxy statement/prospectus forms a part.

Holders of record of Liberty Media's Series A Liberty Capital common stock, par value $0.01 per share, Series B Liberty Capital common stock, par value $0.01 per share, in each case, outstanding as of 5:00 p.m., New York City time, on February 14, 2011, the **record date** for the special meeting, will be entitled to notice of the special meeting and to vote on the Liberty Capital redemption proposal at the special meeting or any adjournment or postponement thereof. Holders of record of Liberty Media's Series A Liberty Starz common stock, par value $0.01 per share, and Series B Liberty Starz common stock, par value $0.01 per share, in each case, outstanding on the record date will be entitled to notice of the special meeting and to vote on the Liberty Starz redemption proposal at the special meeting or any adjournment or postponement thereof. Holders of record of Liberty Media's Series A Liberty Interactive common stock, par value $0.01 per share, and Series B Liberty Interactive common stock, par value $0.01 per share, are not being asked to vote on any of the Split-Off Proposals, and thus will not be entitled to notice of the special meeting or to vote at the special meeting or any adjournment or postponement thereof. Liberty Media's restated certificate of incorporation does not require the approval of the holders of the Libery Interactive common stock to complete the Split-Off.

The proposals described above require the following stockholder approvals:

- The Liberty Capital redemption proposal requires the approval of a majority of the aggregate voting power of the shares of Liberty Capital common stock, outstanding on the record date, that are present in person or by proxy at the special meeting, voting together as a separate class.

- The Liberty Starz redemption proposal requires the approval of a majority of the aggregate voting power of the shares of Liberty Starz common stock, outstanding on the record date, that are present in person or by proxy at the special meeting, voting together as a separate class.

The Liberty Media board of directors has carefully considered and unanimously approved each of the Liberty Capital redemption proposal and the Liberty Starz redemption proposal and recommends that the holders of Liberty Capital common stock and the holders of Liberty Starz common stock, respectively, vote "**FOR**" the applicable proposal.

Votes may be cast in person or by proxy at the special meeting or prior to the meeting by telephone or through the Internet.

A list of stockholders entitled to vote at the special meeting will be available at Liberty Media's offices in Englewood, Colorado for review by its stockholders for any purpose germane to the special meeting, for at least 10 days prior to the special meeting.

YOUR VOTE IS IMPORTANT. Liberty Media urges you to vote as soon as possible by telephone, Internet or mail.

By order of the board of directors,

Pamela L. Coe
Vice President, Secretary and Deputy General Counsel

Englewood, Colorado
[ ], 2011

Please execute and return the enclosed proxy promptly, whether or not you intend to be present at the special meeting.

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QUESTIONS AND ANSWERS

The questions and answers below highlight only selected information about the special meeting and how to vote your shares. You should read carefully the entire proxy statement/prospectus, including the Annexes and the additional documents incorporated by reference herein, to fully understand the Split-Off Proposals.

Q: When and where is the special meeting?

A: The special meeting will be held at 9:00 a.m., local time, on March 31, 2011 at the Denver Marriott South at Park Meadows, 10345 Park Meadows Drive, Littleton, Colorado 80124, telephone (303) 925-0004.

Q: What is the record date for the special meeting?

A: The record date for the special meeting is 5:00 p.m., New York City time, on February 14, 2011.

Q: What is the purpose of the special meeting?

A: To consider and vote on the Split-Off Proposals.

Q: What stockholder vote is required to approve each of the Split-Off Proposals?

A: The Liberty Capital redemption proposal requires the approval of a majority of the aggregate voting power of the shares of Liberty Capital common stock, outstanding on the record date, that are present in person or by proxy at the special meeting, voting together as a separate class. The Liberty Starz redemption proposal requires the approval of a majority of the aggregate voting power of the shares of Liberty Starz common stock, outstanding on the record date, that are present in person or by proxy at the special meeting, voting together as a separate class.

As of the record date for the special meeting, Liberty Media's directors and executive officers beneficially owned (i) approximately [ ]% of the total voting power of the outstanding shares of Liberty Capital common stock, and (ii) approximately [ ]% of the total voting power of the outstanding shares of Liberty Starz common stock. Liberty Media has been informed that all of its executive officers and directors intend to vote "**FOR**" each of the Split-Off Proposals. In addition, Mr. Malone has agreed to vote his Series B shares in favor of the redemptions.

Q: How many votes do stockholders have?

A: At the special meeting:

- holders of Series A Liberty Capital common stock (**LCAPA**) have one vote per share;
- holders of Series B Liberty Capital common stock (**LCAPB**) have ten votes per share;
- holders of Series A Liberty Starz common stock (**LSTZA**) have one vote per share; and
- holders of Series B Liberty Starz common stock (**LSTZB**) have ten votes per share.

Only shares owned as of the record date are eligible to vote at the special meeting.

Q: What if the Split-Off Proposals are not approved?

A: Both of the Split-Off Proposals must be approved for the Split-Off to be completed. If either Split-Off Proposal is not approved, no shares of Liberty Capital common stock will be redeemed for shares of Splitco Capital common stock, and no shares of Liberty Starz common stock will be redeemed for shares of Splitco Starz common stock.

Q: What do stockholders need to do to vote on the Split-Off Proposals?

A: After carefully reading and considering the information contained in this proxy statement/prospectus, you should complete, sign, date and return the enclosed proxy card by mail, or vote by the telephone or through the Internet, in each case as soon as possible so that your shares are represented and voted at the special meeting. Instructions for voting by telephone or through the Internet are printed on the proxy voting instructions attached to the proxy card. In order to vote through the Internet, have your proxy card available so you can input the required information from the card, and log into the Internet website address shown on the proxy card. When you log on to the Internet website address, you will receive instructions on how to vote your shares. The telephone and Internet voting procedures are designed to authenticate votes cast by use of a personal identification number, which will be provided to each voting stockholder separately.

Stockholders who have shares registered in the name of a broker, bank or other nominee should follow the voting instruction card provided by their broker, bank or other nominee in instructing them how to vote their shares. We recommend that you vote by proxy even if you plan to attend the special meeting. You may change your vote at the special meeting.

If a proxy is properly executed and submitted by a record holder without indicating any voting instructions, the shares of Liberty Capital common stock or Liberty Starz common stock represented by the proxy will be voted "**FOR**" the approval of the proposal with respect to which such holder is entitled to vote.

Q: If shares are held in "street name" by a broker, bank or other nominee, will the broker, bank or other nominee vote those shares for the beneficial owner on the Split-Off Proposals?

A: If you hold your shares in street name and do not provide voting instructions to your broker, bank or other nominee, your shares will **not** be voted on either of the Split-Off Proposals. Accordingly, your broker, bank or other nominee will vote your shares held in "street name" on the Split-Off Proposals only if you provide instructions on how to vote. If a broker, who is a record holder of shares, indicates on a form of proxy that the broker does not have discretionary authority to vote those shares on any proposal, or if those shares are voted in circumstances in which proxy authority is defective or has been withheld with respect to any proposal, these shares are considered "**broker non-votes**" with respect to such proposal.

Broker non-votes will **not** count as present and entitled to vote for purposes of determining a quorum, but they will have no effect (if a quorum is present) on the Split-Off Proposals. You should follow the directions your broker, bank or other nominee provides to you regarding how to vote your shares of common stock or when granting or revoking a proxy.

Q: What if I do not vote on the Split-Off Proposals?

A: If you do not submit a proxy or you do not vote in person at the special meeting, your shares will not be counted as present and entitled to vote for purposes of determining a quorum, but your failure to vote will have no effect on determining whether either of the Split-Off Proposals is approved (if a quorum is present). If you submit a proxy but do not indicate how you want to vote, your proxy will be counted as a vote "**FOR**" the applicable of the Split-Off Proposals.

Q: What if a quorum is not present at the special meeting?

A: In order to conduct the business of the special meeting, a quorum must be present. This means that at least a majority of the aggregate voting power represented by the shares of Liberty Capital common stock and Liberty Starz common stock outstanding on the record date must be represented at the special meeting either in person or by proxy. Because applicable New York

Stock Exchange and Nasdaq Stock Market LLC rules do not permit discretionary voting by brokers with respect to any of the proposals to be acted upon at the special meeting, broker non-votes will not count as present and entitled to vote for purposes of determining a quorum. This may make it more difficult to establish a quorum at the special meeting. If a quorum is not present at the special meeting, we expect the chairman of the meeting to adjourn the meeting in accordance with the terms of Liberty Media's bylaws for the purpose of soliciting additional proxies.

Q: What if I respond and indicate that I am abstaining from voting?

A: If you submit a proxy in which you indicate that you are abstaining from voting, your shares will count as present for purposes of determing a quorum, but your proxy will have the same effect as a vote "**AGAINST**" the applicable of the Split-Off Proposals.

Q: May stockholders change their vote after returning a proxy card or voting by telephone or over the Internet?

A: Yes. You may change your vote by voting in person at the special meeting or, before the start of the special meeting, by delivering a signed proxy revocation or a new signed proxy with a later date to Liberty Media Corporation, [c/o Computershare Trust Company, N.A., P.O. Box 43102, Providence, Rhode Island 02940]. **Any proxy revocation or new proxy must be received before the start of the special meeting.** In addition, you may change your vote through the Internet or by telephone (if you originally voted by the corresponding method) not later than [ ], New York City time, on [ ], 2011.

Your attendance at the special meeting will not, by itself, revoke a prior vote or proxy from you.

If your shares are held in an account by a broker, bank or other nominee who you previously contacted with voting instructions, you should contact your broker, bank or other nominee to change your vote.

Q: What do I do if I have additional questions?

A: If you have any questions prior to the special meeting or if you would like copies of any document referred to or incorporated by reference in this document, please call Investor Relations at (720) 875-5408.

SUMMARY

The following summary includes information contained elsewhere in this proxy statement/prospectus. This summary does not contain all of the important information that you should consider before voting on the Split-Off Proposals. You should read the entire proxy statement/prospectus, including the Annexes and the documents incorporated by reference herein, carefully.

General

Liberty Media Corporation

Liberty Media owns interests in a broad range of electronic retailing, media, communications and entertainment businesses. Those interests are attributed to three tracking stock groups: (1) the Interactive Group, which includes Liberty Media's interests in QVC, Inc., Provide Commerce, Inc., Backcountry.com, Inc., BUYSEASONS, Inc., Bodybuilding.com, LLC, Evite, Inc. and GiftCo, Inc., Expedia, Inc., HSN, Inc., Interval Leisure Group, Inc. and Tree.com, Inc., (2) the Starz Group, which includes Liberty Media's interests in Starz Entertainment, LLC, Starz Media, LLC and Liberty Sports Interactive, Inc., and (3) the Capital Group, which includes all businesses, assets and liabilities not attributed to the Interactive Group or the Starz Group including controlling interests in Atlanta National League Baseball Club, Inc. and TruePosition, Inc., as well as minority investments in Sirius XM Radio Inc., Live Nation Entertainment, Inc., Time Warner Inc., Time Warner Cable Inc., and Sprint Nextel Corporation.

Liberty Media's principal executive offices are located at 12300 Liberty Boulevard, Englewood, Colorado 80112. Liberty Media's main telephone number is (720) 875-5400 and its website is located at *www.libertymedia.com*. The information contained on Liberty Media's website is not a part of this proxy statement/prospectus.

Recent Developments

On December 2, 2010, Liberty Media exchanged its entire equity stake in IAC for approximately $220 million in cash and IAC's Evite and Gifts.com businesses. The transaction was intended to be tax free to Liberty Media. The $220 million in cash and both businesses have been attributed to Liberty Media's Interactive Group, to which Liberty Media's equity stake in IAC had previously been attributed.

Liberty Splitco, Inc.

Liberty Splitco, Inc. (**Splitco**) is a wholly owned subsidiary of Liberty Media, which currently owns 100% of the stock of Atlanta National League Baseball Club, Inc. and other assets. If the Split-Off is completed, on or prior to the redemption date, Liberty Media will contribute to Splitco substantially all of the assets and liabilities of Liberty Media's Capital Group and all of the assets and liabilities of Liberty Media's Starz Group not already owned by Splitco, other than cash, exchangeable debt in the principal amount of approximately $1.1 billion and the stock into which such debt is exchangeable, which will be reattributed from Liberty Media's Capital Group to its Interactive Group prior to the redemptions (the **Reattribution**). For information regarding the businesses of Splitco following the Split-Off, please see *Annex A* of this proxy statement/prospectus.

Upon completion of the Split-Off, Splitco will become an independent, publicly-traded company and will share its principal executive offices with Liberty Media at 12300 Liberty Boulevard, Englewood, Colorado 80112. Splitco's main telephone number will be [(720) -].

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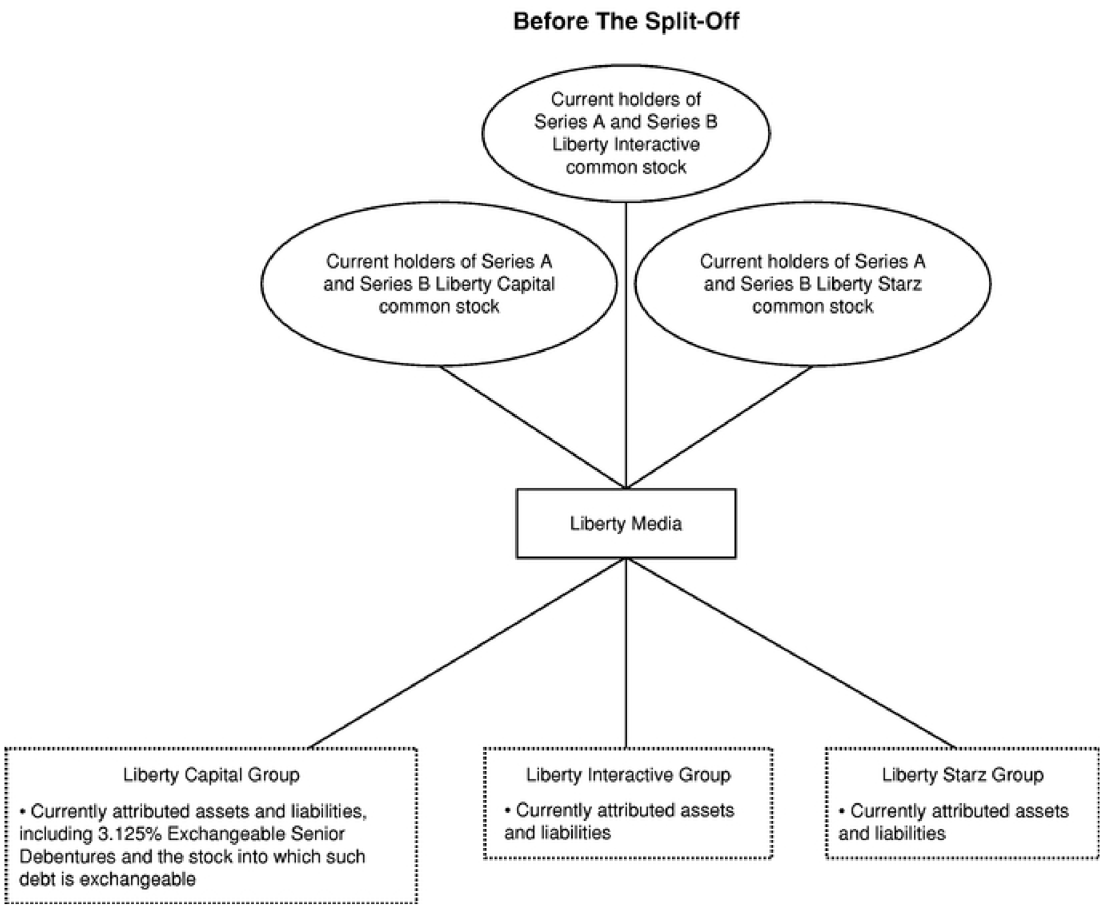
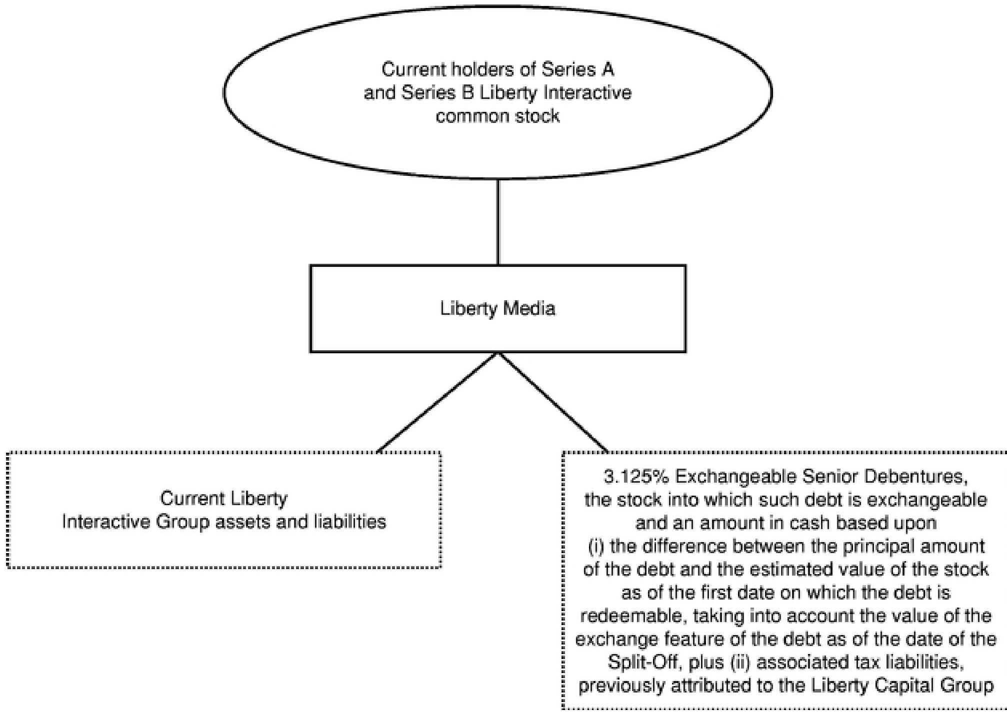
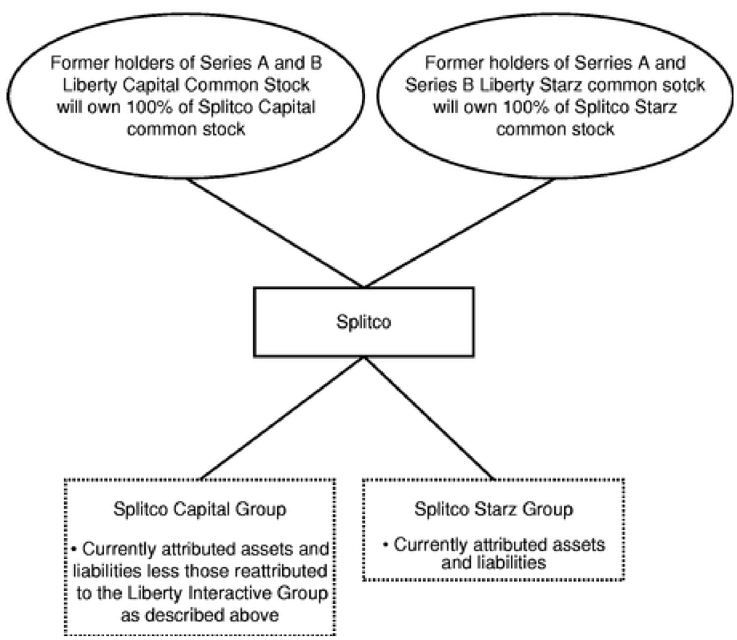
The following diagrams illustrate the changes that will occur as a result of the Split-Off.



After The Split-Off



After The Split-Off



The Split-Off Proposals

Liberty Media currently has three tracking stocks: the Liberty Starz common stock, the Liberty Capital common stock and the Liberty Interactive common stock, which track the Starz Group, the Capital Group and the Interactive Group, respectively. A tracking stock is a type of common stock that the issuing company intends to reflect or "track" the economic performance of a particular business or "group," rather than the economic performance of the company as a whole. Each group has a separate collection of businesses, assets and liabilities attributed to it, but no group is a separate legal entity and, therefore, no group can own assets, issue securities or enter into legally binding agreements.

In accordance with the terms of Liberty Media's charter, the Liberty Media board has determined to seek the approval of the holders of Liberty Capital common stock and Liberty Starz common stock to redeem all of the outstanding shares of Liberty Capital common stock and Liberty Starz common stock, respectively, for all of the outstanding shares of common stock of Splitco, a wholly owned subsidiary of Liberty Media. The redemptions are summarized under "The Split-Off Proposals" below. At the time of the Split-Off, the common stock of Splitco would be divided into two tracking stock groups, with the Splitco Capital Group tracking substantially all of the assets and liabilities that are currently attributed to the Liberty Media Capital Group and the Splitco Starz Group tracking all of the assets and liabilities that are currently attributed to the Liberty Media Starz Group. In connection with the Split-Off, no changes will be made to the assets and liabilities that are currently attributed to the Liberty Media Interactive Group, except as contemplated by the Reattribution.

Pursuant to the Liberty Capital redemption proposal, holders of Liberty Capital common stock are being asked to approve the redemption of all of the outstanding shares of Liberty Capital common stock for shares of Splitco Capital common stock in accordance with paragraph (e)(i) of Section A.2. of Liberty Media's charter. Pursuant to the Liberty Starz redemption proposal, holders of Liberty Starz common stock are being asked to approve the redemption of all of the outstanding shares of Liberty Starz common stock for shares of Splitco Starz common stock in accordance with paragraph (f)(i) of Section A.2. of Liberty Media's charter.

The following summarizes selected terms of the Split-Off Proposals and the Split-Off. For more information, please see "The Split-Off Proposals."

Redemption Ratios	If all conditions to the Split-Off are satisfied or, where permissible, waived, Liberty Media intends to redeem 100% of the shares of each series of Liberty Capital common stock outstanding on the redemption date for 100% of the outstanding shares of the corresponding series of Splitco Capital common stock and 100% of the shares of each series of Liberty Starz common stock outstanding on the redemption date for 100% of the outstanding shares of the corresponding series of Splitco Starz common stock. On the redemption date, (i) each outstanding share of LCAPA will be redeemed for one share of Splitco CAPA, (ii) each outstanding share of LCAPB will be redeemed for one share of Splitco CAPB, (iii) each outstanding share of LSTZA will be redeemed for one share of Splitco STZA, and (iv) each outstanding share of LSTZB will be redeemed for one share of Splitco STZB.

As of [ ], 2011, there were outstanding [ ] shares of LCAPA, [ ] shares of LCAPB, [ ] shares of LSTZA and [ ] shares of LSTZB (exclusive of any stock options or appreciation rights). Based on these outstanding share numbers, Splitco expects to issue an equivalent number of shares of each corresponding series of its tracking stock.

Redemption Date

The redemption date will be determined by the board of directors of Liberty Media following the satisfaction or, where permissible, waiver of the conditions to the Split-Off (other than those which by their terms can only be satisfied concurrently with the completion of the Split-Off). Liberty Media will issue a press release announcing the redemption date once established. The redemptions would occur at 5:00 p.m., New York City time, on the redemption date (the **redemption effective time**).

Effect of the Redemption

From and after the redemption effective time, holders of Liberty Capital common stock and holders of Liberty Starz common stock will no longer have any rights with respect to their shares of Liberty Capital common stock or Liberty Starz common stock, as the case may be, except for the right to receive the applicable series and whole number of shares of Splitco Capital common stock or Splitco Starz common stock to which such holders are entitled. The number of shares of Liberty Interactive common stock held by stockholders of Liberty Media will not change as a result of the Split-Off.

Liberty Media will deliver or make available to all holders of certificated Liberty Capital or Liberty Starz shares, from and after the redemption date, a letter of transmittal with which to surrender their shares. Holders of certificated shares of Liberty Capital common stock or Liberty Starz common stock must surrender their stock certificates together with the letter of transmittal (and any other documentation required thereby) in order to receive their Splitco Capital or Splitco Starz shares, as appropriate, in the Split-Off.

Accounts holding shares of Liberty Capital common stock or Liberty Starz common stock in book-entry form will be debited as of the redemption effective time, and promptly thereafter credited with the applicable series and number of shares of Splitco Capital common stock or Splitco Starz common stock. Holders of Liberty Capital or Liberty Starz shares held in book-entry form will not need to take any action to receive their Splitco Capital or Splitco Starz shares in the Split-Off.

Conditions to the Split-Off

The completion of the Split-Off is subject to the following conditions:

(1) the receipt of the requisite stockholder approvals of the Split-Off Proposals at the special meeting;

(2) the receipt of a private letter ruling (the **Ruling**) from the Internal Revenue Service (**IRS**) (which Ruling shall not have been withdrawn, invalidated or modified in an adverse manner), and the opinion of Baker Botts L.L.P., in form and substance reasonably acceptable to Liberty Media and which opinion will rely upon the receipt and continued validity of the Ruling, in each case to the effect that the Split-Off will qualify as a tax-free transaction under Sections 355 and 368(a)(1)(D) of the Internal Revenue Code of 1986, as amended (the **Code**) and that for U.S. federal income tax purposes, (i) no gain or loss will be recognized by Liberty Media upon the distribution of Splitco Capital common stock and Splitco Starz common stock and (ii) no gain or loss will be recognized by, and no amount will be included in the income of, holders of Liberty Capital common stock and Liberty Starz common stock upon the exchange of their shares of Liberty Capital common stock and Liberty Starz common stock for shares of Splitco Capital common stock and Splitco Starz common stock, respectively;

(3) the receipt of the opinion of Baker Botts L.L.P., in form and substance reasonably acceptable to Liberty Media and which opinion will rely upon the receipt and continued validity of the Ruling, to the effect that under applicable U.S. federal income tax law, (i) the Splitco Capital common stock and the Splitco Starz common stock distributed in the Split-Off will be treated as stock of Splitco for U.S. federal income tax purposes and (ii) the Splitco Capital common stock and the Splitco Starz common stock distributed in the Split-Off will not constitute Section 306 stock within the meaning of Section 306(c) of the Code;

(4) the effectiveness under the Securities Act of 1933, as amended (the **Securities Act**), of the Splitco registration statement, of which this proxy statement/prospectus forms a part, and the effectiveness of the registration of the Splitco common stock under Section 12(b) of the Exchange Act;

(5) the approval of The Nasdaq Stock Market (**Nasdaq**) for the listing of the Splitco common stock;

(6) the approval of the Federal Communications Commission (**FCC**) of the transfer of control of certain FCC licenses to be held by Splitco subsidiaries or investees;

(7) any other regulatory or contractual approvals that the Liberty Media board determines to obtain; and

(8) with respect to the action entitled Liberty Media Corporation and Liberty Media LLC vs. The Bank of New York Mellon Trust Company, as Trustee (C.A. No. 5702-VCL), pending in the Delaware Court of Chancery (the **Delaware Action**), a judgment to the effect that the Split-Off will not constitute a disposition of substantially all the assets of Liberty Media's wholly owned subsidiary, Liberty Media LLC under the terms of Liberty Media LLC's Indenture, dated as of July 7, 1999 (as amended and supplemented, the **Indenture**). The Delaware Action was brought in response to assertions made by a law firm purporting to represent a holder of a substantial block of Liberty Media LLC's public indebtedness under the Indenture. Liberty Media LLC had approximately $4.2 billion principal amount of public indebtedness outstanding under the Indenture as of September 30, 2010.

The Liberty Media board reserves the right to waive all of the foregoing conditions, other than those set forth in the first, fourth and fifth paragraphs (which are non-waivable). If the Liberty Media board were to waive any of the conditions set forth in the second, third or eighth paragraph, it will resolicit proxies for the approval of the redemptions by the holders of the Liberty Capital common stock and the Liberty Starz common stock.

Board Discretion to Terminate the Split-Off

Although there is no present plan or intention to terminate the Split-Off, the Liberty Media board has reserved its right under the Liberty Media charter to terminate the Split-Off at any time prior to the redemption effective time regardless of whether the conditions to the Split-Off have been satisfied.

Reasons for the Split-Off

The Liberty Media board considered various benefits of the Split-Off in deciding to seek stockholder approval of the Split-Off Proposals, including the Liberty Media board's belief that:

- the Split-Off will simplify the complexity associated with Liberty Media's current three tracking stock structure, as Splitco will have only two tracking stocks and Liberty Media will have a pure play, asset-backed stock;
- Liberty Media is burdened by a "complexity discount," and simplifying the capital structure is expected to reduce the discounts at which the tracking stocks trade and encourage investment in the stocks of Liberty Media and Splitco;
- the improved market recognition of the value of the businesses and assets attributed to the Splitco and Liberty Media stocks resulting from the Split-Off will provide Splitco and Liberty Media with greater flexibility in raising equity capital for organic growth and responding to strategic opportunities, including by creating more attractive acquisition currency;

- a more accurately valued stock will enable Splitco and Liberty Media to provide more effective stock-based compensation programs, which is a key component of recruiting, retaining and incentivizing a quality management team;
- the Split-Off will enable Splitco, as a separate company with its own balance sheet, to pursue opportunities in the credit market for the benefit of the Capital and Starz Groups that may not be available if the current three tracking stock structure were to continue;
- regardless of any initial credit rating downgrade resulting from the Split-Off, the separation of the Capital and Starz Groups should improve QVC's and Liberty Media's credit ratings and provide QVC with a pathway to obtaining an investment grade rating, thereby reducing its cost of capital;

- the separation of the Capital and Starz Groups should also result in Splitco's credit rating following the Split-Off being higher than Liberty Media's current credit rating in light of Splitco's minimal amount of debt; and

- replicating the Liberty Capital and Liberty Starz tracking stocks at Splitco will preserve capital flexibility, maintain stockholder choice by enabling investors to continue to choose which of the stocks meet their investment objectives, and preserve the advantages of the Capital Group and the Starz Group doing business as a single company.

The Liberty Media board also considered certain risks and costs associated with the Split-Off, including the loss of synergistic benefits, the additional legal, accounting and administrative costs of operating a separate public company and the potential tax liabilities that could accrue to Liberty Media, Splitco and the holders of Liberty Capital common stock and Liberty Starz common stock as a result of the Split-Off.

Treatment of Outstanding Equity Awards

Stock incentive awards with respect to shares of Liberty Capital common stock and Liberty Starz common stock are held by directors, officers, employees and consultants of Liberty Media and certain of its subsidiaries under the Liberty Media Corporation 2007 Incentive Plan and various other stock incentive plans administered by the Liberty Media board of directors or its compensation committee. As a result of the Split-Off, options and stock appreciation rights with respect to Liberty Capital common stock will be converted into Splitco Capital stock awards, and options and stock appreciation rights with respect to Liberty Starz common stock will be converted into Splitco Starz stock awards. In the Split-Off, all outstanding restricted shares of Liberty Capital common stock will be treated in the same manner as outstanding unrestricted shares of Liberty Capital common stock, and all outstanding restricted shares of Liberty Starz common stock will be treated in the same manner as outstanding unrestricted shares of Liberty Starz common stock.

Splitco Capital Common Stock

Each series of Splitco Capital common stock is identical in all respects, except that:

- each Splitco CAPA share entitles its holder to one vote per share, each Splitco CAPB share entitles its holder to ten votes per share, and each Series C Splitco Capital share does not entitle its holder to any voting rights (except as required by Delaware law);

- each Splitco CAPB share is convertible, at the option of the holder, into one Splitco CAPA share. Splitco CAPA and Series C Splitco Capital shares are not convertible at the option of the holder; and

- the Splitco CAPB shares have consent rights with respect to (i) certain distributions of voting securities on Series C Splitco Capital shares and certain distributions pursuant to which the holders of Splitco CAPB shares would receive voting securities with lesser relative voting rights than those of the Splitco CAPB shares (including in connection with certain redemptions); (ii) certain charter amendments resulting in a recapitalization or reclassification pursuant to which the holders of Series C Splitco Capital shares would receive voting securities or the holders of Splitco CAPB shares would receive voting securities with lesser relative voting rights than those of the Splitco CAPB shares; (iii) certain charter amendments, including amendments relating to the consent rights of the holders of the Splitco CAPB shares, the voting rights of the Splitco Capital common stock, the terms of the conversion of the Splitco CAPB shares into Splitco CAPA shares, the terms of distributions or dividends (including share distributions), the requirement that Splitco reclassify all series of the Splitco Capital common stock on an equal per share basis and the terms of any liquidation, dissolution or winding-up of Splitco; and (iv) the issuance of any shares of Splitco CAPB shares (or securities convertible into, exercisable or exchangeable for shares of Splitco CAPB), other than as a result of the Capital Group redemption (including upon the conversion, exercise or exchange of any convertible securities issued as a result of the Capital Group redemption). These Series B consent rights will cease to apply at such time as there are outstanding a number of shares of Splitco CAPB which is less than 50% of the number of shares of Splitco CAPB outstanding immediately after the Capital Group redemption. For purposes of these provisions, shares issuable upon conversion, exercise or exchange of any convertible securities (such as stock options) are treated as outstanding regardless of vesting. The Splitco charter provides that the number of such shares outstanding immediately after the Capital Group redemption is subject to adjustment for stock splits, reverse splits, reclassifications and similar transactions.

No Series C Splitco Capital shares will be issued in connection with or will be outstanding immediately following the Split-Off.

For more information regarding these provisions, including the reasons for and effects of these provisions, see "The Split-Off Proposals—Description of Splitco Common Stock and Comparison of Stockholder Rights—Splitco Capital Common Stock" and "—Other Provisions of the Splitco Charter."

Splitco Starz Common Stock

Each series of Splitco Starz common stock is identical in all respects, except that:

- each Splitco STZA share entitles its holder to one vote per share, each Splitco STZB share entitles its holder to ten votes per share, and each Series C Splitco Starz share does not entitle its holder to any voting rights (except as required by Delaware law);
- each Splitco STZB share is convertible, at the option of the holder, into one Splitco STZA share. Splitco STZA and Series C Splitco Starz shares are not convertible at the option of the holder; and
- the Splitco STZB shares have consent rights with respect to (i) certain distributions of voting securities on Series C Splitco Starz shares and certain distributions pursuant to which the holders of Splitco STZB shares would receive voting securities with lesser relative voting rights than those of the Splitco STZB shares (including in connection with certain redemptions); (ii) certain charter amendments resulting in a recapitalization or reclassification pursuant to which the holders of Series C Splitco Starz shares would receive voting securities or the holders of Splitco STZB shares would receive voting securities with lesser relative voting rights than those of the Splitco STZB shares; (iii) certain charter amendments, including amendments relating to the consent rights of the holders of the Splitco STZB shares, the voting rights of the Splitco Starz common stock, the terms of the conversion of the Splitco STZB shares into Splitco STZA shares, the terms of distributions or dividends (including share distributions), the requirement that Splitco reclassify all series of the Splitco Starz common stock on an equal per share basis and the terms of any liquidation, dissolution or winding-up of Splitco; and (iv) the issuance of any shares of Splitco STZB shares (or securities convertible into, exercisable or exchangeable for shares of Splitco STZB), other than as a result of the Starz Group redemption (including upon the conversion, exercise or exchange of any convertible securities issued as a result of the Starz Group redemption). These Series B consent rights will cease to apply at such time as there are outstanding a number of shares of Splitco STZB which is less than 50% of the number of shares of Splitco STZB outstanding immediately after the Starz Group redemption. For purposes of these provisions, shares issuable upon conversion, exercise or exchange of any convertible securities (such as stock options) are treated as outstanding regardless of vesting. The Splitco charter provides that the number of such shares outstanding immediately after the Starz Group redemption is subject to adjustment for stock splits, reverse splits, reclassifications and similar transactions.

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No Series C Splitco Starz shares will be issued in connection with or will be outstanding immediately following the Split-Off.

For more information regarding these provisions, including the reasons for and effects of these provisions, see "The Split-Off Proposals—Description of Splitco Common Stock and Comparison of Stockholder Rights—Splitco Starz Common Stock" and "—Other Provisions of the Splitco Charter."

Comparison of Liberty Capital Common Stock and Splitco Capital Common Stock	The Liberty Capital common stock is a tracking stock of Liberty Media, and the Splitco Capital common stock will be a tracking stock of Splitco. Each of these tracking stocks include terms that are specific to a tracking stock and would not typically apply to regular common stock, such as conversion at the option of issuer, redemption for stock of a subsidiary and mandatory conversion, redemption

or dividend provisions upon certain asset dispositions. The Splitco Capital common stock will have substantially similar terms to the Liberty Capital common stock, with the exception of (i) those provisions that relate to the Liberty Interactive common stock, as Splitco will have only two tracking stocks, (ii) the consent rights adhering to the Splitco CAPB shares (which rights terminate in the event the number of outstanding shares of Splitco CAPB is reduced below a specified threshold) and (iii) certain supermajority voting requirements. The Series B consent rights and supermajority voting requirements were included in light of Mr. Malone's agreement to vote his Series B shares in favor the redemptions. Please see "The Split-Off Proposals—Description of Splitco Common Stock and Comparison of Stockholder Rights—Splitco Capital Common Stock" and "—Other Provisions of

the Splitco
Charter" for
more
information.

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Comparison of Liberty Starz Common Stock and Splitco Starz Common Stock

The Liberty Starz common stock is a tracking stock of Liberty Media, and the Splitco Starz common stock will be a tracking stock of Splitco. Each of these tracking stocks include terms that are specific to a tracking stock and would not typically apply to regular common stock, such as conversion at the option of issuer, redemption for stock of a subsidiary and mandatory conversion, redemption or dividend provisions upon certain asset dispositions. The Splitco Starz common stock will have substantially similar terms to the Liberty Starz common stock, with the exception of (i) those provisions that relate to the Liberty Interactive common stock, as Splitco will have only two tracking stocks, (ii) the consent rights adhering to the Splitco STZB shares (which rights terminate in the event the number of outstanding shares of Splitco

STZB is reduced below a specified threshold) and (iii) certain supermajority voting requirements. The Series B consent rights and supermajority voting requirements were included in light of Mr. Malone's agreement to vote his Series B shares in favor the redemptions. Please see "The Split-Off Proposals—Description of Splitco Common Stock and Comparison of Stockholder Rights—Splitco Starz Common Stock" and "—Other Provisions of the Splitco Charter" for more information.

Material U.S. Federal Income Tax Considerations	The Split-Off is conditioned upon the receipt of the Ruling from the IRS (which Ruling shall not have been withdrawn, invalidated or modified in an adverse manner), and the opinion of Baker Botts L.L.P., in form and substance reasonably acceptable to Liberty Media and which opinion will rely upon the receipt and continued validity of the Ruling, in each case to the effect that the Split-Off will qualify as a

tax-free transaction under Sections 355 and 368(a)(1)(D) of the Code and that for U.S. federal income tax purposes, (i) no gain or loss will be recognized by Liberty Media upon the distribution of Splitco Capital common stock and Splitco Starz common stock and (ii) no gain or loss will be recognized by, and no amount will be included in the income of, holders of Liberty Capital common stock and Liberty Starz common stock upon the exchange of their shares of Liberty Capital common stock and Liberty Starz common stock for shares of Splitco Capital common stock and Splitco Starz common stock, respectively.

In addition, the Split-Off is conditioned upon the receipt of the opinion of Baker Botts L.L.P., in form and substance reasonably acceptable to Liberty Media and which opinion will rely upon the receipt and continued validity of the Ruling, to the effect that under applicable U.S. federal income tax law, (i) the Splitco Capital common stock and the Splitco Starz common stock distributed in the Split-Off will be treated as stock of Splitco for U.S. federal income tax purposes and (ii) the Splitco Capital common stock and the Splitco Starz common stock distributed in the Split-Off will not constitute Section 306 stock within the meaning of Section 306(c) of the Code.

The Liberty Media board reserves the right to waive the foregoing conditions. If the Liberty Media board were to waive such conditions, it will resolicit proxies for the approval of the redemptions by the holders of the Liberty Capital common stock and the Liberty Starz common stock.

Effect on Management

Immediately following the Split-Off, the executive officers of Liberty Media and Splitco will be comprised of the same persons, and the non-executive management teams will have significant overlap.

Immediately following the Split-Off, the boards of directors of Liberty Media and Splitco will have overlapping directors with the exception that two directors on each board will be different. In addition, each current director of Liberty Media will serve as a director of at least one of Liberty Media or Splitco immediately following the Split-Off.

For more information regarding these persons, see "Management of Splitco."

Following the Split-Off, Liberty Media will cease to provide cash compensation and health and welfare benefits directly to its management team. Rather, Liberty Media's management team will instead receive their cash compensation and health and welfare benefits from Splitco, and Liberty Media will reimburse Splitco for its allocable portion of the associated expenses pursuant to a services agreement to be entered into between Liberty Media and Splitco. Please see "Certain Relationships and Related Transactions—Relationships Between Splitco and Liberty Media—Services Agreement" for more information.

Renunciation of Certain Corporate Opportunities

Those persons who are on the board of directors or management teams of both Liberty Media and Splitco may be presented with business opportunities that are suitable for both companies. To clarify which business opportunities properly belong to Splitco, the Splitco charter includes a provision by which it renounces, to the extent permitted by Delaware law, any interest or expectancy in any potential business opportunity offered to a person that is a director or officer of Splitco unless the offer is expressly made to such person in his or her capacity as a director or officer of Splitco or any of its subsidiaries. The purpose of this provision is to renounce, in advance, Splitco's interest or expectancy in certain business opportunities, and the effect of the provision is to absolve Splitco's directors and officers, to the extent permitted by Delaware law, from possible liability for not presenting a renounced business opportunity to Splitco, on the premise that no breach of fiduciary duty will have occurred if Splitco has previously renounced its interest or expectancy in the opportunity. The renunciation provision in the Splitco charter would provide its directors and officers a defense to any derivative lawsuit that might be brought alleging such a breach of fiduciary duty by them. See "Risk Factors—Splitco may compete with Liberty Media for business opportunities" and "The Split-Off Proposals—Other Provisions of the Splitco Charter—Corporate Opportunity."

Interests of Certain Persons	In considering the recommendation of the Liberty Media board to vote to approve the Split-Off Proposals, holders of Liberty Capital common stock and holders of Liberty Starz common stock should be aware that the executive officers and directors of Liberty Media will receive stock incentive awards with respect to Splitco Capital common stock and Splitco Starz common stock in exchange for their existing Liberty Capital stock incentives and Liberty Starz stock incentives, respectively, as a result of the Split-Off.

Holders of Liberty Capital common stock and holders of Liberty Starz common stock should also be aware that the executive officers of Splitco will continue to serve as executive officers of Liberty Media and that there will be significant board overlap between Splitco and Liberty Media. See "Risk Factors—Risk Factors Relating to Splitco—Factors Relating to Splitco, the Capital Group and the Starz Group—Splitco has overlapping directors and management with Liberty Media and Liberty Global, Inc. (LGI), which may lead to conflicting interests" and "—Splitco may compete with Liberty Media for business opportunities" for a discussion of the conflicts that could arise as a result of their positions with Liberty Media and Splitco. See "The Split-Off Proposals—Management of Potential Conflicts of Interest" regarding the management of these potential conflicts.

In addition, the shares of Splitco CAPB and Splitco STZB to be acquired by John C. Malone, Chairman of the Boards of Liberty Media and Splitco, will not be subject to any call right in favor of Splitco or any similarly restrictive agreements, such as the call right in favor of Liberty Media with respect to Mr. Malone's LCAPB shares. For more information regarding this call right, see "The Split-Off Proposals—The Malone Call Agreement."

Further, the shares of Splitco CAPB and Splitco STZB to be acquired by Mr. Malone (and all other holders of LCAPB and LSTZB shares) will have certain consent rights under the terms of Splitco's restated charter. See "—Splitco Capital Common Stock," "—Splitco Starz Common Stock," "—Comparison of Liberty Capital Common Stock and Splitco Capital Common Stock" and "—Comparison of Liberty Starz Common Stock and Splitco Starz Common Stock", above.

As of [ ], 2011, Liberty Media's executive officers and directors beneficially owned (i) shares of Liberty Capital common stock representing in the aggregate approximately [ ]% of the aggregate voting power of the outstanding shares of Liberty Capital common stock, and (ii) shares of Liberty Starz common stock representing in the aggregate approximately [ ]% of the aggregate voting power of the outstanding shares of Liberty Starz common stock. All of Liberty Media's executive officers and directors have indicated that they intend to vote "**FOR**" each of the Split-Off Proposals. For more information regarding the relative economic value of their equity holdings, please see "The Split-Off Proposals—Interests of Certain Persons."

In addition, Mr. Malone has agreed to vote certain of his shares in favor of the redemptions. See "—Malone Voting Agreement" below for more information.

The Liberty Media board was aware of these interests and considered them when approving the Split-Off Proposals.

Malone Voting Agreement

John C. Malone, Chairman of the Board of Liberty Media, has entered into a voting agreement in connection with the redemptions. The voting agreement provides, among other things, that, subject to the terms and conditions thereof, Mr. Malone will vote his shares of LCAPB in favor of the Liberty Capital redemption proposal and his shares of LSTZB in favor of the Liberty Starz redemption proposal and will vote such shares against any action or agreement that would reasonably be expected to prevent, prohibit or materially delay the completion of the Split-Off. Mr. Malone entered into this voting agreement in light of Liberty Media's agreement to include in the Splitco charter certain consent rights in favor of the holders of Series B Splitco common stock and other supermajority voting provisions. The consent rights are intended to protect the holders of the Series B Splitco common stock against significant dilution in their relative voting power as a result of certain types of share distributions, reclassifications, split-offs and supervoting share issuances.

	The consent rights terminate in the event the number of outstanding shares of Splitco CAPB or Splitco STZB, as applicable, is reduced below a specified threshold. See "—Splitco Capital Common Stock," "—Splitco Starz Common Stock," "—Comparison of Liberty Capital Common Stock and Splitco Capital Common Stock" and "—Comparison of Liberty Starz Common Stock and Splitco Starz Common Stock" above for more information regarding these consent and other voting rights.
Regulatory and Contractual Approvals	The approval of the FCC will be required for the transfer of control of certain FCC licenses held by Splitco subsidiaries or investees. The Liberty Media board will determine whether any other regulatory or any contractual approvals are needed in connection with the Split-Off.
No Appraisal Rights	Under the General Corporation Law of the State of Delaware, holders of Liberty Capital common stock and holders of Liberty Starz common stock will not have appraisal rights in connection with the redemptions.

Exchange Agent, Transfer Agent and Registrar for the Shares	[Computershare Trust Company, N.A., P.O. Box 43102, Providence, Rhode Island 02940.]
Stock Exchange Listings	There is currently no public market for Splitco common stock. Splitco has applied to list its Splitco CAPA, Splitco CAPB, Splitco STZA and Splitco STZB on the Nasdaq Global Select Market under the symbols "[ ]","[ ]","[ ]" and "[ ]", respectively. Liberty Media and Splitco have been advised that, for a short period following the Split-Off, Splitco's common stock may trade under temporary trading symbols, which will be announced by press release once available.

Recommendation of the Liberty Media Board	The Liberty Media board has unanimously approved the Split-Off Proposals and unanimously recommends that holders of Liberty Capital common stock vote "**FOR**" the Liberty Capital redemption proposal and that holders of Liberty Starz common stock vote "**FOR**" the Liberty Starz redemption proposal.
Risk Factors	If the Split-Off is completed, stockholders of Splitco will face a number of risks and uncertainties including, among others: • those relating to the tax consequences of the Split-Off; • those relating to limits on Splitco's ability to control its more significant investments; • those relating to the ownership of Splitco common stock due to its tracking stock capitalization; • those relating to consumer demand for Splitco's products and services; and • those relating to Splitco's overlapping directors and management with Liberty Media.

Please see "Risk Factors" starting on page [ ] for a discussion of these risks and others that should be considered in connection with the Split-Off Proposals and an investment in Splitco common stock.

Comparative Per Share Market Price and Dividend Information

Market Price

Liberty Media has three tracking stocks: (i) Series A and Series B Liberty Capital tracking stock, which was originally issued in May 2006 and later recapitalized in March 2008; (ii) Series A and Series B Liberty Interactive tracking stock, which was originally issued in May 2006; and (iii) Series A and Series B Liberty Starz tracking stock, which was originally issued in March 2008 when each share of the then-Liberty Capital tracking stock was reclassified (the **reclassification**) into one share of the same series of new Liberty Capital tracking stock and four shares of the same series of the then-Liberty Entertainment tracking stock. The Liberty Entertainment tracking stock was partially redeemed in November 2009 in exchange for all of the outstanding shares of Liberty Entertainment, Inc. (**LEI**), and the remaining businesses, assets and liabilities attributed to the Entertainment Group and not held by LEI were redesignated as the Starz Group. Each series of Liberty Media's tracking stock trades on The Nasdaq Stock Market LLC. The following table sets forth the range of high and low sales prices of shares of Liberty Media's common stock for the years ended December 31, 2010, 2009 and 2008 and since January 1, 2011.

	Liberty Capital			
	Series A (LCAPA)		Series B (LCAPB)	
	High	Low	High	Low
2008				
First quarter (through March 3)	$ 119.75	100.00	121.21	101.25
First quarter (beginning March 4)	$ 19.25	14.60	17.73	14.64
Second quarter	$ 16.99	14.03	18.00	14.07
Third quarter	$ 16.46	13.10	16.23	12.97
Fourth quarter	$ 13.74	2.33	13.75	2.61
2009				
First quarter	$ 7.46	4.35	10.60	4.46
Second quarter	$ 15.42	6.61	15.98	6.30
Third quarter	$ 23.52	11.04	23.68	12.46
Fourth quarter	$ 25.05	20.35	25.01	20.46
2010				
First quarter	$ 37.16	23.62	37.00	23.50
Second quarter	$ 46.05	36.48	45.94	37.50
Third quarter	$ 53.25	40.42	52.74	41.42
Fourth quarter	$ 63.67	52.01	64.79	51.62
2011				
First quarter (through January 24)	$ 65.73	61.98	65.00	62.61

	Liberty Interactive			
	Series A (LINTA)		Series B (LINTB)	
	High	Low	High	Low
2008				
First quarter	$ 19.17	13.42	18.69	13.53
Second quarter	$ 17.58	14.55	17.44	14.73
Third quarter	$ 15.17	11.52	15.91	11.95
Fourth quarter	$ 13.10	1.97	12.79	2.10
2009				
First quarter	$ 3.99	2.42	3.81	1.75
Second quarter	$ 7.34	2.83	7.27	2.89
Third quarter	$ 11.48	4.53	11.40	4.31
Fourth quarter	$ 12.81	9.82	12.79	10.23
2010				
First quarter	$ 15.41	10.20	15.25	10.29
Second quarter	$ 16.65	10.50	16.65	10.79
Third quarter	$ 14.00	10.08	13.76	10.35
Fourth quarter	$ 16.22	13.63	16.10	13.51
2011				
First quarter (through January 24)	$ 16.39	15.56	16.20	15.52

	Liberty Starz			
	Series A (LSTZA)		Series B (LSTZB)	
	High	Low	High	Low
2008				
First quarter (beginning March 4)	$ 27.07	19.65	26.51	20.46
Second quarter	$ 27.48	22.12	27.41	22.46
Third quarter	$ 28.64	22.33	28.95	22.48
Fourth quarter	$ 25.26	9.47	24.95	9.69
2009				
First quarter	$ 20.94	16.03	20.10	15.25
Second quarter	$ 27.07	19.54	27.23	19.58
Third quarter	$ 31.38	24.68	31.11	24.43
Fourth quarter (through November 19)	$ 36.26	29.86	36.10	30.01
Fourth quarter (beginning November 20)	$ 51.50	46.10	50.34	46.86
2010				
First quarter	$ 54.73	46.04	53.67	46.64
Second quarter	$ 57.04	50.05	57.02	50.10
Third quarter	$ 65.56	49.89	67.00	51.50
Fourth quarter	$ 69.15	60.12	69.15	61.84
2011				
First quarter (through January 24)	$ 69.97	64.25	68.41	66.33

As of June 18, 2010, the last trading day prior to the public announcement of the Liberty Media board's intention to seek the approval of the Liberty Capital and Liberty Starz stockholders to effect the Split-Off Proposals, LCAPA closed at $41.78, LCAPB closed at $42.25, LINTA closed at $12.35, LINTB closed at $12.33, LSTZA closed at $52.42 and LSTZB closed at $50.63. As of [ ], 2011, the most recent practicable date prior to the mailing of this proxy statement/prospectus, LCAPA closed at $[ ], LCAPB closed at $[ ], LINTA closed at $ [ ], LINTB closed at $[ ], LSTZA closed at $[ ] and LSTZB closed at $ [ ].

Dividends

Liberty Media. Liberty Media has never paid cash dividends on any series of its common stock. All decisions regarding payment of dividends by Liberty Media are made by its board of directors, from time to time, in accordance with applicable law after taking into account various factors, including its financial condition, operating results, current and anticipated cash needs, plans for expansion and possible loan covenants which may restrict or prohibit its payment of dividends.

Splitco. Splitco has no present intention to pay cash dividends on its stock. All decisions regarding payment of dividends by Splitco will be made by its board of directors, from time to time, in accordance with applicable law after taking into account various factors, including its financial condition, operating results, current and anticipated cash needs, plans for expansion and possible loan covenants which may restrict or prohibit its payment of dividends.

RISK FACTORS

In addition to the other information contained in, incorporated by reference in or included as an Annex to this proxy statement/prospectus, you should carefully consider the following risk factors in deciding whether to vote to approve the Split-Off Proposals.

The risk factors described in this section have been separated into two groups:

- risks that relate to the Split-Off, which include risks relating to the Split-Off Proposals; and
- risks relating to an investment in Splitco, which include risks relating to the tracking stock and capital structure of Splitco.

The risks described below and elsewhere in this proxy statement/prospectus are not the only ones that relate to the Split-Off and an investment in Splitco. The risks described below are considered to be the most material. However, there may be other unknown or unpredictable economic, business, competitive, regulatory or other factors that also could have material adverse effects on Splitco or an investment in its common stock. Past financial performance may not be a reliable indicator of future performance and historical trends may not foretell results or trends in future periods especially given the current economic environment.

If any of the events described below were to occur, the businesses, prospects, financial condition, results of operations and/or cash flows of Splitco could be materially adversely affected. In any such case, the price of any or all of the Splitco common stock could decline, perhaps significantly.

For the purposes of these risk factors, unless the context otherwise indicates, we have assumed that the Split-Off Proposals have been approved and that the Split-Off has been completed.

Risk Factors Relating to the Split-Off and Split-Off Proposals

The Split-Off could result in a significant tax liability. Liberty Media has requested the Ruling from the IRS to the effect that, among other things, the Split-Off will qualify as a tax-free distribution for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code. The Split-Off is conditioned upon the receipt by Liberty Media of the Ruling. Although the Ruling will generally be binding on the IRS, the continuing validity of the Ruling will be subject to the accuracy of factual statements and representations made to the IRS by Liberty Media. Further, as a result of the IRS's general ruling policy with respect to transactions under Section 355 of the Code and transactions involving tracking stock, the Ruling will not represent a determination by the IRS that certain requirements necessary to obtain tax-free treatment to holders of Liberty Capital common stock and Liberty Starz common stock and to Liberty Media under Sections 355 and 368(a)(1)(D) of the Code (specifically, the business purpose requirement, the requirement that the Split-Off not be used principally as a device for the distribution of earnings and profits, the non-application of Section 355(e) of the Code to the Split-Off (discussed below) and the requirement that the tracking stocks be treated as stock of the issuer for U.S. federal income tax purposes) have been satisfied. Rather, the Ruling will be based upon representations made to the IRS by Liberty Media that these requirements have been satisfied.

As a result of this IRS ruling policy, the Split-Off is also conditioned upon the receipt by Liberty Media of the opinions of Baker Botts L.L.P. to the effect that, among other things, (i) the Split-Off will qualify as a tax-free transaction to Liberty Media and to the holders of Liberty Capital common stock and Liberty Starz common stock for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code, (ii) the Splitco Capital common stock and the Splitco Starz common stock distributed in the Split-Off will be treated as stock of Splitco for U.S. federal income tax purposes, and (iii) the Splitco Capital common stock and the Splitco Starz common stock distributed in the Split-Off will not constitute Section 306 stock within the meaning of Section 306(c) of the Code.

The opinions of counsel will rely on the receipt and continuing validity of the Ruling, as to the matters covered by the Ruling, and will be based upon certain assumptions, as well as statements, representations and certain undertakings made by officers of Liberty Media and Splitco and a stockholder of Liberty Media. If the Ruling is no longer valid, if any of those statements, representations or assumptions is incorrect or untrue in any material respect or any of those undertakings is not complied with, or if the facts upon which the opinions are based are materially different from the facts at the time of the Split-Off, the conclusions reached in such opinions could be adversely affected. Opinions of counsel are not binding on the IRS or the courts, and the conclusions expressed in such opinions could be challenged by the IRS and a court could sustain such challenge. In addition, there are no Code provisions, Treasury Regulations, court decisions or published rulings of the IRS bearing directly on the tax effects of the issuance and characterization of "tracking stock," such as the Splitco Capital common stock and Splitco Starz common stock. As indicated above, the IRS will not issue private letter rulings on the characterization of tracking stock, and the Ruling will not provide a determination by the IRS with respect to such issue. However, it is a material condition to the Split-Off that Liberty Media receive the opinions of counsel described above, which if waived would result in the Liberty Media board resoliciting the approval of the holders of Liberty Capital common stock and Liberty Starz common stock. In addition, the past administrative practice of the IRS has generally been to respect the treatment of tracking stock as stock of the issuer.

Even if the Split-Off otherwise qualifies under Sections 355 and 368(a)(1)(D) of the Code, the Split-Off would result in a significant U.S. federal income tax liability to Liberty Media (but not to holders of Liberty Capital common stock or Liberty Starz common stock) under Section 355(e) of the Code if one or more persons acquire a 50-percent or greater interest (measured by vote or value) in the stock of Liberty Media or in the stock of Splitco as part of a plan or series of related transactions that includes the Split-Off. Current tax law generally creates a presumption that any acquisition of the stock of Liberty Media or the stock of Splitco within two years before or after the Split-Off is part of a plan that includes the Split-Off, although the parties may be able to rebut that presumption. The process for determining whether an acquisition is part of a plan under these rules is complex, inherently factual and subject to interpretation of the facts and circumstances of a particular case. Notwithstanding the opinions of counsel described above, Liberty Media or Splitco might inadvertently cause or permit a prohibited change in Liberty Media's ownership or Splitco's ownership to occur, thereby triggering tax liability to Liberty Media, which could have a material adverse effect.

If it is subsequently determined, for whatever reason, that the Split-Off does not qualify for tax-free treatment, Liberty Media and/or the holders of Liberty Capital common stock and Liberty Starz common stock immediately prior to the Split-Off could incur significant tax liabilities determined in the manner described in "The Split-Off Proposals—Material U.S. Federal Income Tax Consequences of the Split-Off." In addition, if the IRS were to successfully assert that the Splitco Capital common stock or the Splitco Starz common stock is Section 306 stock, within the meaning of Section 306(c) of the Code, the holders of Liberty Capital common stock and Liberty Starz common stock could be required to recognize ordinary income on the subsequent sale or exchange of such Section 306 stock, or dividend income on any redemption of such Section 306 stock, without regard to their basis in such stock, and such holders generally would not be permitted to recognize any loss on such disposition. As described further under "Certain Relationships and Related Transactions—Relationships between Splitco and Liberty Media—Tax Sharing Agreement," in certain circumstances, Splitco will be required to indemnify Liberty Media, its subsidiaries, and certain related persons for losses and taxes resulting from the Split-Off. For a more complete discussion of the requested Ruling, the tax opinions and the tax consequences if the Split-Off is not tax-free, please see "The Split-Off Proposals—Material U.S. Federal Income Tax Consequences of the Split-Off."

Splitco may have a significant tax liability to Liberty Media, which is not limited in amount or subject to any cap, if the Split-Off or Liberty Media's split-off of LEI are treated as taxable transactions. Pursuant to its tax sharing agreement with Liberty Media and Liberty Media LLC (the **Tax Sharing Agreement**), subject to certain limited exceptions, Splitco must indemnify Liberty Media, its subsidiaries, and certain related persons for losses and taxes resulting from the Split-Off to the extent such losses or taxes (i) result primarily from, individually or in the aggregate, the breach of certain covenants made by Splitco (applicable to actions or failures to act by Splitco and its subsidiaries following the completion of the Split-Off) that relate to the qualification of the Split-Off and related restructuring transactions as tax-free transactions, (ii) result from the Splitco Capital common stock or the Splitco Starz common stock not being treated as stock of Splitco, or being treated as Section 306 stock within the meaning of Section 306(c) of the Code, for U.S. federal income tax purposes, (iii) result from the Liberty Interactive common stock, the Liberty Capital common stock, or the Liberty Starz common stock not being treated as stock of Liberty Media, or being treated as Section 306 stock within the meaning of Section 306(c) of the Code, for U.S. federal income tax purposes, (iv) result from Section 355(e) of the Code applying to the Split-Off as a result of the Split-Off being part of a plan (or series of related transactions) pursuant to which one or more persons acquire a 50-percent or greater interest (measured by vote or value) in the stock of Splitco, or (v) result from deferred intercompany items or excess loss accounts that are triggered by the Split-Off, and that would otherwise be allocated to Splitco.

In addition, pursuant to the Tax Sharing Agreement, Splitco will generally be required to indemnify Liberty Media for any losses or taxes arising from the failure of Liberty Media's split-off of LEI effected on November 19, 2009 (the **LEI Split-Off**) to qualify as a tax-free transaction described in Sections 355 and 368(a)(1)(D) (to the extent such losses or taxes are not indemnified by LEI or its affiliates pursuant to LEI's tax sharing agreement with Liberty Media), including any such losses or taxes arising as a result of the completion of the Split-Off. However, Splitco will not be required to indemnify Liberty Media for any losses or taxes arising primarily from, individually or in the aggregate, the breach of certain covenants made by Liberty (applicable to actions or failures to act by Liberty Media and its subsidiaries following the completion of the Split-Off).

Splitco's indemnification obligations to Liberty Media, its subsidiaries and certain related persons are not limited in amount or subject to any cap. If Splitco is required to indemnify Liberty Media, its subsidiaries and certain related persons under the circumstances set forth in the Tax Sharing Agreement, Splitco may be subject to substantial liabilities, which could materially adversely affect its financial position.

Splitco may determine to forgo certain transactions in order to avoid the risk of incurring significant tax-related liabilities. In the Tax Sharing Agreement, Splitco will covenant not to take any action, or fail to take any action, following the Split-Off which action or failure to act is inconsistent with the Split-Off qualifying for tax-free treatment under Sections 355 and 368(a)(1)(D) of the Code. Further, the Tax Sharing Agreement will require that Splitco generally indemnify Liberty Media for any taxes or losses incurred by Liberty Media (or its subsidiaries) resulting from breaches of such covenants or resulting from Section 355(e) of the Code applying to the Split-Off because of acquisitions of a 50-percent or greater interest (measured by vote or value) in the stock of Splitco that are part of a plan that includes the Split-Off. As a result, Splitco might determine to forgo certain transactions that might have otherwise been advantageous in order to preserve the tax-free treatment of the Split-Off.

In particular, Splitco might determine to continue to operate certain of its business operations for the foreseeable future even if a sale or discontinuance of such business might have otherwise been advantageous. Moreover, in light of the requirements of Section 355(e) of the Code, Splitco might determine to forgo certain transactions, including share repurchases, stock issuances, certain asset dispositions or other strategic transactions for some period of time following the Split-Off. In addition, Splitco's indemnity obligation under the Tax Sharing Agreement might discourage, delay or prevent a change of control transaction for some period of time following the Split-Off.

The market value of the Splitco Capital common stock may not equal or exceed the current market value of the Liberty Capital common stock; and the market value of the Splitco Starz common stock may not equal or exceed the current market value of the Liberty Starz common stock. Although Liberty Capital common stock and Liberty Starz common stock have been publicly traded for some time, there is no public market for Splitco common stock. Because, among other things, Splitco common stock will be a security of Splitco, rather than a security of Liberty Media, there can be no assurance that the public market for Splitco Capital common stock or Splitco Starz common stock will be similar to the public market for the Liberty Capital common stock and Liberty Starz common stock, respectively. Ultimately, the value of each share of Splitco common stock will be principally determined in the trading markets and could be influenced by many factors, including the operations of Splitco's subsidiaries and business affiliates, investors' expectations of Splitco's prospects, financial estimates by securities analysts, trends and uncertainties affecting the industries in which Splitco or its affiliates compete, future issuances and repurchases of Splitco common stock and general economic and other conditions. The trading value of the Splitco Capital common stock and Splitco Starz common stock could be higher or lower than the trading value of the existing Liberty Capital common stock and Liberty Starz common stock, respectively, and we are unable to estimate whether any such difference, whether favorable or unfavorable, will be material. In addition, Splitco may elect to convert its common stock relating to one group into common stock relating to the other group, thereby changing the nature of your investment, which could result in a loss in value.

After the Split-Off, Splitco may be controlled by one principal stockholder. John C. Malone currently beneficially owns shares of Liberty Capital common stock (excluding exercisable stock options) representing approximately [ ]% of the aggregate voting power of the outstanding shares of Liberty Capital common stock as of [ ], 2011 and shares of Liberty Starz common stock (excluding exercisable stock options) representing approximately [ ]% of the aggregate voting power of the outstanding shares of Liberty Starz common stock as of [ ], 2011. Following the consummation of the Split-Off, Mr. Malone is expected to beneficially own shares of Splitco common stock (excluding exercisable stock options) representing up to approximately [ ]% of Splitco's voting power, based upon the redemption ratios and his beneficial ownership of Liberty Capital common stock and Liberty Starz common stock, as of [ ], 2011 (as reflected under "Management of Splitco—Pro Forma Security Ownership of Management" below). By virtue of Mr. Malone's voting power in Splitco as well as his position as Splitco's Chairman of the Board, Mr. Malone may be deemed to control Splitco's operations. In addition, Mr. Malone will beneficially own more than 90% of the outstanding shares of Splitco CAPB and Splitco STZB, which will enable him to control any separate class votes to which the holders of shares of Splitco CAPB or Splitco STZB are entitled, including any matters as to which the Series B consent rights apply (which rights terminate in the event the number of outstanding shares of Splitco CAPB or Splitco STZB, as applicable, is reduced below a specified threshold). See "The Split-Off Proposals—Description of Splitco Common Stock and Comparison of Stockholder Rights" and "—Other Provisions of the Splitco Charter." Mr. Malone's rights to vote or dispose of his equity interest in Splitco will not be subject to any restrictions in favor of Splitco other than as may be required by applicable law and except for customary transfer restrictions pursuant to incentive award agreements.

Risk Factors Relating to Splitco

Factors Relating to Splitco, the Capital Group and the Starz Group

Splitco's historical financial information may not be representative of Splitco's results as a separate company. The historical financial information included in this proxy statement/prospectus for Splitco may not necessarily reflect what Splitco's results of operations, financial condition and cash flows would have been had Splitco been a separate, stand-alone entity pursuing independent strategies during the periods presented.

The historical financial information of Liberty Media's Capital Group and Starz Group may not necessarily reflect their results as separate companies. One of the reasons for the creation of a tracking stock is to permit equity investors to apply more specific criteria in valuing the shares of a particular group, such as comparisons of earnings multiples with those of other companies in the same business sector. In valuing shares of Splitco Capital common stock and Splitco Starz common stock, investors should recognize that the historical financial information of Liberty Media's Capital Group and Starz Group has been extracted from the consolidated financial statements of Liberty Media and may not necessarily reflect what the Liberty Media Capital Group's and the Liberty Media Starz Group's results of operations, financial condition and cash flows would have been had the groups been separate, stand-alone entities pursuing independent strategies during the period presented and while a part of Liberty Media.

Rapid technological advances could render the products and services offered by Splitco's subsidiaries and business affiliates obsolete or non-competitive. Splitco's subsidiaries and business affiliates, such as TruePosition and Sirius XM Radio, must stay abreast of rapidly evolving technological developments and offerings to remain competitive and increase the utility of their services. These subsidiaries and business affiliates must be able to incorporate new technologies into their products in order to address the needs of their customers. There can be no assurance that they will be able to compete with advancing technology, and any failure to do so could result in customers seeking alternative service providers and may adversely affect the group to which they are attributed, thereby adversely impacting Splitco's revenue and operating income.

Certain of Splitco's subsidiaries and business affiliates depend on their relationships with third party distribution channels, suppliers and advertisers and any adverse changes in these relationships could adversely affect Splitco's results of operations and those attributed to any of its groups. An important component of the success of Splitco's subsidiaries and business affiliates, including Starz Entertainment, TruePosition and Sirius XM Radio, will be their ability to maintain their existing, as well as build new, relationships with third party distribution channels, including local and national cable and satellite providers, and suppliers and advertisers, among other parties. Adverse changes in existing relationships or the inability to enter into new arrangements with these parties on favorable terms, if at all, could have a significant adverse effect on Splitco's results of operations and those attributed to its groups.

The subsidiaries and business affiliates attributable to each group of Splitco are subject to risks of adverse government regulation. Programming services, cable television systems, the Internet, telephony services and satellite carriers are subject to varying degrees of regulation in the United States by the FCC and other entities and in foreign countries by similar regulators. Such regulation and legislation are subject to the political process and have been in constant flux over the past decade. Material changes in the law and regulatory requirements must be anticipated, and there can be no assurance that the businesses and assets attributed to each group will not become subject to increased expenses or more stringent restrictions as a result of any future legislation, new regulation or deregulation.

The success of one of Splitco's subsidiaries, Starz Entertainment, and two of Splitco's business affiliates, Sirius XM Radio and Live Nation, depends on audience acceptance of their programs and programming services which is difficult to predict. Entertainment content production, premium subscription television program services, satellite radio services and live entertainment events are inherently risky businesses because the revenue derived from these businesses depends primarily upon the public's acceptance of these programs and services, which is difficult to predict. The commercial success of a cable program, premium subscription television service, satellite radio program or live entertainment production depends on the quality and acceptance of other competing programs and other entertainment content available in the marketplace at or near the same time, the availability of alternative forms of entertainment and leisure time activities, general economic conditions and other tangible and intangible factors, many of which are difficult to predict. Audience sizes for cable programming and premium subscription television programs are important factors when cable television and DTH satellite providers negotiate affiliation agreements. Audience size is also an important factor when determining subscription rates for satellite radio services and ticket pricing for live entertainment productions. Consequently, low public acceptance of programs and services offered by Starz Entertainment, Live Nation and Sirius XM Radio will have an adverse effect on Splitco's results of operations and could hurt the ability of these subsidiaries and business affiliates to maintain rates charged to affiliates, subscribers and customers.

Increased programming and content costs may adversely affect profits. One of Splitco's subsidiaries, Starz Entertainment, produces programming and other content and incurs costs for all types of creative talent including writers, producers and actors. Starz Entertainment also acquires programming, such as movies and television series, from television production companies and movie studios. An increase in the costs of programming and other content may lead to decreased profitability.

The success of two of Splitco's subsidiaries, Starz Entertainment and Atlantic National League Baseball Club, depends in large part on their ability to retain and recruit key personnel. As Starz's original programming continues to gain greater market share, the key talent associated with this original programming will become difficult to replace. We cannot assure you that if Starz experiences a turnover of these key persons that they will be able to recruit and retain acceptable replacements, in part, because the market for such talent is very competitive and limited. Similarly the success of the Atlanta National League Baseball Club depends on the record of the Braves Major League baseball team during each season, which is directly impacted by their ability to attract and retain top performing players and managers.

Weak economic conditions may reduce consumer demand for our products and services. The current economic downturn in the United States and in other regions of the world in which Splitco's subsidiaries and affiliates will operate could adversely affect demand for its products and services. A substantial portion of its revenue is derived from discretionary spending by individuals, which typically falls during times of economic instability. A reduction in discretionary spending could adversely affect revenue across Splitco's tracking stock groups including potential downgrades by satellite and cable television subscribers affecting Starz Entertainment, reduced sports and entertainment expenditures affecting Live Nation and Atlanta National League Baseball Club and a drastic slowdown in auto sales (which is an important source of satellite radio subscribers affecting Sirius XM Radio). Accordingly, Splitco's ability to increase or maintain revenue and earnings could be adversely affected to the extent that relevant economic environments remain weak or decline further. Splitco currently is unable to predict the extent of any of these potential adverse effects.

Splitco will not have the right to manage its Capital Group business affiliates, which means it will not be able to cause those affiliates to operate in a manner that is favorable to it. Splitco will not have the right to manage the businesses or affairs of any of its business affiliates (generally those companies in which it will have less than a majority voting stake) attributed to the Capital Group, specifically Sirius XM Radio and Live Nation. Rather, Splitco's rights may take the form of representation on the board of directors or a partners' or similar committee that supervises management or possession of veto rights over significant or extraordinary actions. The scope of Splitco's veto rights vary from agreement to agreement. Although Splitco's board representation and veto rights may enable it to exercise influence over the management or policies of a business affiliate, enable it to prevent the sale of material assets by a business affiliate in which it owns less than a majority voting interest or prevent it from paying dividends or making distributions to its stockholders or partners, they will not enable Splitco to cause these actions to be taken.

The liquidity and value of Splitco's public investments may be affected by market conditions beyond its control that could cause it to record losses for declines in their market value. Included among the assets attributable to the Capital Group will be equity interests in one or more publicly-traded companies which are not consolidated subsidiaries, such as Sirius XM Radio and Live Nation. The value of these interests may be affected by economic and market conditions that are beyond Splitco's control. In addition, Splitco's ability to liquidate these interests without adversely affecting their value may be limited.

Sales of Splitco common stock by Splitco's insiders could depress the market price of Splitco's common stock. Sales of Splitco's shares by Splitco's Chairman of the Board or any of its other directors or executive officers could cause a perception in the marketplace that Splitco's stock price has peaked or that adverse events or trends have occurred or may be occurring at Splitco. This perception can result notwithstanding any personal financial motivation for these insider sales. As a result, insider sales could depress the market price for shares of one or more series of Splitco's tracking stocks.

No assurance can be made that Splitco will be successful in integrating any acquired businesses. Splitco's businesses and those of its subsidiaries may grow through acquisitions in selected markets. Integration of new businesses may present significant challenges, including: realizing economies of scale in programming and network operations; eliminating duplicative overheads; and integrating networks, financial systems and operational systems. No assurances can be made that, with respect to any acquisition, Splitco will realize anticipated benefits or successfully integrate any acquired business with its existing operations. In addition, while Splitco intends to implement appropriate controls and procedures as it integrates acquired companies, Splitco may not be able to certify as to the effectiveness of these companies' disclosure controls and procedures or internal control over financial reporting (as required by U.S. federal securities laws and regulations) until Splitco has fully integrated them.

If, following the Split-Off, Splitco is unable to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or Splitco's internal control over financial reporting is not effective, the reliability of Splitco's financial statements may be questioned and Splitco's stock price may suffer. Section 404 of the Sarbanes-Oxley Act of 2002 requires any company subject to the reporting requirements of the U.S. securities laws to complete a comprehensive evaluation of its and its consolidated subsidiaries' internal control over financial reporting. To comply with this statute, Splitco will be required to document and test its internal control procedures; Splitco's management will be required to assess and issue a report concerning its internal control over financial reporting; and Splitco's independent auditors will be required to issue an attestation regarding its internal control over financial reporting. Splitco anticipates that its internal controls will be substantially similar to those utilized by Liberty Media for the same assets. Splitco's compliance with Section 404 of the Sarbanes-Oxley Act will first be tested in connection with the filing of its Annual Report on Form 10-K for the fiscal year ending December 31, [2012]. Although Splitco does not expect the annual costs to comply with Section 404 to be significant (based on its preliminary assessments), the rules governing the standards that must be met for Splitco's management to assess its internal control over financial reporting are complex, subject to change, and require significant documentation, testing and possible remediation to meet the detailed standards under the rules. During the course of its testing, Splitco's management may identify material weaknesses or deficiencies which may not be remedied in time to meet the deadline imposed by the Sarbanes-Oxley Act. If Splitco's management cannot favorably assess the effectiveness of its internal control over financial reporting when it's required to do so or Splitco's auditors identify material weaknesses in its internal control, investor confidence in Splitco's financial results may weaken, and Splitco's stock price may suffer.

Splitco has overlapping directors and management with Liberty Media and Liberty Global, Inc. (LGI), which may lead to conflicting interests. Following the Split-Off, the executive officers of Liberty Media will serve as the executive officers of Splitco, and there will be significant board overlap between Splitco and Liberty Media. John C. Malone is the Chairman of the Board of Liberty Media and LGI and will serve as the Chairman of the Board of Splitco. In addition, three other directors who serve on

LGI's board also serve on the Liberty Media board. Immediately following the Split-Off, neither Liberty Media nor, to its knowledge, LGI will have any ownership interest in Splitco, and Splitco will not have any ownership interest in Liberty Media or LGI. LGI is an independent, publicly-traded company and the largest international cable operator based on number of subscribers as of September 30, 2010. The executive officers and the members of Splitco's board of directors have fiduciary duties to its stockholders. Likewise, any such persons who serve in similar capacities at Liberty Media and/or LGI have fiduciary duties to that company's stockholders. Therefore, such persons may have conflicts of interest or the appearance of conflicts of interest with respect to matters involving or affecting their respective companies. For example, there may be the potential for a conflict of interest when Splitco, LGI or Liberty Media looks at acquisitions and other corporate opportunities that may be suitable for each of them. Moreover, most of Splitco's directors and officers will continue to own Liberty Media and/or LGI stock and options to purchase Liberty Media and/or LGI stock. These ownership interests could create, or appear to create, potential conflicts of interest when these individuals are faced with decisions that could have different implications for Splitco and/or LGI or Liberty Media. Any potential conflict that qualifies as a "related party transaction" (as defined in Item 404 of Regulation S-K) will be subject to review by an independent committee of the applicable issuer's board of directors in accordance with its corporate governance guidelines. Any other potential conflicts that arise would be addressed on a case-by-case basis, keeping in mind the applicable fiduciary duties owed by the executive officers and directors of each issuer. From time to time, Liberty Media or LGI or their respective affiliates may enter into transactions with Splitco and/or its subsidiaries or other affiliates. Although the terms of any such transactions or agreements will be established based upon arms'-length negotiations between employees of the companies involved, there can be no assurance that the terms of any such transactions will be as favorable to Splitco or its subsidiaries or affiliates as would be the case where there is no overlapping officers or directors.

Splitco may compete with Liberty Media for business opportunities. Certain of Liberty Media's subsidiaries and business affiliates own or operate programming services that may compete with the programming services offered by Splitco's businesses. For example, Liberty Media's QVC and Splitco Starz Group's Starz Entertainment both produce programming that is distributed via cable and satellite networks. Splitco has no rights in respect of programming or distribution opportunities developed by or presented to the subsidiaries or business affiliates of Liberty Media, and the pursuit of these opportunities by such subsidiaries or affiliates may adversely affect the interests of Splitco and its stockholders. Because Splitco and Liberty Media have overlapping directors and officers, a business opportunity that is presented to those individuals may result in a conflict of interest or the appearance of a conflict of interest. To clarify which business opportunities belong to Splitco, its charter will provide that no director or officer of Splitco will be liable to Splitco or its stockholders for breach of any fiduciary duty by reason of the fact that any such individual directs a corporate opportunity to another person or entity (including Liberty Media) instead of Splitco, or does not refer or communicate information regarding such corporate opportunity to Splitco, unless such opportunity was expressly offered to such person solely in his or her capacity as a director or officer of Splitco or as a director or officer of any of Splitco's subsidiaries. The purpose of this provision is to renounce, in advance, Splitco's interest or expectancy in certain business opportunities, and the effect of the provision is to absolve Splitco's directors and officers, to the extent permitted by Delaware law, from possible liability for not presenting a renounced business opportunity to Splitco, on the premise that no breach of fiduciary duty will have occurred if Splitco has previously renounced its interest or expectancy in the opportunity. The renunciation provision in the Splitco charter would provide its directors and officers a defense to any derivative lawsuit that might be brought alleging such a breach of fiduciary duty by them. Liberty Media's charter, which has not been substantively amended since the reclassification of its tracking stocks in March 2008, does not have a parallel renunciation provision and Liberty Media's stockholders are not being asked at this time to approve an amendment to its charter for that purpose. An amendment to Liberty Media's charter would require the solicitation of proxies from the holders of all three of Liberty Media tracking stocks, including the holders of Liberty Interactive common stock. As those holders are not entitled to vote on the Liberty Starz redemption proposal or the Liberty Capital redemption proposal and are not being asked to vote at the special meeting, the Liberty Media board is not seeking to amend Liberty Media's charter to add a renunciation provision or for any other reason at this time. Accordingly, Liberty Media's directors and officers will be subject to possible liability for breach of fiduciary duty if they do not present potential business opportunities to Liberty Media of the nature of those renounced in the Splitco charter. No assurance can be given that Liberty Media will not seek to include a renunciation provision in any future amendment to its charter.

Risks Relating to the Ownership of Splitco Common Stock due to its Tracking Stock Capitalization

The risks described below apply to the ownership of Splitco Capital common stock and Splitco Starz common stock due to Splitco's tracking stock capitalization.

Holders of Splitco Capital common stock and Splitco Starz common stock are common stockholders of Splitco and are, therefore, subject to risks associated with an investment in the company as a whole, even if a holder does not own shares of common stock of both of Splitco's groups. Even though Splitco has attributed, for financial reporting purposes, all of its consolidated assets, liabilities, revenue, expenses and cash flows to each of its Capital Group and Starz Group in order to prepare the separate financial statement schedules for each of those groups, Splitco retains legal title to all of its assets; and its capitalization does not limit its legal responsibility, or that of its subsidiaries, for the liabilities included in any set of financial statement schedules. Holders of Splitco Capital common stock and Splitco Starz common stock do not have any legal rights related to specific assets attributed to Splitco's Capital Group or Starz Group and, in any liquidation, holders of Splitco Capital common stock and holders of Splitco Starz common stock are entitled to receive a pro rata share of Splitco's available net assets based on their respective numbers of liquidation units.

Splitco could be required to use assets attributed to one group to pay liabilities attributed to the other group. The assets attributed to one group are potentially subject to the liabilities attributed to the other group, even if those liabilities arise from lawsuits, contracts or indebtedness that are attributed to such other group. While Splitco's current management and allocation policies provide that reattributions of assets between groups will result in the creation of an inter-group loan or an inter-group interest or an offsetting reattribution of cash or other assets, no provision of the Splitco charter prevents it from satisfying liabilities of one group with assets of the other group, and Splitco's creditors will not in any way be limited by its tracking stock capitalization from proceeding against any assets they could have proceeded against if Splitco did not have a tracking stock capitalization.

The market price of Splitco Capital common stock and Splitco Starz common stock may not reflect the performance of Splitco's Capital Group and Starz Group, respectively, as intended. Splitco cannot assure you that the market price of the common stock of a group will, in fact, reflect the performance of the group of businesses, assets and liabilities attributed to that group. Holders of Splitco Capital common stock and Splitco Starz common stock are common stockholders of Splitco as a whole and, as such, are subject to all risks associated with an investment in Splitco and all of its businesses, assets and liabilities. As a result, the market price of each series of stock of a group may simply reflect the performance of Splitco as a whole or may more independently reflect the performance of some or all of the group of assets attributed to such group. In addition, investors may discount the value of the stock of a group because it is part of a common enterprise rather than a stand-alone entity.

The market price of Splitco Capital common stock and Splitco Starz common stock may be volatile, could fluctuate substantially and could be affected by factors that do not affect traditional common stock. The market prices of Splitco Capital common stock and Splitco Starz common stock may be materially affected by, among other things:

- actual or anticipated fluctuations in a group's operating results or in the operating results of particular companies attributable to such group;
- potential acquisition activity by Splitco or the companies in which it invests;
- issuances of debt or equity securities to raise capital by Splitco or the companies in which it invests and the manner in which that debt or the proceeds of an equity issuance are attributed to each of the groups;
- changes in financial estimates by securities analysts regarding Splitco Capital common stock or Splitco Starz common stock or the companies attributable to either of Splitco's tracking stock groups;
- the complex nature and the potential difficulties investors may have in understanding the terms of each of Splitco's tracking stocks, as well as concerns regarding the possible effect of certain of those terms on an investment in Splitco stock; and
- general market conditions.

The market value of Splitco Capital common stock and Splitco Starz common stock could be adversely affected by events involving the assets and businesses attributed to the other group. Because Splitco is the issuer of Splitco Capital common stock and Splitco Starz common stock, an adverse market reaction to events relating to the assets and businesses attributed to either of its groups, such as earnings announcements or announcements of new products or services, acquisitions or dispositions that the market does not view favorably, may cause an adverse reaction to the common stock of its other group. This could occur even if the triggering event is not material to Splitco as a whole. In addition, the incurrence of significant indebtedness by Splitco or any of its subsidiaries on behalf of one group, including indebtedness incurred or assumed in connection with acquisitions of or investments in businesses, could affect Splitco's credit rating and that of its subsidiaries and, therefore, could increase the borrowing costs of businesses attributable to its other group or the borrowing costs of the company as a whole.

Splitco may not pay dividends equally or at all on Splitco Capital common stock or Splitco Starz common stock. Splitco does not presently intend to pay cash dividends on Splitco Capital common stock or Splitco Starz common stock for the foreseeable future. However, Splitco will have the right to pay dividends on the shares of common stock of each group in equal or unequal amounts, and Splitco may pay dividends on the shares of common stock of one group and not pay dividends on shares of common stock of the other group. In addition, any dividends or distributions on, or repurchases of, shares relating to either group will reduce Splitco's assets legally available to be paid as dividends on the shares relating to the other group.

Splitco's tracking stock capital structure could create conflicts of interest, and its board of directors may make decisions that could adversely affect only some holders of its common stock. Splitco's tracking stock capital structure could give rise to occasions when the interests of holders of stock of one group might diverge or appear to diverge from the interests of holders of stock of the other group. Splitco's officers and directors owe fiduciary duties to all of its stockholders. The fiduciary duties owed by such officers and directors are to the company as a whole, and decisions deemed to be in the best interest of the company may not be in the best interest of a particular group when considered independently. Examples include:

- decisions as to the terms of any business relationships that may be created between the Capital Group and the Starz Group or the terms of any reattribution of assets between the groups;
- decisions as to the allocation of consideration among the holders of Splitco Capital common stock and Splitco Starz common stock, or among the series of stocks relating to either of Splitco's groups, to be received in connection with a merger involving Splitco;
- decisions as to the allocation of corporate opportunities between the groups, especially where the opportunities might meet the strategic business objectives of more than one group;
- decisions as to operational and financial matters that could be considered detrimental to one group but beneficial to the other;
- decisions as to the conversion of shares of common stock of one group into shares of common stock of the other;
- decisions regarding the creation of, and, if created, the subsequent increase or decrease of any inter-group interest that one group may own in the other group;
- decisions as to the internal or external financing attributable to businesses or assets attributed to either of Splitco's groups;
- decisions as to the dispositions of assets of either of Splitco's groups; and
- decisions as to the payment of dividends on the stock relating to either of Splitco's groups.

In addition, if directors own disproportionate interests (in percentage or value terms) in Splitco Capital common stock or Splitco Starz common stock, that disparity could create or appear to create conflicts of interest when they are faced with decisions that could have different implications for the holders of Splitco Capital common stock or Splitco Starz common stock.

Other than pursuant to Splitco's stated management and allocation policies, Splitco has not adopted any specific procedures for consideration of matters involving a divergence of interests between holders of shares of stock relating to its two groups, or among holders of different series of stock relating to a specific group. Rather than develop additional specific procedures in advance, Splitco's board of directors intends to exercise its judgment from time to time, depending on the circumstances, as to how best to:

- obtain information regarding the divergence (or potential divergence) of interests;
- determine under what circumstances to seek the assistance of outside advisers;
- determine whether a committee of Splitco's board of directors should be appointed to address a specific matter and the appropriate members of that committee; and
- assess what is in the best interests of Splitco and the best interests of all of its stockholders.

Splitco's board of directors believes the advantage of retaining flexibility in determining how to fulfill its responsibilities in any such circumstances as they may arise outweighs any perceived advantages of adopting additional specific procedures in advance.

Splitco's board of directors may change the management and allocation policies to the detriment of either group without stockholder approval. Splitco's board of directors has adopted Management and Allocation Policies to serve as guidelines in making decisions regarding the relationships between the Capital Group and the Starz Group with respect to matters such as tax liabilities and benefits, inter-group loans, inter-group interests, attribution of assets acquired after the restructuring of a group, financing alternatives, corporate opportunities and similar items. These policies are not included in the

Splitco charter. Splitco's board of directors may at any time change or make exceptions to these policies. Because these policies relate to matters concerning the day to day management of Splitco as opposed to significant corporate actions, such as a merger involving Splitco or a sale of substantially all of its assets, no stockholder approval is required with respect to their adoption or amendment. A decision to change, or make exceptions to, these policies or adopt additional policies could disadvantage both groups or disadvantage one group while advantaging the other. Splitco will, however, publicly announce any such material change or exception by means of a Current Report on Form 8-K.

Holders of shares of stock relating to a particular group may not have any remedies if any action by Splitco's directors or officers has an adverse effect on only that stock, or on a particular series of that stock. Principles of Delaware law and the provisions of the Splitco charter may protect decisions of Splitco's board of directors that have a disparate impact upon holders of shares of stock relating to a particular group, or upon holders of any series of stock relating to a particular group. Under Delaware law, the board of directors has a duty to act with due care and in the best interests of all of Splitco's stockholders, regardless of the stock, or series, they hold. Principles of Delaware law established in cases involving differing treatment of multiple classes or series of stock provide that a board of directors owes an equal duty to all common stockholders and does not have separate or additional duties to any subset of stockholders. Judicial opinions in Delaware involving tracking stocks have established that decisions by directors or officers involving differing treatment of holders of tracking stocks may be judged under the business judgment rule. In some circumstances, Splitco's directors or officers may be required to make a decision that is viewed as adverse to the holders of shares relating to a particular group or to the holders of a particular series of that stock. Under the principles of Delaware law and the business judgment rule referred to above, you may not be able to successfully challenge decisions that you believe have a disparate impact upon the stockholders of one of Splitco's groups if the Splitco board of directors is disinterested and independent with respect to the action taken, is adequately informed with respect to the action taken and acts in good faith and in the honest belief that the board is acting in the best interest of all of Splitco's stockholders.

Stockholders will not vote on how to attribute consideration received in connection with a merger involving Splitco between holders of Splitco Capital common stock and Splitco Starz common stock. The Splitco charter does not contain any provisions governing how consideration received in connection with a merger or consolidation involving Splitco is to be attributed to the holders of Splitco Capital common stock and holders of Splitco Starz common stock or to the holders of different series of stock, and none of the holders of Splitco Capital common stock or Splitco Starz common stock will have a separate class vote in the event of such a merger or consolidation (in each case, other than pursuant to the consent rights of the holders of Splitco CAPB shares and Splitco STZB shares in the limited circumstances prescribed by the Splitco charter). Consistent with applicable principles of Delaware law, Splitco's board of directors will seek to divide the type and amount of consideration received in a merger or consolidation involving Splitco between holders of Splitco Capital common stock and Splitco Starz common stock in a fair manner. As the different ways the board of directors may divide the consideration between holders of stock relating to the different groups, and among holders of different series of a particular stock, might have materially different results, the consideration to be received by holders of Splitco Capital common stock and Splitco Starz common stock in any such merger or consolidation may be materially less valuable than the consideration they would have received if they had a separate class vote on such merger or consolidation.

Splitco may dispose of assets of the Capital Group or the Starz Group without your approval. Delaware law requires stockholder approval only for a sale or other disposition of all or substantially all of the assets of Splitco taken as a whole, and the Splitco charter does not require a separate class vote in the case of a sale of a significant amount of assets of either of Splitco's groups. As long as the assets attributed to the Capital Group or the Starz Group proposed to be disposed of represent less than substantially all of Splitco's assets, Splitco may approve sales and other dispositions of any amount of the assets of such group without any stockholder approval. Based on the composition of the groups, Splitco believes that a sale of all or substantially all of the assets of either group, on a stand alone basis, would not be considered a sale of substantially all of the assets of Splitco requiring stockholder approval.

If Splitco disposes of all or substantially all of the assets of either group (which means, for this purpose, assets representing 80% of the fair market value of the total assets of the disposing group, as determined by Splitco's board of directors), it would be required, if the disposition is not an exempt disposition under the terms of the Splitco charter, to choose one or more of the following three alternatives:

- declare and pay a dividend on the disposing group's common stock;
- redeem shares of the disposing group's common stock in exchange for cash, securities or other property; and/or
- convert all of the disposing group's outstanding common stock into common stock of the other group.

In this type of a transaction, holders of the disposing group's common stock may receive less value than the value that a third-party buyer might pay for all or substantially all of the assets of the disposing group.

Splitco's board of directors will decide, in its sole discretion, how to proceed and is not required to select the option that would result in the highest value to holders of either group of its common stock.

Holders of Splitco Capital common stock or Splitco Starz common stock may receive less consideration upon a sale of the assets attributed to that group than if that group were a separate company. If the Capital Group or the Starz Group were a separate, independent company and its shares were acquired by another person, certain costs of that sale, including corporate level taxes, might not be payable in connection with that acquisition. As a result, stockholders of a separate, independent company with the same assets might receive a greater amount of proceeds than the holders of Splitco Capital common stock or Splitco Starz common stock would receive upon a sale of all or substantially all of the assets of the group to which their shares relate. In addition, Splitco cannot assure you that in the event of such a sale the per share consideration to be paid to holders of Splitco Capital common stock or Splitco Starz common stock, as the case may be, will be equal to or more than the per share value of that share of stock prior to or after the announcement of a sale of all or substantially all of the assets of the applicable group. Further, there is no requirement that the consideration paid be tax-free to the holders of the shares of common stock of that group. Accordingly, if Splitco sells all or substantially all of the assets attributed to the Capital Group or the Starz Group, Splitco's stockholders could suffer a loss in the value of their investment in Splitco.

Splitco's board of directors may in its sole discretion elect to convert the common stock relating to one group into common stock relating to the other group, thereby changing the nature of your investment and possibly diluting your economic interest in Splitco, which could result in a loss in value to you. The Splitco charter permits its board of directors, in its sole discretion and in accordance with its fiduciary duties, to convert all of the outstanding shares of common stock relating to one of Splitco's groups into shares of common stock of the other group. A conversion would preclude the holders of stock in both groups involved in such conversion from retaining their investment in a security that is intended to reflect separately the performance of the relevant group. Splitco cannot predict the impact on the market value of its stock of (1) its board of directors' ability to effect any such conversion or (2) the exercise of this conversion right by Splitco. In addition, Splitco's board of directors may effect such a conversion at a time when the market value of Splitco's stock could cause the stockholders of one group to be disadvantaged.

Holders of Splitco Capital common stock and Splitco Starz common stock vote together and have limited separate voting rights. Holders of Splitco Capital common stock and Splitco Starz common stock vote together as a single class, except in certain limited circumstances prescribed by the Splitco charter and under Delaware law. Each share of Series B common stock of each group has ten votes per share, and each share of Series A common stock of each group has one vote per share. Holders of Series C common stock of both groups have no voting rights, other than those required under Delaware law. When holders of Splitco Capital common stock and Splitco Starz common stock vote together as a single class, holders having a majority of the votes will be in a position to control the outcome of the vote even if the matter involves a conflict of interest among our stockholders or has a greater impact on one group than the other.

Splitco's capital structure as well as the fact that the Capital Group and the Starz Group are not independent companies may inhibit or prevent acquisition bids for the Capital Group or the Starz Group. If the Capital Group and the Starz Group were separate independent companies, any person interested in acquiring the Capital Group or the Starz Group without negotiating with management could seek control of that group by obtaining control of its outstanding voting stock, by means of a tender offer, or by means of a proxy contest. Although Splitco intends Splitco Capital common stock and Splitco Starz common stock to reflect the separate economic performance of the Capital Group and the Starz Group, respectively, those groups are not separate entities and a person interested in acquiring only one group without negotiation with Splitco's management could obtain control of that group only by obtaining control of a majority in voting power of all of the outstanding shares of common stock of Splitco. The existence of shares of common stock, and different series of shares, relating to different groups could present complexities and in certain circumstances pose obstacles, financial and otherwise, to an acquiring person that are not present in companies which do not have capital structures similar to Splitco's capital structure.

It may be difficult for a third party to acquire Splitco, even if doing so may be beneficial to Splitco's stockholders. Certain provisions of the Splitco charter and bylaws may discourage, delay or prevent a change in control of Splitco that a stockholder may consider favorable. These provisions include:

- authorizing a capital structure with multiple series of common stock: a Series B that entitles the holders to ten votes per share, a Series A that entitles the holders to one vote per share, and a Series C that, except as otherwise required by applicable law, entitles the holders to no voting rights;
- classifying Splitco's board of directors with staggered three-year terms, which may lengthen the time required to gain control of Splitco's board of directors;
- limiting who may call special meetings of stockholders;
- prohibiting stockholder action by written consent (subject to certain exceptions), thereby requiring stockholder action to be taken at a meeting of the stockholders;
- requiring stockholder approval by holders of at least 80% of Splitco's voting power or the approval by at least 75% of Splitco's board of directors with respect to certain extraordinary matters, such as a merger or consolidation of Splitco, a sale of all or substantially all of Splitco's assets or an amendment to Splitco's restated charter;
- establishing advance notice requirements for nominations of candidates for election to Splitco's board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings;
- requiring the consent of the holders of at least 75% of the outstanding Series B Splitco Capital common stock, voting together as a separate class, to certain share distributions and certain

other extraordinary actions that would reduce the relative voting power of the Series B Splitco Capital common stock;

- requiring the consent of the holders of at least 75% of the outstanding Series B Splitco Starz common stock, voting together as a separate class, to certain share distributions and certain other extraordinary actions that would reduce the relative voting power of the Series B Splitco Starz common stock; and

- the existence of authorized and unissued stock, including "blank check" preferred stock, which could be issued by Splitco's board of directors to persons friendly to its then current management, thereby protecting the continuity of its management, or which could be used to dilute the stock ownership of persons seeking to obtain control of Splitco.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this document or in the documents incorporated by reference herein constitute forward-looking statements, including statements regarding anticipated benefits from the Split-Off, business strategies, market potential, future financial performance and other matters. In particular, statements under "Summary," "Risk Factors," "The Split-Off Proposals—Background and Reasons for the Split-Off Proposals," "Material U.S. Federal Income Tax Consequences of the Split-Off," *Annex A: Description of Splitco Business* and *Annex B: Splitco and Liberty Media Corporation Financial Statements* contain forward-looking statements. Where, in any forward-looking statement, Liberty Media or Splitco expresses an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but such statements necessarily involve risks and uncertainties, and there can be no assurance that the statement of expectation or belief will result or be achieved or accomplished. The following include some but not all of the factors that could cause actual results or events to differ materially from those anticipated:

- consumer demand for the products and services of Splitco's subsidiaries and business affiliates and their ability to adapt to changes in demand;
- competitor responses to the products and services of Splitco's subsidiaries, business affiliates and the entities in which Splitco has interests;
- uncertainties inherent in the development and integration of new business lines and business strategies;
- uncertainties associated with product and service development and market acceptance, including the development and provision of programming for new television and telecommunications technologies;
- Splitco's future financial performance, including availability, terms and deployment of capital;
- Splitco's ability to successfully integrate and recognize anticipated efficiencies and benefits from the businesses it acquires;
- the ability of suppliers and vendors to deliver products, equipment, software and services;
- the outcome of any pending or threatened litigation;
- availability of qualified personnel;
- changes in, or failure or inability to comply with, government regulations, including, without limitation, regulations of the FCC, conditions imposed by the FCC in license transfer proceedings or otherwise and adverse outcomes from regulatory proceedings;
- changes in the nature of key strategic relationships with partners, vendors and joint venturers;
- general economic and business conditions and industry trends, including the current economic downturn;
- consumer spending levels, including the availability and amount of individual consumer debt;
- disruption in the production of theatrical films or television programs due to strikes by unions representing writers, directors or actors;
- continued consolidation of the broadband distribution and movie studio industries;
- the regulatory and competitive environment of the industries in which Splitco, and the entities in which Splitco has interests, operate;

- changes in distribution and viewing of television programming, including the expanded deployment of personal video recorders, video on demand and IP television and their impact on advertising revenue;
- increased digital TV penetration and the impact on channel positioning of Splitco's networks;
- rapid technological changes;
- capital spending for the acquisition and/or development of telecommunications networks and services;
- threatened terrorists attacks and ongoing military action in the Middle East and other parts of the world; and
- fluctuations in foreign currency exchange rates and political unrest in international markets.

These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this document (or, as to documents incorporated by reference, the date of such documents), and Liberty Media and Splitco expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein or therein, to reflect any change in its expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based. When considering such forward-looking statements, you should keep in mind the factors described in "Risk Factors" and other cautionary statements contained or incorporated in this document. Such risk factors and statements describe circumstances which could cause actual results to differ materially from those contained in any forward-looking statement.

THE SPECIAL MEETING

Time, Place and Date

The special meeting of the stockholders is to be held at 9:00 a.m., local time, on March 31, 2011, at the Denver Marriott South at Park Meadows, 10345 Park Meadows Drive, Littleton, Colorado 80124, telephone (303) 925-0004.

Purpose

At the special meeting, holders of Liberty Capital common stock will be asked to consider and vote on the Liberty Capital redemption proposal, which would allow Liberty Media to redeem all of the outstanding shares of Liberty Capital common stock for all of the outstanding shares of Splitco Capital common stock, and holders of Liberty Starz common stock will be asked to consider and vote on the Liberty Starz redemption proposal, which would allow Liberty Media to redeem all of the outstanding shares of Liberty Starz common stock for all of the outstanding shares of Splitco Starz common stock. Please see "The Split-Off Proposals" for more information regarding the Liberty Capital redemption proposal and the Liberty Starz redemption proposal.

Quorum

In order to conduct the business of the special meeting, a quorum must be present. This means that at least a majority of the aggregate voting power represented by the shares of Liberty Capital common stock and Liberty Starz common stock outstanding on the record date must be represented at the special meeting either in person or by proxy. For purposes of determining a quorum, your shares will be included as represented at the meeting even if you indicate on your proxy that you abstain from voting. If a broker, who is a record holder of shares, indicates on a form of proxy that the broker does not have discretionary authority to vote those shares on any proposal, or if those shares are voted in circumstances in which proxy authority is defective or has been withheld, those shares (**broker non-votes**) will **not** be treated as present for purposes of determining the presence of a quorum. See "—Voting Procedures for Shares Held in Street Name—Effect of Broker Non-Votes" below. Applicable New York Stock Exchange and Nasdaq Stock Market LLC rules that prohibit discretionary voting by brokers with respect to either of the Split-Off Proposals may make it more difficult to establish a quorum at the special meeting. If a quorum is not present at the special meeting, we expect the chairman of the meeting to adjourn the meeting in accordance with the terms of Liberty Media's bylaws for the purpose of soliciting additional proxies.

Who May Vote

Holders of shares of LCAPA, LCAPB, LSTZA and LSTZB, as recorded in Liberty Media's stock register as of 5:00 p.m., New York City time, on February 14, 2011, the record date for the special meeting, may vote on the Split-Off Proposals as follows: (1) holders of shares of LCAPA and LCAPB, as recorded in Liberty Media's stock register as of the record date, may vote together, as a separate class, on the Liberty Capital redemption proposal at the special meeting or at any adjournment or postponement thereof, and (2) holders of shares of LSTZA and LSTZB, as recorded in Liberty Media's stock register as of the record date, may vote together, as a separate class, on the Liberty Starz redemption proposal at the special meeting or at any adjournment or postponement thereof.

Votes Required

The Liberty Capital redemption proposal requires the approval of a majority of the aggregate voting power of the shares of Liberty Capital common stock, outstanding on the record date, that are present in person or by proxy at the special meeting, voting together as a separate class. The Liberty Starz redemption proposal requires the approval of a majority of the aggregate voting power of the shares of Liberty Starz common stock, outstanding on the record date, that are present in person or by proxy at the special meeting, voting together as a separate class.

As of the record date for the special meeting, Liberty Media's directors and executive officers beneficially owned (i) approximately [   ]% of the total voting power of the outstanding shares of Liberty Capital common stock, and (ii) approximately [   ]% of the total voting power of the outstanding shares of Liberty Starz common stock. Liberty Media has been informed that all of its executive officers and directors intend to vote "**FOR**" each of the Split-Off Proposals.

Votes You Have

At the special meeting:

- holders of shares of LCAPA will have one vote per share;
- holders of shares of LCAPB will have ten votes per share;
- holders of shares of LSTZA will have one vote per share; and
- holders of shares of LSTZB will have ten votes per share;

in each case, for each share that Liberty Media's records show they owned as of the record date.

Shares Outstanding

As of [   ], 2011, the record date for the special meeting, an aggregate of [   ] shares of LCAPA, [   ] shares of LCAPB, [   ] shares of LSTZA and [   ] shares of LSTZB were issued and outstanding and entitled to vote at the special meeting.

Number of Holders

There were, as of the record date for the special meeting, approximately [   ] and [   ] record holders of LCAPA and LCAPB, respectively, and approximately [   ] and [   ] record holders of LSTZA and LSTZB, respectively (which amounts do not include the number of stockholders whose shares are held of record by banks, brokers or other nominees, but include each such institution as one holder).

Voting Procedures for Record Holders

Holders of record of Liberty Capital common stock and Liberty Starz common stock as of the record date for the special meeting may vote in person at the special meeting. Alternatively, they may give a proxy by completing, signing, dating and returning the enclosed proxy card by mail, or by voting by telephone or through the Internet. Instructions for voting by using the telephone or the Internet are printed on the proxy voting instructions attached to the proxy card. In order to vote through the Internet, holders should have their proxy cards available so they can input the required information from the card, and log into the Internet website address shown on the proxy card. When holders log on to the Internet website address, they will receive instructions on how to vote their shares. The telephone and Internet voting procedures are designed to authenticate votes cast by use of a personal identification number, which will be provided to each voting stockholder separately. Unless subsequently revoked, shares of Liberty Capital common stock and Liberty Starz common stock represented by a proxy submitted as described herein and received at or before the special meeting will be voted in accordance with the instructions on the proxy.

YOUR VOTE IS IMPORTANT. It is recommended that you vote by proxy even if you plan to attend the special meeting. You may change your vote at the special meeting.

If a proxy is signed and returned by a record holder without indicating any voting instructions, the shares of Liberty Capital common stock or Liberty Starz common stock represented by the proxy will be voted "**FOR**" the approval of the applicable Split-Off Proposal.

If you submit a proxy card on which you indicate that you abstain from voting, it will have the same effect as a vote **"AGAINST"** the applicable Split-Off Proposal.

If you fail to respond with a vote, your shares will not be counted as present and entitled to vote for purposes of determining a quorum, but your failure to vote will have no effect on determining whether either of the Split-Off Proposals is approved (if a quorum is present).

Voting Procedures for Shares Held in Street Name

General. If you hold your shares in the name of a broker, bank or other nominee, you should follow the instructions provided by your broker, bank or other nominee when voting your shares of Liberty Capital common stock or Liberty Starz common stock or when granting or revoking a proxy.

Effect of Broker Non-Votes. As a result of applicable New York Stock Exchange and Nasdaq Stock Market LLC rules, broker non-votes will not count as shares of Liberty Capital common stock or Liberty Starz common stock present and entitled to vote for purposes of determining a quorum. In addition, they will have no effect on either of the Split-Off Proposals (if a quorum is present). You should follow the directions your broker, bank or other nominee provides to you regarding how to vote your shares of common stock or when granting or revoking a proxy.

Revoking a Proxy

Before the start of the special meeting, you may change your vote by voting in person at the special meeting or by delivering a signed proxy revocation or a new signed proxy with a later date to Liberty Media Corporation, [c/o Computershare Trust Company, N.A., P.O. Box 43102, Providence, Rhode Island 02940]. **Any proxy revocation or new proxy must be received before the start of the special meeting.** In addition, you may change your vote through the Internet or by telephone (if you originally voted by the corresponding method) not later than [ ], New York City time, on [ ], 2011.

Your attendance at the special meeting will not, by itself, revoke your proxy.

If your shares are held in an account by a broker, bank or other nominee, you should contact your nominee to change your vote.

Solicitation of Proxies

The accompanying proxy for the special meeting is being solicited on behalf of the Liberty Media board. In addition to this mailing, Liberty Media's employees may solicit proxies personally or by telephone. Liberty Media pays the cost of soliciting these proxies. Liberty Media also reimburses brokers and other nominees for their expenses in sending these materials to you and getting your voting instructions.

THE SPLIT-OFF PROPOSALS

General

Under the terms of the Liberty Media charter, the Liberty Media board may, subject to the approval of the holders of each of Liberty Capital common stock and Liberty Starz common stock, each voting as a separate class, redeem all of the outstanding shares of Liberty Capital common stock and Liberty Starz common stock for all of the outstanding shares of Splitco Capital common stock and Splitco Starz common stock, respectively. The Liberty Media board has determined to effect these redemptions, subject to the receipt of the requisite stockholder approvals and the satisfaction or, where permissible, waiver of the other conditions described below.

Accordingly, the Liberty Media board has determined to submit the Split-Off Proposals for the approval of the Liberty Capital and Liberty Starz stockholders.

Background and Reasons for the Split-Off Proposals

Liberty Media's board and management team continually monitors and evaluates the performance of Liberty Media's three tracking stocks in light of its ability to respond to strategic opportunities, operate its business groups in a cost-effective manner, and maximize stockholder value. In particular, Liberty Media's board regularly evaluates the performance of the three tracking stocks against the net asset values of the underlying businesses and assets of the groups. Liberty Media's board believes that the stocks continue to trade at a discount. As a result, in the second quarter of 2010, the Liberty Media board tasked its management team with evaluating potentially value maximizing changes to Liberty Media's capital structure. In June 2010, upon management's recommendation and after consultation with Liberty Media's advisors, Liberty Media's board determined to proceed with a plan to split-off the Capital Group and the Starz Group by redeeming Liberty Media's two tracking stocks for mirror tracking stocks of its subsidiary Splitco. Although the intention is to replicate the two tracking stock groups at Splitco, effecting the Reattribution immediately prior to the Split-Off is necessary because none of the public debt of Liberty Media LLC can be unilaterally assigned to Splitco, and, therefore, to complete the Split-Off, Liberty Media needs to retain the $1.1 billion principal amount of exchangeable debt currently attributable to the to-be-split-off Capital Group. In exchange for Liberty Media's Interactive Group retaining this indebtedness, the Interactive Group would also have reattributed to it immediately prior to the Split-Off the stock into which the debt is exchangeable and a payment (which is expected to be paid in cash), or a right to receive payment, in each case, based upon (i) the difference between (x) the principal amount of the debt and (y) the estimated or, if known, actual value of such stock as of the first date on which the debt is redeemable, taking into account the value of the exchange feature as of the date of the Split-Off, plus (ii) associated tax liabilities. As described under "Capitalization of Splitco," we estimate the amount of this payment to be approximately $447 million, as of September 30, 2010, which is calculated based on the assumptions described in footnote (1) to the capitalization table. See "Capitalization of Splitco." The actual amount of this payment will not be knowable until immediately prior to the Reattribution.

In making the determination to complete the Split-Off, the Liberty Media board considered the following material factors in approving the Split-Off:

- The Split-Off would simplify the complexity associated with Liberty Media's three tracking stock structure, as Splitco will have a two tracking stock structure, which is more familiar to investors and analysts, and Liberty Media will have a pure play, asset-backed stock. Accordingly, Splitco will have two sets of shareholder constituencies rather than three and Liberty Media will have one shareholder constituency, thereby reducing, in the case of Splitco, and eliminating, in the case of Liberty Media, potentially differing investment and voting objectives of each shareholder constituency. The investment analysis of Splitco and Liberty Media will also be simplified, as reducing the number of groups in Splitco to two and having only one asset group at Liberty

Media will reduce the overall risks of each company, thereby simplifying the risk analysis for each company.

- Liberty Media is burdened by a "complexity discount," and simplifying the capital structure as described above is expected to reduce the discounts at which the tracking stocks trade and encourage investment in the stocks of Liberty Media and Splitco.
- The improved market recognition of the value of the businesses and assets attributed to the Splitco and Liberty Media stocks resulting from the Split-Off would provide Splitco and Liberty Media with greater flexibility in raising equity capital for organic growth and responding to strategic opportunities, including by creating more attractive acquisition currency.
- More accurately valued stocks would enable Splitco and Liberty Media to provide more effective stock-based compensation programs, a key component of retaining and incentivizing a quality management team.
- The Split-Off will enable Splitco, as a separate company with its own balance sheet, to pursue opportunities in the credit market for the benefit of the Capital and Starz Groups that may not be available if the current three tracking stock structure were to continue.
- Regardless of any initial credit rating downgrade resulting from the Split-Off, the separation of the Capital and Starz Groups should improve QVC's and Liberty Media's credit ratings over time and provide QVC with a pathway to obtaining an investment grade rating, thereby reducing its cost of capital.
- Splitco's credit rating following the Split-Off should be higher than Liberty Media's current credit rating in light of Splitco's minimal amount of debt.
- Completing the Split-Off while replicating the Liberty Capital and Liberty Starz tracking stocks at Splitco would:
  - preserve capital structure flexibility, including the ability of its board to undertake future asset segmentation or capital restructurings;
  - maintain stockholder choice, by enabling investors to continue to choose which of the stocks meet their particular investment objectives; and
  - preserve the advantages for them of doing business as a single company and allow the businesses attributed to each group to capitalize on relationships with the businesses attributed to the other group, including strategic, financial and other benefits of shared managerial expertise, synergies relating to technology and purchasing arrangements and consolidated tax benefits.
- The Liberty Media board's expectation that the Split-Off will be completed in a manner that is generally tax-free to Liberty Media and the holders of Liberty Capital and Liberty Starz tracking stocks.
- The agreement of Mr. Malone to vote his Series B shares in favor of the redemptions.

In the course of its deliberations, the Liberty Media board also considered a variety of risks and other potentially negative factors associated with the Split-Off, including:

- The lost synergistic benefits of one consolidated public company, including the additional legal, accounting and administrative costs of operating a separate public company. Also lost will be the benefits of tax consolidation and the ability to offset losses incurred by one group against income incurred by another group for tax purposes. Liberty Media will lose the benefits of consolidation with respect to the Splitco businesses following the Split-Off, whereas Splitco will continue to retain these synergies with respect to its Capital Group and Starz Group but lose them with respect to the Interactive Group businesses.

- The transaction costs associated with effecting the Split-Off.

- The potential tax liabilities that could arise as a result of the Split-Off, including the possibility that the IRS could successfully assert that the distribution of Splitco Capital and Splitco Starz common stock in the Split-Off is taxable, in whole or in part, to the holders of Liberty Capital and Liberty Starz common stock and/or to Liberty Media.

- The interests of Liberty Media's directors and executive officers in the Split-Off, including the relative economic value of their respective holdings of Liberty Interactive, Liberty Starz and Liberty Capital stocks and the continuation or conversion of their equity awards with respect to each, described under "—Interests of Certain Persons" below.

- The Series B consent and other supermajority voting provisions to be included in the Splitco charter in light of the agreement of Mr. Malone to vote his Series B shares in favor of the redemptions.

- Risks of the type and nature described under the section entitled "Risk Factors—Risk Factors Relating to the Split-Off and Split-Off Proposals", including "—The market value of the Splitco Capital common stock may not equal or exceed the current market value of the Liberty Capital common stock; and the market value of the Splitco Starz common stock may not equal or exceed the current market value of the Liberty Starz common stock."

- The Split-Off does not:

  - resolve the potential for diverging or conflicting interests between the holders of the different tracking stocks at Splitco;

  - resolve uncertain market reactions to board decisions at Splitco that investors perceive as affecting differently one tracking stock group compared to the other, including decisions regarding business transactions between the groups or the allocation of assets, corporate opportunities, expenses, debt or other financial liabilities between the groups; or

  - eliminate the potential for conflicts of interest, or the appearance of conflicts of interest, presented by overlapping management teams.

After considering the positive and negative factors described above, the Liberty Media board determined that the anticipated benefits of the Split-Off to its tracking stock holders outweighed the anticipated risks to its tracking stock holders and the contemplated costs of the Split-Off and approved the Split-Off. In light of the number, variety and complexity of the factors that the Liberty Media board considered in determining to effect the Split-Off, the Liberty Media board did not believe it to be practicable to assign relative weights to the factors it considered. Rather, the Liberty Media board conducted an overall analysis of the factors described above. In doing so, different members of the Liberty Media board may have given different weight to different factors. However, the more significant of the factors considered in deciding to effect the Split-Off are that it is expected (i) to reduce the complexity discount that currently burdens Liberty Media's tracking stocks, and (ii) to generally be tax-free to Liberty Media and the holders of Liberty Capital common stock and Liberty Starz common stock.

Liberty Media's board did not consider alternative transactions to the Split-Off, as the genesis of the Split-Off was to effect a value enhancing change to Liberty Media's capital structure in an effort to reduce the trading discount at which Liberty Media's three tracking stocks have historically traded. The board views the Split-Off as accomplishing this objective in a cost-effective manner, while preserving for Liberty Media stockholders their ability to maintain their investments in the discrete businesses attributed to the Starz, Capital and Interactive Groups through investments in Splitco and/or Liberty Media. The Liberty Media board chose to retain the Interactive assets at Liberty Media, based on their determination that the assets attributed to that group, particularly QVC, would result in the shares of Liberty Media receiving better market recognition as a pure-play asset based stock. The assets attributed to the Starz and Capital Groups were therefore selected to be split-off from Liberty Media by means of the redemptions. The Liberty Media board did not consider separating all three business lines into discrete companies, as the current assets attributed to the Capital Group were viewed as best coupled with the assets attributed to the Starz Group for strategic as well as financial and tax consolidation purposes.

Vote and Recommendation

The approval of a majority of the aggregate voting power of the shares of Liberty Capital common stock, outstanding on the record date, that are present in person or by proxy at the special meeting, voting together as a separate class, is required to approve the Liberty Capital redemption proposal.

The approval of a majority of the aggregate voting power of the shares of Liberty Starz common stock, outstanding on the record date, that are present in person or by proxy at the special meeting, voting together as a separate class, is required to approve the Liberty Starz redemption proposal.

Liberty Media's board of directors has unanimously approved each of the Split-Off Proposals and believes that their adoption is in the best interests of Liberty Media and its stockholders. Accordingly, the Liberty Media board unanimously recommends that the holders of Liberty Capital common stock vote in favor of the Liberty Capital redemption proposal, and the holders of Liberty Starz common stock vote in favor of the Liberty Starz redemption proposal.

The Redemption; Redemption Ratio

Pursuant to the Liberty Capital redemption proposal, holders of Liberty Capital common stock are being asked to approve the redemption of all the outstanding shares of Liberty Capital common stock for all outstanding shares of Splitco Capital common stock. At the time of the redemption, substantially all of the assets and liabilities currently attributed to the Liberty Media Capital Group would be attributed to Splitco's Capital Group. Pursuant to the Liberty Starz redemption proposal, holders of Liberty Starz common stock are being asked to approve the redemption of all the outstanding shares of Liberty Starz common stock for all outstanding shares of Splitco Starz common stock. At the time of the redemption, all of the assets and liabilities currently attributed to the Liberty Media Starz Group would be attributed to Splitco's Starz Group. The assets and liabilities that are currently attributed to Liberty Media's other tracking stock group, the Interactive Group, will not change as a result of the Split-Off, except that cash, exchangeable debt in the principal amount of approximately $1.1 billion, and the stock into which such debt is exchangeable will be reattributed from the Capital Group to the Interactive Group pursuant to the Reattribution.

A more complete description of the businesses and assets that will be attributed to Splitco's Capital Group and Splitco's Starz Group at the time of the Split-Off can be found in *Annex A* of this proxy statement/prospectus.

Splitco's common stock will be divided into two tracking stocks: Splitco Capital common stock and Splitco Starz common stock. Splitco Capital common stock will be divided into three series with different voting rights; however, only Series A and Series B shares will be outstanding immediately following the Split-Off. Similarly, Splitco Starz common stock will be divided into three series with different voting rights; however, only Series A and Series B shares will be outstanding immediately following the Split-Off. The Splitco charter will contain similar provisions to the Liberty Media charter, with some exceptions (including the consent rights of the holders of Splitco CAPB shares and the holders of Splitco STZB shares). For a comparison of rights of holders of Splitco Capital common stock and Liberty Capital common stock, please see "—Description of Splitco Common Stock and Comparison of Stockholder Rights—Splitco Capital Common Stock" below. For a comparison of rights of holders of Splitco Starz common stock and Liberty Starz common stock, please see "—Description of Splitco Starz Common Stock and Comparison of Stockholder Rights—Splitco Starz Common Stock" below.

If all conditions to the Split-Off are satisfied or, where permissible, waived, Liberty Media will redeem 100% of the shares of each series of Liberty Capital common stock outstanding on the redemption date for 100% of the outstanding shares of the corresponding series of Splitco Capital common stock, and 100% of the shares of each series of Liberty Starz common stock outstanding on the redemption date for 100% of the outstanding shares of the corresponding series of Splitco Starz common stock. Accordingly, on the redemption date, (i) each outstanding share of LCAPA will be redeemed for one share of Splitco CAPA, (ii) each outstanding share of LCAPB will be redeemed for one share of Splitco CAPB, (iii) each outstanding share of LSTZA will be redeemed for one share of Splitco STZA, and (iv) each outstanding share of LSTZB will be redeemed for one share of Splitco STZB.

As of [ ], 2011, there were outstanding [ ] shares of LCAPA , [ ] shares of LCAPB , [ ] shares of LSTZA and [ ] shares of LSTZB (exclusive of any stock options or appreciation rights). Based on the number of shares of Liberty Capital common stock and Liberty Starz common stock outstanding on [ ], 2011, Splitco expects to issue an equivalent number of shares of each corresponding series of its tracking stock.

The actual redemption date will be established by the Liberty Media board following the satisfaction or, where permissible, waiver of all conditions to the Split-Off (other than those which by their terms can only be satisfied concurrently with the redemption date). Once established, the redemption date will be publicly announced by Liberty Media. The redemption effective time would be 5:00 p.m., New York City time, on the redemption date.

Effect of the Redemptions

From and after the redemption effective time, holders of Liberty Capital common stock and Liberty Starz common stock will no longer have any rights with respect to their shares of Liberty Capital common stock and Liberty Starz common stock, except for the right to receive the applicable series and whole number of shares of Splitco Capital common stock and Splitco Starz common stock, respectively, to which such holders are entitled.

Liberty Media will deliver or make available to all holders of certificated shares of Liberty Capital common stock and Liberty Starz common stock a letter of transmittal with which to surrender their certificated shares to be redeemed in exchange for shares of the series and number of shares of Splitco Capital common stock and Splitco Starz common stock, respectively. Holders of certificated shares of Liberty Capital common stock and Liberty Starz common stock must surrender their stock certificates together with a duly executed letter of transmittal (and any other documentation required thereby) in order to receive their Splitco shares in the Split-Off.

Accounts holding shares of Liberty Capital common stock or Liberty Starz common stock in book-entry form will be debited for the applicable series and number of shares to be redeemed as of the redemption effective time, and promptly thereafter credited with the applicable series and number of shares of Splitco Capital common stock or Splitco Starz common stock, respectively. No letters of transmittal will be delivered to holders of shares in book-entry form, and holders of book-entry shares of Liberty Capital common stock or Liberty Starz common stock will not need to take any action to receive their Splitco shares in the Split-Off.

After the redemption, an investment in Liberty Interactive common stock will represent an ownership interest in Liberty Media as a whole. The number of shares of Liberty Interactive common stock outstanding prior to the Split-Off will not change as a result of the Split-Off. Additionally, an investment in Splitco Capital common stock or Splitco Starz common stock will represent an ownership interest in Splitco as a whole and not in the businesses or assets attributed to the Splitco Capital Group or the Splitco Starz Group, respectively.

Conditions to the Split-Off

The completion of the Split-Off is subject to the following conditions:

(1) the receipt of the requisite stockholder approval of the Split-Off Proposals at the special meeting;

(2) the receipt of the Ruling from the IRS (which Ruling shall not have been withdrawn, invalidated or modified in an adverse manner), and the opinion of Baker Botts L.L.P., in form and substance reasonably acceptable to Liberty Media and which opinion will rely upon the receipt and continued validity of the Ruling, in each case to the effect that the Split-Off will qualify as a tax-free transaction under Sections 355 and 368(a)(1)(D) of the Code and that for U.S. federal income tax purposes, (i) no gain or loss will be recognized by Liberty Media upon the distribution of Splitco Capital common stock and Splitco Starz common stock and (ii) no gain or loss will be recognized by, and no amount will be included in the income of, holders of Liberty Capital common stock and Liberty Starz common stock upon the exchange of their shares of Liberty Capital common stock and Liberty Starz common stock for shares of Splitco Capital common stock and Splitco Starz common stock, respectively;

(3) the receipt of the opinion of Baker Botts L.L.P., in form and substance reasonably acceptable to Liberty Media and which opinion will rely upon the receipt and continued validity of the Ruling, to the effect that under applicable U.S. federal income tax law, (i) the Splitco Capital common stock and the Splitco Starz common stock distributed in the Split-Off will be treated as stock of Splitco for U.S. federal income tax purposes and (ii) the Splitco Capital common stock and the Splitco Starz common stock distributed in the Split-Off will not constitute Section 306 stock within the meaning of Section 306(c) of the Code;

(4) the effectiveness under the Securities Act of the Splitco registration statement, of which this proxy statement/prospectus forms a part, and the effectiveness of the registration of the Splitco common stock under Section 12(b) of the Exchange Act;

(5) the approval of Nasdaq for the listing of the Splitco common stock;

(6) the approval of the FCC of the transfer of control of certain FCC licenses held by Splitco subsidiaries or investees;

(7) any other regulatory or contractual approvals that the Liberty Media board determines to obtain; and

(8) with respect to the Delaware Action a judgment to the effect that the Split-Off will not constitute a disposition of substantially all the assets of Liberty Media LLC under the terms of the Indenture.

The Liberty Media board reserves the right to waive all of the foregoing conditions, other than those set forth in the first, fourth and fifth paragraphs (which are non-waivable). If the Liberty Media board were to waive any of the conditions set forth in the second, third or eighth paragraph, it would resolicit proxies for the approval of the Split-Off Proposals by the holders of the Liberty Capital common stock and the Liberty Starz common stock.

Malone Voting Agreement

John C. Malone, Chairman of the Board of Liberty Media, has agreed to enter into a voting agreement in favor of the redemptions. The voting agreement provides that, subject to the terms and conditions thereof, Mr. Malone will vote his shares of LCAPB in favor of the Liberty Capital redemption proposal and his shares of LSTZB in favor of the Liberty Starz redemption proposal and will vote his shares against any action or agreement that would reasonably be expected to prevent, prohibit or materially delay the completion of the Split-Off. The voting agreement also provides for restrictions on transfer and certain actions with respect to a transfer of all of Mr. Malone's LCAPB and LSTZB shares (only until the Split-Off or the termination of the agreement in accordance with the terms thereof). Mr. Malone entered into this voting agreement in light of Liberty Media's agreement to include in the Splitco charter certain consent rights in favor of the holders of Series B Splitco Capital and Starz common stocks and other supermajority voting provisions. The consent rights are intended to protect the holders of the Series B Splitco Capital and Starz common stock against significant dilution in their relative voting power as a result of certain types of share distributions, reclassifications, split-offs and supervoting share issuances. The consent rights terminate in the event the number of outstanding shares of Splitco CAPB or Splitco STZB, as applicable, is reduced below a specified threshold. See "—Description of Splitco Common Stock and Comparison of Stockholder Rights" and "—Other Provisions of the Splitco Charter" below for more information regarding these consent and other supermajority voting rights.

This summary is qualified by reference to the full text of the voting agreement, a copy of which is filed as an exhibit to the registration statement of which this proxy statement/prospectus forms a part.

Management and Allocation Policies of Splitco

Splitco has established Management and Allocation Policies for purposes of attributing all of its businesses and operations to either the Capital Group or the Starz Group, and allocating between those two groups other items (such as debt, corporate overhead, taxes, corporate opportunities and other charges and obligations) in a manner Splitco deems reasonable after taking into account all material factors. All references in these policies to the Capital Group or the Starz Group refer to the tracking stock groups of Splitco. The following Management and Allocation Policies are substantially similar to those of Liberty Media, except as otherwise noted below with respect to certain tax matters.

As a general principle, Splitco expects that all material matters in which holders of Splitco Capital common stock and Splitco Starz common stock may have divergent interests will continue to be generally resolved in a manner that is in the best interests of Splitco and all of its stockholders after giving fair consideration to the interests of the holders of each tracking stock, as well as such other or different factors considered relevant by Splitco's board of directors (or any committee of the board authorized for this purpose, including the executive committee of the board).

Policies Subject to Change Without Stockholder Approval

Set forth below are the management and allocation policies Splitco expects to be effective upon completion of the Split-Off. Stockholder approval of these policies is not being sought.

Splitco's board of directors may, without stockholder approval, modify, change, rescind or create exceptions to these policies, or adopt additional policies. Such actions could have different effects on holders of Splitco Capital common stock and Splitco Starz common stock. Splitco's board of directors will make any such decision in accordance with its good faith business judgment that such decision is in the best interests of Splitco and the best interests of all Splitco stockholders as a whole.

Any such modifications, changes, rescissions, exceptions or additional policies will be binding and conclusive unless otherwise determined by the Splitco board. Splitco will notify its shareholders of any material modification, change or exception made to these policies, any rescission of these policies and the adoption of any material additions to these policies through the filing of a Current Report on Form 8-K for so long as Splitco is subject to the Exchange Act.

Attribution

The businesses, assets and liabilities that are currently attributed to Liberty Media's Capital Group (other than those subject to the Reattribution) will be attributed to Splitco's Capital Group, and the businesses, assets and liabilities that are currently attributed to Liberty Media's Starz Group will be attributed to Splitco's Starz Group. All references to the Capital Group and the Starz Group in these policies refer to the tracking stock groups of Splitco.

The Capital Group will initially have attributed to it Splitco's subsidiaries, Atlanta National League Baseball Club, Inc. and TruePosition, Inc., and Splitco's interests in Sirius XM Radio, Inc., Live Nation Entertainment, Inc. and Sprint Nextel Corporation, among other smaller assets. The Capital Group will have attributed to it a bank facility with an outstanding principal amount of $750 million, in addition to the liabilities that reside with the subsidiary businesses attributed to the Capital Group. The Capital Group will be primarily focused on media, entertainment and technology.

The Starz Group will initially have attributed to it Splitco's subsidiaries, Starz Entertainment, LLC, Starz Media, LLC and Liberty Sports Interactive, Inc. The Starz Group will not have any liabilities attributed to it, other than liabilities that reside with the businesses attributed to the Starz Group. The Starz Group will be primarily focused on video programming.

The Splitco board currently contemplates that businesses, assets and liabilities acquired after the Split-Off will be attributed to one of the two groups principally based upon how strongly they complement or relate to the focus or strategy of that group.

Fiduciary and Management Responsibilities

Because the Capital Group and the Starz Group will be parts of a single company, Splitco's directors and officers will have the same fiduciary duties to holders of Splitco Capital common stock and Splitco Starz common stock. Under Delaware law, a director or officer may be deemed to have satisfied his or her fiduciary duties to Splitco and its stockholders if that person is independent and disinterested with respect to the action taken, is adequately informed with respect to the action taken and acts good faith taking into account the interests of all of Splitco's stockholders as a whole. Splitco's board of directors and chief executive officer, in establishing and applying policies with regard to intra-company matters such as business transactions between the two groups and allocation of assets, liabilities, debt, corporate overhead, taxes, interest, corporate opportunities and other matters, will consider various factors and information which could benefit or cause relative detriment to the stockholders of the respective groups and will seek to make determinations which are in Splitco's best interests and the best interests of Splitco's stockholders as a whole. If and when there are conflicting interests between the Capital Group and the Starz Group, Splitco's directors will use good faith business judgment to resolve such conflicts.

Dividend Policy

Splitco does not anticipate paying cash dividends on Splitco Capital common stock or Splitco Starz common stock for the foreseeable future following the Split-Off. Splitco's ability to pay dividends in respect of Splitco Capital common stock and Splitco Starz common stock is addressed in Article IV, Section A.2.(c) of the Splitco charter.

Financing Activities

General. Splitco will manage most of its financial activities on a centralized basis. These activities include the investment of surplus cash, the issuance and repayment of short-term and long-term debt and the issuance and repurchase of any preferred stock.

If Splitco changes the attribution of cash or other property from one group to the other group, Splitco will account for such change as a short term loan unless Splitco's board of directors determines that a given change in attribution should be accounted for as a long-term loan, an inter-group interest, as a reduction of an inter-group interest or as a transfer in exchange for cash or other assets. See "—Inter-Group Loans" and "—Inter-Group Interests" below.

Splitco's board of directors will make these determinations, either in specific instances or by setting applicable policies generally, in the exercise of its informed business judgment. Factors Splitco's board of directors may consider in making this determination include:

- the financing needs and objectives of the receiving group;
- the investment objectives of the transferring group;
- the current and projected capital structure of each group;
- the relative levels of internally generated funds of each group; and
- the availability, cost and time associated with alternative financing sources, prevailing interest rates and general economic conditions.

Splitco's board of directors will make all changes in the attribution of material assets from one group to the other on a fair value basis, as determined by the board. For accounting purposes, all such assets will be deemed reattributed at their carryover basis. To the extent that this amount is different than the fair value of the inter-group loan or inter-group interest created in the transaction, this difference will be recorded as an adjustment to the group equity. No gain or loss will be recognized in the statement of operations information for the groups due to the related party nature of such transactions.

Inter-Group Loans. If one group makes a loan to the other group, Splitco's board of directors will determine the terms of the loan, including the rate at which it will bear interest. Splitco's board of directors will determine the terms of any inter-group loans, either in specific instances or by setting applicable policies generally, in the exercise of its informed business judgment. Factors Splitco's board of directors may consider in making this determination include:

- Splitco's needs;
- the use of proceeds and creditworthiness of the receiving group;
- the capital expenditure plans of and the investment opportunities available to each group; and
- the availability, cost and time associated with alternative financing sources.

If an inter-group loan is made, Splitco intends to account for the loan based on its stated terms, and the resulting activity, such as interest amounts, will be recorded in the separate group financial results to be included in Splitco's consolidated financial statements but will be eliminated in preparing Splitco's consolidated financial statement balances.

Inter-Group Interests. An inter-group interest is a quasi-equity interest that one group is deemed to hold in the other group. Inter-group interests are not represented by outstanding shares of common stock, rather they have an attributed value which is generally stated in terms of a number of shares of stock issuable to one group with respect to an inter-group interest in the other group.

An inter-group interest in a group will be created when cash or property is reattributed from one group to the other group and the board of directors determines that the reattribution will not be treated as an inter-group loan or as a transfer in exchange for cash or other assets. Inter-group interests may also be created in the discretion of the board of directors for certain other transactions, such as when funds of one group are used to effect an acquisition made on behalf of the other group. Additionally, inter-group interests once created are subject to adjustment for subsequent events. For instance, if the Starz Group holds an inter-group interest in the Capital Group at the time of a reattribution of cash or property by the Capital Group to the Starz Group, Splitco's board of directors may choose to reduce the Starz Group's inter-group interest in the Capital Group rather than create an inter-group interest in the Starz Group in favor of the Capital Group. Certain extraordinary actions that may be taken under the Splitco charter may also cause an increase or decrease in one group's inter-group interest in the other group. For more information regarding inter-group interests, see the definitions of "Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest" and "Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest" in Article IV, Section A.2.(i) of the Splitco charter.

If an inter-group interest is created, Splitco intends to account for this interest in a manner similar to the equity method of accounting whereby the group holding the inter-group interest would record its proportionate share of such other group's net income or loss. Appropriate eliminating entries would be made in preparing Splitco's consolidated financial statement balances.

Equity Issuance and Repurchases and Dividends. Splitco will reflect all financial effects of issuances and repurchases of shares relating to either group in its own attributed financial information. Splitco will reflect financial effects of dividends or other distributions on, and purchases of, shares relating to either group in its own attributed financial information.

Inter-Group Contracts

The terms of all current and future material transactions, relationships and other matters between the groups, including those as to which the groups may have potentially divergent interests, will be determined in a manner considered by Splitco's board of directors to be in its best interests and the best interests of its stockholders as a whole.

Review of Corporate Opportunities

In cases where a material corporate opportunity may appropriately be viewed as one that could be pursued by more than one group, Splitco's board of directors may, independently or at the request of management, review the allocation of that corporate opportunity to one of, or between, such groups. In accordance with Delaware law, Splitco's board of directors will make its determination with regard to the allocation of any such opportunity and the benefit of such opportunity in accordance with their good faith business judgment of Splitco's best interests and the best interests of Splitco's stockholders as a whole. Among the factors that Splitco's board of directors may consider in making this allocation is:

- whether a particular corporate opportunity is principally related or complementary to the business focus or strategy of the Capital Group or the Starz Group;
- whether one group, because of operational expertise, will be better positioned to undertake the corporate opportunity than the other group;
- existing contractual agreements and restrictions; and
- the financial resources and capital structure of each group.

Financial Statements; Allocation Matters

Splitco will present consolidated financial statements in accordance with generally accepted accounting principles in the U.S., consistently applied. Splitco will also provide consolidating financial statement information that will show the attribution of its assets, liabilities, revenue, expenses and cash flows to each of the Capital Group and the Starz Group.

Consolidating financial statement information will also include attributed portions of Splitco's debt, interest, corporate overhead and costs of administrative shared services and taxes. Splitco will make these allocations for the purpose of preparing such information; however, holders of Splitco Capital common stock and Splitco Starz common stock will continue to be subject to all of the risks associated with an investment in Splitco and all of Splitco's businesses, assets and liabilities.

In addition to allocating debt and interest as described above, Splitco has adopted certain expense allocation policies, each of which will be reflected in the attributed financial information of the Capital Group and the Starz Group. In general, corporate overhead will be allocated to each group based upon the use of services by that group where practicable. Corporate overhead includes costs of personnel and employee benefits, legal, accounting and auditing, insurance, investor relations and stockholder services and services related to Splitco's board of directors. Splitco will allocate in a similar manner a portion of costs of administrative shared services, such as information technology services. Where determinations based on use alone are not practical, Splitco will use other methods and criteria that Splitco believes are equitable and that provide a reasonable estimate of the cost attributable to each group.

Taxes

General Policies. From and after the effective time of the Split-Off, taxes and tax benefits, and payments that are required to be made by, or are entitled to be received by, Splitco (such payments, **tax sharing payments**) under the Tax Sharing Agreement, will be allocated between the Capital Group and the Starz Group in accordance with the following tax sharing policies regardless of whether the applicable taxes, tax benefits or tax sharing payments relate to—

- a taxable period (or portion thereof) ending at or before the effective time of the Split-Off (a**Pre-Split-off Period**); or

- a taxable period (or portion thereof) beginning after the effective time of the Split-Off (a**Post-Split-off Period**).

These tax sharing policies generally allocate taxes, tax benefits, and tax sharing payments between the Capital Group and the Starz Group in a manner consistent with the tax sharing policies of Liberty Media in effect prior to the Split-Off and the attribution of certain tax-related assets and liabilities between the Capital Group and Starz Group prior to the Split-Off. In addition, these tax sharing policies provide specific rules, not addressed by the Liberty Media tax sharing policies, related to the manner in which any taxes or tax-related losses arising from the Split-Off or the issuance of the Splitco Capital common stock and Splitco Starz common stock in connection with the Split-Off will be allocated between the Capital Group and the Starz Group. These tax sharing policies do not address the manner in which any taxes, tax benefits, tax items, and tax-related losses will be allocated between Liberty Media and Splitco, including the manner in which any taxes or tax-related losses arising from the Split-Off will be allocated. These tax matters are addressed in the Tax Sharing Agreement which is discussed below under the heading "Certain Relationships and Related Transactions—Tax Sharing Agreement."

References in these tax sharing policies to the "**Old Starz Group**" refer to the assets, liabilities and businesses that were tracked during the applicable Pre-Split-off Period by the Liberty Starz common stock or the Liberty Entertainment common stock, and for any taxable period (or portion thereof) ending prior to March 3, 2008, the assets, liabilities and businesses of, and any equity or debt interests in, Starz Entertainment, LLC, FUN Technologies, Inc., GSN, LLC, Fox Sports Net Rocky Mountain LLC, Fox Sports Net Northwest, LLC and Fox Sports Net Pittsburgh, LLC, or any of their respective subsidiaries, Liberty Media's equity interests in WildBlue Communications, Inc. and The DirecTV Group, Inc., and Liberty Media LLC's 3.25% Senior Exchangeable Debentures due 2031. References to the "**Old Capital Group**" refer to the assets, liabilities and businesses of Liberty Media (or its predecessor, Liberty Media LLC) and their respective subsidiaries during any Pre-Split-off Period other than:

- the assets, liabilities and businesses that were tracked during such Pre-Split-off Period by the Liberty Interactive common stock, and for any taxable period (or portion thereof) ending prior to May 9, 2006, the assets, liabilities and businesses of, and any equity or debt interests in, QVC, Inc., Provide Commerce, Inc. and their respective subsidiaries; and

- the assets, liabilities and businesses of the Old Starz Group during such Pre-Split-off Period.

These tax sharing policies may differ from the manner in which taxes and tax benefits of each group are reflected in the financial statements. For financial statement purposes, taxes and tax benefits allocable to each group generally have been and will be accounted for in a manner similar to a stand-alone company basis in accordance with generally accepted accounting principles. Any differences between the tax sharing policies described below and the taxes and tax benefits of each group reported in the financial statements will be reflected in the attributed net assets of the groups for financial statement purposes.

In general, for purposes of these tax sharing policies, any tax item (including any tax item arising from a disposition) attributable to an asset, liability or other interest tracked by the Splitco Capital common stock or attributable to the Old Capital Group will be allocated to the Capital Group and any tax item (including any tax item arising from a disposition) attributable to an asset, liability or other interest tracked by the Splitco Starz common stock or attributable to the Old Starz Group will be allocated to the Starz Group. Tax items that are allocable to the Capital Group that are carried forward or back and used as a tax benefit in another tax year will be allocated to the Capital Group and tax items that are allocable to the Starz Group that are carried forward or back and used as a tax benefit in another tax year will be allocated to the Starz Group. Except as described below under the special allocation rules, taxes and tax items arising in any Post-Split-off Period from employee, independent contractor or director compensation or employee benefits will be allocated to the group responsible for the underlying obligation (either through the allocation of the related expenses or through the issuance of stock of that group).

Consolidated Income Taxes for Post-Split-off Periods. To the extent that federal, state, local or foreign income taxes are determined on a basis that includes the operations, assets, liabilities or other tax items of more than one group for any Post-Split-off Period, or Splitco is required to make, or is entitled to receive, any tax sharing payments related to any income taxes or tax items attributable to any Post-Split-off Period, then, except as described below, income taxes and income tax benefits (other than any income taxes or income tax benefits that are allocable to Liberty Media under the Tax Sharing Agreement) and tax sharing payments will be shared among the groups based principally on the taxable income (or loss), tax credits and other tax items directly related to the activities of such group for such Post-Split-off Periods. Such allocations will reflect each group's contribution, whether positive or negative, to Splitco's consolidated taxable income (or loss), income tax liabilities and tax credit position or to any tax sharing payments. Consistent with the general policies described above, income tax benefits that cannot be used by a group generating such benefits, but can be used to reduce the taxable income of the other group or tax sharing payment liabilities otherwise allocable to the other group, will be credited to the group that generated such benefits and a corresponding amount will be charged to the group utilizing such benefits. As a result, under this tax sharing policy, the amount of income taxes allocated to a group and the amount credited to a group for income tax benefits may not necessarily be the same as that which would have been payable or received by the group had that group filed separate income tax returns.

Consolidated Income Taxes for Pre-Split-off Periods. To the extent that federal, state, local or foreign income taxes are determined on a basis that includes the operations, assets, liabilities or other tax items of more than one group for any Pre-Split-off Period, or Splitco is required to make, or is entitled to receive, any tax sharing payments related to any income taxes or tax items attributable to any Pre-Split-off Period, then except as described below, income taxes and income tax benefits (other than any income taxes or income tax benefits that are allocable to Liberty Media under the Tax Sharing Agreement) and tax sharing payments will, consistent with the policies described under "—Taxes—Consolidated Income Taxes for Post-Split-off Periods," be allocated to the Capital Group and the Starz Group based principally on the taxable income (or loss), tax credits and other tax items directly related to the activities of the Old Capital Group and the Old Starz Group, respectively, for such Pre-Split-off Periods. Consistent with the policies described above, income tax benefits that cannot be used by a group generating such benefits, but can be used to reduce the taxable income of the other group or tax sharing payment liabilities otherwise allocable to the other group, will be credited to the group that generated such benefits and a corresponding amount will be charged to the group utilizing such benefits.

Non-Income Taxes and Non-Consolidated Income Taxes. In any taxable period, if any non-income taxes or tax sharing payments attributable to non-income taxes or tax items are determined on a basis that includes the operations, assets, liabilities or other tax items of more than one group, then any such non-income taxes, non-income tax benefits, or tax sharing payments will be allocated to each group based upon their contribution to the consolidated non-income tax liability (or benefit) or tax sharing payments. Non-income tax benefits that cannot be used by a group generating such benefits, but can be used to reduce taxes or tax sharing payments of the other group, will be credited to the group that generated such benefits, and a corresponding amount will be charged to the group utilizing such benefit.

In any taxable period, any income or non-income taxes or tax benefits or tax sharing payments that are determined on a basis that includes only the operations, assets, liabilities or other tax items of one group will be allocated to that group.

Special Allocation Rules. Notwithstanding the foregoing, special allocation rules apply as follows:

- the Capital Group and the Starz Group will each be allocated a proportionate amount, based upon the aggregate market capitalization of the Splitco Capital common stock and the Splitco Starz common stock on the first trading day following the Split-Off, of any taxes, tax items, and tax sharing payments (including any transfer taxes or tax sharing payments related thereto) that result from the Split-Off and certain related restructuring transactions, except that (x) the Capital Group will be solely responsible for any such taxes, tax items, and tax sharing payments that result from (i) the Liberty Interactive common stock, the Liberty Capital common stock, or the Liberty Starz common stock not being treated as stock of Liberty Media, or being treated as Section 306 stock within the meaning of Section 306(c) of the Code, for U.S. federal income tax purposes, or (ii) any deferred intercompany items or excess loss accounts that are triggered thereby, and that would otherwise be allocated to the Capital Group, and (y) the Starz Group will be solely responsible for any such taxes, tax items and tax sharing payments that result from any deferred intercompany items or excess loss accounts that are triggered thereby, and that would otherwise be allocated to the Starz Group;

- the Starz Group will be allocated any taxes, tax items and tax sharing payments resulting from the LEI Split-Off and related restructuring transactions;

- the Capital Group will be allocated any taxes, tax items and tax sharing payments resulting from the exchange of stock of News Corporation for stock of Greenlady Corp. that was effected between News Corporation and subsidiaries of Liberty Media on February 27, 2008 (the **News Exchange**) and related restructuring transactions;

- the Capital Group will be allocated any taxes, tax items and tax sharing payments resulting from (i) the treatment of the Liberty Interactive common stock, the Liberty Capital common stock, the Liberty Starz common stock, or the Liberty Entertainment common stock as other than stock of Liberty Media, or as Section 306 stock within the meaning of Section 306(c) of the Code, in any taxable period (or portion thereof) ending at or before the Split-Off or (ii) the actual or deemed disposition of any assets caused by the issuance of the Liberty Interactive common stock, the Liberty Capital common stock, the Liberty Starz common stock, or the Liberty Entertainment common stock in any taxable period (or portion thereof) ending at or before the Split-Off; however, in each case, any taxes, tax items and tax sharing payments resulting from deferred intercompany items or excess loss accounts that are triggered thereby, and that would otherwise be allocated to the Starz Group, will be allocated to the Starz Group;

- the Capital Group and the Starz Group will each be allocated a proportionate amount, based upon the aggregate market capitalization of the Splitco Capital common stock and the Splitco Starz common stock on the first trading day following the Split-off, of any taxes, tax items and tax sharing payments resulting from (i) the treatment of the Splitco Capital common stock or the Splitco Starz common stock distributed in the Split-Off as other than stock of Splitco or as Section 306 stock within the meaning of Section 306(c) of the Code, or (ii) the actual or deemed disposition of any assets caused by the issuance of the Splitco Capital common stock or the Splitco Starz common stock; however, in each case, any taxes, tax items and tax sharing payments resulting from deferred intercompany items or excess loss accounts that are triggered thereby, and that would otherwise be allocated to the Capital Group or the Starz Group, will be allocated to the Capital Group or the Starz Group, respectively;

- for any Pre-Split-off Period (except as otherwise described in the next bullet), (x) any taxes, tax items, and tax sharing payments arising from the issuance, vesting, exercise or settlement of any stock, equity interests, options, stock appreciation rights, or similar rights granted prior to the Split-Off in connection with employee, independent contractor or director compensation (**Compensatory Equity Interests**) with respect to any series of Liberty Starz common stock or

Liberty Entertainment common stock will be allocated to the Starz Group; (y) any taxes, tax items, and tax sharing payments arising from the issuance, vesting, exercise or settlement of any Compensatory Equity Interests with respect to any series of Liberty Capital Common Stock will be allocated to the Capital Group; and (z) any other taxes, tax items or tax sharing payments related to employee, independent contractor or director compensation or employee benefits will be allocated to the Capital Group to the extent that the Old Capital Group was responsible for the underlying obligation and will be allocated to the Starz Group to the extent that the Old Starz Group was responsible for the underlying obligation;

- for any tax period (whether beginning before, on or after the Split-Off date), (x) any taxes, tax items, and tax sharing payments arising from the issuance, vesting, exercise or settlement of any Compensatory Equity Interests in DIRECTV will be allocated to the Starz Group; (y) any taxes, tax items, and tax sharing payments arising from the issuance, vesting, exercise or settlement of any Compensatory Equity Interests in Discovery Communications, Inc. **(Discovery)**, LGI, or Ascent Media Corporation will be allocated to the Capital Group;

- at the time of any sale or disposition of all or a portion of the stock of Starz Media Group, Inc. (**Starz Media**) in which gain or loss is recognized for income tax purposes (whether occurring before, on or after the Split-Off date), (x) the Capital Group will be allocated a deemed loss in an amount equal to the excess of the adjusted basis of the Starz Media stock (as of September 30, 2010) over the price at which it was transferred to the Starz Group (the **Starz Media purchase price**) (or in the event that less than all of the Starz Media stock is sold, an allocable portion of such excess), and (y) the Starz Group will be treated as having a starting adjusted basis in the stock of Starz Media equal to the Starz Media purchase price for income tax purposes and will be allocated a deemed loss or gain in an amount equal to the difference between the amount actually realized upon such sale or disposition and the Starz Group's deemed adjusted basis in the stock of Starz Media (the starting adjusted basis in the stock of Starz Media previously described, properly adjusted to take into account any income, deduction, gain, loss, contribution and distribution occurring after the reattribution of Starz Media from the Capital Group to the Starz Group) (as appropriately adjusted in the event of a sale or disposition of less than all of the stock of Starz Media);

- for any tax period (whether beginning before, on or after the Split-Off date), taxes and tax items of any subsidiary that is acquired, directly or indirectly, after the Split-Off for the benefit of the Capital Group or the Starz Group will generally be allocated to the Capital Group or the Starz Group, respectively; and

- the Capital Group will be allocated all taxes, tax items, losses and tax sharing payments attributable to Liberty Media LLC's tax sharing agreement with, among others, AT&T Corp. (**AT&T**) and Liberty Media LLC's tax sharing agreements with each of Discovery Holding Company (**DHC**) and Liberty Media International, Inc. (**LMI**).

Several Liability for Consolidated Taxes. Notwithstanding these tax sharing policies, under U.S. treasury regulations, each member of a consolidated group is severally liable for the U.S. federal income tax liability of each other member of the consolidated group. **Accordingly, each member of the Splitco affiliated group for U.S. federal income tax purposes (whether such member is attributed to the Capital Group or the Starz Group) could be liable to the U.S. government for any U.S. federal income tax liability incurred, but not discharged, by any other member of the Splitco affiliated group, and each member of the Capital Group and the Starz Group that is a member of the Liberty Media affiliated group for U.S. federal income tax purposes in any Pre-Split-off Period could be liable to the U.S. government for any U.S. federal income tax liability incurred, but not discharged, by any other member of the Liberty Media affiliated group with respect to any tax year beginning on or before the date of the Split-Off.**

Board Discretion to Terminate Split-Off

Although there is no present plan or intention to terminate the Split-Off, the Liberty Media board has reserved its right under the Liberty Media charter to terminate the Split-Off at any time prior to the redemption effective time regardless of whether the conditions to the Split-Off have been satisfied.

Treatment of Outstanding Equity Awards

Options to purchase shares of Liberty Capital common stock or Liberty Starz common stock, stock appreciation rights with respect to shares of Liberty Capital common stock or Liberty Starz common stock and restricted shares of Liberty Capital common stock or Liberty Starz common stock have been granted to various directors, officers, employees and consultants of Liberty Media and certain of its subsidiaries pursuant to the 2007 Incentive Plan and various other stock incentive plans administered by the Liberty Media board of directors or the compensation committee thereof. Below is a description of the effect of the Split-Off on these outstanding equity awards.

Option Awards

As of the redemption effective time:

- each outstanding option to purchase shares of Liberty Capital common stock (which we refer to as an **outstanding Liberty Capital option**) will be converted, automatically, into an option award (which we refer to as a **Splitco Capital option**) to purchase the number and series of whole shares of Splitco Capital common stock which the holder would have received on the redemption date with respect to the shares of Liberty Capital common stock subject to such outstanding Liberty Capital option if the holder had exercised such Liberty Capital option immediately prior to the redemption date; and

- each outstanding option to purchase shares of Liberty Starz common stock (which we refer to as an **outstanding Liberty Starz option**) will be converted, automatically, into an option award (which we refer to as a **Splitco Starz option**) to purchase the number and series of whole shares of Splitco Starz common stock which the holder would have received on the redemption date with respect to the shares of Liberty Starz common stock subject to such outstanding Liberty Starz option if the holder had exercised such Liberty Starz option immediately prior to the redemption date.

Based on the 1:1 redemption ratios, it is expected that the per share exercise price of each Splitco Capital option will be equal to the per share exercise price of the corresponding outstanding Liberty Capital option, and the per share exercise price of each Splitco Starz option will be equal to the per share exercise price of the corresponding outstanding Liberty Starz option.

All other terms of the Splitco Capital options and the Splitco Starz options (including, for example, the vesting terms thereof) will, in all material respects, be the same as those of the corresponding outstanding Liberty Capital option or outstanding Liberty Starz option, except (i) as described above and (ii) that the options will continue to vest so long as the holder provides service (whether as an employee, consultant or nonemployee director, as the case may be) to Liberty Media, Splitco or certain other subsidiaries of Liberty Media or Splitco or certain former subsidiaries of Liberty Media or its predecessor.

SAR Awards

As of the redemption effective time:

- each outstanding stock appreciation right related to Liberty Capital common stock (which we refer to as an **outstanding Liberty Capital SAR**) will be converted, automatically, into a stock appreciation right award (which we refer to as a **Splitco Capital SAR**) related to the number and series of whole shares of Splitco Capital common stock which the holder would have received on the redemption date with respect to the shares of Liberty Capital common stock subject to such outstanding Liberty Capital SAR had the holder owned such Liberty Capital shares immediately prior to the redemption date; and

- each outstanding stock appreciation right related to Liberty Starz common stock (which we refer to as an **outstanding Liberty Starz SAR**) will be converted, automatically, into a stock appreciation right award (which we refer to as a **Splitco Starz SAR**) related to the number and series of whole shares of Splitco Starz common stock which the holder would have received on the redemption date with respect to the shares of Liberty Starz common stock subject to such outstanding Liberty Starz SAR had the holder owned such Liberty Starz shares immediately prior to the redemption date.

Based on the 1:1 redemption ratios, it is expected that the per share base price of each Splitco Capital SAR will be equal to the per share base price of the corresponding outstanding Liberty Capital SAR, and the per share base price of each Splitco Starz SAR will be equal to the per share base price of the corresponding outstanding Liberty Starz SAR.

All other terms of a holder's Splitco Capital SARs or Splitco Starz SARs (including, for example, the vesting terms thereof) will, in all material respects, be the same as those of the corresponding outstanding Liberty Capital SAR or Liberty Starz SAR, except (i) as described above and (ii) that the SARs will continue to vest so long as the holder provides service (whether as an employee, consultant or nonemployee director, as the case may be) to Liberty Media, Splitco or certain other subsidiaries of Liberty Media or Splitco or certain former subsidiaries of Liberty Media or its predecessor.

Restricted Stock Awards

As of the redemption effective time, (i) each outstanding restricted share of LCAPA will be redeemed for one restricted share of Splitco CAPA, (ii) each outstanding restricted share of LCAPB will be redeemed for one restricted share of Splitco CAPB, (iii) each outstanding restricted share of LSTZA will be redeemed for one restricted share of Splitco STZA; and (iv) each outstanding restricted share of LSTZB will be redeemed for one restricted share of Splitco STZB.

The terms of the Splitco Capital and Splitco Starz restricted shares (including, for example, the vesting terms thereof) will, in all material respects, be the same as those of the corresponding Liberty Capital and Liberty Starz restricted shares, except that the Splitco Capital and Splitco Starz restricted shares will continue to vest so long as the holder provides service (whether as an employee, consultant or nonemployee director, as the case may be) to Liberty Media, Splitco or certain other subsidiaries of Liberty Media or Splitco or certain former subsidiaries of Liberty Media or its predecessor.

Transitional Plan

All of the Splitco Capital options, Splitco Starz options, Splitco Capital SARs, Splitco Starz SARs and restricted shares of Splitco Capital and Splitco Starz common stock will be issued pursuant to the Splitco Transitional Stock Adjustment Plan (the **transitional plan**), a copy of which is being filed as an exhibit to the registration statement of which this proxy statement/prospectus forms a part. The transitional plan will govern the terms and conditions of the foregoing Splitco incentive awards but will not be used to make any grants following the Split-Off.

Description of Splitco Common Stock and Comparison of Stockholder Rights

Splitco Capital Common Stock

The following is a description of (i) the terms of the Splitco Capital common stock under the Splitco charter and (ii) the terms of the Liberty Capital common stock under the Liberty Media charter, including a comparison between the terms of the two. Except as otherwise noted, the reason for the substantive differences between the two charters relates to (i) the fact that Splitco will not have a third tracking stock for which provisions are therefore only made in the Liberty Media charter, (ii) the inclusion of the Series B consent rights in the Splitco charter (which rights terminate in the event the number of outstanding shares of Series B Splitco Capital common stock is reduced below a specified threshold) and (iii) certain supermajority voting requirements. See "The Split-Off Proposals—Other Provisions of the Splitco Charter" and "—Termination of Series B Consent Rights." The following discussion of the terms of the Splitco charter and the Liberty Media charter is qualified by reference to the full text of those charters. The Splitco charter is filed as an exhibit to the registration statement of which this proxy statement/prospectus forms a part. The Liberty Media charter has been filed with the Securities and Exchange Commission. Please see "Additional Information—Where You Can Find More Information" for more information regarding Liberty Media's filings.

Splitco Capital Common Stock	***Liberty Capital Common Stock***
Authorized Capital Stock	
Splitco is authorized to issue up to 4.075 billion shares of Splitco Capital common stock, of which 2 billion are designated as Series A Splitco Capital common stock, 75 million are designated as Series B Splitco Capital common stock, and 2 billion are designated as Series C Splitco Capital common stock. *See Article IV, Section A.1. of the Splitco charter.*	Liberty Media is authorized to issue up to 4.075 billion shares of Liberty Capital common stock, of which 2 billion are designated as Series A Liberty Capital common stock, 75 million are designated as Series B Liberty Capital common stock, and 2 billion are designated as Series C Liberty Capital common stock. *See Article IV, Section A.1. of the Liberty Media charter.*
Dividends and Securities Distributions	
Splitco is permitted to pay dividends on Splitco Capital common stock out of the lesser of its assets legally available for the payment of dividends under Delaware law and the "Capital Group Available Dividend Amount" (defined generally as the excess of the total assets less the total liabilities of the Capital Group over the par value, or any greater amount determined to be capital in respect of, all outstanding shares of Splitco Capital common stock or, if there is no such excess, an amount equal to the earnings or loss attributable to the Capital Group (if positive) for the fiscal year in which such dividend is to be paid and/or the preceding fiscal year). If dividends are paid on any series of Splitco Capital common stock, an equal per share dividend will be concurrently paid on the other series of Splitco Capital common stock. *See Article IV, Section A.2.(c)(i) of the Splitco charter.*	The dividend provisions applicable to the Liberty Capital common stock are substantially similar to those applicable to the Splitco Capital common stock. *See Article IV, Section A.2.(c) (i) of the Liberty Media charter.* The share distribution provisions applicable to the Liberty Capital common stock are substantially similar to those applicable to the Splitco Capital common stock, except (i) that shares of Liberty Interactive common stock were also distributable to holders of Liberty Capital common stock, subject to certain limitations and (ii) Series A shares of any of the tracking stocks were distributable on all series of Liberty Capital common stock. *See Article IV, Section A.2.(d)(i) of the Liberty Media charter.*

Splitco Capital Common Stock	*Liberty Capital Common Stock*
Splitco is permitted to make (i) share distributions of (A) Series C shares of Splitco Capital common stock to holders of all series of Splitco Capital common stock, on an equal per share basis; and (B) Series A Splitco Capital common stock to holders of Series A Splitco Capital common stock and, on an equal per share basis, shares of Series B Splitco Capital common stock to holders of Series B Splitco Capital common stock and, on an equal per share basis, shares of Series C Splitco Capital common stock to holders of Series C Splitco Capital common stock; and (ii) share distributions of (A) Series C shares of Splitco Starz common stock to holders of all series of Splitco Capital common stock, on an equal per share basis, subject to certain limitations; and (B) Series A Splitco Starz common stock to holders of Series A Splitco Capital common stock and, on an equal per share basis, shares of Series B Splitco Starz common stock to holders of Series B Splitco Capital common stock and, on an equal per share basis, shares of Series C Splitco Starz common stock to holders of Series C Splitco Capital common stock, in each case, subject to certain limitations; and (iii) share distributions of any other class or series of Splitco's securities or the securities of any other person to holders of all series of Splitco Capital common stock, on an equal per share basis, subject to certain limitations. With respect to (iii) above, the holders of Series B Splitco Capital common stock have a consent right with respect to certain share distributions of voting securities on Series C Splitco Capital common stock and certain share distributions pursuant to which holders of Series B Splitco Capital common stock would receive voting securities with lesser relative voting rights than those of the Series B Splitco Capital common stock (including any such distribution being made by reason of an inter-group interest). *See Article IV, Section A.2.(d)(i) of the Splitco charter.*	

Splitco Capital Common Stock	Liberty Capital Common Stock
Conversion at Option of Holder	
Each Series B share of Splitco Capital common stock is convertible, at the option of the holder, into one Series A share of Splitco Capital common stock. Series A and Series C shares of Splitco Capital common stock are not convertible at the option of the holder. *See Article IV, Section A.2.(b)(i)(A) of the Splitco charter.*	The conversion rights (and limitations thereon) applicable to the Liberty Capital common stock are substantially similar to those applicable to the Splitco Capital common stock. *See Article IV, Section A.2.(b)(i)(A) of the Liberty Media charter.*
Conversion at Option of Issuer	
Splitco can convert each share of Series A, Series B and Series C Splitco Capital common stock into a number of shares of the corresponding series of Splitco Starz common stock at a ratio based on the relative trading prices of the Series A Splitco Capital common stock (or another series of Splitco Capital common stock subject to certain limitations) and the Series A Splitco Starz common stock (or another series of Splitco Starz common stock subject to certain limitations) over a specified 20-trading day period. *See paragraph (b)(iii) of Article IV, Section A.2. of the Splitco charter.* Splitco also can convert each share of Series A, Series B and Series C Splitco Starz common stock into a number of shares of the corresponding series of Splitco Capital common stock at a ratio based on the relative trading prices of the Series A Splitco Starz common stock (or another series of Splitco Starz common stock subject to certain limitations) to the Series A Splitco Capital common stock (or another series of Splitco Capital common stock subject to certain limitations) over a specified 20-trading day period. *See paragraph (b)(ii) of Article IV, Section A.2. of the Splitco charter.*	The conversion rights applicable to the Liberty Capital common stock are substantially similar to those applicable to the Splitco Capital common stock, except (i) that shares of Liberty Capital common stock could also be converted into shares of Liberty Interactive common stock and shares of Liberty Interactive common stock could also be converted into shares of Liberty Capital common stock and (ii) the trading period used to determine the conversion ratio in the Liberty Media charter is 60 trading days (compared to 20 trading days in the Splitco charter which period has been shortened for Splitco because 60 days is viewed as an unnecessarily long period of time during which market volatility could skew the conversion ratio). *See paragraphs (b)(ii), (b)(vi) and (b)(vii) of Article IV, Section A.2. of the Liberty Media charter.*

Splitco Capital Common Stock	*Liberty Capital Common Stock*

Optional Redemption for Stock of a Subsidiary

Splitco may redeem outstanding shares of Splitco Capital common stock for shares of common stock of a subsidiary that holds assets and liabilities attributed to the Capital Group (and may or may not hold assets and liabilities attributed to the Starz Group), provided that its board of directors seeks and receives the approval to such redemption of holders of Splitco Capital common stock, voting together as a separate class and, in the limited circumstances prescribed by the Splitco charter, the consent of the holders of the Series B Splitco Capital common stock. If Splitco were to effect a redemption as described above with stock of a subsidiary that also holds assets and liabilities of the Starz Group, shares of Splitco Starz common stock would also be redeemed in exchange for shares of that subsidiary, and the entire redemption would be subject to the voting and consent rights of the holders of Splitco Capital common stock described above as well as the separate class vote of the holders of Splitco Starz common stock and, in the limited circumstances prescribed by the Splitco charter, the consent of the holders of the Series B Splitco Starz common stock. *See Article IV, Section A.2.(e)(i) of the Splitco charter.*	The optional redemption provisions applicable to the Liberty Capital common stock are substantially similar to those applicable to the Splitco Capital common stock, except that (i) the subsidiary to be spun-off in any redemption of Liberty Capital common stock may also hold assets and liabilities of the Interactive Group, and any such redemption involving stock of a subsidiary that holds asset and liabilities of the Interactive Group would also be subject to the separate class vote of the holders of Liberty Interactive common stock and (ii) the holders of the Series B shares of Liberty Media's tracking stocks have no separate consent rights with respect to any such redemption. *See Article IV, Section A.2.(e)(i) of the Liberty Media charter.*

Splitco Capital Common Stock	*Liberty Capital Common Stock*

Mandatory Dividend, Redemption and Conversion Rights on Disposition of Assets

If Splitco disposes, in one transaction or a series of transactions, of all or substantially all of the assets of the Capital Group, it is required to choose one of the following four alternatives, unless its board obtains approval of the holders of Splitco Capital common stock to not take such action or the disposition qualifies under a specified exemption (in which case Splitco will not be required to take any of the following actions):

• pay a dividend to holders of Splitco Capital common stock out of the available net proceeds of such disposition; or

• if there are legally sufficient assets and the Capital Group Available Dividend Amount would have been sufficient to pay a dividend, then: (i) if the disposition involves all of the properties and assets of the Capital Group, redeem all outstanding shares of Splitco Capital common stock in exchange for cash and/or securities or other assets with a fair value equal to the available net proceeds of such disposition, or (ii) if the disposition involves substantially all (but not all) of the properties and assets of the Capital Group, redeem a portion of the outstanding shares of Splitco Capital common stock in exchange for cash and/or securities or other assets with a fair value equal to the available net proceeds of such disposition; or

• convert each outstanding share of each series of Splitco Capital common stock into a number of shares of the corresponding series of Splitco Starz common stock at a specified premium; or

• combine a conversion of a portion of the outstanding shares of Splitco Capital common stock into a number of shares of the corresponding series of Splitco Starz common stock with either the payment of a dividend on or a redemption of shares of Splitco Capital common stock, subject to certain limitations. *See Article IV, Section A.2.(e)(ii) of the Splitco charter.*

The mandatory dividend, redemption and conversion provisions applicable to the Liberty Capital common stock are substantially similar to those applicable to the Splitco Capital common stock, except that (i) shares of Liberty Capital common stock may also be converted into shares of Liberty Interactive common stock and (ii) the holders of shares of Series B Liberty Capital common stock have no separate consent rights with respect to any distribution of securities resulting from any such dividend, redemption or conversion. *See Article IV, Section A.2.(e)(ii) of the Liberty Media charter.*

Splitco Capital Common Stock	***Liberty Capital Common Stock***
In the limited circumstances prescribed by the Splitco charter, the holders of the Series B Splitco Capital common stock have a consent right with respect to certain distributions of securities resulting from any of the foregoing alternatives.	
Voting Rights	
Holders of Series A Splitco Capital common stock are entitled to one vote for each share of such stock held and holders of Series B Splitco Capital common stock are entitled to ten votes for each share of such stock held on all matters submitted to a vote of its stockholders. Holders of Series C Splitco Capital common stock are not entitled to any voting powers (including with respect to any class votes taken in accordance with the terms of the Splitco charter), except as otherwise required by Delaware law. When so required, holders of Series C Splitco Capital common stock will be entitled to $^{1}/_{100}$th of a vote for each share of such stock held.*See Article IV, Section A.2.(a) of the Splitco charter.* Holders of Splitco Capital common stock will vote as one class with holders of Splitco Starz common stock on all matters that are submitted to a vote of its stockholders unless a separate class vote is required by the terms of the Splitco charter or Delaware law. In connection with certain dispositions of Capital Group assets as described above, the Splitco board may determine to seek approval of the holders of Splitco Capital common stock, voting together as a separate class, to avoid effecting a mandatory dividend, redemption or conversion under the Splitco charter. *See Article IV, Section A.2.(a)(iv)(A) of the Splitco charter.* Splitco may not redeem outstanding shares of Splitco Capital common stock for shares of common stock of a subsidiary that holds assets and liabilities attributed to the Capital Group unless its board of directors seeks and receives the approval to such redemption of holders of Splitco Capital common stock, voting together as a separate class, and, if such subsidiary also holds assets and liabilities of the Starz Group, the approval of holders of Splitco Starz	The voting rights applicable to the Liberty Capital common stock are substantially similar to those applicable to the Splitco Capital common stock, except that (i) holders of Liberty Capital common stock also vote together with the holders of Liberty Interactive common stock on all matters that are submitted to a vote of its stockholders unless a separate class vote is required by the Liberty Media charter or Delaware law, (ii) with respect to redemptions involving the stock of a subsidiary that holds assets or liabilities of the Interactive Group as well as the Capital Group, the redemption would also be subject to the approval of the holders of Liberty Interactive common stock, with such affected group voting together as a separate class, (iii) the holders of Series B shares of Liberty Media's tracking stocks do not have any separate consent rights, such as those applicable to the holders of Series B shares of Splitco's tracking stocks and (iv) the difference in certain supermajority voting requirements between 80% for Splitco and $66^{2}/_{3}\%$ for Liberty Media as further described under "—Other Provisions of the Splitco Charter" below. *See Article IV, Section A.2.(a) of the Liberty Media charter.*

Splitco Capital Common Stock	*Liberty Capital Common Stock*
common stock to the corresponding Splitco Starz common stock redemption, with each affected group voting as a separate class. *See Article IV, Section A.2.(a)(v)(A) of the Splitco charter.* In addition to the Series B Splitco Capital consent rights described under "—Dividends and Securities Distributions," "—Optional Redemption for Stock of a Subsidiary," and "—Mandatory Dividend, Redemption and Conversion Rights on Disposition of Assets" above, the consent of holders of 75% of the then-outstanding shares of Series B Splitco Capital common stock, voting together as a separate class, is required for (i) certain charter amendments resulting in a recapitalization or reclassification pursuant to which the holders of Series C Splitco Capital common stock would receive voting securities or the holders of Series B Splitco Capital common stock would receive voting securities with lesser relative voting rights than those of the Series B Splitco Capital common stock, and (ii) certain charter amendments, including amendments relating to the consent rights of the holders of the Series B Splitco Capital common stock; the voting rights of the Splitco Capital common stock; the terms for the conversion of Series B Splitco Capital common stock into Series A Splitco Capital common stock; the terms of distributions or dividends (including share distributions); the requirement that the corporation reclassify the Splitco Capital common stock on an equal per share basis; and the terms for any liquidation, dissolution or winding-up of the corporation. *See Article IX of the Splitco charter.* Series B Splitco Capital holders are permitted to act by written consent whenever their consent is required under the Splitco charter. *See Article VIII, Section B of the Splitco charter.* The Splitco charter imposes supermajority voting requirements in connection with certain charter amendments and other extraordinary transactions which have not been approved by 75% of the directors then in office. When these requirements apply, the threshold vote required is 80% of the aggregate voting power of Splitco's outstanding voting securities, voting together as a single class. *See Article IX of the Splitco charter.*	

Splitco Capital Common Stock	*Liberty Capital Common Stock*

Inter-Group Interest

From time to time, the Splitco board may determine to create an inter-group interest in the Starz Group in favor of the Capital Group, or vice versa, subject to the terms of the Splitco charter. If the Starz Group has an inter-group interest in the Capital Group at such time as any extraordinary action is taken with respect to the Liberty Capital common stock (such as the payment of a dividend, a share distribution, the redemption of such stock for stock of a subsidiary or an action required to be taken in connection with a disposition of all or substantially all of the Capital Group's assets), the Splitco board will consider what actions are required, or permitted, to be taken under the Splitco charter with respect to the Starz Group's inter-group interest in the Capital Group. For example, in some instances, the Splitco board may determine that a portion of the aggregate consideration that is available for distribution to holders of Splitco Capital common stock must be allocated to the Starz Group to compensate the Starz Group on a pro rata basis for its interest in the Capital Group. Similarly, if the Capital Group has an inter-group interest in the Starz Group at such time as any extraordinary action is taken with respect to the Splitco Starz common stock (such as the payment of a dividend, a share distribution, the redemption of such stock for stock of a subsidiary or an action required to be taken in connection with a disposition of all or substantially all of the Starz Group's assets), the Splitco board will consider what actions are required, or permitted, to be taken under the Splitco charter with respect to the Capital Group's inter-group interest in the Starz Group. All such board determinations will be made in accordance with the Splitco charter and applicable Delaware law. Neither the Capital Group nor the Starz Group is expected to have an inter-group interest in the other at the time of the Split-Off.	The inter-group interest provisions applicable to the Liberty Capital common stock are substantially similar to those applicable to the Splitco Capital common stock, except that (i) the Interactive Group may also hold an inter-group interest in the Capital Group and (ii) the Capital Group may also hold an inter-group interest in the Interactive Group. None of the Interactive Group, the Capital Group or the Starz Group currently has any inter-group interest in the other.

Splitco Capital Common Stock	*Liberty Capital Common Stock*

Liquidation

Upon Splitco's liquidation, dissolution or winding up, holders of shares of Splitco Capital common stock will be entitled to receive in respect of such stock their proportionate interests in Splitco's assets, if any, remaining for distribution to holders of common stock (regardless of the group to which such assets are then attributed) in proportion to their respective number of liquidation units per share. *See Article IV, Section A.2.(g) of the Splitco charter.* As of the redemption effective time, each share of Splitco Capital common stock will be entitled to one liquidation unit.	The liquidation, dissolution and winding up provisions applicable to the Liberty Capital common stock are substantially similar to those applicable to the Splitco Capital common stock, except that the liquidation units attributable to the holders of Liberty Interactive common stock will also be taken into account in any such distribution. *See Article IV, Section A.2.(h) of the Liberty Media charter.* As of the date of this proxy statement/prospectus, each share of Liberty Capital common stock is entitled to 0.14613 of a liquidation unit.

Splitco Starz Common Stock

The following is a description of (i) the terms of the Splitco Starz common stock under the Splitco charter and (ii) the terms of the Liberty Starz common stock under the Liberty Media charter, including a comparison between the terms of the two. Except as otherwise noted, the reason for the substantive differences between the two charters relates to (i) the fact that Splitco will not have a third tracking stock for which provisions are therefore only made in the Liberty Media charter, (ii) the inclusion of the Series B consent rights in the Splitco charter (which rights terminate in the event the number of outstanding shares of Series B Splitco Starz common stock is reduced below a specified threshold) and (iii) certain supermajority voting requirements. See "The Split-Off Proposals—Other Provisions of the Splitco Charter" and "—Termination of Series B Consent Rights." The following discussion of the terms of the Splitco charter and the Liberty Media charter is qualified by reference to the full text of those charters. The Splitco charter is included as an exhibit to the registration statement of which this proxy statement/prospectus forms a part. The Liberty Media charter has been filed with the Securities and Exchange Commission. Please see "Additional Information—Where You Can Find More Information" for more information regarding Liberty Media's filings.

Splitco Starz Common Stock	*Liberty Starz Common Stock*

Authorized Capital Stock

Splitco is authorized to issue up to 8.15 billion shares of Splitco Starz common stock, of which 4 billion are designated as Series A Splitco Starz common stock, 150 million are designated as Series B Splitco Starz common stock, and 4 billion are designated as Series C Splitco Starz common stock. *See Article IV, Section A.1. of the Splitco charter.*	Liberty Media is authorized to issue up to 8.15 billion shares of Liberty Starz common stock, of which 4 billion are designated as Series A Liberty Starz common stock, 150 million are designated as Series B Liberty Starz common stock, and 4 billion are designated as Series C Liberty Starz common stock. *See Article IV, Section A.1. of the Liberty Media charter.*

Splitco Starz Common Stock	*Liberty Starz Common Stock*
Dividends and Securities Distributions	
Splitco is permitted to pay dividends on Splitco Starz common stock out of the lesser of its assets legally available for the payment of dividends under Delaware law and the "Starz Group Available Dividend Amount" (defined generally as the excess of the total assets less the total liabilities of the Starz Group over the par value, or any greater amount determined to be capital in respect of, all outstanding shares of Splitco Starz common stock or, if there is no such excess, an amount equal to the earnings or loss attributable to the Starz Group (if positive) for the fiscal year in which such dividend is to be paid and/or the preceding fiscal year). If dividends are paid on any series of Splitco Starz common stock, an equal per share dividend will be concurrently paid on the other series of Splitco Starz common stock. *See Article IV, Section A.2.(c)(ii) of the Splitco charter.*	The dividend provisions applicable to the Liberty Starz common stock are substantially similar to those applicable to the Splitco Starz common stock. *See Article IV, Section A.2.(c)(ii) of the Liberty Media charter.* The share distribution provisions applicable to the Liberty Starz common stock are substantially similar to those applicable to the Splitco Starz common stock, except that (i) shares of Liberty Interactive common stock were also distributable to holders of Liberty Starz common stock, subject to certain limitations and (ii) Series A shares of any of the tracking stocks were distributable on all series of Liberty Starz common stock. *See Article IV, Section A.2.(d)(ii) of the Liberty Media charter.*

Splitco Starz Common Stock	*Liberty Starz Common Stock*
Splitco is permitted to make (i) share distributions of (A) Series C shares of Splitco Starz common stock to holders of all series of Splitco Starz common stock, on an equal per share basis; and (B) Series A Splitco Starz common stock to holders of Series A Splitco Starz common stock and, on an equal per share basis, shares of Series B Splitco Starz common stock to holders of Series B Splitco Starz common stock and, on an equal per share basis, shares of Series C Splitco Starz common stock to holders of Series C Splitco Starz common stock; and (ii) share distributions of (A) Series C shares of Splitco Capital common stock to holders of all series of Splitco Starz common stock, on an equal per share basis, subject to certain limitations; and (B) Series A Splitco Capital common stock to holders of Series A Splitco Starz common stock and, on an equal per share basis, shares of Series B Splitco Capital common stock to holders of Series B Splitco Starz common stock and, on an equal per share basis, shares of Series C Splitco Capital common stock to holders of Series C Splitco Starz common stock, in each case, subject to certain limitations; and (iii) share distributions of any other class or series of Splitco's securities or the securities of any other person to holders of all series of Splitco Starz common stock, on an equal per share basis, subject to certain limitations. With respect to (iii) above, the holders of Series B Splitco Starz common stock have a consent right with respect to certain share distributions of voting securities on Series C Splitco Starz common stock and certain share distributions pursuant to which holders of Series B Splitco Starz common stock would receive voting securities with lesser relative voting rights than those of the Series B Splitco Starz common stock (including any such distribution being made by reason of an inter-group interest). *See Article IV, Section A.2.(d)(ii) of the Splitco charter.*	

Splitco Starz Common Stock	*Liberty Starz Common Stock*

Conversion at Option of Holder

Each Series B share of Splitco Starz common stock is convertible, at the option of the holder, into one Series A share of Splitco Starz common stock. Series A and Series C shares of Splitco Starz common stock are not convertible at the option of the holder. *See Article IV, Section A.2.(b)(i)(B) of the Splitco charter.*	The conversion rights (and limitations thereon) applicable to the Liberty Starz common stock are substantially similar to those applicable to the Splitco Starz common stock. *See Article IV, Section A.2.(b)(i)(B) of the Liberty Media charter.*

Conversion at Option of Issuer

Splitco can convert each share of Series A, Series B and Series C Splitco Starz common stock into a number of shares of the corresponding series of Splitco Capital common stock at a ratio based on the relative trading prices of the Series A Splitco Starz common stock (or another series of Splitco Starz common stock subject to certain limitations) and the Series A Splitco Capital common stock (or another series of Splitco Capital common stock subject to certain limitations) over a specified 20-trading day period. *See paragraph (b)(ii) of Article IV, Section A.2. of the Splitco charter.*	The conversion rights applicable to the Liberty Starz common stock are substantially similar to those applicable to the Splitco Starz common stock, except (i) that shares of Liberty Starz common stock could also be converted into shares of Liberty Interactive common stock and shares of Liberty Interactive common stock could also be converted into shares of Liberty Starz common stock and (ii) the trading period used to determine the conversion ratio in the Liberty Media charter is 60 trading days (compared to 20 trading days in the Splitco charter which period has been shortened for Splitco because 60 days is viewed as an unnecessarily long period of time during which market volatility could skew the conversion ratio). *See paragraphs (b)(iii), (b)(iv) and (b)(v) of Article IV, Section A.2. of the Liberty Media charter.*
Splitco also can convert each share of Series A, Series B and Series C Splitco Capital common stock into a number of shares of the corresponding series of Splitco Starz common stock at a ratio based on the relative trading prices of the Series A Splitco Capital common stock (or another series of Splitco Capital common stock subject to certain limitations) to the Series A Splitco Starz common stock (or another series of Splitco Starz common stock subject to certain limitations) over a specified 20-trading day period. *See paragraph (b)(iii) of Article IV, Section A.2. of the Splitco charter.*	

Splitco Starz Common Stock	***Liberty Starz Common Stock***

Optional Redemption for Stock of a Subsidiary

Splitco may redeem outstanding shares of Splitco Starz common stock for shares of common stock of a subsidiary that holds assets and liabilities attributed to the Starz Group (and may or may not hold assets and liabilities attributed to the Capital Group), provided that its board of directors seeks and receives the approval to such redemption of holders of Splitco Starz common stock, voting together as a separate class and, in the limited circumstances prescribed by the Splitco charter, the consent of the holders of Series B Splitco Starz common stock.

If Splitco were to effect a redemption as described above with stock of a subsidiary that also holds assets and liabilities of the Capital Group, shares of Splitco Capital common stock would also be redeemed in exchange for shares of that subsidiary, and the entire redemption would be subject to the voting and consent rights of the holders of Splitco Starz common stock described above as well as the separate class vote of the holders of Splitco Capital common stock and, in the limited circumstances prescribed by the Splitco charter, the consent of the holders of the Series B Splitco Capital common stock. *See Article IV, Section A.2.(f)(i) of the Splitco charter.*

The optional redemption provisions applicable to the Liberty Starz common stock are substantially similar to those applicable to the Splitco Starz common stock, except that (i) the subsidiary to be spun-off in any redemption of Liberty Starz common stock may also hold assets and liabilities of the Interactive Group, and any such redemption involving stock of a subsidiary that holds asset and liabilities of the Interactive Group would also be subject to the separate class vote of the holders of Liberty Interactive common stock and (ii) the holders of the Series B shares of Liberty Media's tracking stocks have no separate consent rights with respect to any such redemption. *See Article IV, Section A.2.(f)(i) of the Liberty Media charter.*

Mandatory Dividend, Redemption and Conversion Rights on Disposition of Assets

If Splitco disposes, in one transaction or a series of transactions, of all or substantially all of the assets of the Starz Group, it is required to choose one of the following four alternatives, unless its board obtains approval of the holders of Splitco Starz common stock to not take such action or the disposition qualifies under a specified exemption (in which case Splitco will not be required to take any of the following actions):

• pay a dividend to holders of Splitco Starz common stock out of the available net proceeds of such disposition; or

The mandatory dividend, redemption and conversion provisions applicable to the Liberty Starz common stock are substantially similar to those applicable to the Splitco Starz common stock, except that (i) shares of Liberty Starz common stock may also be converted into shares of Liberty Interactive common stock and (ii) the holders of shares of Series B Liberty Starz common stock have no separate consent rights with respect to any distribution of securities resulting from any such dividend, redemption or conversion. *See Article IV, Section A.2.(f)(ii) of the Liberty Media charter.*

Splitco Starz Common Stock	***Liberty Starz Common Stock***
• if there are legally sufficient assets and the Starz Group Available Dividend Amount would have been sufficient to pay a dividend, then: (i) if the disposition involves all of the properties and assets of the Starz Group, redeem all outstanding shares of Splitco Starz common stock in exchange for cash and/or securities or other assets with a fair value equal to the available net proceeds of such disposition, or (ii) if the disposition involves substantially all (but not all) of the properties and assets of the Starz Group, redeem a portion of the outstanding shares of Splitco Starz common stock in exchange for cash and/or securities or other assets with a fair value equal to the available net proceeds of such disposition; or • convert each outstanding share of each series of Splitco Starz common stock into a number of shares of the corresponding series of Splitco Capital common stock at a specified premium; or • combine a conversion of a portion of the outstanding shares of Splitco Starz common stock into a number of shares of the corresponding series of Splitco Capital common stock with either the payment of a dividend on or a redemption of shares of Splitco Starz common stock, subject to certain limitations. *See Article IV, Section A.2.(f)(ii) of the Splitco charter.* In the limited circumstances prescribed by the Splitco charter, the holders of the Series B Splitco Starz common stock have a consent right with respect to certain distributions of securities resulting from any of the foregoing alternatives.	

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Splitco Starz Common Stock	*Liberty Starz Common Stock*

Voting Rights

Holders of Series A Splitco Starz common stock are entitled to one vote for each share of such stock held and holders of Series B Splitco Starz common stock are entitled to ten votes for each share of such stock held on all matters submitted to a vote of its stockholders. Holders of Series C Splitco Starz common stock are not entitled to any voting powers (including with respect to any class votes taken in accordance with the terms of the Splitco charter), except as otherwise required by Delaware law. When so required, holders of Series C Splitco Starz common stock will be entitled to $^{1}/_{100}$th of a vote for each share of such stock held.*See Article IV, Section A.2.(a) of the Splitco charter.* Holders of Splitco Starz common stock will vote as one class with holders of Splitco Capital common stock on all matters that are submitted to a vote of its stockholders unless a separate class vote is required by the terms of the Splitco charter or Delaware law. In connection with certain dispositions of Starz Group assets as described above, the Splitco board may determine to seek approval of the holders of Splitco Starz common stock, voting together as a separate class, to avoid effecting a mandatory dividend, redemption or conversion under the Splitco charter. *See Article IV, Section A.2.(a)(iv)(B) of the Splitco charter.* Splitco may not redeem outstanding shares of Splitco Starz common stock for shares of common stock of a subsidiary that holds assets and liabilities attributed to the Starz Group unless its board of directors seeks and receives the approval to such redemption of holders of Splitco Starz common stock, voting together as a separate class, and, if such subsidiary also holds assets and liabilities of the Capital Group, the approval of holders of Splitco Capital common stock to the corresponding Splitco Capital common stock redemption, with each affected group voting as a separate class. *See Article IV, Section A.2.(a)(v)(B) of the Splitco charter.*	The voting rights applicable to the Liberty Starz common stock are substantially similar to those applicable to the Splitco Starz common stock, except that (i) holders of Liberty Starz common stock also vote together with the holders of Liberty Interactive common stock on all matters that are submitted to a vote of its stockholders unless a separate class vote is required by the Liberty Media charter or Delaware law, (ii) with respect to redemptions involving the stock of a subsidiary that holds assets or liabilities of the Interactive Group as well as the Starz Group, the redemption would also be subject to the approval of the holders of Liberty Interactive common stock, with such affected group voting together as a separate class, (iii) the holders of Series B shares of Liberty Media's tracking stocks do not have any separate consent rights, such as those applicable to the holders of Series B shares of Splitco's tracking stocks and (iv) the difference in certain supermajority voting requirements between 80% for Splitco and $66^{2}/_{3}$% for Liberty Media as further described under "—Other Provisions of the Splitco Charter" below. *See Article IV, Section A.2.(a) of the Liberty Media charter.*

Splitco Starz Common Stock	***Liberty Starz Common Stock***
In addition to the Series B Splitco Starz consent rights described under "—Dividends and Securities Distributions," "—Optional Redemption for Stock of a Subsidiary," and "—Mandatory Dividend, Redemption and Conversion Rights on Disposition of Assets" above, the consent of holders of 75% of the then-outstanding shares of Series B Splitco Starz common stock, voting together as a separate class, is required for (i) certain charter amendments resulting in a recapitalization or reclassification pursuant to which the holders of Series C Splitco Starz common stock would receive voting securities or the holders of Series B Splitco Starz common stock would receive voting securities with lesser relative voting rights than those of the Series B Splitco Starz common stock, and (ii) certain charter amendments, including amendments relating to the consent rights of the holders of the Series B Splitco Starz common stock; the voting rights of the Splitco Starz common stock; the terms for the conversion of Series B Splitco Starz common stock into Series A Splitco Starz common stock; the terms of distributions or dividends (including share distributions); the requirement that the corporation reclassify the Splitco Starz common stock on an equal per share basis; and the terms for any liquidation, dissolution or winding-up of the corporation. *See Article IX of the Splitco charter.* Series B Splitco Starz holders are permitted to act by written consent whenever their consent is required under the Splitco charter. *See Article VIII, Section B of the Splitco charter.*	
The Splitco charter imposes supermajority voting requirements in connection with certain charter amendments and other extraordinary transactions which have not been approved by 75% of the directors then in office. When these requirements apply, the threshold vote required is 80% of the aggregate voting power of Splitco's outstanding voting securities, voting together as a single class. *See Article IX of the Splitco charter.*	

Splitco Starz Common Stock	*Liberty Starz Common Stock*

Inter-Group Interest

Splitco Starz Common Stock:

From time to time, the Splitco board may determine to create an inter-group interest in the Capital Group in favor of the Starz Group, or vice versa, subject to the terms of the Splitco charter.

If the Capital Group has an inter-group interest in the Starz Group at such time as any extraordinary action is taken with respect to the Liberty Starz common stock (such as the payment of a dividend, a share distribution, the redemption of such stock for stock of a subsidiary or an action required to be taken in connection with a disposition of all or substantially all of the Starz Group's assets), the Splitco board will consider what actions are required, or permitted, to be taken under the Splitco charter with respect to the Capital Group's inter-group interest in the Starz Group. For example, in some instances, the Splitco board may determine that a portion of the aggregate consideration that is available for distribution to holders of Splitco Starz common stock must be allocated to the Capital Group to compensate the Capital Group on a pro rata basis for its interest in the Starz Group.

Similarly, if the Starz Group has an inter-group interest in the Capital Group at such time as any extraordinary action is taken with respect to the Splitco Capital common stock (such as the payment of a dividend, a share distribution, the redemption of such stock for stock of a subsidiary or an action required to be taken in connection with a disposition of all or substantially all of the Capital Group's assets), the Splitco board will consider what actions are required, or permitted, to be taken under the Splitco charter with respect to the Starz Group's inter-group interest in the Capital Group.

All such board determinations will be made in accordance with the Splitco charter and applicable Delaware law.

Neither the Starz Group nor the Capital Group is expected to have an inter-group interest in the other at the time of the Split-Off.

Liberty Starz Common Stock:

The inter-group interest provisions applicable to the Liberty Starz common stock are substantially similar to those applicable to the Splitco Starz common stock, except that (i) the Interactive Group may also hold an inter-group interest in the Starz Group and (ii) the Starz Group may also hold an inter-group interest in the Interactive Group.

None of the Interactive Group, the Starz Group or the Capital Group currently has any inter-group interest in the other.

Splitco Starz Common Stock	*Liberty Starz Common Stock*
Liquidation	
Upon Splitco's liquidation, dissolution or winding up, holders of shares of Splitco Starz common stock will be entitled to receive in respect of such stock their proportionate interests in Splitco's assets, if any, remaining for distribution to holders of common stock (regardless of the group to which such assets are then attributed) in proportion to their respective number of liquidation units per share. *See Article IV, Section A.2.(g) of the Splitco charter.*	The liquidation, dissolution and winding up provisions applicable to the Liberty Starz common stock are substantially similar to those applicable to the Splitco Starz common stock, except that the liquidation units attributable to the holders of Liberty Interactive common stock will also be taken into account in any such distribution. *See Article IV, Section A.2.(h) of the Liberty Media charter.*
As of the redemption effective time, each share of Splitco Starz common stock will be entitled to a number of liquidation units equal to the amount (calculated to the nearest five decimal places) obtained by dividing (x) the average of the daily volume weighted average prices of the Series A Splitco Starz common stock over the 20-trading day (with a "trading day" defined as each day on which the share of common stock is traded on the Nasdaq Stock Market) period commencing on (and including) the first trading day on which the Series A Splitco Starz common stock trades in the "regular way" market, by (y) the average of the daily volume weighted average prices of the Series A Splitco Capital common stock over the 20-trading day period commencing on (and including) the first trading day on which the Series A Splitco Capital common stock trades in the "regular way" market.	As of the date of this proxy statement/prospectus, each share of Liberty Starz common stock is entitled to 0.21347 of a liquidation unit.

Other Provisions of the Splitco Charter

The Splitco charter and bylaws will also contain the following terms. Except as otherwise noted, the following terms and provisions of the Splitco charter are substantially similar to the corresponding terms and provisions of the Liberty Media charter.

Authorized Share Capital

Splitco is authorized to issue up to 12,275,000,000 shares of capital stock, which will be divided into the following two classes: (i) 12,225,000,000 shares of common stock (which class is divided into the series described above), and (ii) 50,000,000 shares of preferred stock (which class is issuable in series as described below). The difference between the aggregate number of shares of capital stock of Splitco and Liberty Media is that the Splitco capital structure does not include the number of authorized shares of Liberty Interactive common stock.

Consent Right over Issuance of B Shares

The Splitco charter requires the approval of the holders of 75% of the then-outstanding shares of Series B Splitco Capital common stock, voting as a single class, with respect to any issuance of shares of Series B Splitco Capital common stock (or securities convertible into or exercisable or exchangeable for shares of Series B Splitco Capital common stock) following the Split-Off (with certain permitted exceptions, such as for permitted share distributions), and the approval of the holders of 75% of the then-outstanding shares of Series B Splitco Starz common stock, voting as a single class, with respect to any issuance of shares of Series B Splitco Starz common stock (or securities convertible into or exercisable or exchangeable for shares of Series B Splitco Starz common stock) following the Split-Off (with certain permitted exceptions, such as for permitted share distributions). No similar consent rights are included in Liberty Media's charter.

Preferred Stock

The Splitco charter authorizes the board of directors of Splitco to establish one or more series of preferred stock and to determine, with respect to any series of preferred stock, the terms and rights of the series, including:

- the designation of the series;
- the number of authorized shares of the series, which number Splitco's board may subsequently increase or decrease but not below the number of such shares of such series of preferred stock then outstanding;
- the dividend rate or amounts, if any, and, in the case of cumulative dividends, the date or dates from which dividends on all shares of the series will be cumulative and the relative preferences or rights of priority or participation with respect to such dividends;
- the rights of the series in the event of Splitco's voluntary or involuntary liquidation, dissolution or winding up and the relative preferences or rights of priority of payment;
- the rights, if any, of holders of the series to convert into or exchange for other classes or series of stock or indebtedness and the terms and conditions of any such conversion or exchange, including provision for adjustments within the discretion of Splitco's board of directors;
- the voting rights, if any, of the holders of the series;
- the terms and conditions, if any, for Splitco to purchase or redeem the shares of the series; and
- any other relative rights, preferences and limitations of the series.

Splitco believes that the ability of its board of directors to authorize the issuance of one or more series of preferred stock will provide flexibility in structuring possible future financing and acquisitions and in meeting other corporate needs which might arise. The authorized shares of Splitco's preferred stock will be available for issuance without further action by its stockholders, unless such action is required by applicable law or the rules of any stock exchange or automated quotation system on which Splitco securities may be listed or traded.

Although Splitco has no intention at the present time of doing so, it could issue a series of preferred stock that could, depending on the terms of such series, impede the completion of a merger, tender offer or other takeover attempt. Splitco's board will make any determination to issue such shares based upon its judgment as to the best interests of its stockholders. Splitco's board of directors, in so acting, could issue preferred stock having terms that could discourage an acquisition attempt through which an acquirer may be able to change the composition of its board of directors, including a tender offer or other transaction that some, or a majority, of its stockholders might believe to be in their best interests or in which stockholders might receive a premium for their stock over the then-current market price of the stock.

Board of Directors

The Splitco charter provides that, subject to any rights of the holders of any series of preferred stock to elect additional directors, the number of its directors will not be less than three and the exact number will be fixed from time to time by a resolution of its board. The members of the Splitco board, other than those who may be elected by holders of any preferred stock, will be divided into three classes. Each class consists, as nearly as possible, of a number of directors equal to one-third of the then authorized number of board members. The term of office of the Class I directors of Splitco will expire at the annual meeting of stockholders in 2014 . The term of office of Class II directors of Splitco will expire at the annual meeting of stockholders in 2012. The term of office of Class III directors of Splitco will expire at the annual meeting of stockholders in 2013.

At each annual meeting of stockholders, the successors of that class of directors whose term expires at that meeting will be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election. The directors of each class will hold office until their respective successors are elected and qualified or until such director's earlier death, resignation or removal.

The Splitco charter provides that, subject to the rights of the holders of any series of preferred stock, directors may be removed from office only for cause upon the affirmative vote of the holders of at least a majority of the aggregate voting power of Splitco's outstanding capital stock entitled to vote at an election of directors, voting together as a single class.

The Splitco charter provides that, subject to the rights of the holders of any series of preferred stock, vacancies on its board resulting from death, resignation, removal, disqualification or other cause, and newly created directorships resulting from any increase in the number of directors on its board, will be filled only by the affirmative vote of a majority of the remaining directors then in office (even though less than a quorum) or by the sole remaining director. Any director so elected will hold office for the remainder of the full term of the class of directors in which the vacancy occurred or to which the new directorship is assigned, and until that director's successor will have been elected and qualified or until such director's earlier death, resignation or removal. No decrease in the number of directors constituting its board will shorten the term of any incumbent director, except as may be provided in any certificate of designation with respect to a series of Splitco's preferred stock with respect to any additional director elected by the holders of that series of Splitco's preferred stock.

These provisions would preclude a third party from removing incumbent directors and simultaneously gaining control of Splitco's board by filling the vacancies created by removal with its own nominees. Under the classified board provisions described above, it would take at least two elections of directors for any individual or group to gain control of Splitco's board. Accordingly, these provisions could discourage a third party from initiating a proxy contest, making a tender offer or otherwise attempting to gain control of Splitco.

Limitation on Liability and Indemnification

To the fullest extent permitted by Delaware law, Splitco's directors are not liable to it or any of its stockholders for monetary damages for breaches of fiduciary duties while serving as a director. In addition, Splitco indemnifies, to the fullest extent permitted by applicable law, any person involved in any suit or action by reason of the fact that such person is a director or officer of Splitco or, at its request, a director, officer, employee or agent of another corporation or entity, against all liability, loss and expenses incurred by such person. Splitco will pay expenses of a director or officer in defending any proceeding in advance of its final disposition, provided that such payment is made upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that the director or officer is not entitled to indemnification.

Corporate Opportunity

The Splitco charter acknowledges that Splitco may have overlapping directors and officers with other entities that compete with Splitco's businesses and that Splitco may engage in material business transactions with such entities. Splitco has renounced its rights to certain business opportunities and the Splitco charter provides that no director or officer of Splitco will be liable to Splitco or its stockholders for breach of any fiduciary duty by reason of the fact that any such individual directs a corporate opportunity to another person or entity instead of Splitco, or does not refer or communicate information regarding such corporate opportunity to Splitco, unless such opportunity was expressly offered to such person solely in his or her capacity as a director or officer of Splitco or as a director or officer of any of Splitco's subsidiaries.

The purpose of this provision is to renounce, in advance, Splitco's interest or expectancy in certain business opportunities, and the effect of the provision is to absolve Splitco's directors and officers, to the extent permitted by Delaware law, from possible liability for not presenting a renounced business opportunity to Splitco, on the premise that no breach of fiduciary duty will have occurred if Splitco has previously renounced its interest or expectancy in the opportunity. The renunciation provision in the Splitco charter would provide its directors and officers a defense to any derivative lawsuit that might be brought alleging such a breach of fiduciary duty by them.

Liberty Media's charter, which has not been substantively amended since the reclassification of its tracking stocks in March 2008, does not have a parallel renunciation provision and Liberty Media's stockholders are not being asked at this time to approve an amendment to its charter for that purpose. An amendment to Liberty Media's charter would require the solicitation of proxies from the holders of all three of Liberty Media tracking stocks, including the holders of Liberty Interactive common stock. As those holders are not entitled to vote on the Liberty Starz redemption proposal or the Liberty Capital redemption proposal and are not being asked to vote at the special meeting, the Liberty Media board is not seeking to amend Liberty Media's charter to add a renunciation provision or for any other reason at this time. Accordingly, Liberty Media's directors and officers will be subject to possible liability for breach of fiduciary duty if they do not present potential business opportunities to Liberty Media of the nature of those renounced in the Splitco charter. However, no assurance can be given that Liberty Media will not seek to include a renunciation provision in any future amendment to its charter.

Forum Selection

The Splitco charter provides that, unless Splitco consents in writing to the selection of an alternate forum, the Delaware Court of Chancery shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of Splitco, (ii) any action that asserts that a director, officer or other employee of Splitco breached a fiduciary duty owed to Splitco or its stockholders, (iii) any action that asserts a claim arising under the Delaware General Corporation Law, or (iv) any action that asserts a claim governed by Delaware statutory and case law. Persons or entities purchasing or acquiring any interest in Splitco's common stock or preferred stock will be deemed to have notice of and consented to these provisions.

By Splitco including this provision in its charter, if Splitco stockholders bring any such action in any court other than the Delaware Court of Chancery, this provision is intended to give Splitco the right to have any such action dismissed because Splitco believes that the Delaware Court of Chancery is the proper venue for any such action.

Liberty Media's charter, which has not been substantively amended since the reclassification of its tracking stocks in March 2008, does not have a parallel forum selection clause and Liberty Media's stockholders are not being asked at this time to approve an amendment to its charter for that purpose. An amendment to Liberty Media's charter would require the solicitation of proxies from the holders of all three of Liberty Media tracking stocks, including the holders of Liberty Interactive common stock. As those holders are not entitled to vote on the Liberty Starz redemption proposal or the Liberty Capital redemption proposal and are not being asked to vote at the special meeting, the Liberty Media board is not seeking to amend Liberty Media's charter to add a forum selection clause or for any other reason at this time. No assurance can be given that Liberty Media will not seek to include a forum selection provision in any future amendment to its charter.

No Shareowner Action by Written Consent; Special Meetings

The Splitco charter provides that (except (i) as otherwise provided in the terms of any series of preferred stock or (ii) with respect to an action taken by holders of Series B common stock when voting together as a separate class), any action required to be taken or which may be taken at any annual meeting or special meeting of stockholders may not be taken without a meeting and may not be effected by any consent in writing by such holders. Except as otherwise required by law and subject to the rights of the holders of any series of Splitco's preferred stock, special meetings of Splitco's stockholders for any purpose or purposes may be called only by its Secretary at the written request of the holders of not less than 80% of the total outstanding voting power or at the request of at least 75% of the members of Splitco's board of directors then in office. Splitco's bylaws provide that no business other than that stated in the notice of special meeting will be transacted at any special meeting.

Liberty Media's charter does not provide for the ability to have shareholders act by written consent because it does not contain the separate Series B consent rights included in the Splitco charter. This provision was included in the Splitco charter in order to facilitate Splitco's obtaining the consent of the applicable Series B holders, as needed, given the relatively small number of holders. In addition, Liberty Media's charter permits a special meeting to be called at the written request of the holders of not less than $66^{2}/_{3}$% of the total outstanding voting power, as compared to not less than 80% of the total outstanding voting power of Splitco.

Advance Notice Procedures

Splitco's bylaws establish an advance notice procedure for stockholders to make nominations of candidates for election as directors or to bring other business before an annual meeting of Splitco's stockholders.

All nominations by stockholders or other business to be properly brought before a meeting of stockholders will be made pursuant to timely notice in proper written form to Splitco's Secretary. To be timely, a stockholder's notice will be given to Splitco's Secretary at Splitco's offices as follows:

(1) with respect to an annual meeting of Splitco's stockholders that is called for a date within 30 days before or after the anniversary date of the immediately preceding annual meeting of Splitco's stockholders, such notice must be given no earlier than the close of business on the 90th day and no later than the close of business on the 60th day prior to the meeting date;

(2) with respect to an annual meeting of Splitco's stockholders that is called for a date not within 30 days before or after the anniversary date of the immediately preceding annual meeting of Splitco's stockholders, such notice must be given no later than the close of business on the 10th day following the day on which Splitco first provides notice of or publicly announces the date of the current annual meeting, whichever occurs first; and

(3) with respect to an election to be held at a special meeting of Splitco stockholders, such notice must be given no earlier than the close of business on the 90th day prior to such special meeting and no later than the close of business on the 60th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the proposed nominees.

The public announcement of an adjournment or postponement of a meeting of Splitco stockholders does not commence a new time period (or extend any time period) for the giving of any such stockholder notice. However, if the number of directors to be elected to Splitco's board at any meeting is increased, and Splitco does not make a public announcement naming all of the nominees for director or specifying the size of the increased board at least 100 days prior to the anniversary date of the immediately preceding annual meeting, a stockholder's notice will also be considered timely, but only with respect to nominees for any new positions created by such increase, if it will be delivered to Splitco's Secretary at Splitco's offices not later than the close of business on the 10th day following the day on which Splitco first made the relevant public announcement. For purposes of the first annual meeting of stockholders to be held in 2012, the first anniversary date will be deemed to be **[ ]**.

Amendments

The Splitco charter provides that, subject to the rights of the holders of any series of its preferred stock, the affirmative vote of the holders of at least 80% of the aggregate voting power of Splitco's outstanding capital stock generally entitled to vote upon all matters submitted to its stockholders, voting together as a single class, is required to adopt, amend or repeal any provision of the Splitco charter or to add or insert any provision in the Splitco charter, *provided* that the foregoing enhanced voting requirement will not apply to any adoption, amendment, repeal, addition or insertion (1) as to which Delaware law does not require the consent of Splitco's stockholders or (2) which has been approved by at least 75% of the members of its board then in office. The Splitco charter further provides that the affirmative vote of the holders of at least 80% of the aggregate voting power of its outstanding capital stock generally entitled to vote upon all matters submitted to its stockholders, voting together as a single class, is required to adopt, amend or repeal any provision of its bylaws, provided that the foregoing enhanced voting requirement will not apply to any adoption, amendment or repeal approved by the affirmative vote of not less than 75% of the members of its board then in office. The corresponding enhanced voting requirement in the Liberty Media charter instead requires the affirmative vote of the holders of $66^2/3$% of the aggregate voting power of the outstanding capital stock generally entitled to vote upon all matters submitted to its stockholders.

The consent of holders of 75% of the then-outstanding shares of Series B Splitco Capital common stock, voting as a separate class, is required for (i) certain charter amendments resulting in a recapitalization or reclassification pursuant to which the holders of Series C Splitco Capital common stock would receive voting securities or the holders of Series B Splitco Capital common stock would receive voting securities with lesser relative voting rights than those of Series B Splitco Capital common stock, and (ii) certain charter amendments, including amendments relating to the consent rights of the holders of Series B Splitco Capital common stock; the voting rights of that series of common stock; the terms for the conversion of Series B Splitco Capital common stock into Series A Splitco Capital common stock; the terms of distributions or dividends (including share distributions); the requirement that the corporation reclassify the Splitco Capital common stock on an equal per share basis; and the terms for any liquidation, dissolution or winding-up of the corporation.

In addition, the consent of holders of 75% of the then-outstanding shares of Series B Splitco Starz common stock, voting as a separate class, is required for (i) certain charter amendments resulting in a recapitalization or reclassification pursuant to which the holders of Series C Splitco Starz common stock would receive voting securities or the holders of Series B Splitco Starz common stock would receive voting securities with lesser relative voting rights than those of Series B Splitco Starz common stock, and (ii) certain charter amendments, including amendments relating to the consent rights of the holders of Series B Splitco Starz common stock; the voting rights of that series of common stock; the terms for the conversion of Series B Splitco Starz common stock into Series A Splitco Starz common stock; the terms of distributions or dividends (including share distributions); the requirement that the corporation reclassify the Splitco Starz common stock on an equal per share basis; and the terms for any liquidation, dissolution or winding-up of the corporation.

Supermajority Voting Provisions

In addition to the voting provisions discussed under "—Description of Splitco Common Stock and Comparison of Stockholder Rights" above and the supermajority voting provisions discussed under "—Amendments" above, the Splitco charter provides that, subject to the rights of the holders of any series of its preferred stock, the affirmative vote of the holders of at least 80% of the aggregate voting power of its outstanding capital stock generally entitled to vote upon all matters submitted to its stockholders, voting together as a single class, is required for:

- its merger or consolidation with or into any other corporation, provided, that the foregoing voting provision will not apply to any such merger or consolidation (1) as to which the laws of the State of Delaware, as then in effect, do not require the consent of its stockholders, or (2) that at least 75% of the members of its board of directors then in office have approved;

- the sale, lease or exchange of all, or substantially all, of its assets, provided, that the foregoing voting provisions will not apply to any such sale, lease or exchange that at least 75% of the members of its board of directors then in office have approved; or

- its dissolution, provided, that the foregoing voting provision will not apply to such dissolution if at least 75% of the members of its board of directors then in office have approved such dissolution.

The corresponding supermajority voting provision in the Liberty Media charter instead requires the affirmative vote of the holders of $66^2/3$% of the aggregate voting power of the outstanding capital stock generally entitled to vote upon all matters submitted to its stockholders.

Termination of Series B Consent Rights

All of the Series B consent rights associated with the Series B Splitco Capital common stock set forth in the Splitco charter will cease to be required at such time as there are outstanding a number of shares of Series B Splitco Capital common stock which is less than 50% of the number of shares of Series B Splitco Capital common stock outstanding immediately after the Capital Group redemption. Similarly, all of the Series B consent rights associated with the Series B Splitco Starz common stock set forth in the Splitco charter will cease to be required at such time as there are outstanding a number of shares of Series B Splitco Starz common stock which is less than 50% of the number of shares of Series B Splitco Starz common stock outstanding immediately after the Starz Group redemption. For purposes of these provisions, shares issuable upon conversion, exercise or exchange of any convertible securities (such as stock options) are treated as outstanding regardless of vesting. The Splitco charter provides that the number of such shares outstanding immediately after the redemptions is subject to adjustment for stock splits, reverse splits, reclassifications and similar transactions.

Section 203 of the Delaware General Corporation Law

Section 203 of the General Corporation Law of the State of Delaware prohibits certain transactions between a Delaware corporation and an "interested stockholder." An "interested stockholder" for this purpose is a stockholder who is directly or indirectly a beneficial owner of 15% or more of the aggregate voting power of a Delaware corporation. This provision prohibits certain business combinations between an interested stockholder and a corporation for a period of three years after the date on which the stockholder became an interested stockholder, unless: (1) prior to the time that a stockholder became an interested stockholder, either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder is approved by the corporation's board of directors, (2) the interested stockholder acquired at least 85% of the aggregate voting power of the corporation in the transaction in which the stockholder became an interested stockholder, or (3) the business combination is approved by a majority of the board of directors and the affirmative vote of the holders of $66^{2}/_{3}$% of the aggregate voting power not owned by the interested stockholder at or subsequent to the time that the stockholder became an interested stockholder. These restrictions do not apply if, among other things, the corporation's certificate of incorporation contains a provision expressly electing not to be governed by Section 203. **In the Splitco charter, Splitco has elected not to be governed by Section 203.** Splitco believes that the protections afforded by Section 203 are not outweighed by the procedural difficulties and burdens associated with its application.

Liberty Media's charter, which has not been substantively amended since the reclassification of its tracking stocks in March 2008, does not have an election to not be governed by Section 203 and Liberty Media's stockholders are not being asked at this time to approve an amendment to its charter for that purpose. An amendment to Liberty Media's charter would require the solicitation of proxies from the holders of all three of Liberty Media tracking stocks, including the holders of Liberty Interactive common stock. As those holders are not entitled to vote on the Liberty Starz redemption proposal or the Liberty Capital redemption proposal and are not being asked to vote at the special meeting, the Liberty Media board is not seeking to amend Liberty Media's charter to elect to not be governed by Section 203 or for any other reason at this time. However, no assurance can be given that Liberty Media will not seek to amend its charter in the future to elect to not be governed by this provision of the statute.

Conduct of the Business of the Capital Group and the Starz Group if the Split-Off is Not Completed

If the Split-Off is not completed, Liberty Media intends to continue to operate the businesses of the Capital Group and the Starz Group substantially in the manner they are operated today. From time to time, Liberty Media will evaluate and review its business operations, properties, dividend policy and capitalization, and make such changes as are deemed appropriate, and continue to seek to identify strategic alternatives to maximize stockholder value.

Effect on Management

Immediately following the Split-Off, the executive officers of Liberty Media and Splitco will be comprised of the same persons. The non-executive management teams will have significant overlap but will not be identical.

Immediately following the Split-Off, the boards of directors of Liberty Media and Splitco will have overlapping directors with the exception that two members of each board will be different. In addition, each current director of Liberty Media will serve as a director of at least one of Liberty Media or Splitco immediately following the Split-Off.

Interests of Certain Persons

In considering the recommendation of the Liberty Media board to vote to approve the Split-Off Proposals, holders of Liberty Capital and Liberty Starz common stock should be aware that the executive officers and directors of Liberty Media will receive stock incentive awards with respect to Splitco Capital and Splitco Starz common stock in exchange for their existing Liberty Capital and Splitco Starz stock incentives, respectively, as a result of the Split-Off. See "—Treatment of Outstanding Equity Awards" above for more information.

Holders of Liberty Capital and Liberty Starz common stock should also be aware that the initial executive officers of Splitco will continue to serve as executive officers of Liberty Media, and that there will be significant board overlap between Splitco and Liberty Media. See "Risk Factors—Factors Relating to Splitco—Factors Relating to Splitco, the Capital Group and the Starz Group—Splitco has overlapping directors and management with Liberty Media and Liberty Global, Inc. (LGI), which may lead to conflicting interests" and "—Splitco may compete with Liberty Media for business opportunities" for a discussion of the conflicts that could arise as a result of their positions with Liberty Media and Splitco. See "The Split-Off Proposals—Management of Potential Conflicts of Interest" for a discussion on the management of these potential conflicts.

The table below sets forth the relative dollar values of the stock ownership of each executive officer and director of Liberty Media in each of the three tracking stocks of Liberty Media. The dollar values have been calculated based on security ownership information as of December 31, 2010 and the closing sale price of each series of each tracking stock on January 24, 2011. On January 24, 2011, the closing price of LCAPA was $63.96, LCAPB was $62.97, LINTA was $15.99, LINTB was $15.80, LSTZA was $64.82 and LSTZB was $67.32. For this purpose, we have included stock owned by each such person's spouse and by certain trusts related to each such person, in each case, to the extent applicable. We have also included the executive officer's or director's shares of unvested restricted stock, however we have not included the shares of common stock issuable upon exercise or conversion of their options or stock appreciation rights outstanding on December 31, 2010.

Director or Executive Officer	LCAP Value ($)	LINT Value ($)	LSTZ Value ($)
John Malone	551,020,947	501,924,137	166,049,469
Gregory B Maffei	33,874,751	8,521,902	2,952,616
Robert R. Bennett	54,098,550	5,676,175	22,566,797
Donne F. Fisher	2,791,014	3,564,196	1,179,964
M. Ian G. Gilchrist	80,270	128,320	46,995
Evan D. Malone	92,038	161,659	51,856
David E. Rapley	104,191	158,333	56,653
M. LaVoy Robison	104,319	158,429	56,718
Larry E. Romrell	827,866	186,146	51,303
Andrea L. Wong	63,320	102,416	37,272
Charles Y. Tanabe	8,037,086	1,849,547	620,522
David J.A. Flowers	7,674,496	1,449,094	565,295
Albert E. Rosenthaler	1,118,660	890,387	394,170
Christopher W. Shean	1,250,226	1,213,145	387,105

In addition, the Series B shares of Splitco common stock to be acquired by John C. Malone, Chairman of the Boards of Liberty Media and Splitco, will not be subject to any call right in favor of Splitco or any similarly restrictive arrangements, such as the call right in favor of Liberty Media with respect to Mr. Malone's Series B shares of Liberty Media common stock. For more information on this call right, see "—The Malone Call Agreement" below.

Further, the shares of Splitco CAPB and Splitco STZB to be acquired by Mr. Malone (and all other holders of LCAPB and LSTZB shares) will have certain consent rights under the terms of Splitco's restated charter (which rights terminate in the event the number of outstanding shares of Splitco CAPB or Splitco STZB, as applicable, is reduced below a specified threshold). See "—Description of Splitco Common Stock and Comparison of Stockholders Rights" and "—Other Provisions of the Splitco Charter", above.

As of [ ], 2011, Liberty Media's executive officers and directors beneficially owned (i) shares of Liberty Capital common stock representing in the aggregate approximately [ ]% of the aggregate voting power of the outstanding shares of Liberty Capital common stock and (ii) shares of Liberty Starz common stock representing in the aggregate approximately [   ]% of the aggregate voting power of the outstanding shares of Liberty Starz common stock. Liberty Media has been informed that all of its executive officers and directors intend to vote "**FOR**" each of the Split-Off Proposals. In addition, Mr. Malone has agreed to vote his Series B shares in favor of the redemptions. See "—Malone Voting Agreement" above for more information.

The Liberty Media board was aware of these interests and considered them when approving the Split-Off Proposals.

Management of Potential Conflicts of Interest

The management teams of each of Splitco and Liberty Media intend to exercise vigilance in their avoidance of any actual conflicts of interest while fulfilling their fiduciary duties to their respective stockholders. The directors and officers of Splitco who will also remain directors and officers of Liberty Media have extensive experience in managing fiduciary duties held to three distinct stockholder bases in light of Liberty Media's historic tracking stock structure. As a result, they are aware of and sensitive to the potential for an actual conflict of interest or the appearance of a conflict of interest in their dual roles, and they have been instructed to seek the advice of in-house counsel, in advance to the extent practicable, with respect to any matters or events of a nature which could present a potential conflict of interest or the appearance of such a conflict. Neither Splitco nor Liberty Media intend to adopt any written procedures with respect to the management of internal or external conflicts of interests, other than those included in their respective Management and Allocation Policies and Codes of Business Conduct and Ethics.

The Malone Call Agreement

Liberty Media and John Malone and certain related parties are parties to a call agreement (the**call agreement**), which limits the right of Mr. Malone, his wife and certain transferees of Mr. Malone (collectively the **Malones**) to sell their Series B shares of Liberty Media's common stock, including their LCAPB and LSTZB. The call agreement was originally entered into in 1998 in connection with the settlement of certain litigation related to the estate of Bob Magness, the founder of Tele-Communications, Inc. (**TCI**), the former parent company of Liberty Media. Mr. Malone, his wife and TCI were the original parties to the call agreement, and the Malones were paid a cash amount in connection with the grant of the call right. Liberty Media succeeded to TCI's rights under the call agreement in connection with AT&T Corp.'s acquisition of TCI in 1999 and the subsequent split-off of Liberty Media from AT&T Corp. in 2001. The call agreement grants Liberty Media the right to purchase all of the "high vote shares" (i.e., shares entitled to more than one vote per share, currently Series B Liberty Capital common stock, Series B Liberty Starz common stock and Series B Liberty Interactive common stock) owned by the Malones. This right is exercisable upon Mr. Malone's death or upon a proposed sale of the high vote shares. The purchase price is the lesser of the market price of the corresponding series of low vote shares (currently Series A Liberty Capital common stock, Series A Liberty Starz common stock and Series A Liberty Interactive common stock, respectively), plus a 10% premium, or the price to be paid by a third party purchaser. The call agreement also generally provides that if Liberty Media were sold to a third party the maximum premium payable for the high vote shares would be 10% above the price payable to the corresponding series of low vote shares. Pursuant to the terms of the call agreement, Liberty Media's rights under the call agreement will not transfer to Splitco in connection with the Split-Off and thus will not extend to the Malones' ownership of shares of Series B Splitco Capital common stock or Series B Splitco Starz common stock. As a result, the Malones will be free to transfer their shares of Series B Splitco Capital common stock and Series B Splitco Starz common stock, and there will be no limit on the premium that the Malones may obtain on those shares in the event Splitco were to be sold to a third party.

Amount and Source of Funds and Financing of the Transaction; Expenses

It is expected that Liberty Media will incur an aggregate of $[ ] million in expenses in connection with the Split-Off. These expenses will be comprised of:

- approximately $[ ] of printing and mailing expenses associated with this proxy statement/prospectus;
- approximately $[ ] in legal and accounting fees;
- approximately $[ ] in SEC filing fees; and
- approximately $[ ] in other miscellaneous expenses.

These expenses will be paid by Liberty Media from its existing cash balances.

Accounting Treatment

The Split-Off will be accounted for at historical cost due to the fact that Splitco Capital common stock and Splitco Starz common stock is to be distributed pro rata to holders of Liberty Capital common stock and Liberty Starz common stock, respectively.

No Appraisal Rights

Under the General Corporation Law of the State of Delaware, holders of Liberty Capital common stock and Liberty Starz common stock will not have appraisal rights in connection with the Split-Off.

Stock Exchange Listings

Splitco has applied to list its Splitco CAPA, Splitco CAPB, Splitco STZA and Splitco STZB on the Nasdaq Global Select Market under the symbols "[ ]" , "[ ]", "[ ]" and "[ ]", respectively. Liberty Media and Splitco have been advised that, for a short period following the Split-Off, Splitco's common stock may trade under temporary trading symbols, which will be announced by press release once available.

Stock Transfer Agent and Registrar

[Computershare Trust Company, N.A.] is the transfer agent and registrar for all series of Liberty Capital common stock, Liberty Starz common stock and Splitco common stock.

Federal Securities Law Consequences

The issuance of shares of Splitco common stock in the Split-Off will be registered under the Securities Act, and the shares of Splitco common stock so issued will be freely transferable under the Securities Act, except for shares of Splitco common stock issued to any person who is deemed to be an "affiliate" of Splitco after completion of the Split-Off. Persons who may be deemed to be affiliates include individuals or entities that control, are controlled by, or are under common control with Splitco and may include directors, certain executive officers and significant stockholders of Splitco. Affiliates may not sell their shares of Splitco common stock, except:

- pursuant to an effective registration statement under the Securities Act covering the resale of those shares;
- in compliance with Rule 144 under the Securities Act; or
- pursuant to any other applicable exemption under the Securities Act.

Splitco's registration statement on Form S-4, of which this document forms a part, will not cover the resale of shares of Splitco common stock to be received by its affiliates.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE SPLIT-OFF

The following discussion is a summary of the material U.S. federal income tax consequences of the Split-Off to holders of Liberty Capital common stock and Liberty Starz common stock and to Liberty Media, and, subject to the conditions, limitations and qualifications described below, is the opinion of Baker Botts L.L.P., insofar as it relates to matters of U.S. federal income tax law and legal conclusions with respect to those matters. This opinion is included as an exhibit to the registration statement of which this proxy statement/prospectus forms a part. This opinion is conditioned upon the accuracy of the statements, representations, undertakings and assumptions upon which the opinion is based and is subject to the conditions, limitations and qualifications referenced below and in the opinion. This discussion assumes that the Ruling will be issued by the IRS on or before the closing date of the Split-Off and that the opinions of Baker Botts L.L.P. described below under "—U.S. Federal Income Tax Consequences of the Split-Off" (the **Closing Opinions**) will be delivered to Liberty Media on the closing date of the Split-Off. In addition, this discussion assumes that the statements, representations, undertakings and assumptions upon which the Ruling and the Closing Opinions are based will be accurate. If any of those statements, representations or assumptions is incorrect or untrue in any material respect, any of those undertakings is not complied with, or the facts upon which the Ruling or Closing Opinions are based are materially different from the facts on the closing date of the Split-Off, the conclusions reached in the Ruling and the Closing Opinions and in this discussion could be jeopardized.

This discussion is based upon the Code, Treasury regulations promulgated thereunder (the **Treasury Regulations**), administrative rulings and practice, and judicial decisions, all as of the date of this proxy statement/prospectus and all of which are subject to change or differing interpretations at any time, possibly with retroactive effect. This discussion is limited to holders of Liberty Capital common stock and Liberty Starz common stock that are U.S. holders, as defined below, and that hold their shares of Liberty Capital common stock and Liberty Starz common stock as capital assets, within the meaning of Section 1221 of the Code. Further, this discussion does not address all tax considerations that may be relevant to holders of Liberty Capital common stock or Liberty Starz common stock in light of their particular circumstances, nor does it address the consequences to holders of Liberty Capital common stock or Liberty Starz common stock that are subject to special treatment under the U.S. federal income tax laws, such as:

- tax-exempt organizations;
- S corporations and other pass-through entities and owners thereof;
- entities taxable as a partnership for U.S. federal income tax purposes and owners thereof;
- insurance companies and other financial institutions;
- mutual funds;
- dealers in stocks and securities;
- traders or investors in Liberty Capital common stock or Liberty Starz common stock who elect the mark-to-market method of accounting for such stock;
- stockholders who received Liberty Capital common stock or Liberty Starz common stock from the exercise of employee stock options or otherwise as compensation;
- stockholders who hold Liberty Capital common stock or Liberty Starz common stock in a tax-qualified retirement plan, individual retirement account or other qualified savings account; and

- stockholders who hold their shares of Liberty Capital common stock or Liberty Starz common stock as part of a hedge, straddle, constructive sale, conversion, synthetic security, integrated investment or other risk reduction transaction.

This discussion also does not address the effect of any state, local or foreign tax laws that may apply or the application of the U.S. federal estate and gift tax or the alternative minimum tax. In addition, this discussion does not address the U.S. federal income tax consequences of the Split-Off to holders of options, warrants or other rights to acquire shares of Liberty Capital common stock or Liberty Starz common stock.

You should consult your own tax advisors regarding the application of the U.S. federal income tax laws to your particular situation, as well as the applicability of any U.S. federal estate and gift, state, local or foreign tax laws to which you may be subject.

For purposes of this section, a U.S. holder is a beneficial owner of Liberty Capital common stock or Liberty Starz common stock that is, for U.S. federal income tax purposes:

- an individual who is a citizen or a resident of the United States;

- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized under the laws of the United States or any state or political subdivision thereof;

- an estate, the income of which is subject to United States federal income taxation regardless of its source; or

- a trust, if (i) a court within the United States is able to exercise primary jurisdiction over its administration and one or more U.S. persons have the authority to control all of its substantial decisions, or (ii) it has a valid election in place under applicable Treasury Regulations to be treated as a U.S. person.

If a partnership (including any entity treated as partnership for U.S. federal income tax purposes) holds shares of Liberty Capital common stock or Liberty Starz common stock, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. A partner of a partnership holding shares of Liberty Capital common stock or Liberty Starz common stock should consult its tax advisor regarding the tax consequences of the Split-Off.

U.S. Federal Income Tax Consequences of the Split-Off

It is a material condition to the completion of the Split-Off that Liberty Media receive the Ruling from the IRS and the Closing Opinions, in each case, to the effect that the Split-Off will qualify as a tax-free transaction under Sections 355 and 368(a)(1)(D) of the Code, and that, for U.S. federal income tax purposes:

- no gain or loss will be recognized by Liberty Media upon the distribution of Splitco stock, and

- no gain or loss will be recognized by, and no amount will be included in the income of, holders of Liberty Capital common stock and Liberty Starz common stock upon the receipt of Splitco Capital common stock and Splitco Starz common stock, respectively, in the Split-Off in exchange for shares of Liberty Capital common stock and Liberty Starz common stock.

In addition, it is also a material condition to the completion of the Split-Off that the Closing Opinions further provide that, under applicable U.S. federal income tax law:

- the Splitco Capital common stock and the Splitco Starz common stock issued in the Split-Off will be treated as stock of Splitco for U.S. federal income tax purposes, and

- the Splitco Capital common stock and the Splitco Starz common stock issued in the Split-Off will not constitute Section 306 stock within the meaning of Section 306(c) of the Code.

If either of these material conditions were waived by Liberty Media, its board of directors would resolicit proxies for the approval of the Split-Off Proposals.

Assuming that the Ruling and Closing Opinions are delivered to Liberty Media as described above and that the treatment of the Split-Off, as described in the Ruling and Closing Opinions is respected, then:

- the aggregate tax basis of the shares of (i) Splitco CAPA received by holders of LCAPA shares in the Split-Off, (ii) Splitco CAPB received by holders of LCAPB shares in the Split-Off, (iii) Splitco STZA received by holders of LSTZA shares in the Split-Off, and (iv) Splitco STZB received by holders of LSTZB shares in the Split-Off will in each case equal the aggregate tax basis of the shares of LCAPA, LCAPB, LSTZA, and LSTZB, respectively, that are surrendered in exchange therefor; and

- the holding period of the shares of (i) Splitco CAPA received by holders of LCAPA shares in the Split-Off, (ii) Splitco CAPB received by holders of LCAPB shares in the Split-Off, (iii) Splitco STZA received by holders of LSTZA shares in the Split-Off, and (iv) Splitco STZB received by holders of LSTZB shares in the Split-Off will in each case include the period during which such holders held their shares of LCAPA, LCAPB, LSTZA, and LSTZB, respectively, that are surrendered in exchange therefor.

Special considerations may exist for holders of shares of LCAPA, LCAPB, LSTZA, and LSTZB that have acquired different blocks of their stock at different times or at different prices, or otherwise have varying holding periods and bases with respect to different blocks of their stock. Such stockholders should consult their tax advisors regarding the allocation of their aggregate basis among, and their holding period of, shares of Splitco CAPA, Splitco CAPB, Splitco STZA or Splitco STZB received in the Split-Off.

Although the Ruling will generally be binding on the IRS, the continuing validity of the Ruling will be subject to the accuracy of factual statements and representations made to the IRS by Liberty Media. Further, as part of the IRS's general ruling policy with respect to transactions under Section 355 of the Code and transactions involving tracking stock, the Ruling will not represent a determination by the IRS that certain requirements necessary to obtain tax-free treatment to holders of Liberty Capital common stock and Liberty Starz common stock and to Liberty Media under Sections 355 and 368(a)(l)(D) of the Code (specifically, the business purpose requirement, the requirement that the Split-Off not be used principally as a device for the distribution of earnings and profits, the non-application of Section 355(e) of the Code to the Split-Off (discussed below) and the requirement that the tracking stocks be treated as stock of the issuer for U.S. federal income tax purposes) have been satisfied. Rather, the Ruling will be based upon representations made to the IRS by Liberty Media that these requirements have been satisfied. If any of the factual statements and representations upon which the Ruling will be based are incorrect or untrue in any material respect, or the facts upon which the Ruling is based are materially different from the facts at the time of the Split-Off, the Ruling could be invalidated.

As a result of this IRS ruling policy, Liberty Media has made it a condition to the Split-Off that Liberty Media receive the Closing Opinions. The Closing Opinions will be based upon the Code, Treasury Regulations, administrative rulings and practice and judicial decisions, all as of the date on which the Closing Opinions are issued and all of which are subject to change or differing interpretations at any time, possibly with retroactive effect. The Closing Opinions will rely on the receipt and continued validity of the Ruling, as to the matters covered by the Ruling, and will be based upon certain assumptions, as well as statements, representations and certain undertakings made by officers of Liberty Media and Splitco and a stockholder of Liberty Media. If the Ruling is no longer valid, if any of those statements, representations or assumptions is incorrect or untrue in any material respect or any of those undertakings is not complied with, or if the facts upon which the Closing Opinions are based are materially different from the facts at the time of the Split-off, the conclusions reached in the Closing Opinions and this discussion could be adversely affected.

Opinions of counsel are not binding upon the IRS or the courts, and the conclusions in the Closing Opinions could be challenged by the IRS and a court could sustain such a challenge. In addition, there are no Code provisions, Treasury Regulations, court decisions or published rulings of the IRS bearing directly on the tax effects of the issuance and characterization of "tracking stock," such as the Splitco Capital common stock and Splitco Starz common stock. As indicated above, the IRS will not issue private letter rulings on the characterization of tracking stock, and the Ruling will not provide a determination by the IRS with respect to such issue. However, it is a material condition to the Split-Off that Liberty Media receive the Closing Opinions described above, and, if Liberty Media waived this condition, its board of directors would resolicit proxies for the approval of the Split-Off Proposals. In addition, the past administrative practice of the IRS has generally been to respect the treatment of tracking stock as stock of the issuer.

If the Split-Off were to fail to qualify as a tax-free transaction under Sections 355 and 368(a)(1)(D) of the Code, then Liberty Media would recognize a significant taxable gain in an amount equal to the excess of the fair market value of the Splitco Capital common stock and Splitco Starz common stock held by Liberty Media immediately before the Split-Off over Liberty Media's tax basis in that stock. In addition, the exchange by the holders of Liberty Capital common stock and Liberty Starz common stock in the Split-Off would be a taxable exchange and each U.S. holder that participated in the Split-Off would recognize either (i) capital gain or loss equal to the difference between the fair market value of the shares of the applicable series of Splitco common stock received and the holder's tax basis in the applicable series of Liberty Media's common stock surrendered in exchange therefor or (ii) in certain circumstances (including where a holder does not experience any decrease in its percentage ownership of Liberty Media's common stock (directly or by attribution) as a result of the Split-Off), a taxable distribution equal to the fair market value of the shares of the applicable series of Splitco common stock received which would be taxed (a) as a dividend to the extent of the holder's share of Liberty Media's current and accumulated earnings and profits (including Liberty Media's gain described above), then (b) as a non-taxable return of capital to the extent of the holder's tax basis in the applicable series of Liberty Media's common stock with respect to which the distribution was made, and thereafter (c) as a capital gain with respect to the remaining value. In addition to the foregoing, there is also a risk that the IRS could successfully assert that the Splitco Capital common stock or the Splitco Starz common stock represents property other than stock of Splitco (**Other Property**), in which case the receipt of such stock constituting Other Property in the Split-Off would be taxable to the holders of Liberty Capital common stock or Liberty Starz common stock, as applicable, and such holders would, as explained above, recognize capital gain or loss or be in receipt of a taxable distribution as a result of the Split-Off. Further, Liberty Media would recognize a significant taxable gain in an amount equal to the excess of the fair market value of such stock constituting Other Property over Liberty Media's tax basis allocable to such Other Property.

If the Split-Off were to fail to qualify as a tax-free transaction under Sections 355 and 368(a)(1)(D) of the Code, non-corporate holders that satisfy certain holding period and other requirements would be subject to tax on the above dividend income at the same preferential rates that apply to long-term capital gains. A corporation generally would be eligible for a dividends received deduction for amounts received as dividends under these rules.

Even if the Split-Off otherwise qualifies under Sections 355 and 368(a)(1)(D) of the Code, the Split-Off would result in a significant U.S. federal income tax liability to Liberty Media (but not to holders of Liberty Capital common stock or Liberty Starz common stock) under Section 355(e) of the

Code if one or more persons acquire a 50-percent or greater interest (measured by vote or value) in the stock of Liberty Media or in the stock of Splitco as part of a plan or series of related transactions that includes the Split-Off. Current tax law generally creates a presumption that any acquisition of the stock of Liberty Media or the stock of Splitco within two years before or after the Split-Off is part of a plan that includes the Split-Off, although the parties may be able to rebut that presumption. The process for determining whether an acquisition is part of a plan under these rules is complex, inherently factual and subject to interpretation of the facts and circumstances of a particular case. Notwithstanding the Closing Opinions, Liberty Media or Splitco might inadvertently cause or permit a prohibited change in Liberty Media's ownership or Splitco's ownership to occur, thereby triggering tax liability to Liberty Media, which could have a material adverse effect. If the Split-Off is determined to be taxable to Liberty Media, Liberty Media would recognize taxable gain in an amount equal to the excess of the fair market value of the Splitco Capital common stock and Splitco Starz common stock held by Liberty Media immediately before the Split-Off over Liberty Media's tax basis in that stock.

Due to the absence of authorities relating directly to the characterization of tracking stock under Section 306 of the Code, there is also a risk that the IRS could successfully assert that the Splitco Capital common stock or Splitco Starz common stock received in the Split-Off by holders of Liberty Capital common stock or Liberty Starz common stock is Section 306 stock, within the meaning of Section 306(c) of the Code. Stock will be Section 306 stock if it is stock that is "not common stock" and satisfies certain other requirements described in Section 306(c)(1)(B) of the Code. The IRS has ruled that stock is other than common stock, for this purpose, if the stock does not participate in corporate growth to any significant extent.

In general, if any of the stock of Splitco constitutes Section 306 stock, then, except as provided below, the amount realized by holders on a taxable disposition of such stock following the Split-Off:

- that is a redemption will be dividend income to the extent of Splitco's available earnings and profits; or
- that is other than a redemption will be ordinary income to the extent that such holder's receipt of such stock in the Split-Off would have been treated as a dividend if Liberty Media had distributed cash (in lieu of such stock) in the Split-Off in an amount equal to the fair market value of such stock at the time of the Split-Off.

Any excess of the amount realized from a subsequent taxable disposition over the amount treated as ordinary income or dividend income plus the cost basis of the stock will be treated as capital gain. Except as provided below, no loss may be recognized on the disposition of Section 306 stock. No amount realized on the disposition of Section 306 stock will generally be treated as ordinary income or dividend income, if the disposition completely terminates your entire actual and constructive ownership interest (as defined in the Code) in Splitco's equity. Moreover, the limitation on recognition of loss, if any, generally will not apply in the case of such a complete termination.

The current tax law provision under which dividends received by a non-corporate holder who satisfies certain requirements are taxed at preferential long-term capital gains rates applies to any ordinary income realized from a non-redemption disposition of Section 306 stock.

Under the Tax Sharing Agreement, Liberty Media will generally be responsible for any losses and taxes resulting from the failure of the Split-Off to be a tax-free transaction described under Sections 355 and 368(a)(l)(D) of the Code. However, Liberty Media, its subsidiaries, and certain related persons will be entitled to indemnification from Splitco for any such losses or taxes that (i) result primarily from, individually or in the aggregate, the breach of certain covenants made by Splitco (applicable to actions or failures to act by Splitco and its subsidiaries following the completion of the Split-Off) that relate to the qualification of the Split-Off and related restructuring transactions as tax-free transactions, (ii) result from the Splitco Capital common stock or the Splitco Starz common stock not being treated as stock of Splitco, or being treated as Section 306 stock within the meaning of Section 306(c) of the Code, for U.S. federal income tax purposes, (iii) result from the Liberty Interactive common stock, the Liberty Capital common stock, or the Liberty Starz common stock not being treated as stock of Liberty Media, or being treated as Section 306 stock within the meaning of Section 306(c) of the Code, for U.S. federal income tax purposes, (iv) result from Section 355(e) of the Code applying to the Split-Off as a result of the Split-Off being part of a plan (or series of related transactions) pursuant to which one or more persons acquire a 50-percent or greater interest (measured by vote or value) in the stock of Splitco, or (v) result from deferred intercompany items or excess loss accounts that are triggered by the Split-Off, and that would otherwise be allocated to Splitco; except that in the case of clauses (ii) and (iii), Splitco will not be responsible for any such losses or taxes to the extent they result primarily from, individually or in the aggregate, a breach by Liberty Media of certain covenants made by Liberty Media (applicable to actions or failures to act by Liberty Media and its subsidiaries following the Split-Off). Pursuant to Splitco's management and allocation policies, the cash for the payment of any such losses or taxes allocable to Splitco would be drawn (i) solely from funds attributed to the Splitco Capital Group to the extent that such losses or taxes relate to clause (iii) above, (ii) from funds attributed to the Splitco Capital Group or the Splitco Starz Group, as applicable, to the extent that such losses or taxes relate to any deferred intercompany items or excess loss accounts that are triggered by the Split-Off and that would otherwise be allocated to such group under the Splitco management and allocation policies, and (iii) proportionately, based upon the aggregate market capitalization of the Splitco Capital Common Stock and the Splitco Starz Common Stock on the first trading day following the Split-Off, from funds allocable to the Splitco Capital Group and the Splitco Starz Group with respect to any other losses or taxes. Notwithstanding the Tax Sharing Agreement and Splitco's management and allocation policies, each member of Liberty Media's affiliated group for U.S. federal income tax purposes immediately prior to the Split-Off (including Splitco and the members of the Splitco Capital Group and the Splitco Starz Group) could be liable to the U.S. government for any U.S. federal income taxes that are not discharged by the responsible company or group in the manner described above. These tax liabilities, if they arise, could have a material adverse effect on Liberty Media, Splitco, and each of Splitco's groups.

Stockholder Information Reporting

A holder of Liberty Capital common stock or Liberty Starz common stock who owns at least 5% (by vote or value) of Liberty Media's total outstanding stock immediately before the Split-Off generally will be required to attach to such holder's U.S. federal income tax return for the year in which the Split-Off occurs a statement setting forth certain information relating to the Split-Off. The statement must include, among other information, the aggregate tax basis of the Liberty Capital common stock and/or Liberty Starz common stock, as applicable, surrendered by such holder in the Split-Off and the aggregate fair market value (determined immediately prior to the Split-Off) of the Splitco Capital common stock and/or Splitco Starz common stock, as applicable, received by such holder in the Split-Off.

CAPITALIZATION OF SPLITCO

The following table sets forth (i) Splitco's historical capitalization as of September 30, 2010 and (ii) Splitco's adjusted capitalization assuming the Split-Off was effective on September 30, 2010. The historical combined financial statements for Splitco are included in *Annex B* of this proxy statement under the heading "Splitco." The table below should be read in conjunction with Splitco's historical combined financial statements, including the notes thereto.

	September 30, 2010	
	Historical	As Adjusted
	(amounts in millions)	
Assets:		
Cash	$ 2,596	2,596
Investments in available-for-sale securities(1)	4,194	3,182
Investment in affiliates	94	94
Liabilities:		
Current liabilities(1)	3,067	2,969
Due to Liberty(1)	—	447
Long-term debt(1)	2,070	816
Other liabilities(1)	1,224	1,001
Total liabilities	6,361	5,233
Equity:		
Common Stock ($.01 par value)(1)(2):		
Series A Splitco Capital common stock; 2,000,000,000 shares authorized; 77,184,602 shares assumed issued on a pro forma basis	—	1
Series B Splitco Capital common stock; 75,000,000 shares authorized; 7,364,839 shares assumed issued on a pro forma basis	—	—
Series C Splitco Capital common stock; 2,000,000,000 shares authorized; zero shares assumed issued on a pro forma basis	—	—
Series A Splitco Starz common stock; 4,000,000,000 shares authorized; 49,032,088 shares assumed issued on a pro forma basis	—	—
Series B Splitco Starz common stock; 150,000,000 shares authorized; 2,590,180 shares assumed issued on a pro forma basis	—	—
Series C Splitco Starz common stock; 4,000,000,000 shares authorized; zero shares assumed issued on a pro forma basis	—	—
Additional paid-in capital(1)	—	4,320
Parent's investment	4,205	—
Accumulated other comprehensive loss	24	24
Accumulated Deficit	(34)	(34)
Noncontrolling interests in equity of subsidiaries	—	—
Total equity	4,195	4,311
Total liabilities and equity	$ 10,556	9,544

Notes:

(1) At the time of the Split-Off, the common stock of Splitco will be divided into two tracking stock groups, with the Splitco Capital Group tracking being intended to track substantially all of the assets currently attributed to the Liberty Capital Group and the Splitco Starz Group being intended to track all of the assets and liabilities that are currently attributed to the Liberty Starz

Group. In connection with the proposed Split-Off, cash, the 3.125% Exchangeable Senior Debentures and the stock into which it is exchangeable will be reattributed from the Liberty Capital Group to the Liberty Interactive Group. For presentation purposes, the amount "Due to Liberty" assumes that the Liberty Interactive Group will receive compensation (expected to be cash) for the difference between the principal amount of such debentures and the fair value (as of September 30, 2010) of the stock into which the debentures are exchangeable, plus associated tax liabilities. The actual amount of compensation to be attributed to the Liberty Interactive Group in the Reattribution will not be known until immediately prior to the Split-Off. See "The Split-Off—Background and Reasons for the Split-Off Proposals" for more information. This reattribution of debt, assets and related liabilities has been reflected as of September 30, 2010 in the "as adjusted" column. The "as adjusted" column, as reported, is based on the historical balances of Splitco less the reattribution impacts as reflected in the unaudited condensed pro forma combined financial statements of Liberty Media included in *Annex B.*

(2) Each share of Splitco CAPB and Splitco STZB is convertible, at the option of the holder, into one share of Splitco CAPA and Splitco STZB, respectively. Splitco CAPA, Splitco STZA, Series C Splitco Capital common stock and Series C Splitco Starz common stock are not convertible at the option of the holder.

SELECTED FINANCIAL DATA

Selected Historical Financial Data of Splitco

The following tables present selected combined financial statement information of Splitco, which includes a broad range of media, communications and entertainment subsidiaries and assets of Liberty Media. The selected historical information relating to Splitco's combined financial condition and results of operations is presented for the nine months ended September 30, 2010 and 2009 and for each of the years in the five-year period ended December 31, 2009. The financial data for the three years ended December 31, 2009 has been derived from Splitco audited combined financial statements for the respective periods. Data for the other periods presented has been derived from unaudited information. The data should be read in conjunction with Splitco's combined financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in *Annex B*.

	September 30, 2010	December 31, 2009	2008	2007	2006	2005
	amounts in millions					
Summary Balance Sheet Data:						
Cash	$ 2,596	3,951	2,228	2,571	2,152	951
Investments in available-for-sale securities and other cost investments	$ 4,194	3,386	2,118	4,876	7,890	8,234
Investment in affiliates	$ 94	135	235	257	231	424
Assets of discontinued operations	$ —	—	14,211	11,050	12,012	8,961
Total assets	$ 10,556	11,915	24,688	26,323	27,818	23,614
Long-term debt(1)	$ 2,070	2,432	2,674	4,360	2,537	2,420
Deferred income tax liabilities, noncurrent	$ —	736	1,144	2,363	3,014	3,148
Total parent's investment	$ 4,195	3,315	13,300	12,815	13,266	11,019

	Nine months ended September 30, 2010	2009	Years ended December 31, 2009	2008	2007	2006	2005
	amounts in millions, except per share amounts						
Summary Statement of Operations Data:							
Revenue	$ 1,554	1,395	1,853	1,738	1,576	1,266	1,145
Operating income (loss)(2)	$ 109	57	9	(1,664)	(355)	28	29
Interest expense	(46)	(104)	(132)	(194)	(176)	(255)	(246)
Realized and unrealized gains (losses) on financial instruments, net	$ 124	(51)	(34)	(20)	1,275	(299)	274
Gains (losses) on dispositions, net	$ 22	98	242	13	634	607	(401)
Other than temporary declines in fair value of investments	$ —	—	(9)	(1)	(33)	(4)	(97)
Earnings (loss) from continuing operations attributable to Splitco stockholders(3):							
Splitco Capital common stock	$ (34)	(91)	127	(592)	1,388	132	(308)
Splitco Starz common stock	166	232	213	(960)	95	75	85
	$ 132	141	340	(1,552)	1,483	207	(223)
ProForma basic earnings (loss) from continuing operations attributable to Splitco stockholders per common share(4):							
Series A and Series B Splitco Capital common stock	$ (0.37)	(0.95)	1.32	(5.24)	10.52	0.94	(2.16)
Series A and Series B Splitco Starz common stock	$ 3.32	0.28	0.46	(1.86)	0.18	0.13	0.15
Pro Forma diluted earnings (loss) from continuing operations attributable to Splitco stockholders per common share(4):							
Series A and Series B Splitco Capital common stock	$ (0.37)	(0.95)	1.31	(5.24)	10.44	0.94	(2.16)
Series A and Series B Splitco Starz common stock	$ 3.19	0.28	0.46	(1.86)	0.18	0.13	0.15

(1) Excludes the call option portion of Liberty Media's exchangeable debentures for periods prior to January 1, 2007.

(2) Includes $1,513 million of long-lived asset impairment charges in 2008.

(3) Earnings (loss) from continuing operations attributable to Splitco stockholders have been allocated to the Splitco Starz Group and Splitco Capital Group for all the periods based on businesses and assets of each respective group.

(4) Pro Forma basic and diluted earnings per share have been calculated for Splitco Capital and Splitco Starz common stock based on the earnings attributable to the businesses and assets attributed to the respective groups divided by the weighted average shares on an as if converted basis for the periods assuming a 4 to 1 exchange ratio of Liberty Capital shares into Liberty Starz shares and Liberty Capital shares in the reclassification and a 1 to 1 exchange ratio of Liberty Capital shares into Splitco Capital shares and Liberty Starz shares into Splitco Starz shares for the proposed Split Off.

Selected Unaudited Condensed Pro Forma Combined Financial Data of Splitco

The following table presents selected pro forma information relating to Splitco's results of operations for the year ended December 31, 2009. The pro forma results of operations data assume that all Reattributions (as defined in the unaudited condensed pro forma combined financial statements of Liberty Media included in *Annex B*) had occurred as of January 1, 2009. The results as reported below are based on the historical results of Splitco less the Reattributions as presented for the period in the unaudited condensed pro forma combined financial statements of Liberty Media. The unaudited pro forma combined data does not purport to be indicative of the results of operations that may be obtained in the future or that actually would have been obtained had such transaction occurred on such date. The following information should be read in conjunction with and is qualified in its entirety by reference to the unaudited condensed pro forma combined financial statements of Liberty Media included in *Annex B*.

	Year ended December 31, 2009 (amounts in millions, except per share amounts
Revenue	$ 1,853
Operating expenses	(1,171)
Selling, general and administrative expenses	(564)
Depreciation and amortization	(100)
Impairment of long-lived assets	(9)
Operating income	9
Interest expense	(34)
Share of losses of affiliates	(82)
Realized and unrealized gains on financial instruments, net	434
Gain on dispositions, net	242
Other income, net	134
Earnings from continuing operations before income taxes	703
Income tax expense	(29)
Earnings from continuing operations	674
Earnings from discontinued operations, net of taxes	5,864
Net earnings	6,538
Net earnings attributable to Splitco stockholders:	
Splitco Capital common stock	461
Splitco Starz common stock	6,077
	$ 6,538
Pro Forma basic earnings from continuing operations attributable to Splitco stockholders per common share:	
Series A and Series B Splitco Capital common stock	$ 4.80
Series A and Series B Splitco Starz common stock	$ 0.46
Pro Forma diluted earnings from continuing operations attributable to Splitco stockholders per common share:	
Series A and Series B Splitco Capital common stock	$ 4.75
Series A and Series B Splitco Starz common stock	$ 0.46
Pro Forma basic net earnings attributable to Splitco stockholders per common share:	
Series A and Series B Splitco Capital common stock	$ 4.80
Series A and Series B Splitco Starz common stock	$ 13.13
Pro Forma diluted net earnings attributable to Splitco stockholders per common share:	
Series A and Series B Splitco Capital common stock	$ 4.75
Series A and Series B Splitco Starz common stock	$ 13.04

Selected Historical Financial Data of Liberty Media

The following tables present selected historical information relating to Liberty Media's financial condition and results of operations for the past five years. The following data should be read in conjunction with our consolidated financial statements.

		September 30,	December 31,				
		2010	2009	2008	2007	2006	2005
		amounts in millions					
Summary Balance Sheet Data:							
Cash	$	3,531	4,835	3,060	3,128	3,098	1,896
Investments in available-for-sale securities and other cost investments	$	4,530	4,120	2,857	6,920	10,462	10,318
Investment in affiliates	$	1,027	1,030	1,136	1,568	1,589	1,653
Assets of discontinued operations	$	—	—	14,211	11,050	12,012	8,961
Total assets	$	26,585	28,631	41,903	45,649	47,638	41,965
Long-term debt(1)	$	7,042	7,842	9,630	11,524	8,909	6,370
Deferred income tax liabilities, noncurrent	$	2,757	2,675	3,143	5,033	6,071	6,252
Equity	$	10,256	10,238	19,757	20,452	21,923	19,410

	Nine months ended September 30, 2010	Nine months ended September 30, 2009	Years ended December 31, 2009	2008	2007	2006	2005
	amounts in millions, except per share amounts						
Summary Statement of Operations Data:							
Revenue	$ 7,600	6,989	10,158	9,817	9,378	8,592	7,646
Operating income (loss)(2)	$ 821	701	1,050	(758)	758	1,158	945
Realized and unrealized gains (losses) on financial instruments, net	$ 88	(165)	(155)	(260)	1,269	(279)	257
Gains (losses) on dispositions, net	$ 416	98	284	15	646	607	(361)
Other than temporary declines in fair value of investments	$ —	—	(9)	(441)	(33)	(4)	(97)
Earnings (loss) from continuing operations(2)(3):							
Liberty Capital common stock	$ (34)	(91)	127	(526)	—	—	—
Liberty Starz common stock	166	232	213	(967)	—	—	—
Liberty Interactive common stock	473	65	297	(737)	470	521	—
Old Liberty Capital common stock	—		—	(59)	1,489	125	—
Liberty common stock	—		—	—	—	178	126
	$ 605	206	637	(2,289)	1,959	824	126
Basic earnings (loss) from continuing operations attributable to Liberty Media Corporation stockholders per common share(4):							
Series A and Series B Liberty Capital common stock	$ (0.37)	(0.95)	1.32	(4.65)	—	—	—
Series A and Series B Liberty Starz common stock	$ 3.32	0.28	.46	(1.87)	—	—	—
Series A and Series B Liberty Interactive common stock	$ 0.79	0.11	.43	(1.31)	0.70	0.73	—
Old Series A and Series B Liberty Capital common stock	$ —	—	—	(0.46)	11.19	0.91	—
Liberty common stock	$ —	—	—	—	—	0.06	0.03
Diluted earnings (loss) from continuing operations attributable to Liberty Media Corporation stockholders per common share(4):							
Series A and Series B Liberty Capital common stock	$ (0.37)	(0.95)	1.31	(4.65)	—	—	—
Series A and Series B Liberty Starz common stock	$ 3.19	0.28	0.46	(1.87)	—	—	—
Series A and Series B Liberty Interactive common stock	$ 0.78	0.11	0.43	(1.31)	0.69	0.73	—
Old Series A and Series B Liberty Capital common stock	$ —	—	—	(0.46)	11.11	0.91	—
Liberty common stock	$ —	—	—	—	—	0.06	0.03

(1) Excludes the call option portion of Liberty Media's exchangeable debentures for periods prior to January 1, 2007.

(2) Includes $1,569 million of long-lived asset impairment charges in 2008.

(3) Includes earnings from continuing operations attributable to the noncontrolling interests of $39 million, $44 million, $41 million, $33 million and $51 million for the years ended December 31, 2009, 2008, 2007, 2006 and 2005, respectively.

(4) Basic and diluted earnings per share have been calculated for Liberty Capital and Liberty Starz common stock for the period subsequent to March 3, 2008. Basic and diluted EPS have been calculated for Liberty Interactive common stock for the periods subsequent to May 9, 2006. Basic and diluted EPS have been calculated for old Liberty Capital for the period from May 9, 2006 to March 3, 2008. EPS has been calculated for Liberty common stock for all periods prior to May 10, 2006.

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Selected Unaudited Condensed Pro Forma Combined Financial Data of Liberty Media

The following tables present selected pro forma information relating to Liberty Media's financial condition as of September 30, 2010 and December 31, 2009 and 2008, and its results of operations for the nine months ended September 30, 2010 and 2009 and for each of the years in the three-year period ended December 31, 2009. The pro forma balance sheet information assumes that the Split-Off had occurred as of each date. The pro forma results of operations data assumes the Split-Off had occurred as of January 1, 2007. The following data should be read in conjunction with the unaudited condensed pro forma combined financial statements of Liberty Media included in *Annex B*.

		September 30,	December 31,	
		2010	2009	2008
		(amounts in millions)		
Summary Balance Sheet Data:				
Cash	$	935	1,691	1,639
Investments in available-for-sale securities and other cost investments	$	1,348	1,577	1,362
Investment in affiliates	$	933	895	901
Total assets	$	17,488	18,840	19,489
Long-term debt	$	6,226	7,343	8,431
Equity	$	5,945	5,965	6,002

		Nine months ended September 30,		Years ended December 31,		
		2010	2009	2009	2008	2007
		(amounts in millions, except per share amounts)				
Summary Statement of Operations Data:						
Revenue	$	6,046	5,594	8,305	8,079	7,802
Operating income	$	712	644	1,041	906	1,113
Interest expense	$	(502)	(415)	(594)	(607)	(587)
Share of earnings (losses) of affiliates	$	93	(3)	24	(954)	77
Realized and unrealized gains (losses) on financial instruments, net	$	(14)	(352)	(589)	495	502
Gains on dispositions, net	$	394	—	42	2	12
Other than temporary declines in fair value of investments	$	—	—	—	(440)	—
Earnings (loss) from continuing operations attributable to Liberty Media Corporation shareholders:						
Liberty Interactive common stock	$	496	(71)	(37)	(219)	701
Basic earnings (loss) from continuing operations attributable to Liberty Media Corporation shareholders per common share:						
Series A and Series B Liberty Interactive common stock	$	0.83	(0.12)	(0.06)	(0.38)	1.11
Diluted earnings (loss) from continuing operations attributable to Liberty Media Corporation shareholders per common share:						
Series A and Series B Liberty Interactive common stock	$	0.82	(0.12)	(0.06)	(0.38)	1.10

Selected Unaudited Historical Attributed Financial Data of the Splitco Capital Group

The following tables present selected historical attributed financial information of the Splitco Capital Group for the nine months ended September 30, 2010 and 2009 and for each of the years in the three-year period ended December 31, 2009. Such data has been derived from the "Attributed Financial Information for Tracking Stock Groups" included in *Annex B*.

	September 30, 2010	December 31, 2009	December 31, 2008
	(amounts in millions)		
Summary Balance Sheet Data:			
Current assets	$ 2,094	4,281	3,044
Cost investments	$ 4,193	3,355	2,118
Total assets	$ 7,881	9,567	8,432
Long-term debt, including current portion	$ 2,005	3,653	3,063
Deferred tax liabilities, including current portion	$ 1,211	2,260	2,195
Attributed net assets	$ 2,016	1,275	1,121

	Nine months ended September 30, 2010	Nine months ended September 30, 2009	Years ended December 31, 2009	Years ended December 31, 2008	Years ended December 31, 2007
Summary Statement of Operations Data:					
Net revenue	$ 617	495	649	614	485
Operating loss	$ (156)	(166)	(263)	(651)	(506)
Earnings (loss) from continuing operations attributable to Splitco Capital Group stockholders	$ (34)	(91)	127	(592)	1,388

Selected Unaudited Historical Attributed Financial Data of the Splitco Starz Group

The following tables present selected historical attributed financial information of the Splitco Starz Group for the nine months ended September 30, 2010 and 2009 and for each of the years in the three-year period ended December 31, 2009. Such data has been derived from the "Attributed Financial Information for Tracking Stock Groups" included in *Annex B*.

		September 30, 2010	December 31, 2009	December 31, 2008
		(amounts in millions)		
Summary Balance Sheet Data:				
Current assets	$	1,999	1,782	1,476
Assets of Discontinued Operations	$	—	—	14,211
Total assets	$	2,736	2,436	16,352
Long-term debt, including current portion	$	99	48	52
Attributed net assets	$	2,179	2,040	12,180

	Nine months ended September 30, 2010	Nine months ended September 30, 2009	Years ended December 31, 2009	Years ended December 31, 2008	Years ended December 31, 2007
Summary Statement of Operations Data:					
Net revenue	$ 937	900	1,204	1,124	1,091
Operating income (loss)	$ 265	223	272	(1,013)	151
Earnings (loss) from continuing operations attributable to Splitco Starz Group stockholders	$ 166	232	213	(960)	95

MANAGEMENT OF SPLITCO

Board of Directors

The following sets forth certain information concerning the persons who are expected to serve as the initial directors of Splitco immediately following the Split-Off, including their ages, directorships held and a description of their business experience, including positions held with Liberty Media (including its predecessors). All of the following directors, other than Donne F. Fisher and Larry E. Romrell, will also serve on Liberty Media's board immediately following Split-Off. Notwithstanding this overlap, Liberty Media and Splitco believe the following persons are the most qualified to serve as the initial directors of Splitco given their in-depth knowledge of and experience with the businesses attributed to the Capital and Starz tracking stock groups. No assurance can be given, however, as to whether these directors will continue to serve on either board following the expiration of their respective terms, as their re-election will be subject to the approval of each company's shareholder base.

Name	Positions
John C. Malone Age: **[69]**	Chairman of the Board and a director of Splitco. *Professional Background*: Mr. Malone has served as the Chairman of the Board and a director of Liberty Media since its inception in 1994. Mr. Malone also served as its Chief Executive Officer from August 2005 to February 2006. Mr. Malone served as Chairman of the Board of Tele-Communications, Inc. (**TCI**), a cable television company that was Liberty Media's former parent company, from November 1996 until March 1999, when it was acquired by AT&T, and as Chief Executive Officer of TCI from January 1994 to March 1997. *Other Public Company Directorships*: Mr. Malone has served as Chairman of the Board of LGI since June 2005. Previously, he served as Chairman of the Board of LGI's predecessor, LMI, from March 2004 to June 2005, as Chairman of the Board of DIRECTV from November 2009 to June 2010 and as Chairman of the Board of DIRECTV's predecessor, The DIRECTV Group, Inc. (**DTVG**), from February 2008 to November 2009. He has served as a director of Discovery since September 2008 and served as Chairman of the Board of its predecessor, DHC, from March 2005 to September 2008, and as a director of DHC from May 2005 to September 2008. Mr. Malone served as a director of UnitedGlobalCom, Inc. (**UGC**), now a subsidiary of LGI, from January 2002 to June 2005. Mr. Malone has served as a director of (i) InterActiveCorp since May 2006, (ii) Expedia, Inc. since August 2005, (iii) Sirius XM Radio Inc. (**Sirius**) since April 2009, (iv) Ascent Media Corporation since January 2010 and (v) Live Nation since January 2010. Mr. Malone served as a director of the Bank of New York Company, Inc. from June 2005 to April 2007 and as a director of Cablevision Systems Corp. from March 2005 to June 2005.

Name	Positions
	Board Membership Qualifications: Mr. Malone, as President of TCI, co-founded Liberty Media and is considered one of the preeminent figures in the media and telecommunications industry. He is well known for his sophisticated problem solving and risk assessment skills.
Gregory B. Maffei Age: **[50]**	Chief Executive Officer, President and a director of Splitco. *Professional Background*: Mr. Maffei has served as a director of Liberty Media since November 2005, and as its Chief Executive Officer and President since February 2006. He also served as Liberty Media's CEO-Elect from November 2005 through February 2006. Prior to joining Liberty Media, Mr. Maffei served as President and Chief Financial Officer of Oracle Corporation during 2005 and as Chairman and Chief Executive Officer of 360networks Corporation from 2000 until 2005. Previously, Mr. Maffei was the Chief Financial Officer of Microsoft Corporation from 1997 to 2000. *Other Public Company Directorships*: Mr. Maffei has served as a director of Electronic Arts, Inc. since June 2003 and as a director of Sirius since 2009. Mr. Maffei served as a director of DIRECTV from November 2009 to June 2010 and as a director of its predecessor, DTVG, from June 2008 to November 2009. Mr. Maffei served as a director of Expedia, Inc. from 1999 to 2003, and as a director of Starbucks Corporation from 1999 to 2006. Mr. Maffei was also Chairman of the Board of Expedia, Inc. from 1999 to 2002. *Board Membership Qualifications*: Mr. Maffei brings to the Splitco board significant financial and operational experience based on his senior policy making positions at Liberty Media, Oracle, 360networks and Microsoft and his other public company board experience. He will provide the board of Splitco with an executive and leadership perspective on the operations and management of large public companies and risk management principles.
Robert R. Bennett Age: **[52]**	A director of Splitco. *Professional Background*: Mr. Bennett has served as a director of Liberty Media since September 1994. Mr. Bennett serves as Managing Director of Hilltop Investments LLC, a private investment company. Mr. Bennett served as the Chief Executive Officer of Liberty Media from April 1997 to August 2005 and its President from April 1997 to February 2006 and held various executive positions with Liberty Media from 1994 to 1997.

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Name	Positions
	Other Public Company Directorships: Mr. Bennett has served as a director of Discovery since September 2008 and served as a director of its predecessor DHC from May 2005 to September 2008. Mr. Bennett also served as a director of LMI, the predecessor of LGI, from March 2004 through June 2005, as a director of UGC, now a subsidiary of LGI, from January 2002 to June 2005 and as a director of OpenTV Corp. from August 2002 to January 2007. Mr. Bennett has served as a director of Sprint Nextel Corporation since October 2006 and Demand Media, Inc. since January 2011. *Board Membership Qualifications*: Mr. Bennett brings to Splitco's board in-depth knowledge of the media and telecommunications industry generally and Splitco specifically. He has experience in significant leadership positions with Liberty Media, especially as a past CEO and President, and will provide Splitco with strategic insights. Mr. Bennett also has an in-depth understanding of finance, and has held various financial management positions during the course of his career.
Donne F. Fisher Age: **[72]**	A director of Splitco. *Professional Background*: Mr. Fisher has served as a director of Liberty Media since October 2001. Mr. Fisher has served as President of Fisher Capital Partners, Ltd., a venture capital partnership, since December 1991. Mr. Fisher also served as Executive Vice President of TCI from January 1994 to January 1996 and served as a consultant to TCI, including its successors AT&T Broadband LLC and Comcast Corporation, from 1996 to December 2005. *Other Public Company Directorships*: Mr. Fisher served as a director of General Communication, Inc. from 1980 to December 2005 and as a director of LMI from May 2004 to June 2005. Mr. Fisher was also Chairman of the Board of General Communication, Inc. from June 2002 to December 2005. *Board Membership Qualifications*: Mr. Fisher brings extensive industry experience to Splitco's board and a critical perspective on its business, having held several executive positions over many years with TCI, Liberty Media's former parent company. In addition, Mr. Fisher's financial expertise includes a focus on venture capital investment, which is different from the focus of Splitco's other board members and helpful to its board in formulating investment objectives and determining the growth potential of businesses both within Splitco and those that the board evaluates for investment purposes.

Name	Positions
M. Ian G. Gilchrist Age: **[61]**	A director of Splitco. *Professional Background*: Mr. Gilchrist has served as a director of Liberty Media since July 2009. Mr. Gilchrist held various officer positions including Managing Director at Citigroup/Salomon Brothers from 1995 to 2008, CS First Boston Corporation from 1988 to 1995, and Blyth Eastman Paine Webber from 1982 to 1988 and served as a Vice President of Warburg Paribas Becker Incorporated from 1976 to 1982. Previously, he worked in the venture capital field and as an investment analyst. *Other Public Company Directorships*: None. *Board Membership Qualifications:* Mr. Gilchrist's field of expertise is in the media and telecommunications sector, having been involved with companies in this industry during much of his 32 years as an investment banker. Mr. Gilchrist brings to Splitco's board significant financial expertise and a unique perspective on the company and industry. He is also an important resource on the financial service firms that Splitco will employ from time to time.
Evan D. Malone Age: **[40]**	A director of Splitco. *Professional Background*: Dr. Malone has served as a director of Liberty Media since August 2008. He has served as President of NextFab Studio, LLC, a high-tech workshop offering technical training, consulting, and product design and prototyping services, since June 2009 and has been an engineering consultant for more than the past five years. Since January 2008, Dr. Malone has served as the owner and manager of a real estate property and management company, 1525 South Street LLC. During 2008, Dr. Malone also served as a post-doctoral research assistant at Cornell University and an engineering consultant with Rich Food Products, a food processing company. Dr. Malone has served as co-owner and director of Drive Passion PC Services, CC, an Internet café, telecommunications and document services company, in South Africa since 2007 and served as an applied physics technician for Fermi National Accelerator Laboratory, part of the national laboratory system of the Office of Science, U.S, Department of Energy, from 1999 until 2001. He also is a founding member of Jet Wine Bar, LLC, a start-up company in Philadelphia scheduled to open later this year. *Other Public Company Directorships*: None.

Name	Positions
	Board Membership Qualifications: Dr. Malone, Splitco's youngest director, brings an applied science and engineering perspective to the board. Dr. Malone's perspectives will assist the board in developing business strategies and adapting to technological changes facing the industries in which Splitco competes. In addition, his entrepreneurial experience will assist the board in evaluating strategic opportunities.
David E. Rapley Age: **[69]**	A director of Splitco. *Professional Background*: Mr. Rapley has served as a director of Liberty Media since July 2002, having previously served as a director during 1994. Mr. Rapley founded Rapley Engineering Services, Inc. (**RESI**) and served as its CEO and President from 1985 to 1998. Mr. Rapley also served as Executive Vice President of Engineering of VECO Corp. Alaska (a company that acquired RESI in 1998) from January 1998 to December 2001. *Other Public Company Directorships*: Mr. Rapley has served as a director of LGI since June 2005 and served as a director of its predecessor, LMI, from May 2004 to June 2005. *Board Membership Qualifications*: Mr. Rapley brings to Splitco's board the unique perspective of his lifelong career as an engineer. The industries in which Splitco will compete are heavily dependent on technology, which continues to change and advance. Mr. Rapley's perspectives will assist the board in adapting to these changes and developing strategies for Splitco's businesses.
Larry E. Romrell Age: **[71]**	A director of Splitco. *Professional Background*: Mr. Romrell has served as a director of Liberty Media since March 1999. Mr. Romrell held numerous executive positions with its former parent company, TCI, from 1991 to 1999. Previously, Mr. Romrell held various executive positions with Westmarc Communications, Inc. *Other Public Company Directorships*: Mr. Romrell has served as a director of LGI since June 2005 and served as a director of its predecessor, LMI, from May 2004 to June 2005. *Board Membership Qualifications*: Mr. Romrell brings extensive experience, including venture capital experience, in the telecommunications industry to Splitco's board and is an important resource on the management and operations of companies in the media and telecommunications sector.

Name	Positions
Andrea L. Wong Age: **[44]**	A director of Splitco. *Professional Background*: Ms. Wong has served as a director of Liberty Media since April 2010. Ms. Wong served as President and CEO of Lifetime Entertainment Services from 2007 to April 2010. She previously served in a variety of roles with ABC, Inc., a subsidiary of The Walt Disney Company, from 1993 to 2007, most notably as an Executive Vice President from 2003 to 2007. Previously, she worked in the areas of corporate planning and high-yield finance. Ms. Wong serves on the advisory boards of several media and entertainment societies and organizations. *Other Public Company Directorships*: None. *Board Membership Qualifications:* Ms. Wong brings to Splitco's board significant experience in the media and entertainment industry, having an extensive background in media programming across a variety of platforms, as well as executive and leadership experience with the management and operation of companies in the entertainment sector. Her experience with programming development, brand enhancement and marketing brings a pragmatic and unique perspective to Splitco's board. Her professional expertise, combined with her continued involvement in the media and entertainment industry, will make her a valuable member of the Splitco board of directors.]

Executive Officers

The following sets forth certain information concerning the persons (other than Messrs. Malone and Maffei who are also expected to serve as directors of Splitco and are described above) who are the existing executive officers of Liberty Media and who are expected to serve as Splitco's initial executive officers immediately following the Split-Off, including their ages, directorships held and a description of their business experience, including positions held with Liberty Media (including its predecessors). Notwithstanding the dual roles served by these persons at Liberty Media and Splitco, Liberty Media and Splitco believe the following persons (together with Messrs. Malone and Maffei) are the most qualified to serve as the initial executive officers of Splitco given their in-depth knowledge of and experience with the businesses attributed to the Capital and Starz tracking stock groups. No assurance can be given, however, as to whether these executive officers will continue to serve at either company following the expiration of their respective terms, as that decision will be made by each company's board of directors at the relevant time.

Name	Positions
Charles Y. Tanabe Age: **[59]**	Executive Vice President and General Counsel of Splitco. Executive Vice President of Liberty Media since January 2007 and its General Counsel since January 1999. A Senior Vice President of Liberty Media from January 1999 to December 2006, and its Secretary from April 2001 to December 2007.
David J.A. Flowers Age: **[56]**	A Senior Vice President and the Treasurer of Splitco. A Senior Vice President of Liberty Media since October 2000 and its Treasurer since April 1997. Vice President of Liberty Media from June 1995 to October 2000. Mr. Flowers is a director of the Interval Leisure Group, Inc. and Sirius.
Albert E. Rosenthaler Age: **[51]**	A Senior Vice President of Splitco. A Senior Vice President of Liberty Media since April 2002.
Christopher W. Shean Age: **[45]**	A Senior Vice President and the Controller of Splitco. A Senior Vice President of Liberty Media since January 2002 and its Controller since October 2000. A Vice President of Liberty Media from October 2000 to January 2002.

Splitco's executive officers will serve in such capacities until the first annual meeting of Splitco's board of directors, or until their respective successors have been duly elected and have been qualified, or until their earlier death, resignation, disqualification or removal from office.

Directors and Executive Officers

There is no family relationship between any of Splitco's executive officers or directors, by blood, marriage or adoption, except that Dr. Evan Malone is the son of John C. Malone.

During the past ten years, none of the above persons has had any involvement in such legal proceedings as would be material to an evaluation of his ability or integrity.

Director Independence

It will be Splitco's policy that a majority of the members of its board of directors will be independent of its management. For a director to be deemed independent, Splitco's board of directors must affirmatively determine that the director has no direct or indirect material relationship with the company. To assist Splitco's board of directors in determining which of its directors will qualify as independent, the nominating and corporate governance committee of Splitco's board is expected to follow the Corporate Governance Rules of the Nasdaq Stock Market on the criteria for director independence.

In accordance with these criteria, it is expected that the Splitco board of directors will determine that each of Messrs. Fisher, Gilchrist, Rapley and Romrell and Ms. Wong qualifies as an independent director of Splitco.

Board Composition

The board of Splitco will be comprised of directors with a broad range of backgrounds and skill sets, including in media and telecommunications, science and technology, venture capital, auditing and financial engineering. The board will also be chronologically diverse with its members' ages spanning four decades. Detailed information on Splitco's policies with respect to board candidates will be available following the establishment of the board's nominating and corporate governance committee.

The following directors will serve in the following classes upon completion of the Split-Off:

Class I	Class II	Class III
Evan D. Malone	Donne F. Fisher	John C. Malone
David E. Rapley	Gregory B. Maffei	Robert R. Bennett
Larry E. Romrell		M. Ian G. Gilchrist
		Andrea L. Wong

Except as otherwise noted, those directors who also serve on the Liberty Media board have been assigned to the same class as they serve currently on the Liberty Media to ensure that their respective terms in office are not artificially elongated as a result of the Split-Off.

Board Committees

It is expected that Splitco's board of directors will form the following committees: audit committee, compensation committee, nominating and corporate governance committee and executive committee. It is currently contemplated that the following persons will serve on the following committees upon completion of the Split-Off:

[insert table]

In connection with the Split-Off, the Splitco board will determine the directors to be assigned to each other committee.

Splitco expects that, in connection with the Split-Off, its board of directors will adopt committee charters that are substantially similar to those of Liberty Media's board committees, and that the Splitco board committees will have comparable responsibilities to those of the Liberty Media board committees.

Compensation Committee Interlocks and Insider Participation

Splitco's board of directors does not currently have a compensation committee. It is expected that no member of Splitco's compensation committee (once formed) will be or will have been, during 2009, an officer or employee of Splitco or Liberty Media, or has engaged in any related party transaction in which Splitco or Liberty Media was a participant. It is expected that no interlocking relationship will exist between the Splitco board and its compensation committee and the board of directors or compensation committee of any other company.

Executive Compensation

Executive Officers of Splitco

The initial executive officers of Splitco will be comprised of the current executive officers of Liberty Media. Splitco has not paid any compensation to any of its executive officers. After the Split-Off, each of Splitco's executive officers and Liberty Media's executive officers will be employed, and provided cash compensation and health and welfare benefits, by Splitco and will no longer receive cash compensation and health and welfare benefits directly from Liberty Media. No changes are currently expected to be made to the compensation programs or practices applicable to any of these executive officers in connection with the Split-Off, other than as contemplated below with respect to payment procedures and allocation provisions.

Pursuant to a services agreement to be entered into between Liberty Media and Splitco in connection with the Split-Off, Liberty Media will make payments to Splitco based upon the portion of Splitco's cost for its executive officers (taking into account wages and benefits) attributable to time they spend on Liberty Media matters. For more information regarding this agreement, please see "Certain Relationships and Related Transactions—Relationships Between Splitco and Liberty Media—Services Agreement."

The amount and timing of any equity-based compensation to be paid to the Splitco executive officers following the Split-Off (other than awards issued pursuant to the transitional plan) will be determined by the compensation committee of the Splitco board of directors, but are expected to be consistent at least initially with the current compensation practices of Liberty Media. Any equity incentive awards granted to executive officers of Splitco following the Split-Off will generally be granted pursuant to the Splitco incentive plan, which is described under "—Equity Incentive Plans" below.

For information concerning the compensation paid to the "named executive officers" of Liberty Media for the year ended December 31, 2009 and certain related information, see the "Executive Compensation" section of Liberty Media's definitive proxy statement on Schedule 14A filed with the SEC on April 30, 2010 relating to its 2010 annual meeting of stockholders (the **LMC annual proxy statement**). Both of the Capital Group and the Starz Group are tracking stock groups of Liberty Media and are not separate entities. Accordingly, the historical compensation information included in the section entitled "Executive Compensation" in the LMC annual proxy statement is not solely attributable to services performed on behalf of the Capital Group or the Starz Group, rather it reflects the full amount of the compensation paid by Liberty Media to each applicable person during the applicable period.

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Directors

Splitco's directors will receive cash compensation directly from Splitco in such amounts and at such times as the Splitco board of directors shall determine, which are expected to be consistent at least initially with the cash compensation currently paid by Liberty Media to its directors. The amount and timing of any equity-based compensation to be paid to the Splitco directors following the Split-Off (other than awards issued pursuant to the transitional plan) will also be determined by the Splitco board of directors; however, those awards are also expected to be consistent, at least initially, with the current director compensation practices of Liberty Media. Any equity incentive awards granted to nonemployee directors of Splitco following the Split-Off will generally be granted pursuant to the Splitco Nonemployee Director Incentive Plan, which is described under "—Equity Incentive Plans" below.

For information concerning the compensation paid to the directors of Liberty Media for the year ended December 31, 2009 and certain related information, see the "Executive Compensation—Compensation of Directors" section of the LMC annual proxy statement.

Equity Incentive Plans

In connection with the Split-Off, Splitco will adopt the Splitco 2011 Incentive Plan (the**Splitco incentive plan**), which will be administered by the compensation committee of Splitco's board of directors. This committee will have full power and authority to grant eligible persons the awards described below and to determine the terms and conditions under which any awards are made. The Splitco incentive plan is designed to provide additional remuneration to certain employees and independent contractors for exceptional service and to encourage their investment in Splitco. The compensation committee may grant non-qualified stock options, SARs, restricted shares, stock units, cash awards, performance awards or any combination of the foregoing under the Splitco incentive plan (collectively, **awards**). The maximum number of shares of Splitco common stock with respect to which awards may be granted is 25 million, subject to anti-dilution and other adjustment provisions of the Splitco incentive plan. With limited exceptions, under the Splitco incentive plan, no person may be granted in any calendar year awards covering more than 8 million shares of Splitco common stock, subject to anti-dilution and other adjustment provisions of the Splitco incentive plan. In addition, no person may receive payment for cash awards during any calendar year in excess of $10 million. Shares of Splitco common stock issuable pursuant to awards will be made available from either authorized but unissued shares or shares that have been issued but reacquired by Splitco.

Also, in connection with the Split-Off, Splitco will adopt the Splitco 2011 Nonemployee Director Incentive Plan (the **director plan**), which will be administered by Splitco's entire board of directors. Splitco's board will have full power and authority to grant eligible persons the awards described below and to determine the terms and conditions under which any awards are made. The director plan is designed to provide Splitco's nonemployee directors with additional remuneration for services rendered, to encourage their investment in Splitco common stock and to aid in attracting persons of exceptional ability to become nonemployee directors of Splitco. Splitco's board may grant non-qualified stock options, SARs, restricted shares, stock units and cash awards or any combination of the foregoing under the director plan (collectively, **director awards**). The maximum number of shares of Splitco common stock with respect to which director awards may be granted under the director plan is 1.5 million, subject to anti-dilution and other adjustment provisions of the director plan. Shares of Splitco common stock issuable pursuant to director awards will be made available from either authorized but unissued shares or shares that have been issued but reacquired by Splitco.

At the time of the Split-Off, Splitco will also have awards outstanding under the transitional plan as described under "The Split-Off Proposals—Treatment of Outstanding Equity Awards" above.

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Equity Compensation Plan Information

At the time of the Split-Off, Splitco will have three equity compensation plans, each of which is listed below. The only plan under which awards will be outstanding immediately following the Split-Off is the transitional plan.

The following table reflects the awards that would have been outstanding as of December 31, 2009, assuming (i) the Split-Off had occurred on that date and (ii) the treatment of the outstanding Liberty Capital and Liberty Starz tracking stock incentive awards described under "The Split-Off Proposals—Treatment of Outstanding Equity Awards" above.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights	Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column (a)
Equity compensation plans approved by security holders(1):			
Splitco 2011 Incentive Plan:			
Splitco CAPA	0	N/A	25,000,000
Splitco CAPB	0	N/A	
Splitco STZA	0	N/A	
Splitco STZB	0	N/A	
Splitco 2011 Nonemployee Director Incentive Plan:			
Splitco CAPA	0	N/A	2,000,000
Splitco CAPB	0	N/A	
Splitco STZA	0	N/A	
Splitco STZB	0	N/A	
Splitco Transitional Stock Adjustment Plan:			
Splitco CAPA	5,409,962	$13.54	0
Splitco CAPB	—	—	0
Splitco STZA	2,835,069	$39.49	0
Splitco STZB	599,305	$31.33	0
Equity compensation plans not approved by security holders—None			
Total:			
Splitco CAPA	5,409,962	$13.54	27,000,000
Splitco CAPB	—	—	
Splitco STZA	2,835,069	$39.49	
Splitco STZB	599,305	$31.33	

(1) Each plan has been approved by Liberty Media in its capacity as the sole stockholder of Splitco.

(2) Each plan permits grants of, or with respect to, shares of any series of Splitco Capital or Splitco Starz common stock, subject to a single aggregate limit.

Pro Forma Security Ownership of Certain Beneficial Owners

The following table sets forth information, to the extent known by Liberty Media or ascertainable from public filings, with respect to the estimated beneficial ownership of each person or entity (other than persons who will serve as directors or executive officers of Splitco, whose pro forma ownership information follows) who is expected to beneficially own more than five percent of the outstanding shares of any series of Splitco common stock, assuming that the redemption date had occurred at 5:00 p.m., New York City time, on December 31, 2010. The percentage voting power is presented on an aggregate basis for all series of Splitco common stock.

The security ownership information for Splitco common stock has been estimated based upon outstanding stock information for Liberty Capital common stock and Liberty Starz common stock as of December 31, 2010, and, in the case of percentage ownership information, has been estimated based upon 75,139,893 shares of Splitco CAPA, 7,363,948 shares of Splitco CAPB, 49,130,652 shares of Splitco STZA, and 2,917,815 shares of Splitco STZB, estimated to have been issued in the Split-Off.

So far as is known to Liberty Media, the persons indicated below would have sole voting power with respect to the shares estimated to be owned by them, except as otherwise stated in the notes to the table.

Name and Address of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership	Percent of Class (%)	Voting Power (%)
Capital Research and Management Company	Splitco CAPA	7,174,145(1)	9.6	4.4
333 South Hope Street	Splitco CAPB	—	—	
Los Angeles, CA 90071	Splitco STZA	2,869,658(1)	5.8	
	Splitco STZB	—	—	
ClearBridge Advisors, LLC	Splitco CAPA	8,406,246(2)	11.2	3.7
399 Park Avenue	Splitco CAPB	—	—	
New York, NY 10022	Splitco STZA	—	—	
	Splitco STZB	—	—	
Comcast QVC, Inc.	Splitco CAPA	5,000,000(3)	6.7	2.2
	Splitco CAPB	—	—	
	Splitco STZA	—	—	
	Splitco STZB	—	—	
Paulson & Co., Inc.	Splitco CAPA	—	—	
1251 Avenue of the Americas	Splitco CAPB	—	—	
New York, NY 10020	Splitco STZA	3,300,000(4)	6.7	1.5
	Splitco STZB	—	—	
T. Rowe Price Associates, Inc.	Splitco CAPA	5,757,300(5)	7.7	4.1
100 E. Pratt Street	Splitco CAPB	—	—	
Baltimore, MD 21202	Splitco STZA	3,552,422(6)	7.2	
	Splitco STZB	—	—	

(1) See footnote (1) to "Security Ownership of Certain Beneficial Owners and Management—Security Ownership of Certain Beneficial Owners."

(2) See footnote (4) to "Security Ownership of Certain Beneficial Owners and Management—Security Ownership of Certain Beneficial Owners."

(3) See footnote (7) to "Security Ownership of Certain Beneficial Owners and Management—Security Ownership of Certain Beneficial Owners."

(4) See footnote (8) to "Security Ownership of Certain Beneficial Owners and Management—Security Ownership of Certain Beneficial Owners."

(5) See footnote (9) to "Security Ownership of Certain Beneficial Owners and Management—Security Ownership of Certain Beneficial Owners."

(6) See footnote (11) to "Security Ownership of Certain Beneficial Owners and Management—Security Ownership of Certain Beneficial Owners."

Pro Forma Security Ownership of Management

The following table sets forth information with respect to the estimated beneficial ownership by each person who is expected to serve as an executive officer or director of Splitco and all of such persons as a group of shares of Splitco CAPA, Splitco CAPB, Splitco STZA and Splitco STZB, assuming that the redemption date had occurred at 5:00 p.m., New York City time, on December 31, 2010. The percentage voting power is presented on an aggregate basis for all series of Splitco common stock.

The security ownership information for Splitco common stock has been estimated based upon outstanding stock information for Liberty Capital common stock and Liberty Starz common stock as of December 31, 2010, and, in the case of percentage ownership information, has been estimated based upon 75,139,893 shares of Splitco CAPA, 7,363,948 shares of Splitco CAPB, 49,130,652 shares of Splitco STZA, and 2,917,815 shares of Splitco STZB, estimated to have been issued in the Split-Off.

Shares of restricted stock that will be issued pursuant to the transitional plan are included in the outstanding share numbers provided throughout this proxy statement/prospectus. Shares issuable upon exercise or conversion of options, warrants and convertible securities that would have been exercisable or convertible on or within 60 days after December 31, 2010 are deemed to be outstanding and to be beneficially owned by the person holding the options, warrants or convertible securities for the purpose of computing the percentage ownership of the person and for the aggregate percentage owned by the directors and named executive officers as a group, but are not treated as outstanding for the purpose of computing the percentage ownership of any other individual person. For purposes of the following presentation, beneficial ownership of shares of Splitco CAPB, though convertible on a one-for-one basis into shares of Splitco CAPA, is reported as beneficial ownership of Splitco CAPB only, and not as beneficial ownership of Splitco CAPA, but the voting power of the Splitco CAPA and Splitco CAPB have been aggregated. Similarly, beneficial ownership of shares of Splitco STZB, though convertible on a one-for-one basis into shares of Splitco STZA, is reported as beneficial ownership of Splitco STZB only, and not as beneficial ownership of Splitco STZA, but the voting power of the Splitco STZA and Splitco STZB have been aggregated.

The number of shares indicated as owned by the following persons includes interests in shares that would have been held by the Liberty Media defined contribution 401(k) plan (the **Liberty 401(k) Savings Plan**) as of December 31, 2010. The shares held by the trustee of the Liberty 401(k) Savings Plan for the benefit of these persons are voted as directed by such persons.

So far as is known to Liberty Media, the persons indicated below would have sole voting power with respect to the shares estimated to be owned by them, except as otherwise stated in the notes to the table.

Name	Title of Series	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Series (%)	Voting Power (%)
John C. Malone	Splitco CAPA	2,825(1)	3.7	39.0
Chairman of the Board	Splitco CAPB	6,131(2)	83.3	
	Splitco STZA	163(3)	*	
	Splitco STZB	2,446(4)	82.8	
Gregory B. Maffei	Splitco CAPA	1,179(5)	*	*
President, Chief Executive Officer and Director	Splitco CAPB	—	—	
	Splitco STZA	307(5)	*	
	Splitco STZB	—	—	
Robert R. Bennett	Splitco CAPA	121(6)	*	5.3
Director	Splitco CAPB	843(7)	11.4	
	Splitco STZA	43(8)	*	
	Splitco STZB	334(7)	11.4	
Donne F. Fisher	Splitco CAPA	26(8)	*	*
Director	Splitco CAPB	28	*	
	Splitco STZA	10(8)	*	
	Splitco STZB	11	*	
M. Ian G. Gilchrist	Splitco CAPA	3(8)	*	*
Director	Splitco CAPB	—	—	
	Splitco STZA	1(8)	*	
	Splitco STZB	—	—	
Evan D. Malone	Splitco CAPA	6(8)	*	*
Director	Splitco CAPB	—	—	
	Splitco STZA	2(8)	*	
	Splitco STZB	—	—	
David E. Rapley	Splitco CAPA	12(8)	*	*
Director	Splitco CAPB	—	—	
	Splitco STZA	4(8)	*	
	Splitco STZB	—	—	
Larry E. Romrell	Splitco CAPA	23(8)	*	*
Director	Splitco CAPB	**	*	
	Splitco STZA	4(8)	*	
	Splitco STZB	**	*	

Name	Title of Series	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Series (%)	Voting Power (%)
Andrea L. Wong Director	Splitco CAPA	**(9)	*	*
	Splitco CAPB	—	—	
	Splitco STZA	**(9)	*	
	Splitco STZB	—	—	
Charles Y. Tanabe Executive Vice President and General Counsel	Splitco CAPA	139(5)	*	*
	Splitco CAPB	—	—	
	Splitco STZA	15(5)	*	
	Splitco STZB	—	—	
David J.A. Flowers Senior Vice President and Treasurer	Splitco CAPA	203(5)	*	*
	Splitco CAPB	—	—	
	Splitco STZA	23(5)	*	
	Splitco STZB	—	—	
Albert E. Rosenthaler Senior Vice President	Splitco CAPA	24(5)	*	*
	Splitco CAPB	—	—	
	Splitco STZA	12(5)	*	
	Splitco STZB	—	—	
Christopher W. Shean Senior Vice President and Controller	Splitco CAPA	70(5)	*	*
	Splitco CAPB	—	—	
	Splitco STZA	28(5)	*	
	Splitco STZB	—	—	
All directors and executive officers as a group (14 persons)	Splitco CAPA	4,630(10)	6.1	45.0
	Splitco CAPB	7,002(11)	95.1	
	Splitco STZA	615(3)	1.2	
	Splitco STZB	2,791(12)	94.5	

* Less than one percent

** Less than 1,000 shares

(1) See footnotes (1), (2), (3), (5), (6), (7) and (8) to "Security Ownership of Certain Beneficial Owners and Management—Security Ownership of Management."

(2) See footnotes (1), (6) and (9) to "Security Ownership of Certain Beneficial Owners and Management—Security Ownership of Management."

(3) See footnotes (1), (2), (3), (4), (5), (6) and (7) to "Security Ownership of Certain Beneficial Owners and Management—Security Ownership of Management."

(4) See footnotes (1), (5), (6) and (9) to "Security Ownership of Certain Beneficial Owners and Management—Security Ownership of Management."

(5) See footnotes (2), (4) and (5) to "Security Ownership of Certain Beneficial Owners and Management—Security Ownership of Management."

(6) See footnotes (4), (5) and (10) to "Security Ownership of Certain Beneficial Owners and Management—Security Ownership of Management."

(7) See footnote (10) to "Security Ownership of Certain Beneficial Owners and Management—Security Ownership of Management."

(8) See footnotes (4) and (5) to "Security Ownership of Certain Beneficial Owners and Management—Security Ownership of Management."

(9) See footnote (4) to "Security Ownership of Certain Beneficial Owners and Management—Security Ownership of Management."

(10) See footnotes (1), (2), (3), (4), (5), (6), (7), (8) and (10) to "Security Ownership of Certain Beneficial Owners and Management—Security Ownership of Management."

(11) See footnotes (1), (6), (9) and (10) to "Security Ownership of Certain Beneficial Owners and Management—Security Ownership of Management."

(12) See footnotes (1), (5), (6), (9) and (10) to "Security Ownership of Certain Beneficial Owners and Management—Security Ownership of Management."

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Beneficial Owners

The following table sets forth information concerning shares of Liberty Media common stock beneficially owned by each person or entity (excluding any of its directors and executive officers) known by Liberty Media to own more than five percent of the outstanding shares of any series of Liberty Media common stock. All of such information is based on publicly available filings.

The security ownership information is given as of December 31, 2010 and, in the case of percentage ownership information, is based upon (1) 75,139,893 LCAPA shares, (2) 7,363,948 LCAPB shares, (3) 570,731,067 LINTA shares, (4) 29,059,016 LINTB shares, (5) 49,130,652 LSTZA shares and (6) 2,917,815 LSTZB shares, in each case, outstanding on that date. The percentage voting power is presented on an aggregate basis for all series of common stock.

Name and Address of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership	Percent of Class (%)	Voting Power (%)
Capital Research and Management Company	LCAPA	7,174,145(1)	9.6	0.9
333 South Hope Street	LCAPB	—	—	
Los Angeles, CA 90071	LINTA	—	—	
	LINTB	—	—	
	LSTZA	2,869,658(1)	5.8	
	LSTZB	—	—	
Southeastern Asset Management, Inc.	LCAPA	—	—	7.9
6410 Poplar Ave., Suite 900	LCAPB	—	—	
Memphis, TN 38119	LINTA	85,401,302(2)	15.0	
	LINTB	—	—	
	LSTZA	—	—	
	LSTZB	—	—	
		—	—	
Longleaf Partners Fund	LCAPA	—	—	3.0
c/o Southeastern Asset Management, Inc.	LCAPB	—	—	
6410 Poplar Ave., Suite 900	LINTA	32,411,943(2)	5.7	
Memphis, TN 38119	LINTB	—	—	
	LSTZA			
	LSTZB	—	—	
The Growth Fund of America, Inc.	LCAPA	—	—	3.5
333 South Hope Street	LCAPB	—	—	
Los Angeles, CA 90071	LINTA	38,167,500(3)	6.7	
	LINTB	—	—	
	LSTZA	—	—	
	LSTZB	—	—	
ClearBridge Advisors, LLC	LCAPA	8,406,246(4)	11.2	3.3
399 Park Avenue	LCAPB	—	—	
New York, NY 10022	LINTA	27,439,601(5)	4.8	
	LINTB	—	—	
	LSTZA	—	—	
	LSTZB	—	—	

Name and Address of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership	Percent of Class (%)	Voting Power (%)
Dodge & Cox	LCAPA	—	—	5.7
555 California Street, 40th Floor	LCAPB	—	—	
San Francisco, CA 94104	LINTA	62,275,932(6)	10.9	
	LINTB	—	—	
	LSTZA	—	—	
	LSTZB	—	—	
Comcast QVC, Inc.	LCAPA	5,000,000(7)	6.6	0.5
	LCAPB	—	—	
	LINTA	—	—	
	LINTB	—	—	
	LSTZA	—	—	
	LSTZB	—	—	
Paulson & Co., Inc.	LCAPA	—	—	
1251 Avenue of the Americas	LCAPB	—	—	
New York, NY 10020	LINTA	—	—	
	LINTB	—	—	
	LSTZA	3,300,000(8)	6.7	0.3
	LSTZB	—	—	
T. Rowe Price Associates, Inc.	LCAPA	5,757,300(9)	7.7	7.2
100 E. Pratt Street	LCAPB	—	—	
Baltimore, MD 21202	LINTA	69,205,345(10)	12.1	
	LINTB	—	—	
	LSTZA	3,552,422(11)	7.2	
	LSTZB	—	—	

(1) Based on Amendment No. 1 to Schedule 13G, dated February 10, 2006, filed by Capital Research and Management Company (**CRMC**) with respect to Liberty Media's predecessor issuer, as adjusted to give effect to intervening restructuring, reclassification and split-off transactions. According to the Schedule 13G/A, CRMC acts as investment adviser to various investment companies and as a result is deemed to be the beneficial owner of 7,174,145 shares of LCAPA and 2,869,658 shares of LSTZA, but disclaims beneficial ownership of those shares pursuant to Rule 13d-4. After giving effect to the aforementioned adjustments to the Schedule 13G/A figures, Liberty Media estimates that CRMC has sole voting power over 2,241,395 shares of LCAPA and 896,580 shares of LSTZA.

(2) Based on Amendment No. 5 to Schedule 13G, dated February 5, 2010, filed by Southeastern Asset Management, Inc. (**Southeastern**), an investment advisor, Longleaf Partners Fund (**Longleaf**), an investment company of which Southeastern is the investment advisor, and O. Mason Hawkins, Chairman of the Board and CEO of Southeastern. According to the Schedule 13G/A, all of the shares are owned by Southeastern's investment advisory clients and none is owned directly or indirectly by Southeastern or Mr. Hawkins, and that while Mr. Hawkins could be deemed a controlling person of Southeastern he disclaims the existence of such control. Southeastern and Mr. Hawkins disclaim beneficial ownership of the shares covered by the Schedule 13G/A pursuant to Rule 13d-4. The Schedule 13G/A states that Southeastern has sole voting power over 43,470,609 shares, shared voting power over 32,411,943 shares, no voting power over 9,518,750 shares, sole dispositive power over 52,989,359 shares, and shared dispositive voting power over 32,411,943 shares, while Longleaf has shared voting and dispositive power over 32,411,943 shares.

(3) Based on the Schedule 13G, dated December 10, 2007, filed by The Growth Fund of America, an investment company (**The Growth Fund**), which states that The Growth Fund has sole voting power over the shares. The Schedule 13G states that The Growth Fund is advised by CRMC.

(4) Based on Amendment No. 2 to Schedule 13G/A, dated February 12, 2010, by ClearBridge Advisors, LLC, an investment advisor (**ClearBridge**), which states that ClearBridge has sole voting power over 5,469,533 shares and sole dispositive power over 8,406,246 shares.

(5) Based on Amendment No. 1 to Schedule 13G, dated February 13, 2009, filed by ClearBridge which states that ClearBridge has sole voting power over 19,600,089 shares and sole dispositive power over 27,439,601 shares

(6) Based on Amendment No. 2 to Schedule 13G, dated February 12, 2010, filed by Dodge & Cox, an investment advisor, which states that all of the shares are owned by Dodge & Cox's investment advisory clients. The Schedule 13G/A states that Dodge & Cox has sole voting power over 59,221,132 shares, shared voting power over 125,025 shares, and sole dispositive power over 62,275,932 shares.

(7) Based on the Schedule 13G, dated February 17, 2009, filed by Comcast QVC, Inc., Comcast Programming Holdings, Inc., Comcast Holdings Corporation and Comcast Corporation, which states that each of such entities has shared voting power and dispositive power over such shares.

(8) Based on the Schedule 13G, dated February 16, 2010, filed by Paulson & Co., Inc., an investment advisor (**Paulson**), which states that all of the shares are owned by Paulson's investment advisory clients and that Paulson has sole voting and dispositive power over such shares.

(9) Based on the Schedule 13G, dated February 11, 2010, filed by T. Rowe Price Associates, Inc., an investment advisor (**Price Associates**), which states that all of the shares are owned by Price Associates' investment advisory clients and that Price Associates has sole voting power over 692,000 shares and sole dispositive power over 5,757,300 shares.

(10) Based on the Schedule 13G, dated April 30, 2010, filed by Price Associates, which states that all of the shares are owned by Price Associates' investement advisory clients, and that Price Associates has sole voting power over 16,898,194 shares and sole dispositive power over 69,205,345 shares.

(11) Based on the Schedule 13G, dated February 11, 2010, filed by Price Associates, which states that all of the shares are owned by Price Associates' investment advisory clients, and that Price Associates has sole voting power over 857,497 shares and sole dispositive power over 3,537,297 shares.

Security Ownership of Management

The following table sets forth information with respect to the ownership by each of the directors and named executive officers of Liberty Media and by all of its directors and named executive officers as a group of shares of each series of Liberty Media common stock. The security ownership information is given as of December 31, 2010, and, in the case of percentage ownership information, is based upon (1) 75,139,893 LCAPA shares, (2) 7,363,948 LCAPB shares, (3) 570,731,067 LINTA shares, (4) 29,059,016 LINTB shares, (5) 49,130,652 LSTZA shares and (6) 2,917,815 LSTZB shares, in each case, outstanding on that date. The percentage voting power is presented in the table below on an aggregate basis for all series of common stock.

Shares of restricted stock that have been granted pursuant to Liberty Media's incentive plans are included in the outstanding share numbers, for purposes of the table below and throughout this proxy statement/prospectus. Shares of common stock issuable upon exercise or conversion of options, warrants and convertible securities that were exercisable or convertible on or within 60 days after December 31, 2010, are deemed to be outstanding and to be beneficially owned by the person holding the options, warrants or convertible securities for the purpose of computing the percentage ownership of that person and for the aggregate percentage owned by the directors and named executive officers as a group, but are not treated as outstanding for the purpose of computing the percentage ownership of any other individual person. For purposes of the following presentation, beneficial ownership of shares of LCAPB, LINTB and LSTZB, though convertible on a one-for-one basis into shares of LCAPA, LINTA and LSTZA, respectively, are reported as beneficial ownership of LCAPB, LINTB and LSTZB only, and not as beneficial ownership of LCAPA, LINTA or LSTZA. So far as is known to Liberty Media, the persons indicated below have sole voting and dispositive power with respect to the shares indicated as owned by them, except as otherwise stated in the notes to the table.

The number of shares indicated as owned by the persons in the table includes interests in shares held by the Liberty 401(k) Savings Plan as of December 31, 2010. The shares held by the trustee of the Liberty 401(k) Savings Plan for the benefit of these persons are voted as directed by such persons.

Name	Title of Series	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Series (%)	Voting Power (%)
John C. Malone	LCAPA	2,825(1)(2)(3)(5)(6)(7)(8)	3.7	33.9
Chairman of the Board	LCAPB	6,131(1)(6)(9)	83.3	
	LINTA	5,512(1)(2)(3)(5)(6)(7)(8)	*	
	LINTB	27,708(1)(5)(6)(9)	93.9	
	LSTZA	163(1)(2)(3)(4)(5)(6)(7)	*	
	LSTZB	2,446(1)(5)(6)(9)	82.8	
Gregory B. Maffei	LCAPA	1,179(2)(4)(5)	1.5	*
President, Chief Executive Officer and Director	LCAPB	—	—	
	LINTA	3,445(2)(4)(5)	*	
	LINTB	—	—	
	LSTZA	307(2)(4)(5)	*	
	LSTZB	—	—	
Robert R. Bennett	LCAPA	121(4)(5)(10)	*	1.2
Director	LCAPB	843(10)	11.4	
	LINTA	877(4)(5)(10)	*	
	LINTB	**(10)	*	
	LSTZA	43(4)(5)	*	
	LSTZB	334(10)	11.4	

Name	Title of Series	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Series (%)	Voting Power (%)
Donne F. Fisher	LCAPA	26(4)(5)	*	*
Director	LCAPB	28	*	
	LINTA	128(4)(5)	*	
	LINTB	140	*	
	LSTZA	10(4)(5)	*	
	LSTZB	11	*	
M. Ian G. Gilchrist	LCAPA	3(4)(5)	*	*
Director	LCAPB	—	—	
	LINTA	13(4)(5)	*	
	LINTB	—	—	
	LSTZA	1(4)(5)	*	
	LSTZB	—	—	
Evan D. Malone	LCAPA	6(4)(5)	*	*
Director	LCAPB	—	—	
	LINTA	30(4)(5)	*	
	LINTB	—	—	
	LSTZA	2(4)(5)	*	
	LSTZB	—	—	
David E. Rapley	LCAPA	12(4)(5)	*	*
Director	LCAPB	—	—	
	LINTA	54(4)(5)	*	
	LINTB	—	—	
	LSTZA	4(4)(5)	*	
	LSTZB	—	—	
M. LaVoy Robison	LCAPA	12(4)(5)	*	*
Director	LCAPB	—	—	
	LINTA	54(4)(5)	*	
	LINTB	—	—	
	LSTZA	4(4)(5)	*	
	LSTZB	—	—	
Larry E. Romrell	LCAPA	23(4)(5)	*	*
Director	LCAPB	**	*	
	LINTA	55(4)(5)	*	
	LINTB	**	*	
	LSTZA	4(4)(5)	*	
	LSTZB	**	*	
Andrea L. Wong	LCAPA	**(4)	*	*
Director	LCAPB	—	—	
	LINTA	6(4)	*	
	LINTB	—	—	
	LSTZA	**(4)	*	
	LSTZB	—	—	
Charles Y. Tanabe	LCAPA	139(2)(4)(5)	*	*
Executive Vice President and	LCAPB	—	—	
General Counsel	LINTA	1,236(2)(4)(5)	*	
	LINTB	—	—	
	LSTZA	15(2)(4)(5)	*	
	LSTZB	—	—	

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Name	Title of Series	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Series (%)	Voting Power (%)
David J.A. Flowers	LCAPA	203(2)(4)(5)	*	*
Senior Vice President and Treasurer	LCAPB	—	—	
	LINTA	951(2)(4)(5)	*	
	LINTB	—	—	
	LSTZA	23(2)(4)(5)	*	
	LSTZB	—	—	
Albert E. Rosenthaler	LCAPA	24(2)(4)(5)	*	*
Senior Vice President	LCAPB	—	—	
	LINTA	596(2)(4)(5)	*	
	LINTB	—	—	
	LSTZA	12(2)(4)(5)	*	
	LSTZB	—	—	
Christopher W. Shean	LCAPA	70(2)(4)(5)	*	*
Senior Vice President and	LCAPB	—	—	
Controller	LINTA	549(2)(4)(5)	*	
	LINTB	—	—	
	LSTZA	28(2)(4)(5)	*	
	LSTZB	—	—	
All directors and executive officers as a group (14 persons)	LCAPA	4,642(1)(2)(3)(4)(5)(6)(7)(8)(10)	6.1	35.8
	LCAPB	7,002(1)(6)(9)(10)	95.1	
	LINTA	13,506(1)(2)(3)(4)(5)(6)(7)(8)(10)	2.3	
	LINTB	27,849(1)(5)(6)(9)(10)	94.4	
	LSTZA	620(1)(2)(3)(4)(5)(6)(7)	1.2	
	LSTZB	2,791(1)(5)(6)(9)(10)	94.5	

* Less than one percent

** Less than 1,000 shares

(1) Includes 75,252 LCAPA shares, 170,471 LCAPB shares, 376,260 LINTA shares, 852,358 LINTB shares, 30,100 LSTZA shares and 68,188 LSTZB shares held by Mr. Malone's wife, Mrs. Leslie Malone, as to which shares Mr. Malone has disclaimed beneficial ownership.

(2) Includes shares held in the Liberty 401(k) Savings Plan as follows:

	LCAPA	LINTA	LSTZA
John C. Malone	544	7,241	513
Gregory B. Maffei	2,323	5,429	3,290
Charles Y. Tanabe	905	7,973	448
David J.A. Flowers	1,413	14,849	1,439
Albert E. Rosenthaler	1,004	11,610	1,074
Christopher W. Shean	3,717	7,674	322
Total	9,906	54,776	7,086

(3) Includes 257,165 LCAPA shares, 1,790,825 LINTA shares and 66 LSTZA shares held by two trusts of which Mr. Malone is the sole trustee and, with respect to which, he and his wife retain a unitrust interest.

(4) Includes restricted shares, none of which is vested, as follows:

	LCAPA	LINTA	LSTZA
John C. Malone	—	—	15,211
Gregory B. Maffei	69,976	194,699	23,797
Robert R. Bennett	1,255	8,025	725
Donne F. Fisher	1,255	8,025	725
M. Ian G. Gilchrist	1,255	8,025	725
Evan D. Malone	1,255	8,025	725
David E. Rapley	1,255	8,025	725
M. LaVoy Robison	1,255	8,025	725
Larry E. Romrell	1,255	8,025	725
Andrea L. Wong	990	6,405	575
Charles Y. Tanabe	16,562	44,877	6,203
David J.A. Flowers	7,778	22,083	3,308
Albert E. Rosenthaler	9,289	25,386	3,387
Christopher W. Shean	8,349	22,551	3,245
Total	121,729	372,176	60,801

(5) Includes beneficial ownership of shares that may be acquired upon exercise of, or which relate to, stock options and stock appreciation rights exercisable within 60 days after December 31, 2010. Mr. Malone has the right to convert the options to purchase LINTB shares and LSTZB shares into an equal number of options to purchase LINTA shares and LSTZA shares, respectively.

	LCAPA	LINTA	LINTB	LSTZA	LSTZB
John C. Malone	246,012	1,055,670	450,000	104,342	36,000
Gregory B. Maffei	648,996	2,912,281	—	261,538	—
Robert R. Bennett	105,450	522,400	—	41,820	—
Donne F. Fisher	9,910	43,860	—	3,604	—
M. Ian G. Gilchrist	1,270	5,330	—	387	—
Evan D. Malone	4,485	19,680	—	1,407	—
David E. Rapley	9,910	43,860	—	3,604	—
M. LaVoy Robison	9,910	43,860	—	3,604	—
Larry E. Romrell	9,910	43,860	—	3,604	—
Charles Y. Tanabe	12,864	1,119,989	—	5,692	—
David J.A. Flowers	82,686	859,923	—	14,721	—
Albert E. Rosenthaler	6,847	540,568	—	6,060	—
Christopher W. Shean	50,186	473,087	—	22,048	—
Total	1,198,436	7,684,368	450,000	472,431	36,000

(6) Includes 25,700 shares of LCAPA, 91,789 shares of LCAPB, 128,500 shares of LINTA, 458,946 shares of LINTB, 10,280 shares of LSTZA and 36,715 shares of LSTZB held by two trusts which are managed by an independent trustee, of which the beneficiaries are Mr. Malone's adult children and in which Mr. Malone has no pecuniary interest. Mr. Malone retains the right to substitute assets held by the trusts and has disclaimed beneficial ownership of the shares held by the trusts.

(7) Includes 2,219,873 shares of LCAPA, 2,151,718 shares of LINTA and 2,240 shares of LSTZA pledged to Fidelity Brokerage Services, LLC (**Fidelity**) in connection with a margin loan facility extended by Fidelity to Mr. Malone.

(8) Includes 622 shares of LCAPA and 1,427 shares of LINTA pledged to Bank of America in connection with a loan facility extended to Mr. Malone.

(9) In February 1998, in connection with the settlement of certain legal proceedings relative to the Estate of Bob Magness, the late founder and former Chairman of the Board of TCI, TCI entered into a call agreement with Mr. Malone and Mr. Malone's wife. In connection with the acquisition by AT&T of TCI, TCI assigned to Liberty Media's predecessor its rights under this call agreement. Liberty Media has since succeeded to these rights. As a result, Liberty Media has the right, under certain circumstances, to acquire LCAPB shares,

LINTB shares and LSTZB shares owned by the Malones. The call agreement also prohibits the Malones from disposing of their LCAPB shares, LINTB shares and LSTZB shares, except for certain exempt transfers (such as transfers to related parties or public sales of up to an aggregate of 5% of their shares of LCAPB, LINTB or LSTZB after conversion to shares of LCAPA, LINTA or LSTZA, respectively) and except for transfers made in compliance with Liberty Media's call rights. Splitco will not have any similar call rights with respect to Mr. and Mrs. Malone's Splitco CAPB and Splitco STZB shares following the Split-Off.

(10) Includes 12,136 LCAPA shares, 157,365 LCAPB shares, 299,567 LINTA shares, 100 LINTB shares, and 68,509 LSTZB shares owned by Hilltop Investments, LLC, which is jointly owned by Mr. Bennett and his wife, Mrs. Deborah Bennett.

Ownership of Subsidiary Securities

As of September 30, 2010, Gregory B. Maffei owned 20.59% of Lockerz, Inc., a subsidiary of Liberty Media, of which Liberty Media owns 51.48%. See "Certain Relationships and Related Transactions—Lockerz." To Liberty Media's knowledge, no other executive officer or director of Liberty Media beneficially owns any equity securities of any of its subsidiaries.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Under Splitco's Code of Business Conduct and Ethics and Corporate Governance Guidelines, if a director has an actual or potential conflict of interest (which includes being a party to a proposed "related party transaction" (as defined by Item 404 of Regulation S-K)), the director is to promptly inform the chief executive officer and the chairman of the independent committee of the Splitco board designated by the Splitco board to address such actual or potential conflicts. Directors are to recuse themselves from any discussion or decision by the Splitco board or a Splitco board committee that involves or affects their personal, business or professional interests. An independent committee of the Splitco board designated by the Splitco board will resolve any conflict of interest issue involving a director or the chief executive officer or any other executive officer of Splitco. No related party transaction may be effected by Splitco without the approval of the independent committee of the Splitco board designated by the Splitco board to address such actual or potential conflicts. When the potential conflict or transaction involves an executive officer, the audit committee is the independent committee expected to be charged with this responsibility. When the potential conflict or transaction involves a director, a committee of the disinterested independent directors is the independent committee expected to be charged with this duty.

The foregoing procedures were not followed in connection with any of the agreements described under "—Relationships Between Splitco and Liberty Media" below as these agreements were approved by the board of Liberty Media, acting as a whole, and will be approved by the board of Splitco, acting as a whole, prior to their execution. We have included the estimated dollar value of each transaction contemplated by these agreements to the extent the same is currently estimable.

Relationships Between Splitco and Liberty Media

Following the Split-Off, Liberty Media and Splitco will operate independently, and neither will have any ownership interest in the other. In order to govern certain of the ongoing relationships between Liberty Media and Splitco after the Split-Off and to provide mechanisms for an orderly transition, Liberty Media and Splitco are entering into certain agreements, the terms of which are summarized below.

Reorganization Agreement

Prior to the redemption date, Splitco will enter into a reorganization agreement with Liberty Media to provide for, among other things, the Reattribution, the principal corporate transactions required to effect the Split-Off, certain conditions to the Split-Off and provisions governing the relationship between Splitco and Liberty Media with respect to and resulting from the Split-Off.

The reorganization agreement will provide that, prior to the redemption date, Liberty Media will transfer to Splitco, or cause its other subsidiaries to transfer to Splitco, directly or indirectly, (i) Liberty Media's interests in substantially all of the assets and liabilities currently attributed to Liberty Media's Capital Group and (ii) Liberty Media's interest in all of the assets and liabilities currently attributed to Liberty Media's Starz Group. The reorganization agreement will also provide for mutual indemnification obligations, which are designed to make Splitco financially responsible for substantially all of the liabilities that may exist relating to the businesses included in Splitco at the time of the Split-Off together with certain other specified liabilities, as well as for all liabilities incurred by Splitco after the Split-Off, and to make Liberty Media financially responsible for all potential liabilities of Splitco which are not related to Splitco's businesses, including, for example, any liabilities arising as a result of Splitco having been a subsidiary of Liberty Media, together with certain other specified liabilities. These indemnification obligations exclude any matters relating to taxes. For a description of the allocation of tax-related obligations, please see "—Tax Sharing Agreement" below.

In addition, the reorganization agreement will provide for each of Splitco and Liberty Media to preserve the confidentiality of all confidential or proprietary information of the other party for five years following the Split-Off, subject to customary exceptions, including disclosures required by law, court order or government regulation.

The reorganization agreement may be terminated and the Split-Off may be abandoned, at any time prior to the effective time of the redemption, by and in the sole discretion of the Liberty Media board of directors, and irrespective of the receipt of the requisite stockholder approval to the redemption proposal. In such event, Liberty Media will have no liability to any person under the reorganization agreement or any obligation to effect the Split-Off.

This summary is qualified by reference to the full text of the reorganization agreement, a form of which will be filed as an exhibit to the registration statement of which this proxy statement/prospectus forms a part, and is hereby incorporated by reference herein.

Services Agreement

Prior to the redemption date, Liberty Media will enter into a services agreement with Splitco, pursuant to which, following the Split-Off, Splitco will provide Liberty Media with specified services and benefits, including:

- technical and information technology assistance (including management information systems, computer, data storage network and telecommunications services) computers, office supplies, postage, courier service and other office services;
- insurance administration and risk management services;
- other services typically performed by Splitco's treasury, legal, investor relations, tax, accounting, finance, payroll, cash management, human resources, and real estate management departments and personnel; and
- such other services as Splitco and Liberty Media may from time to time mutually determine to be necessary or desirable.

Liberty Media will make payments to Splitco under the services agreement based upon a portion of Splitco's personnel costs (taking into account wages and benefits) of the Splitco officers and employees who are expected to provide services to Liberty Media, including the executive officers of Splitco who will also act as Liberty Media's executive officers. These personnel costs will be comparable to those arrived at on an arms'-length basis and will be based upon the allocated percentages of time spent by Splitco personnel performing services for Liberty Media under the services agreement. Liberty Media will also reimburse Splitco for direct out-of-pocket costs incurred by Splitco for third party services provided to Liberty Media. Splitco and Liberty Media will evaluate all charges for reasonableness semi-annually and make adjustments to these charges as Splitco and Liberty Media mutually agree upon. Based upon the current personnel costs of the affected Splitco personnel and Liberty Media's anticipated percentage usage thereof, the fees payable to Splitco for the first year of the services agreement are expected to be approximately $**[8-12 million]**.

The services agreement will continue in effect until the close of business on the third anniversary of the Split-Off, unless earlier terminated (1) by Liberty Media at any time on at least 30 days' prior written notice, (2) by Splitco upon written notice to Liberty Media, following certain changes in control of Liberty Media or Liberty Media being the subject of certain bankruptcy or insolvency-related events or (3) by Liberty Media upon written notice to Splitco, following certain changes in control of Splitco or Splitco being the subject of certain bankruptcy or insolvency-related events.

This summary is qualified by reference to the full text of the services agreement, a form of which is filed as an exhibit to the registration statement of which this proxy statement/prospectus forms a part.

Facilities Sharing Agreement

Prior to the redemption date, Liberty Media will enter into a three-year facilities sharing agreement with a subsidiary of Splitco, pursuant to which, following the Split-Off, Liberty Media will share office facilities with Splitco located at 12300 Liberty Boulevard, Englewood, Colorado. Liberty Media will pay a sharing fee for use of the office based on a comparable fair market rental rate and an estimate of the usage of the office facilities by or on behalf of Liberty Media (which we estimate to be approximately [ ] for the first year of the facilities sharing agreement).

The facilities sharing agreement will continue in effect until the close of business on December 31, **[20]**, unless earlier terminated (1) by Liberty Media at any time on at least 30 days' prior written notice, (2) by Liberty Media upon written notice to Splitco, following certain changes in control of Splitco or Splitco being the subject of certain bankruptcy or insolvency-related events or (3) by Splitco upon written notice to Liberty Media, following certain changes in control of Liberty Media or Liberty Media being the subject of certain bankruptcy or insolvency-related events.

This summary is qualified by reference to the full text of the facilities sharing agreement, a form of which is filed as an exhibit to the registration statement of which this proxy statement/prospectus forms a part.

Aircraft Time Sharing Agreements

Prior to the redemption date, Splitco will enter into an aircraft time sharing agreement with Liberty Media or one of its wholly-owned subsidiaries (**Lessee**) for each of two aircraft that will be owned by Splitco. Each aircraft time sharing agreement will provide that Splitco will lease the aircraft to Lessee and provide a fully qualified flight crew for all operations on a periodic, non-exclusive time sharing basis.

Lessee will pay Splitco an amount equal to 200% of the actual expenses for fuel for each flight conducted under each aircraft time sharing agreement (which we estimate to be approximately [ ] for the first year of each aircraft time sharing agreement).

The aircraft time sharing agreements will continue in effect until the close of business on the first anniversary of the Split-Off, and then will be automatically renewed on a month-to-month basis, unless terminated earlier by either party upon at least 30 days' prior written notice.

This summary is qualified by reference to the full text of the aircraft time sharing agreements, a form of which is filed as an exhibit to the registration statement of which this proxy statement/prospectus forms a part.

Tax Sharing Agreement

Prior to the effective time of the redemption, Splitco, Liberty Media and Liberty Media LLC will enter into the Tax Sharing Agreement. The Tax Sharing Agreement generally allocates taxes, tax benefits, tax items, and tax-related losses between Liberty Media and Splitco in a manner consistent with the tax sharing policies of Liberty Media in effect prior to the Split-Off, with taxes, tax benefits, tax items, and tax-related losses attributable to the assets, liabilities and activities of the Interactive Group being allocated to Liberty Media and taxes, tax benefits, tax items, and tax-related losses attributable to the assets, liabilities and activities of the Capital Group and the Starz Group being allocated to Splitco. In addition, the Tax Sharing Agreement includes specific rules, not addressed by the Liberty Media tax sharing policies, related to the manner in which any taxes or tax-related losses arising from the Split-Off or the issuance of the Splitco Capital common stock and Splitco Starz common stock in connection with the Split-Off will be allocated between the parties and provides restrictive covenants intended to preserve the tax-free treatment of the Split-Off and prior transactions that have been effected by Liberty Media and its subsidiaries, including the LEI Split-Off, the News Exchange, the restructuring transaction involving Liberty Media and Liberty Media LLC that occurred on May 9, 2006 (the **Liberty Restructuring**), the reclassification and certain related restructuring transactions. The failure by a party to comply with its restrictive covenants may change the general allocation of taxes, tax benefits, tax items, or tax-related losses between the parties related to those transactions. The Tax Sharing Agreement also provides for the agreements between the parties related to the filing of tax returns, control of tax audits, cooperation on tax matters, retention of tax records, indemnification, and other tax matters.

References in this summary (i) to the terms "tax" or "taxes" mean U.S. federal, state, local and foreign taxes as well as any interest, penalties, additions to tax or additional amounts in respect of such taxes, (ii) to the term "Tax-related losses" refer to losses arising from the Split-Off and certain related restructuring transactions as a result of (x) the failure of such transactions to be tax-free or (y) the stock of Liberty Media or Splitco not being treated as stock of Liberty Media or Splitco, respectively, or being treated as Section 306 stock within the meaning of Section 306(c) of the Code, for U.S. federal income tax purposes, (iii) to the term "LEI Tax-related losses" refer to losses arising from the failure of the LEI Split-Off and related restructuring transactions to be tax-free, and (iv) to the term "News Tax-related losses" refer to losses arising from the failure of the News Exchange and related restructuring transactions to be tax-free. In addition, references to the "Liberty Media group" mean, following the effective time of the Split-Off, Liberty Media and its subsidiaries; and references to the "Liberty Media business" generally mean:

- with respect to any tax year (or portion thereof) ending at or before the effective time of the Split-Off, the assets, liabilities and businesses that were tracked during such tax year (or portion thereof), and only for so long as so tracked, by the Liberty Interactive common stock, and for periods ending prior to May 9, 2006, the assets, liabilities and businesses of, and any equity or debt interests in, QVC, Inc., Provide Commerce, Inc. and their respective subsidiaries; and

- with respect to any tax year (or portion thereof) beginning after the effective time of the Split-Off, the assets, liabilities, and businesses of the Liberty Media group.

References to the "Splitco group" mean, following the effective time of the Split-Off, Splitco and its subsidiaries; and references to "Splitco's business" generally mean, (x) with respect to any tax year (or portion thereof) ending at or before the effective time of the Split-Off, the assets, liabilities and businesses of Liberty Media (or its predecessor, Liberty Media LLC) and their respective subsidiaries (other than the Liberty Media business), and (y) with respect to any tax year (or portion thereof) beginning after the effective time of the Split-Off, the assets, liabilities, and businesses of the Splitco group.

Splitco and its eligible subsidiaries currently join with Liberty Media in the filing of a consolidated return for U.S. federal income tax purposes and also join with Liberty Media in the filing of certain consolidated, combined, and unitary returns for state, local, and foreign tax purposes. However, generally for tax periods beginning after the Split-Off, Splitco and the members of its group will not join with Liberty Media in the filing of federal, state, local or foreign consolidated, combined or unitary tax returns.

Under the Tax Sharing Agreement, Liberty Media is liable for the taxes (determined without regard to tax benefits) allocated to it, as reduced first by any tax benefits allocated to it and then by any tax benefits allocated to Splitco (to the extent such benefits are not first used by Splitco), and must pay such taxes, as so reduced, to the applicable tax authority or to Splitco (if Splitco is responsible for preparing the applicable tax return), and Liberty Media is liable for paying Splitco for any tax benefits allocated to Splitco that are used by Liberty Media to reduce the taxes allocated to it. Similarly, Splitco is liable for the taxes (determined without regard to tax benefits) allocated to Splitco, as reduced first by any tax benefits allocated to it and then by any tax benefits allocated to Liberty Media (to the extent such benefits are not first used by Liberty Media), and must pay such taxes, as so reduced, to the applicable tax authority or to Liberty Media (if Liberty Media is responsible for preparing the applicable tax return), and Splitco is liable for paying Liberty Media for any tax benefits allocated to Liberty Media that are used by Splitco to reduce the taxes allocated to it.

Generally, taxes (determined without regard to tax benefits) for any tax year (or portion thereof) shall be allocated between Splitco and Liberty Media in proportion to the taxable income or other applicable items of the Splitco business and the Liberty Media business that contribute to such taxes, and tax benefits shall be allocated between Splitco and Liberty Media in proportion to the losses, credits or other applicable items of the Splitco business and the Liberty Media business that contribute to such tax benefits. Tax items attributable to the Splitco business that are carried forward or back and used as a tax benefit in another tax year generally shall be allocated to Splitco, and tax items attributable to the Liberty Media business that are carried forward or back and used as a tax benefit in another tax year shall be allocated to Liberty Media. Special allocation rules apply, however, as follows:

- Liberty Media shall be allocated any taxes and Tax-related losses that result from the Split-Off and certain related restructuring transactions (other than a portion of any transfer taxes as described below), except that Splitco shall be allocated any such taxes or Tax-related losses that (i) result primarily from, individually or in the aggregate, a breach by Splitco of any of its restrictive covenants described below, (ii) result from the Splitco Capital common stock or the Splitco Starz common stock not being treated as stock of Splitco, or being treated as Section 306 stock within the meaning of Section 306(c) of the Code, for U.S. federal income tax purposes; (iii) result from the Liberty Interactive common stock, the Liberty Capital common stock, or the Liberty Starz common stock not being treated as stock of Liberty Media, or being treated as Section 306 stock within the meaning of Section 306(c) of the Code, for U.S. federal income tax purposes, (iv) result from Section 355(e) of the Code applying to the Split-Off as a result of the Split-Off being part of a plan (or series of related transactions) pursuant to which one or more persons acquire a 50-percent or greater interest (measured by vote or value) in the stock of Splitco or (v) result from deferred intercompany items or excess loss accounts that are triggered by the Split-Off, and that would otherwise be allocated to Splitco; provided, however, that Splitco shall not be allocated any such taxes or Tax-related losses pursuant to clause (ii) or (iii) to the extent that such taxes or Tax-related losses result primarily from, individually or in the aggregate, a breach by Liberty Media of any of its restrictive covenants described below;

- Splitco shall be allocated any taxes and LEI Tax-related losses resulting from the LEI Split-Off and related restructuring transactions, except that Liberty Media shall be allocated any such taxes or LEI Tax-related losses that result primarily from, individually or in the aggregate, a breach by Liberty Media of any of its restrictive covenants described below;

- Splitco shall be allocated any taxes and News Tax-related losses resulting from the News Exchange and related restructuring transactions, except that Liberty Media shall be allocated any such taxes or News Tax-related losses that result primarily from, individually or in the aggregate, a breach by Liberty Media of any of its restrictive covenants described below;

- Splitco shall be allocated any taxes and losses resulting from (i) the treatment of the Liberty Interactive common stock, the Liberty Capital common stock, the Liberty Starz common stock or the Liberty Entertainment common stock as other than stock of Liberty Media, or as Section 306 stock within the meaning of Section 306(c) of the Code, in any taxable period (or portion thereof) ending at or before the Split-Off, (ii) the actual or deemed disposition of any assets caused by the issuance of the Liberty Interactive common stock, the Liberty Capital common stock, the Liberty Starz common stock or the Liberty Entertainment common stock in any taxable period (or portion thereof) ending at or before the Split-Off, (iii) the treatment of the Splitco Capital common stock or the Splitco Starz common stock as other than stock of Splitco, or as Section 306 stock within the meaning of Section 306(c) of the Code, or (iv) the actual or deemed disposition of any assets caused by the issuance of the Splitco Capital common stock or the Splitco Starz common stock; provided, however, that Liberty Media shall be allocated any such taxes or losses that (x) result primarily from, individually or in the aggregate, a breach by Liberty Media of any of its restrictive covenants described below, or (y) result from deferred intercompany items or excess loss accounts that are triggered thereby, and that would otherwise be allocated to Liberty Media;

- Liberty Media shall be allocated any tax benefit that results from the carryback of a tax item that is otherwise allocated to Splitco during a tax year beginning after the effective time of the Split-Off to a tax return that Liberty Media is responsible for filing for a tax year beginning before the Split-Off to the extent (and only to such extent) that such carryback increases the taxes or reduces the tax benefits that would otherwise be allocable to Liberty Media;

- Liberty Media shall be allocated all taxes and tax items resulting from an aggregate of approximately $846.2 million in net taxable income to be recognized ratably in tax years 2014 through 2018 as a result of the cancellation in April 2009 of $400 million in principal amount of the 4% Senior Exchangeable Debentures due 2029 issued by Liberty Media LLC and $350 million in principal amount of the $3^3/4$% Senior Exchangeable Debentures due 2030 issued by Liberty Media LLC and the cancellation in March 2009 of $10 million in principal amount of the $3^1/4$% Senior Exchangeable Debentures due 2031 issued by Liberty Media LLC;

- for any tax year or portion thereof ending at or before the effective time of the Split-Off, (x) taxes and tax items arising from the issuance, vesting, exercise or settlement of any Compensatory Equity Interests with respect to any series of Liberty Interactive common stock or in any entity owned directly or indirectly by Liberty Media prior to the Split-Off (other than Live Nation Entertainment, Inc.) that is or was tracked by the Liberty Interactive common stock or any entity acquired, directly or indirectly, by Liberty Media following the Split-Off (each, an **Interactive Entity**) shall be allocated to Liberty Media; (y) taxes and tax items arising from the issuance, vesting, exercise or settlement of any Compensatory Equity Interests with respect to any class or series of Liberty Media stock (other than any series of Liberty Interactive common stock) or in any entity (including DIRECTV, Discovery, LGI, and Ascent Media Corporation) other than Liberty Media or any Interactive Entity shall be allocated to Splitco, and (z) any other taxes or tax items related to employee, independent contractor or director compensation or employee benefits shall be allocated to Liberty Media to the extent that the Liberty Media business is or was responsible for the underlying obligation and to Splitco to the extent that the Splitco business is or was responsible for the underlying obligation;

- for any tax year or portion thereof beginning after the effective time of the Split-Off, (x) taxes and tax items arising from the issuance, vesting, exercise or settlement of any Compensatory Equity Interests with respect to any class or series of Liberty Media stock or in any Interactive Entity shall be allocated to Liberty Media; (y) taxes and tax items arising from the issuance, vesting, exercise or settlement of any Compensatory Equity Interests with respect to any class or series of Splitco stock or in any entity (including DIRECTV, Discovery, LGI, and Ascent Media Corporation) other than Liberty Media or any Interactive Entity shall be allocated to Splitco, and (z) any other taxes or tax items related to employee, independent contractor or director compensation or employee benefits shall be allocated to Liberty Media to the extent that the Liberty Media business is or was responsible for the underlying obligation and to Splitco to the extent that the Splitco business is or was responsible for the underlying obligation;

- any alternative minimum federal tax credit shall be allocated between Splitco and Liberty Media in a manner that offsets the excess of the net payments previously made between the parties with respect to the tax return in which the corresponding alternative minimum federal tax liability was reported and the net payments that would have been made between the parties if no alternative minimum federal tax liability had been owed with respect to such tax return (treating any payment received as a negative amount of net payments made for this purpose);

- Liberty Media shall be allocated any taxes or tax items of BUYSEASONS, Inc., Backcountry.com, Inc., Bodybuilding.com, LLC, Celebrate Express, Inc, Celebrate Interactive, Inc., Lockerz, LLC and each of their respective subsidiaries for any tax period (or portion thereof) ending on or prior to the date such entity was acquired, directly or indirectly, by Liberty Media;

- for any tax period (whether beginning before, at or after the effective time of the Split-Off), taxes and tax items of any subsidiary that is acquired, directly or indirectly, after the Split-Off by any member of the Splitco group or by any member of the Liberty Media group shall generally be allocated to Splitco or Liberty Media, respectively;

- Liberty Media and Splitco shall each be allocated 50 percent of any transfer taxes arising from the Split-Off and related restructuring transactions; and

- Splitco shall be allocated all taxes, tax items, losses and payments attributable to Liberty Media LLC's tax sharing agreement with, among others, AT&T and Liberty Media LLC's tax sharing agreements with each of DHC and LMI.

Payments will initially be made between Liberty Media and Splitco on the basis of the tax returns as filed, or if the tax is not reported on a tax return, on the basis of the amount of tax initially paid to the tax authority. Additional payments will then be made if additional taxes are subsequently paid, refunds or tax benefits are subsequently received or utilized, or the amount or character of any tax item is adjusted or redetermined. Payments that are not made within the time period prescribed by the Tax Sharing Agreement will bear interest until they are made.

Liberty Media will be responsible for preparing and filing all tax returns for any tax year beginning on or before the date of the Split-Off which include tax items allocable to both Splitco's business and Liberty Media's business, and any tax returns for any tax year beginning after the date of the Split-Off that includes one or more members of the Splitco group and the Liberty Media group. In addition, for any tax year beginning on or before the date of the Split-Off, Liberty Media will be responsible for preparing and filing any tax returns that include only tax items allocable to Liberty Media's business, and Splitco will be responsible for preparing and filing any tax returns that include only tax items allocable to Splitco's business, and for any tax year beginning after the date of the Split-Off, Liberty Media will be responsible for preparing and filing any tax returns that include only one or more members of the Liberty Media group, and Splitco will be responsible for preparing and filing any tax returns that include only one or more members of the Splitco group.

On any tax return that Splitco is responsible for preparing and filing, Splitco may not take (and shall cause the members of the Splitco group not to take) any position that it knows, or reasonably should know, would adversely affect the Liberty Media group (unless the failure to take such position would be contrary to applicable law), and Splitco and the members of the Splitco group must allocate tax items between any tax returns for which Splitco is responsible and any related tax return for which Liberty Media is responsible that are filed with respect to the same tax year in a manner that is consistent with the reporting of such tax items on the tax return prepared by Liberty Media. Splitco has also agreed to make any applicable elections under applicable tax law necessary to effect such allocation. Splitco's ability to obtain a refund from the carryback of a tax benefit that is allocable to Splitco's business in a tax year beginning after the Split-Off to a tax return for which Liberty Media is responsible for preparing in a tax year beginning prior to the Split-Off will be at the discretion of Liberty Media. Moreover, any refund that Splitco may obtain will be net of any portion of such tax benefit that is allocated to Liberty Media under the special allocation rules described above.

Liberty Media will generally have the authority to respond to and control all tax proceedings, including tax audits, involving any taxes reported on tax returns for which Liberty Media is responsible for preparing and filing, and Splitco will have the right to participate, at Splitco's own cost and expense, in such tax proceedings to the extent they involve taxes or tax benefits allocable to Splitco. Splitco will generally have the authority to respond to and control all tax proceedings, including tax audits, involving any taxes reported on tax returns for which Splitco is responsible for preparing and filing, and Liberty Media will have the right to participate, at its own cost and expense, in such tax proceedings to the extent they involve taxes or tax benefits allocable Liberty Media. Notwithstanding the foregoing, Liberty Media and Splitco will have the authority to jointly control all proceedings, including tax audits, involving any taxes or certain tax-related losses arising from the Split-Off, the LEI Split-Off, the News Exchange, or the issuance of any of Liberty Media's or Splitco's tracking stocks, and Splitco will have the authority to control all proceedings, including tax audits, involving any liabilities arising under Liberty Media LLC's tax sharing agreement with, among others, AT&T and Liberty Media LLC's tax sharing agreements with each of DHC and LMI. The Tax Sharing Agreement further provides for the exchange of information for tax matters (and confidentiality protections related to such exchanged information), the retention of records that may affect the tax liabilities of the parties to the agreement, and cooperation between Liberty Media and Splitco with respect to tax matters and in obtaining any supplemental private letter ruling from the IRS related to the Split-Off that may be reasonably requested by a party.

To the extent permitted by applicable tax law, Splitco and Liberty Media will treat any payments made under the Tax Sharing Agreement as a capital contribution or distribution (as applicable) immediately prior to the Split-Off. However, if any payment causes, directly or indirectly, an increase in the taxable income of the recipient (or its group), the payor's payment obligation will be grossed up to take into account the taxes owed by the recipient (or its group).

Finally, each of Liberty Media and Splitco will be restricted by certain covenants related to the Split-Off, the LEI Split-Off, the News Exchange, the Liberty Restructuring, the reclassification and related restructuring transactions. These restrictive covenants require that none of Liberty Media, Splitco, any member of their respective groups, or any of their respective affiliates take, or fail to take, any action following the Split-Off if such action, or failure to act:

- would be inconsistent with or prohibit certain restructuring transactions related to the Split-Off from qualifying for tax-free treatment for U.S. federal income tax purposes to Liberty Media and each of its subsidiaries immediately prior to the Split-Off;

- would be inconsistent with or prohibit the Split-Off from qualifying as a tax-free transaction under Sections 355, 368(a) and 361 of the Code to Liberty Media, Splitco, each of their respective subsidiaries at the time of the Split-Off, and the holders of Liberty Capital common stock and Liberty Starz common stock who receive shares of Splitco stock pursuant to the Split-Off;

- would be inconsistent with or prohibit the LEI Split-Off from qualifying as a tax-free transaction under Sections 355, 368(a) and 361 of the Code to Liberty Media, each of its subsidiaries immediately prior to the LEI Split-Off and the holders of Liberty Entertainment common stock who received shares of LEI common stock pursuant to the LEI Split-Off (except with respect to cash received in lieu of fractional shares);

- would be inconsistent with or prohibit the News Exchange and certain related restructuring transactions from qualifying as tax-free transactions under Sections 355, 368(a) and/or 361 of the Code to News Corporation and each of its subsidiaries immediately prior to the News Exchange and Liberty Media and each of its subsidiaries on February 27, 2008;

- would be inconsistent with or prohibit the Liberty Restructuring from qualifying as a tax-free transaction under Section 368(a)(1)(F) to Liberty Media, Liberty Media LLC, each of their respective subsidiaries immediately prior to the Liberty Restructuring and the former holders of Liberty Media LLC stock who received stock of Liberty Media pursuant to the Liberty Restructuring (except with respect to cash received in lieu of fractional shares);

- would be inconsistent with or prohibit the reclassification from qualifying as a tax-free transaction under Section 368(a)(1)(E) to Liberty Media, each of its subsidiaries immediately prior to the reclassification, and the Liberty Media shareholders who received stock of Liberty Media pursuant to the reclassification;

- would be inconsistent with, or otherwise cause any person to be in breach of, any representation, covenant, or material statement made in connection with obtaining any private letter ruling (if applicable) or tax opinion relating to the U.S. federal income tax consequences of the Split-Off, the LEI Split-Off, the News Exchange, the Liberty Restructuring or the reclassification; or

- would be inconsistent with, or otherwise cause any person to be in breach of, any representation or covenant made in the tax sharing agreement entered into with LEI in connection with the LEI Split-Off or the tax matters agreement entered into with News Corporation in connection with the News Exchange.

Further, each party will be restricted from taking any position for tax purposes that is inconsistent with the Ruling or the tax opinions obtained in connection with the Split-Off.

The parties must indemnify each other for taxes and losses allocated to them under the Tax Sharing Agreement and for taxes and losses arising from a breach by them of their respective covenants and obligations under the Tax Sharing Agreement. Liberty Media also assigns its indemnification payment and related rights under its tax sharing agreement with LEI and its tax matters agreement with News Corporation to Splitco to the extent those rights relate to taxes or losses allocated to Splitco under the Tax Sharing Agreement that Splitco has paid. In addition, Liberty Media LLC assigns all of its indemnification payment and related rights under its tax sharing agreement with, among others, AT&T and its tax sharing agreements with each of DHC and LMI to Splitco with respect to any liability for taxes, tax items, losses or payments allocated to Splitco under the Tax Sharing Agreement that Splitco has paid.

Notwithstanding the Tax Sharing Agreement, under U.S. Treasury Regulations, each member of a consolidated group is severally liable for the U.S. federal income tax liability of each other member of the consolidated group. Accordingly, with respect to periods prior to the Split-Off in which Splitco (or its subsidiaries) have been included in Liberty Media's consolidated group or another company's consolidated group, Splitco (or its subsidiaries) could be liable to the U.S. government for any U.S. federal income tax liability incurred, but not discharged, by any other member of such consolidated group. However, if any such liability were imposed, Splitco would generally be entitled to be indemnified by Liberty Media for tax liabilities allocated to Liberty Media under the Tax Sharing Agreement.

This summary is qualified by reference to the full text of the Tax Sharing Agreement, a form of which will be filed as an exhibit to the registration statement of which this proxy/prospectus will form a part.

Relationships Between Liberty Media and Related Persons

Under Liberty Media's Code of Business Conduct and Ethics and Corporate Governance Guidelines, if a director has an actual or potential conflict of interest (which includes being a party to a proposed "related party transaction" (as defined by Item 404 of Regulation S-K)), the director should promptly inform the chief executive officer and the chairman of the independent committee of the Liberty Media board designated by the Liberty Media board to address such actual or potential conflicts. Directors should recuse themselves from any discussion or decision by the Liberty Media board or a Liberty Media board committee that involves or affects their personal, business or professional interests. An independent committee of the Liberty Media board designated by the Liberty Media board will resolve any conflict of interest issue involving a director or the chief executive officer or any other executive officer of Liberty Media. No related party transaction may be effected by Liberty Media without the approval of the independent committee of the Liberty Media board designated by the Splitco board to address such actual or potential conflicts. When the potential conflict or transaction involves an executive officer, the audit committee is the independent committee charged with this duty. When the potential conflict or transaction involves a director, a committee of the disinterested independent directors is the independent committee charged with this duty.

Each of the following transactions was approved in advance by an independent committee of the Liberty Media board in accordance with the foregoing.

Lockerz

In February 2009, LMC Lockerz, LLC (**LMC Lockerz**), a wholly-owned subsidiary of Liberty Media, and Kathy Savitt formed Lockerz, LLC (**Lockerz**), a Delaware limited liability company, which is engaged in the business of creating and operating a destination e-commerce, content and community website aimed primarily at teenagers and "Tweens." In November 2009, Gregory B. Maffei, Chief Executive Officer and a director of Liberty Media and Splitco, invested $2.86 million in Lockerz for an approximate 24.2% aggregate equity interest in Lockerz. In January 2010, Mr. Maffei made an additional capital contribution of approximately $857,143 in Lockerz. In March 2010, Mr. Maffei made an additional capital contribution of $571,428. All of these investments by Mr. Maffei in Lockerz were made on the same terms as those provided to LMC Lockerz. On May 28, 2010, Lockerz was restructured in connection with an investment by Kleiner Perkins, and Lockerz, Inc. was formed as the new parent company. As of September 30, 2010, Mr. Maffei owned approximately 20.59% of Lockerz, Inc. and LMC Lockerz, KPCB Holdings, Inc., and Ms. Savitt owned the remaining 51.48%, 20.45% and 7.48% interests, respectively. Mr. Maffei is also a director on the board of Lockerz.

Right Start

In May 2009, LMC Right Start, Inc., a wholly-owned subsidiary of Liberty Media, acquired substantially all of the assets of Right Start Acquisition Company and Babystyle, Inc. as the winning bidder in a bankruptcy auction process (**Right Start Investment**). In September 2009, Liberty Media approved a consulting arrangement related to the Right Start Investment with John Maffei, the brother of Gregory B. Maffei, Chief Executive Officer and a director of Liberty Media and Splitco. As part of the consulting arrangement, John Maffei received a finder's fee of $150,000 plus a payment of $20,000 per month for a total of five months. The consulting arrangement also included a release of claims by John Maffei against the company and a non-competition covenant.

Mediabids

From January 1, 2009 through December 31, 2009 and January 1, 2010 through September 30, 2010, Provide Commerce, Inc., a wholly owned subsidiary of Liberty Media, paid a total of approximately $160,870 and $276,180, respectively, for the placement of print advertisements by Mediabids, Inc., a company that operates a website for buying and selling newspaper and magazine print advertising (**Mediabids**). Jedd Gould, son of Paul Gould who was a director of Liberty Media through August 7, 2009, holds a 68% ownership interest in and is a Director and President of Mediabids, and Beth Gould, daughter of Paul Gould, holds a 30% interest in and is a Director and Vice-President of Mediabids.

ADDITIONAL INFORMATION

Legal Matters

Legal matters relating to the validity of the securities to be issued in the Split-Off will be passed upon by Baker Botts L.L.P. Legal matters relating to the material U.S. federal income tax consequences of the Split-Off will be passed upon by Baker Botts L.L.P.

Experts

Liberty Splitco, Inc.

The combined balance sheets of Liberty Splitco, Inc. (as defined in note 1) as of December 31, 2009 and 2008, and the related combined statements of operations, comprehensive earnings, cash flows and parent's investment for each of the years in the three-year period ended December 31, 2009 have been included herein in reliance upon the report, dated October 18, 2010, of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

Liberty Media

The consolidated balance sheets of Liberty Media and its subsidiaries as of December 31, 2009 and 2008, and the related consolidated statements of operations, comprehensive earnings, cash flows and stockholders' equity for each of the years in the three-year period ended December 31, 2009 have been incorporated by reference herein in reliance upon the report, dated February 25, 2010, of KPMG LLP, independent registered public accounting firm, and upon the authority of said firm as experts in accounting and auditing.

Expedia, Inc.

The consolidated financial statements of Expedia, Inc. at December 31, 2009 and 2008, and for each of the three years in the period ended December 31, 2009, incorporated by reference in the Proxy Statement of Liberty Media Corporation, which is referred to and made a part of this Prospectus and Registration Statement, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon, included therein, and incorporated herein by reference, in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

Stockholder Proposals

Liberty Media

Liberty Media currently expects that its annual meeting of stockholders for the calendar year 2011 will be held during the second quarter of 2011. In order to be eligible for inclusion in Liberty Media's proxy materials for the 2011 annual meeting, any stockholder proposal must have been submitted in writing to Liberty Media's Corporate Secretary and received at Liberty Media's executive offices at 12300 Liberty Boulevard, Englewood, Colorado 80112, by the close of business on [January 1, 2011] unless a later date is determined and announced in connection with the actual scheduling of the annual meeting. To be considered for presentation at the 2011 annual meeting, any stockholder proposal must have been received at Liberty Media's executive offices at the foregoing address on or before the close of business on [April 26, 2011] or such later date as may be determined and announced in connection with the actual scheduling of the annual meeting.

All stockholder proposals for inclusion in Liberty Media's proxy materials will be subject to the requirements of the proxy rules adopted under the Exchange Act and, as with any stockholder (regardless of whether it is included in Liberty Media's proxy materials), Liberty Media's charter and bylaws and Delaware law.

Splitco

Splitco's first annual meeting of stockholders is currently expected to be held during the second quarter of 2011. In order to be eligible for inclusion in Splitco's proxy materials for its first annual meeting, any stockholder proposal must have been submitted in writing to Splitco's Corporate Secretary and received at Splitco's executive offices at 12300 Liberty Boulevard, Englewood, Colorado 80112, by the close of business on [ ], [2011], unless a later date is determined and announced in connection with the actual scheduling of the annual meeting. To be considered for presentation at Splitco's first annual meeting, any stockholder proposal must have been received at Splitco's executive offices at the foregoing address on or before the close of business on [ ], [2011], or such later date as Splitco may determine and announce in connection with the actual scheduling of the annual meeting.

All stockholder proposals for inclusion in Splitco's proxy materials will be subject to the requirements of the proxy rules adopted under the Exchange Act and, as with any stockholder proposal (regardless of whether it is included in Splitco's proxy materials), the Splitco charter and bylaws and Delaware law.

Where You Can Find More Information

Splitco has filed with the SEC a registration statement on Form S-4 under the Securities Act with respect to the shares of common stock of Splitco to be offered by this proxy statement/prospectus. This proxy statement/prospectus, which forms a part of the registration statement, does not contain all the information that will be included in the registration statement and the exhibits thereto. You should refer to the registration statement, including its exhibits and schedules, for further information about Splitco and the securities being offered hereby.

Liberty Media is, and Splitco will become, subject to the information and reporting requirements of the Exchange Act. In accordance with the Exchange Act, Liberty Media files, and Splitco will file, periodic reports and other information with the SEC. You may read and copy any document that Liberty Media or Splitco files at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at (800) SEC-0330. You may also inspect such filings on the Internet website maintained by the SEC at *www.sec.gov*. Additional information can also be found on Liberty Media's website at *www.libertymedia.com*. (Information contained on any website referenced in this proxy statement/prospectus is not incorporated by reference in this proxy statement/prospectus.) In addition, copies of Liberty Media's Annual Report on Form 10-K for the year ended December 31, 2009, or any of the exhibits listed therein, or copies of documents filed by Liberty Media or Splitco with the Securities and Exchange Commission are also available by contacting Liberty Media by writing or telephoning the office of Investor Relations:

Liberty Media Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112
Telephone: (720) 875-5408

The Securities and Exchange Commission allows Liberty Media to "incorporate by reference" information into this document, which means that Liberty Media can disclose important information about itself to you by referring you to other documents. The information incorporated by reference is an important part of this proxy statement/prospectus, and is deemed to be part of this document except for any information superseded by this document or any other document incorporated by reference into

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this document. Documents incorporated by reference herein will be made available to you, at no cost, upon your oral or written request to the Investor Relations office. Any statement, including financial statements, contained in Liberty Media's Annual Report on Form 10-K for the year ended December 31, 2009 shall be deemed to be modified or superseded to the extent that a statement, including financial statements, contained in this proxy statement/prospectus or in any other later incorporated document modifies or supersedes that statement. Liberty Media incorporates by reference the documents listed below and any future filings it makes with the Securities and Exchange Commission under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (other than any report or portion thereof furnished or deemed furnished under any Current Report on Form 8-K) prior to the date on which the special meeting is held:

(File No. 001-33982)	Period
Annual Report on Form 10-K	Fiscal year ended December 31, 2009, filed on February 25, 2010.
Proxy Statement on Schedule 14A	Filed on April 30, 2010.
Current Reports on Form 8-K	Filed on [January 3, 2011, December 2, 2010, November 12, 2010, November 10, 2010, September 20, 2010, September 13, 2010, September 3, 2010, August 10, 2010, August 9, 2010, June 28, 2010, June 21, 2010, May 21, 2010, May 7, 2010, April 29, 2010, Februrary 25, 2010.]
Quarterly Reports on Form 10-Q	Filed on May 7, 2010, August 9, 2010 and November 5, 2010.

Annex A

DESCRIPTION OF SPLITCO BUSINESS

Splitco is currently a wholly-owned subsidiary of Liberty Media. The common stock of Splitco will be divided into two tracking stocks, one tracking assets attributed to the Capital Group and the other tracking assets attributed to the Starz Group. A tracking stock is a type of common stock that the issuing company intends to reflect or "track" the economic performance of a particular business or "group," rather than the economic performance of the company as a whole. While the Capital Group and the Starz Group have separate collections of businesses, assets and liabilities attributed to them, no group is a separate legal entity and therefore cannot own assets, issue securities or enter into legally binding agreements. Holders of tracking stocks have no direct claim to the group's stock or assets and are not represented by separate boards of directors. Instead, holders of tracking stock are stockholders of the parent corporation, with a single board of directors and subject to all of the risks and liabilities of the parent corporation.

Prior to the split-off, Liberty Media will effect an internal restructuring (the**internal restructuring**), following which the businesses and ownership interests described below will be held by Splitco. As of the redemption date, Splitco will be a holding company which, through ownership of interests in subsidiaries and other companies, will be primarily engaged in the video, media and communications businesses.

The following description of Splitco's businesses assumes that the internal restructuring has been completed.

Starz Group

Starz Entertainment, LLC

Starz Entertainment, LLC (**Starz Entertainment**), a wholly-owned subsidiary, provides premium movie networks and programming distributed by cable operators, direct-to-home satellite providers, telephone companies, other distributors and the Internet in the United States. Starz Entertainment's principal service offerings are (1) Starz, which is primarily a first-run movie service that generally includes Starz plus five multiplex channels branded with the Starz name, each of which exhibits movies targeted to a specific audience and (2) Encore, which airs first-run movies and classic contemporary movies and generally includes six additional thematic multiplex channels branded with the Encore name, each of which exhibits movies based upon individual themes. Starz can be purchased by subscribers as an à-la-carte premium service for which subscribers pay a separate monthly charge. Distributors may also package Starz with other premium services. Encore can be purchased by subscribers as part of a digital package, which includes other movie services or a variety of general entertainment digital networks. Distributors may also sell Encore on an à-la-carte basis or packaged with Starz. Starz Entertainment's services also include MoviePlex, a "theme by day" channel featuring a different thematic multiplex channel each day, on a weekly rotation; IndiePlex, featuring art house and independent films; RetroPlex, featuring "classic" movies; Starz On Demand; Encore on Demand; MoviePlex On Demand; high definition feeds of several Starz and Encore channels and high definition versions of each of Starz On Demand, Encore On Demand and MoviePlex On Demand. Starz Entertainment also offers Starz Online, Encore Online and Starz Play which are Internet complements to Starz and Encore, to cable and telephone companies who offer high speed services and other distributors. As of September 30, 2010, Starz Entertainment had 17.4 million subscribers to its linear Starz channels and 32.0 million subscribers to its linear Encore channels. The Starz subscriber numbers do not include subscribers who receive Starz programming over the Internet.

Programming networks, such as Starz, distribute their services through a number of distribution technologies, including cable television, direct-to-home satellite, broadcast television, telephone networks and the Internet. Programming services may be delivered to subscribers as part of a video distributor's analog or digital package of programming services for a fixed monthly fee, or may be delivered individually as a "premium" programming service for a separate monthly charge. Premium services may be scheduled or "on-demand." Additionally, single programs or movies may be delivered on a pay-per-view basis for a per program fee. Whether a programming service is basic, premium or pay-per-view, the programmer generally enters into separate multi-year affiliation agreements with those distributors that agree to carry the service. Programmers may also provide their pay-per-view and subscription on-demand services directly to consumers via the Internet. Basic programming services derive their revenue principally from the sale of advertising time on their networks and from per subscriber license fees received from distributors. Their continued ability to generate both advertising revenue and subscriber license fees is dependent on these services' ability to maintain and renew their affiliation agreements. Premium and pay-per-view services do not sell advertising and primarily generate their revenue from subscriber fees.

The majority of Starz Entertainment's revenue is derived from the delivery of premium programming services comprised of movies and original programming to subscribers under affiliation agreements with cable operators, direct broadcast satellite operators and telephone companies, including Comcast Cable, DIRECTV, DISH Network, Time Warner Cable, Charter Communications, Cox Communications, Cablevision Systems, Insight Communications, Mediacom Communications, Verizon Communications, AT&T and the National Cable Television Cooperative. Some of Starz Entertainment's affiliation agreements provide for payments based on the number of subscribers that receive Starz Entertainment's services. Starz Entertainment also has affiliation agreements with certain of its customers pursuant to which those customers pay an agreed-upon rate regardless of the number of subscribers. These affiliation agreements generally provide for contractual rate increases or rate increases tied to the annual increase in the Consumer Price Index. Starz Entertainment's agreement with Comcast required Comcast to carry the Encore and Thematic Multiplex channels through February 2010 and required Comcast to carry Starz through December 2012. Starz Entertainment's other affiliation agreements expire between now and November 2016. For the nine months ended September 30, 2010 and the year ended December 31, 2009, 55% and 57%, respectively, of Starz Entertainment's total revenue was generated by its three largest customers, Comcast, DIRECTV, and DISH Network, each of which individually generated more than 10% of Starz Entertainment's revenue for such period.

The cost of acquiring rights to programming, including Internet rights, represents Starz Entertainment's largest expense. In order to exhibit theatrical motion pictures, Starz Entertainment enters into agreements to acquire rights from major motion picture producers including Hollywood Pictures, Touchstone Pictures, Miramax Films, Walt Disney Studios, Sony's Columbia Pictures, Screen Gems and Sony Pictures Classics. Starz Entertainment also has exclusive rights to air first-run output from Overture Films, a wholly owned subsidiary of Starz Media. These output agreements expire between 2012 and 2016.

Starz Entertainment uplinks its programming to five non-preemptible, protected transponders on three domestic satellites. Starz Entertainment leases its transponders under long-term lease agreements. At September 30, 2010, Starz Entertainment's transponder leases had termination dates ranging from 2018 to 2021. Starz Entertainment transmits to these transponders from its uplink center in Englewood, Colorado.

Starz Media, LLC

The operations of Starz Media, LLC (**Starz Media**), a wholly-owned subsidiary, include live-action theatrical film production and distribution, home video distribution, live-action television production and distribution, and theatrical and non-theatrical animation and are divided into the following business units: Overture Films, Anchor Bay Entertainment, Proprietary Productions, Film Roman, and Toronto Animation Studio.

Overture. Overture Films, a wholly-owned subsidiary of Starz Media, produces and acquires live action theatrical motion pictures for release domestically and throughout the world. Overture distributes its movies theatrically in the United States, and Anchor Bay Entertainment and Proprietary Productions perform home video and television distribution for Overture's movies in the United States. Overture has entered into distribution agreements with Paramount Vantage and Alliance Atlantis to distribute its product internationally to the extent Overture controls such rights. Overture's 2009 theatrical releases included *Sunshine Cleaning, Paper Heart, Capitalism: A Love Story, Law Abiding Citizen* and *The Men Who Stare at Goats*. In 2010, Overture has released two films, *The Crazies* and *Brooklyn's Finest* to a wide release (in excess of 1,900 screens). All of Overture's films will appear on Starz Entertainment's channels during their pay television windows.

Overture records revenue from the theatrical release of its films. The domestic box office receipts are divided between the theatrical exhibitors and Overture based upon contractual arrangements on a film-by-film basis. Paramount Vantage and Alliance Atlantis contract with foreign distributors and receive a distribution fee for their services. Overture records revenue related to Anchor Bay's distribution of its films net of a reserve for estimated future returns. Overture receives license fees from Starz Entertainment related to the pay television agreement that covers the appearance of Overture's films on Starz Entertainment's channels during their pay television windows. Fees are also earned from both domestic and foreign networks/basic cable channels related to the exploitation of the titles on free television. Other revenue sources include video on demand/pay-per-view, syndication and exploitation of the titles in a non-theatrical manner such as the Internet and airlines. Significant expenses related to Overture's films include the amortization of film acquisition and production costs and the theatrical print and advertising expenses related to the release of each film, as well as the home video manufacturing and related distribution and advertising expenses.

In the U.S., Overture incurs significant marketing, advertising and print costs before and during the theatrical release of a film in an effort to generate awareness of the film, to increase the consumer's intent to view the film, and to generate significant consumer interest in subsequent home video and other ancillary markets. These costs are expensed as incurred. Therefore, Starz Media incurs losses prior to theatrical release of a film. The foreign distributors are normally responsible for the marketing and advertising of films in each of their respective territories.

As of July 2010, the marketing and distribution units of Overture were transferred to Relativity Media, LLC (**Relativity**). As part of this arrangement, Relativity handled the theatrical release of Overture's final three films. The films in Overture's library will continue to be exploited, and the net margin earned on these films will be used to service the outstanding debt associated with these films. Splitco is currently evaluating strategic alternatives for the remaining Starz Media businesses. While a final decision has not been made regarding the future of Starz Media, Splitco does not expect it to incur annual operating losses in the future of the same magnitude that it has experienced in recent years given its decision with respect to Overture.

Anchor Bay. Starz Media's home video distribution business is operated through its Anchor Bay Entertainment subsidiary, utilizing the Anchor Bay and Manga brands, in the United States, Canada, United Kingdom and Australia. Anchor Bay distributes Overture titles, as well as Proprietary Production titles. Anchor Bay also acquires and licenses various titles for home video distribution from third parties. These titles are distributed through regional and national retailers, including Wal-Mart, Target and Best Buy. Generally, these retailers have the right to return unsold products.

Anchor Bay records its revenue net of an allowance for estimated future returns. Anchor Bay pays its licensors, generally on a quarterly basis, (i) a royalty based on a percentage of net sales of the licensed title, (ii) a profit participation based on the net profits (if any) of the licensed title or

(iii) retains a distribution fee and remits the net sales less contractually agreed to costs (e.g. manufacturing costs, pick, pack and ship costs, etc.) of the licensed title to the licensor. Anchor Bay markets and advertises each title prior to and during release generally through the use of a combination of television and other media related advertising and discounts, rebates and cooperative advertising with retailers depending on the specific genre or demographic appeal of the title.

Proprietary Productions. Proprietary Productions develops and produces proprietary live-action and animated content for television and direct-to-video/DVD distribution. Proprietary Productions has produced live-action productions for the Sci Fi Network, Independent Film Channel, Lifetime and other cable and broadcast networks. As noted above, Anchor Bay acts as the home video distributor for Proprietary Productions.

Proprietary Productions receives license fees from networks and basic/pay cable television channels, including Starz Entertainment, related to exploitation of its productions on free or pay television. The productions are also exploited via the Internet. Amortization of production costs represents Proprietary Productions' single largest operating expense.

Film Roman. Film Roman develops and produces 2D animated content on a for-hire basis for distribution theatrically and on television. Significant for-hire animation projects at Film Roman include *The Simpsons* TV series and two series for Marvel Entertainment. At its animation studio located in Toronto, Starz Media develops and produces 3D animated content on a for-hire and proprietary basis.

For-hire revenue is recognized for each project based on the percentage of costs incurred-to-date relative to the estimated total costs of the project. Revenue recognized is proportional to the work performed-to-date under the contracts.

Liberty Sports Interactive, Inc.

Liberty Sports Interactive, Inc., a wholly-owned subsidiary, develops, operates and licenses fantasy sports games, fantasy sports league-hosting software and fantasy sports content delivered via broadband, as well as providing free online games, information and entertainment for sports fans.

Capital Group

The Capital Group includes all of Splitco's businesses and assets that are not attributed to the Starz Group.

Atlanta National League Baseball Club, Inc.

Atlanta National League Baseball Club, Inc., (**ANLBC**), a wholly-owned subsidiary, owns and operates the Atlanta Braves Major League Baseball franchise. Turner Field, which is leased from the City of Atlanta and Fulton County Recreation Authority, is the home stadium of the Atlanta Braves. Turner Field is located just outside the downtown area of Atlanta and offers a range of activities and eateries for fans, from interactive gaming and cartoon characters to social gathering places such as the Braves Chop House.

ANLBC derives revenue from the sale of tickets for games played at Turner Field, as well as from game-day sales of concessions and other goods and services in and around Turner Field. ANLBC also derives substantial revenue from the sale of broadcasting rights to the Atlanta Braves baseball games. ANLBC has long-term local broadcasting agreements with Turner Broadcast System, Turner Regional Entertainment Network, Inc. and Sportsouth Network, Ltd., and through Major League Baseball (**MLB**), has entered into national broadcasting agreements with ESPN, Turner Broadcasting System, Inc. and Fox Sports.

As the owner of a MLB franchise, ANLBC must abide by rules promulgated by the MLB Commissioner and comply with MLB's constitution and bylaws. Under the MLB rules, each MLB franchise participates in the MLB Central Fund, which acts as a conduit of centrally derived revenue (primarily from national broadcast agreements) to the clubs. In addition, each franchise is required to share locally derived revenue with the other MLB franchises and their owners through MLB's revenue sharing plan. Also under the MLB rules, each MLB franchise is required to participate in and contribute to certain profit sharing initiatives, such as MLB Advanced Media L.P., MLB's interactive media and internet company which runs MLB's official website and all of the MLB teams' websites.

In addition to the Atlanta Braves, ANLBC owns and operates a baseball academy in the Dominican Republic and certain minor league baseball clubs.

TruePosition, Inc.

TruePosition, Inc. (**TruePosition**) is a wholly-owned subsidiary that develops and markets technology for locating wireless phones and other wireless devices enabling wireless carriers, application providers and other enterprises to provide E-911 services domestically and other location-based services to mobile users both domestically and worldwide. "E-911" or "Enhanced 911" refers to a Federal Communications Commission mandate requiring wireless carriers to implement wireless location capability. AT&T (formerly Cingular Wireless) began deploying TruePosition's technology in late 2002, and T-Mobile USA began deploying such technology in 2003. Both wireless carriers are deploying TruePosition's technology and using the technology for E-911. In addition, as of June 30, 2010, seven smaller wireless carriers and government agencies had deployed or are deploying TruePosition's technology.

TruePosition earns revenue from the sale of hardware and licensing of software required to generate location records for wireless phones and other wireless devices on a cellular network and from the design, installation, testing and commissioning of such hardware and software. In addition, TruePosition earns software maintenance revenue through the provision of ongoing technical and software support. TruePosition has contractual rights to earn additional revenue from its deployed product base if its customers use such deployed equipment to provide commercial services. However, to date, TruePosition has not earned any significant revenue from other location-based services. Substantially all of TruePosition's reported revenue through November 2006 was derived from AT&T. At that time, TruePosition amended its contract with AT&T to include, among other things, delivery of specified elements in the future. In accordance with the software revenue recognition rules under generally accepted accounting principles, TruePosition ceased recognition of certain revenue from AT&T pending delivery of the specified elements. Recognition of revenue earned from T-Mobile is similarly deferred pending delivery of specified elements, which to date have not been delivered.

TruePosition's location system is a passive network overlay system designed to enable mobile wireless service providers to determine the location of all network wireless devices, including cellular and PCS telephones. Using its patented uplink time difference of arrival (U-TDOA) and angle of arrival (AOA) technology, TruePosition's location system calculates the latitude and longitude of a designated wireless telephone or transmitter and forwards the information in real time to application software. TruePosition's offerings cover major wireless air interfaces including Time Division Multiple Access (TDMA), Advanced Mobile Phone System (AMPS), Code Division Multiple Access (CDMA) and Global System Mobile (GSM).

TruePosition is investing in the development of new location-based services and technologies through its subsidiaries Zoombak, Useful Networks and EmFinders. Zoombak has developed and sells Advanced GPS personal locator devices and services for tracking and locating cars, family, pets and other assets. Useful Networks develops and markets mobile location technology products to end users via the Internet and mobile carriers and provides cross-carrier location aggregation for both wireless carriers and content providers. EmFinders has developed and markets devices to be worn by persons with medical impairments, such as Alzheimer's disease, Down syndrome or autism, that can be used to locate and recover individuals if they wander off or become lost.

Sirius XM Radio Inc.

Splitco owns an approximate 40% ownership interest in SIRIUS XM Radio Inc. (**SIRIUS XM**), a domestic satellite radio company. SIRIUS XM broadcasts to subscribers over approximately 130 digital-quality channels, including more than 60 channels of 100% commercial-free music, plus exclusive channels of sports, news, talk, entertainment, traffic, weather and data through its two proprietary satellite radio systems—the Sirius system and the XM system. This unique listening experience is available to subscribers from coast-to-coast in the United States. The services can be used in cars, trucks, RVs, homes, offices, stores, and even outdoors. Boaters around the country, and up to 200 miles offshore, can also hear the SIRIUS XM programming. SIRIUS XM provides premium quality programming delivered by seven satellites orbiting directly over the United States (3 satellites provide service to the Sirius system and 4 satellites provide service to the XM system). In addition to the commercial-free music channels, SIRIUS XM's programming lineups also include 65 channels of sports, news, talk, entertainment, traffic, weather and data from such top names as Howard Stern, CNBC, CNN, Martha Stewart, Barbara Walters, Oprah Winfrey, BBC World Service, NPR and Radio Disney. Around-the-clock traffic and weather reports are provided for the top 20 US traffic markets.

Receivers are manufactured to meet the needs of all subscribers, and come in versions for cars, trucks, recreational vehicles, boats, aircraft, the home, offices, retail stores and for portable use. The receiver product line starts with portable and transportable Plug & Play radios and continues to high-end receivers complete with motorized touch-control display screens, as well as radios that are found in new cars and trucks.

Available in more than 20,000 retail locations, SIRIUS XM radios can be purchased at major national and regional retailers including Best Buy, Crutchfield, Costco, Target, Wal-Mart, Sam's Club and RadioShack. SIRIUS XM service is also available at heavy truck dealers and truck stops nationwide and SIRIUS XM has agreements with every major automaker.

As of December 31, 2009, Splitco owned $279 million principal amount of SIRIUS XM's public debt, as well as preferred stock of SIRIUS XM which is convertible into common stock representing approximately 40% of SIRIUS XM's fully diluted equity.

Live Nation Entertainment, Inc.

Splitco owns approximately 14.6% of Live Nation Entertainment, Inc. (**Live Nation**) outstanding common stock at September 30, 2010. Live Nation is considered the largest live entertainment company in the world and seeks to innovate and enhance the live entertainment experience for artists and fans: before, during and after the show. In 2009, Live Nation sold 140 million tickets, promoted 21,000 concerts, partnered with 850 sponsors and averaged 25 million unique monthly users of its e-commerce sites.

Live Nation is organized into five business segments: Concerts, Artist Nation, Ticketing, Sponsorship and E-Commerce. The Concerts segment involves the promotion of live music events globally in Live Nation's owned and/or operated venues and in rented third-party venues, the production of music festivals and the operation and management of music venues. The Artist Nation segment provides management services to artists and other services including merchandise, artist fan sites and VIP tickets. The Ticketing segment principally involves the management of Live Nation's ticketing operations. The Sponsorship segment manages the development of strategic sponsorship programs in addition to the sale of national and local sponsorships and placement of advertising including signage and promotional programs. The E-Commerce segment provides online access for customers relating to ticket sales and event information and is responsible for Live Nation's primary websites, www.livenation.com and www.ticketmaster.com.

Regulatory Matters

Programming Television Services

In the United States, the FCC regulates broadcasters, the providers of satellite communications services and facilities for the transmission of programming services, the cable television systems and other multichannel video programming distributors (**MVPDs**) that distribute such services, and, to some extent, the availability of the programming services themselves through its regulation of program licensing. Cable television systems in the United States are also regulated by municipalities or other state and local government authorities. Cable television systems are currently subject to federal rate regulation on the provision of basic service, except where subject to effective competition under FCC rules, which has become increasingly widespread. Continued rate regulation or other franchise conditions could place downward pressure on the fees cable television companies are willing or able to pay for programming services in which Splitco has interests. Regulatory carriage requirements also could adversely affect the number of channels available to carry the programming services in which Splitco has an interest.

Regulation of Program Licensing. The Cable Television Consumer Protection and Competition Act of 1992 (the**1992 Cable Act**) directed the FCC to promulgate regulations regarding the sale and acquisition of cable programming between MVPDs (including cable operators) and satellite-delivered programming services in which a cable operator has an attributable interest. The legislation and the implementing regulations adopted by the FCC preclude virtually all exclusive programming contracts between cable operators and satellite programmers affiliated with any cable operator (unless the FCC first determines that the contract serves the public interest) and generally prohibit a cable operator that has an attributable interest in a satellite programmer from improperly influencing the terms and conditions of sale to unaffiliated MVPDs. Further, the 1992 Cable Act requires that such affiliated programmers make their programming services available to cable operators and competing MVPDs such as multi-channel multi-point distribution systems (**MMDS**), and direct broadcast satellite (**DBS**) distributors on terms and conditions that do not unfairly discriminate among distributors. The Telecommunications Act of 1996 extended these rules to programming services in which telephone companies and other common carriers have attributable ownership interests. The FCC revised its program licensing rules by implementing a damages remedy in situations where the defendant knowingly violates the regulations and by establishing a timeline for the resolution of complaints, among other things. In 2007, the FCC extended the prohibition on exclusive programming contracts until 2012. In 2010, the FCC revised the program access rules to permit complainants to pursue program access claims involving terrestrially-delivered, cable-affiliated programming similar to the claims that they may pursue regarding satellite-delivered, cable-affiliated programming, where the purpose or the effect of a challenged act is to hinder significantly or prevent a complainant from providing satellite cable programming or satellite broadcast programming. Although Liberty Media no longer owns Liberty Cablevision of Puerto Rico Ltd. (**LCPR**), FCC rules attribute an ownership interest in LCPR to Liberty Media and to Splitco, thereby subjecting Splitco and satellite-delivered programming services in which Splitco has an interest to the program access rules. As explained below in "Other Regulation," Splitco is also subject to the program access rules as a condition of FCC approval of Liberty Media's transaction with News Corporation in 2008.

Regulation of Carriage of Programming. Under the 1992 Cable Act, the FCC has adopted regulations prohibiting cable operators from requiring a financial interest in a programming service as a condition to carriage of such service, coercing exclusive rights in a programming service or favoring affiliated programmers so as to restrain unreasonably the ability of unaffiliated programmers to compete.

Regulation of Ownership. The 1992 Cable Act required the FCC, among other things, (1) to prescribe rules and regulations establishing reasonable limits on the number of channels on a cable system that will be allowed to carry programming in which the owner of such cable system has an attributable interest and (2) to consider the necessity and appropriateness of imposing limitations on the degree to which MVPDs (including cable operators) may engage in the creation or production of video programming. In 1993, the FCC adopted regulations limiting carriage by a cable operator of national programming services in which that operator holds an attributable interest. However, in 2001, the United States Court of Appeals for the District of Columbia Circuit found that the FCC had failed to justify adequately the channel occupancy limit, vacated the FCC's decision and remanded the rule to the FCC for further consideration. In response to the Court's decision, the FCC issued further notices of proposed rulemaking in 2001 and in 2005 to consider channel occupancy limitations. Even if these rules were readopted by the FCC, they would have little impact on programming companies in which Splitco has interests based upon Splitco's current attributable ownership interests in cable systems. In its 2001 decision, the Court of Appeals also vacated the FCC's rule imposing a thirty percent limit on the number of subscribers served by systems nationwide in which a multiple system operator can have an attributable ownership interest. After conducting a further rulemaking regarding this ownership limitation, in 2007, the FCC again adopted a thirty percent limit on the number of subscribers served by a cable operator nationwide. However, the Court of Appeals again vacated the thirty percent limit in 2009.

Regulation of Carriage of Broadcast Stations. The 1992 Cable Act granted broadcasters a choice of must carry rights or retransmission consent rights. The rules adopted by the FCC generally provided for mandatory carriage by cable systems of all local full-power commercial television broadcast signals selecting must carry rights and, depending on a cable system's channel capacity, non-commercial television broadcast signals. Such statutorily mandated carriage of broadcast stations coupled with the provisions of the Cable Communications Policy Act of 1984, which require cable television systems with 36 or more "activated" channels to reserve a percentage of such channels for commercial use by unaffiliated third parties and permit franchise authorities to require the cable operator to provide channel capacity, equipment and facilities for public, educational and government access channels, could adversely affect some or substantially all of the programming services in which Splitco has interests by limiting the carriage of such services in cable systems with limited channel capacity. In 2007, the FCC adopted an order addressing cable operators' obligations to ensure that local broadcasters' primary video and program-related material are viewable by all subscribers following completion of the digital transition. The FCC's order allows cable operators to comply with the viewability requirements by carrying a broadcaster's digital signal in either analog format or digital format, provided that all subscribers have the necessary equipment to view the broadcast content. The viewability requirements extend to June 2012, and during 2011, the FCC will review the requirements based upon the state of technology and the marketplace.

Closed Captioning and Video Description Regulation. The Telecommunications Act of 1996 also required the FCC to establish rules and an implementation schedule to ensure that video programming is fully accessible to the hearing impaired through closed captioning. The rules adopted by the FCC require substantial closed captioning, with only limited exemptions. As a result, some of Splitco's businesses may incur additional costs for closed captioning.

A-La-Carte Proceeding. In 2004, the FCC's Media Bureau conducted a notice of inquiry proceeding regarding the feasibility of selling video programming services "à-la-carte," i.e. on an individual or small tier basis. The Media Bureau released a report in 2004, which concluded that à-la-carte sales of video programming services would not result in lower video programming costs for most consumers and that they would adversely affect video programming networks. In 2006, the Media Bureau released a new report which stated that the 2004 report was flawed and which concluded that à-la-carte sales could be in the best interests of consumers. Although the FCC's authority to mandate à-la-carte sales has been questioned, its endorsement of the concept could encourage Congress to consider proposals to mandate à-la-carte sales or otherwise seek to impose greater regulatory controls on how programming is sold by MVPDs. The programming companies whose services are distributed in tiers or packages of programming services would experience decreased distribution if à-la-carte carriage were mandated.

Copyright Regulation. Some of Splitco's businesses must obtain any necessary music performance rights from the rights holders. These rights generally are controlled by the music performance rights organizations of the American Society of Composers, Authors and Publishers (ASCAP), Broadcast Music, Inc. (BMI) and the Society of European Stage Authors and Composers (SESAC), each with rights to the music of various artists.

Satellites and Uplink. In general, authorization from the FCC must be obtained for the construction and operation of a communications satellite. The FCC authorizes utilization of satellite orbital slots assigned to the United States by the World Administrative Radio Conference. Such slots are finite in number, thus limiting the number of carriers that can provide satellite transponders and the number of transponders available for transmission of programming services. At present, however, there are numerous competing satellite service providers that make transponders available for video services to MVPDs. The FCC also regulates the earth stations uplinking to and/or downlinking from such satellites.

Internet Services

The Internet-related businesses in which Splitco has interests are subject, both directly and indirectly, to various laws and governmental regulations. Splitco's businesses that are engaged in the provision of goods and services over the Internet must comply with federal and state laws and regulations applicable to online communications and commerce. For example, the Children's Online Privacy Protection Act prohibits web sites from collecting personally identifiable information online from children under age 13 without parental consent and imposes a number of operational requirements. Certain email activities are subject to the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003, commonly known as the CAN-SPAM Act. The CAN-SPAM Act regulates the sending of unsolicited commercial email by requiring the email sender, among other things, to comply with specific disclosure requirements and to provide an "opt-out" mechanism for recipients. Both of these laws include statutory penalties for non-compliance. Various states also have adopted laws regulating certain aspects of Internet communications. Goods sold over the Internet also must comply with traditional regulatory requirements, such as the Federal Trade Commission requirements regarding truthful and accurate claims.

Congress and individual states may consider additional online privacy legislation. Other Internet-related laws and regulations enacted in the future may cover issues such as defamatory speech, copyright infringement, pricing and characteristics and quality of products and services. The future adoption of such laws or regulations may slow the growth of commercial online services and the Internet, which could in turn cause a decline in the demand for the services and products of the Internet companies in which Splitco has interests and increase such companies' costs of doing business or otherwise have an adverse effect on their businesses, operating results and financial conditions. Moreover, the applicability to commercial online services and the Internet of existing laws governing issues such as property ownership, libel, personal privacy and taxation is uncertain and could expose these companies to substantial liability.

On December 21, 2010, the FCC adopted rules in its open Internet proceeding that require all broadband providers to disclose network management practices, restrict broadband providers from blocking Internet content and applications, and prohibit fixed broadband providers from engaging in unreasonable discrimination in transmitting lawful network traffic. The open Internet rules could restrict the ability of broadband providers to block or otherwise disadvantage Splitco's Internet businesses. The FCC's open Internet rules likely will be subject to petitions for reconsideration at the FCC and/or judicial review.

Other Regulation

Although Liberty Media no longer holds an attributable interest in DIRECTV under FCC rules, Splitco is subject to the conditions adopted by the FCC in approving Liberty Media's 2008 transaction with News Corporation. Those conditions include program access, non-discrimination, and program carriage.

SIRIUS XM operates satellite systems and must comply with the FCC's regulations regarding satellite licensing, the prevention of interference and other matters. For example, SIRIUS XM must apply for renewal of its satellite licenses prior to the expiration of the current license terms. SIRIUS XM also must obtain FCC equipment certifications for certain satellite radios. As a result of the 2008 merger transaction between Sirius Satellite Radio Inc. and XM Satellite Radio Holdings, Inc., SIRIUS XM must implement voluntary commitments regarding matters such as a la carte programming, rates and channels set asides for independently-owned entities. The FCC is requesting comment on whether to extend or modify the rate caps adopted in the 2008 merger transaction on SIRIUS XM basic subscription and certain other retail programming packages. Such rate caps will expire on July 28, 2011, unless extended or modified by the FCC. Other aspects of SIRIUS XM's operations, such as the export of satellite radio system components and technical data, are subject to U.S. export licensing requirements.

TruePosition develops and markets technology to facilitate compliance with the FCC's E-911 regulations, which generally require wireless carriers to implement emergency call completion and location services.

Splitco also has significant ownership interests on a cost basis in other entities, such as Sprint Nextel Corporation, which are extensively regulated. For example, Sprint Nextel is subject not only to federal regulation but also to regulation in varying degrees, depending on the jurisdiction, by state and local regulatory authorities.

Proposed Changes in Regulation

The regulation of programming services, the distributors of programming services, and Internet services is subject to the political process and has been in constant flux over the past decade. Further material changes in the law and regulatory requirements must be anticipated and there can be no assurance that Splitco's business will not be adversely affected by future legislation, new regulation or deregulation.

Competition

Starz Entertainment competes with other programmers for distribution on a limited number of channels. Increasing concentration in the multichannel video distribution industry could adversely affect Starz Entertainment by reducing the number of distributors to whom it sells its programming, subjecting more of its programming sales to volume discounts and increasing the distributors' bargaining power in negotiating new affiliation agreements. Once distribution is obtained, Starz Entertainment competes for viewers with other cable and off-air broadcast television programming services as well as with other entertainment media, including home video, pay-per-view services, online activities, movies and other forms of news, information and entertainment. Starz Entertainment also competes for creative talent and programming content. Splitco believes that the principal competitive factors for Starz Entertainment are prices charged for programming, the quantity, quality, exclusivity and variety of the programming offered and the effectiveness of marketing efforts.

Starz Media faces competition from companies within the entertainment business and from alternative forms of leisure entertainment. The primary competition for Starz Media's theatrical films and its other filmed products comes from both animated and live-action films that are targeted at similar audiences and released into the domestic theatrical market at approximately the same time as Starz Media's films. In addition to competing for revenue, Starz Media's film studios compete with other film studios over optimal release dates and the number of motion picture screens on which movies are exhibited. Anchor Bay competes with the home video/DVD distribution divisions of major theatrical production studios, as well as with several other independent home video/DVD distribution companies.

ANLBC faces competition from many alternative forms of leisure entertainment. During the baseball season, ANLBC competes with other sporting and live events for game day attendance, which is integral to ANLBC's ticket, concession and souvenir sales revenue. The broadcasting of ANLBC's games, which is another significant source of revenue for ANLBC, competes against a multitude of other media options for viewers, including premium programming, home video, pay-per-view services, online activities, movies and other forms of news and information. In addition, ANLBC competes with the other Major League Baseball teams for a limited pool of player talent. Player talent contributes to ANLBC's winning record and league standings, which are critical components of ANLBC's competitiveness.

TruePosition faces competition from Commscope, which provides a similar location-based service to TruePosition. More cell phones are being equipped with GPS chips which eventually could make the TruePosition product less relevant, although TruePosition's products work in areas where GPS is not available due to lack of connection to satellites.

SIRIUS XM faces significant competition for both listeners and advertisers from traditional AM/FM radio, HD radio, internet radio and mobile media devices. Unlike satellite radio, traditional AM/FM radio has had a well established demand for its services and generally offers free broadcasts paid for by commercial advertising rather than by a subscription fee. Many radio stations have begun broadcasting digital signals, which have sound quality similar to SIRIUS XM signals. Major media companies make near CD-quality digital streams available through the Internet for free or, in some cases, for a fraction of the cost of a satellite radio subscription. Splitco believes that the principal competitive factors for SIRIUS XM are the quantity, quality, exclusivity and variety of the programming offered and the effectiveness of marketing efforts.

Employees

Splitco currently has no corporate employees. Splitco anticipates that, subsequent to the split-off, all of Liberty Media's corporate employees will become corporate employees of Splitco, and Splitco will provide Liberty Media with certain management and administrative services pursuant to the services agreement, including the services of Splitco's executive officers, all of whom will remain executive officers of Liberty Media after the split-off. See "Certain Relationships and Related Transactions—Relationships Between Splitco and Liberty Media—Services Agreement."

As of September 30, 2010 (and assuming the internal restructuring had been effected on that date), Splitco's consolidated subsidiaries had an aggregate of approximately 1,900 full-time and part-time employees. None of these employees is represented by a labor union or covered by a collective bargaining agreement. Splitco believes that these employee relations are good.

Properties

Splitco owns its corporate headquarters in Englewood, Colorado and shares office space in its corporate headquarters with Liberty Media. All of Splitco's other real or personal property is owned or leased by its subsidiaries and business affiliates.

Starz Entertainment owns its corporate headquarters in Englewood, Colorado. In addition, Starz Entertainment leases office space for its business affairs and sales staff at three locations around the United States.

Starz Media leases space for its executive offices, distribution and sales operations, and production studio facilities in Burbank, California, Troy, Michigan, Beverly Hills, California and New York, New York. Starz Media also leases space for its international production and distribution operations in Toronto, Ontario, London, England and Melbourne and Sydney, Australia.

ANLBC leases Turner Field, its home stadium and corporate headquarters, from the City of Atlanta and Fulton County Recreation Authority under a long-term lease arrangement. ANLBC also leases the home stadiums of its minor league baseball clubs and its baseball academy in the Dominican Republic.

Splitco's subsidiaries and business affiliates own or lease the fixed assets necessary for the operation of their respective businesses, including office space, transponder space, headends, cable television and telecommunications distribution equipment, telecommunications switches and customer equipment (including converter boxes). Splitco's management believes that the current facilities of Splitco's subsidiaries and business affiliates are suitable and adequate for their business operations for the foreseeable future.

Legal Proceedings

On August 6, 2010, Liberty Media and its subsidiary Liberty Media LLC filed a Verified Complaint for Injunctive Relief and Declaratory Judgment in the Delaware Court of Chancery against The Bank of New York Mellon Trust Company (**BNY**), in BNY's capacity as trustee under the indenture dated July 7, 1999 (as amended and supplemented, the **Indenture**) governing Liberty Media LLC's public indebtedness, requesting that the court enjoin BNY from declaring an event of default or accelerating the payments under the securities. The complaint also requested that the court declare that the split-off does not constitute a sale of "substantially all" of Liberty Media LLC's assets under the Indenture and that, therefore, no "Event of Default" will arise as a result of Liberty Media LLC remaining the obligor under the Indenture following the split-off. Liberty Media has announced that it does not intend to complete the split-off until this litigation is resolved.

Annex B—Liberty Splitco, Inc. and Liberty Media Corporation
Financial Statements

INDEX TO FINANCIAL STATEMENTS

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides information concerning the Liberty Splitco, Inc. ("Splitco") combined results of operations and financial condition. The historical combined financial statements for the assets, businesses and liabilities owned by Splitco upon the completion of the proposed Split-Off are included in Annex A. This discussion should be read in conjunction with Splitco's combined financial statements for the nine months ended September 30, 2010 and 2009 and for the years ended December 31, 2009, 2008 and 2007.

Throughout this presentation, the terms "we" and "our company" refer to Splitco and, to the extent the context requires, Liberty Media Corporation ("Liberty") taken together with Splitco, on a consolidated basis, for periods prior to the proposed Split-Off.

Overview

We are currently a wholly-owned subsidiary of Liberty. Upon completion of the Split-Off, we will own controlling and non-controlling interests in a broad range of media, communications and entertainment companies. Our more significant operating subsidiaries, which are also our principal reportable segments, are Starz Entertainment, LLC, Starz Media, LLC, Atlanta National League Baseball Club, Inc. ("ANLBC") and TruePosition, Inc ("TruePosition). Starz Entertainment provides premium programming distributed by cable operators, direct-to-home satellite providers, telephone companies, other distributors and the Internet throughout the United States. Starz Media develops, acquires, produces and distributes live-action and animated films and television productions for the theatrical, home video, television and other ancillary markets in the United States and internationally. ANLBC owns the Atlanta Braves, a major league baseball club, as well as certain of the Atlanta Braves' minor league clubs. TruePosition provides equipment and technology that deliver location-based services to wireless users.

Our "Corporate and Other" category includes our other combined subsidiaries and corporate expenses. Our other combined subsidiaries include WFRV and WJMN Television Station, Inc. and Liberty Sports Interactive, Inc. WFRV and WJMN Television Station, Inc. operate two full power television stations: WFRV-TV, in Green Bay, Wisconsin, and WJMN-TV, in Escanaba, Michigan. Liberty Sports Interactive, Inc. operates and licenses fantasy sports games, fantasy sports league-hosting software and fantasy sports content delivered via broadband, as well as providing free online games, information and entertainment for sports fans.

In addition to the foregoing businesses, we hold an ownership interest in Sirius XM Radio Inc. ("SIRIUS XM"), which we account for as an equity method investment, and we maintain investments and related financial instruments in public companies such as Live Nation Entertainment, Inc., Time Warner, Time Warner Cable Inc., Motorola, Inc., Viacom, Inc. and Sprint Nextel Corporation, which are accounted for at their respective fair market values.

The 3.125% Exchangeable Senior Debentures are the legal obligation of Liberty Media, LLC which will remain a subsidiary of Liberty and therefore the exchangeable debentures will remain an obligation of that entity post Split-Off. As a result, a to-be-determined amount of cash, the exchangeable debentures, in the principal amount of approximately $1.1 billion, and the stock into which such debt is exchangeable will be re-attributed to the Liberty Interactive Group immediately prior to the Split-Off (the "Split-Off Reattribution").

Tracking Stocks

Tracking stock is a type of common stock that the issuing company intends to reflect or "track" the economic performance of a particular business or "group," rather than the economic performance of the company as a whole. While the Splitco Starz Group and the Splitco Capital Group have separate collections of businesses, assets and liabilities attributed to them, no group is a separate legal entity and therefore cannot own assets, issue securities or enter into legally binding agreements. Holders of tracking stocks have no direct claim to the group's stock or assets and are not represented by separate boards of directors. Instead, holders of tracking stock are stockholders of the parent corporation, with a single board of directors and subject to all of the risks and liabilities of the parent corporation.

The term "Splitco Starz Group" does not represent a separate legal entity, rather it represents those businesses, assets and liabilities which we have attributed to it. The Splitco Starz Group is comprised primarily of our subsidiary Starz Entertainment and approximately $635 million of corporate cash (as of September 30, 2010). In addition, as discussed below, as of September 30, 2010, Starz Media, LLC ("Starz Media") is attributed to the Splitco Starz Group.

Similarly, the term "Splitco Capital Group" also does not represent a separate legal entity, rather it represents all of our businesses, assets and liabilities which we have attributed to it. The Splitco Capital Group has attributed to it all of our businesses, assets and liabilities not attributed to the Splitco Starz Group, including our subsidiaries Starz Media through September 30, 2010, ANLBC and TruePosition, and our investments in SIRIUS XM, Time Warner Inc., Time Warner Cable and Sprint Nextel Corporation. In addition, we have attributed $1,581 million of cash, including subsidiary cash and $1,138 million principal amount (as of September 30, 2010) of our exchangeable senior debentures and $750 million of other corporate level and subsidiary debt to the Splitco Capital Group. The Splitco Capital Group will also include such other businesses that our board of directors may in the future determine to attribute to the Splitco Capital Group, including such other businesses as we may acquire for the Splitco Capital Group.

On February 25, 2010, we announced that our board of directors had resolved to effect the following changes in attribution between the Liberty Capital Group and the Liberty Interactive Group, effective immediately (the "February Reattribution"):

- the change in attribution from the Liberty Interactive Group to the Liberty Capital Group of our 14.6% ownership interest in Live Nation Entertainment, Inc.;
- the change in attribution from the Liberty Capital Group to the Liberty Interactive Group of the following debt securities:
  - $469 million in principal amount of 4% Exchangeable Senior Debentures due 2029 (the "2029 Exchangeables");
  - $460 million in principal amount of 3.75% Exchangeable Senior Debentures due 2030 (the "2030 Exchangeables"); and
  - $492 million in principal amount of 3.5% Exchangeable Senior Debentures due 2031 (the "2031 Exchangeables", and together with the 2029 Exchangeables and the 2030 Exchangeables, the "Exchangeable Notes");
- the change in attribution from the Liberty Capital Group to the Liberty Interactive Group of approximately $830 million in net taxable income to be recognized ratably in tax years 2014 through 2018 as a result of the cancellation in April 2009 of $400 million in face amount of 2029 Exchangeables and $350 million in face amount of 2030 Exchangeables; and
- the change in attribution from the Liberty Capital Group to the Liberty Interactive Group of $807 million in cash.

The Liberty Media board determined that the February Reattribution would enable the Liberty Interactive Group to obtain long-term debt financing on better terms than would have been available to it in the capital markets at that time and improve the liquidity of the Liberty Interactive Group. In addition, the Liberty Interactive Group's generation of meaningful taxable income would better position it to utilize more directly and efficiently the tax benefits associated with the Exchangeable Notes. Previously, the Liberty Interactive Group was using these tax benefits, which were then attributed to the Liberty Capital Group, and compensating the Liberty Capital Group for such use. Lastly, the Liberty Media board believed that Liberty Media's equity interests in Live Nation Entertainment should be reattributed to the Liberty Capital Group in order to position it to take advantage of potential synergies associated with the Liberty Capital Group's then recent acquisition of its interests in Sirius XM Radio.

In establishing the terms of the February Reattribution, the Liberty Media board reviewed, among other things, (i) a range of estimated values for the Exchangeable Notes (between $482 million and $526 million), which took into account the trading prices of the Exchangeable Notes and their unique tax attributes, among other things, and (ii) the estimated value of Liberty Media's equity interests in Live Nation Entertainment (approximately $298 million), which was based on the $12 per share at which Liberty Media publicly tendered for additional shares of Live Nation during February 2010. Consistent with Liberty Media's Management and Allocation Policies, the Liberty Media board determined that the exchange of assets and liabilities between the two groups in the February Reattribution was completed on a fair value basis.

The February Reattribution has been reflected prospectively in the attributed financial statements. This change in attribution, which was intended to be value neutral, had no effect on the assets and liabilities attributed to the Liberty Starz Group.

On September 16, 2010 the Board of Directors approved the change in attribution of the Starz Media business along with $15 million in cash from the Liberty Capital Group to the Liberty Starz Group, effective September 30, 2010 (the "Starz Media Reattribution"). The Starz Media business consists of the following assets:

- Overture Films (including its Library of 16 released films and 3 films to be released in the third and fourth quarters of 2010)
- Anchor Bay Entertainment
- Proprietary Productions (Library of 42 films and television series)
- Film Roman
- Toronto Animation Studio

This change in attribution results in the extinguishment of an intergroup payable of $54.9 million owed by the Liberty Capital Group to the Liberty Starz Group and Liberty Starz Group being attributed with $53.7 million in bank debt, interest rate swaps and any shutdown costs associated with winding down the Overture Films business. Notwithstanding the Starz Media Reattribution the board determined that certain tax benefits relating to Liberty Capital's operation of the Starz Media, LLC business that may be realized from any future sales or other disposition of that business by Liberty Starz will remain attributed to Liberty Capital.

The Starz Media Reattribution enabled the Liberty Starz Group to acquire the complementary Starz Media business. Starz Entertainment had been engaging in mutually beneficial content distribution and programming arrangements with Starz Media, and it was inefficient for these arrangements to be treated as inter-group transactions. Accordingly, the Liberty Media board reattributed Starz Media, and its related debt, from the Liberty Capital Group to the Liberty Starz Group. This also enabled the Liberty Capital Group to repay indebtedness it owed to the Liberty Starz Group without using any of its cash reserves.

In establishing the terms of the Starz Media Reattribution, the Liberty Media board considered, among other things, (i) a range of estimated values for the Starz Media assets (between $95 million and $122 million), (ii) the $53.7 million in Starz Media liabilities to be assumed and (iii) the $54.9 million payable owed by the Liberty Capital Group to the Liberty Starz Group. Consistent with Liberty Media's Management and Allocation Policies, the Liberty Media board determined that the exchange of assets and liabilities between the two groups in the Starz Reattribution was completed on a fair value basis.

As with the other reattributions the impact will be reflected prospectively from the date the attribution changed in the attributed financials. There will be no change to the combined financial statements as a result of the Starz Media Reattribution.

2007 Transactions

In addition to the sales of OPTV and AEG and the Split-off of LEI discussed under "Discontinued Operations" below, we completed several other transactions in 2007. Among these are:

On April 16, 2007, we completed an exchange transaction (the "CBS Exchange") with CBS Corporation pursuant to which we exchanged our 7.6 million shares of CBS Class B common stock valued at $239 million for a subsidiary of CBS that held a television station in Wisconsin and approximately $170 million in cash.

On May 17, 2007, we completed an exchange transaction (the "Time Warner Exchange") with Time Warner Inc. in which we exchanged approximately 68.5 million shares of Time Warner common stock valued at $1,479 million for a subsidiary of Time Warner which held ANLBC, a craft business and $984 million in cash.

Discontinued Operations

In the first and second quarters of 2007, we completed two separate transactions pursuant to which we sold our interests in OpenTV Corp and Ascent Entertainment Group ("AEG") to unrelated third parties.

On November 19, 2009, we completed our previously announced split-off (the "LEI Split-Off") of our wholly owned subsidiary, Liberty Entertainment, Inc. ("LEI"), and the business combination transaction among our company, LEI and The DIRECTV Group, Inc. ("DIRECTV") (the "DTV Business Combination"). The LEI Split-Off was accomplished by a partial redemption of 90% of the outstanding shares of Liberty Entertainment common stock in exchange for all of the outstanding shares of common stock of LEI, pursuant to which, 0.9 of each outstanding share of Liberty Entertainment common stock was redeemed for 0.9 of a share of the corresponding series of common stock of LEI, with payment of cash in lieu of any fractional shares. LEI held our 57% interest in DIRECTV, 100% interest in Liberty Sports Holdings, LLC, 65% interest in Game Show Network, LLC and approximately $120 million in cash and cash equivalents, and approximately $2 billion of indebtedness. All of the businesses, assets and liabilities that were attributed to the Entertainment Group and were not held by LEI have remained with our company and continue to be attributed to the Entertainment Group, which we have redesignated as the Liberty Starz Group.

Immediately following the LEI Split-Off, we, LEI and DIRECTV completed the DTV Business Combination, and each of LEI and DIRECTV became wholly owned subsidiaries of a new public holding company named DIRECTV ("Holdings"). Pursuant to the DTV Business Combination, (i) John C. Malone, Chairman of the boards of Liberty Media, LEI and DIRECTV, and certain related persons (collectively, the Malones) contributed each of their shares of LEI Series B common stock to Holdings for 1.11130 shares of Holdings Class B common stock (with payment of cash in lieu of any fractional shares), (ii) LEI merged with a wholly-owned subsidiary of Holdings, and each share of LEI common stock (other than shares of LEI Series B common stock held by the Malones) was exchanged for 1.11130 shares of Holdings Class A common stock (with payment of cash in lieu of any fractional shares), and (iii) DIRECTV merged with a wholly-owned subsidiary of Holdings, and each share of DIRECTV common stock was exchanged for one share of Holdings Class A common stock.

Because the LEI Split-Off was conditioned on, among other matters, satisfaction and waiver of all conditions to the DTV Business Combination, the Split-Off and the DTV Business Combination have been recorded at fair value, and we recognized an approximate $5.9 billion gain on the transaction. Such gain is included in earnings from discontinued operations in our accompanying combined statement of operations.

Our combined financial statements and accompanying notes have been prepared to reflect LEI, OpenTV and AEG as discontinued operations. Accordingly, the assets and liabilities, revenue, costs and expenses, and cash flows of these subsidiaries have been excluded from the respective captions in the accompanying combined balance sheets, statements of operations, statements of comprehensive earnings (loss) and statements of cash flows and have been reported under the heading of discontinued operations in such combined financial statements.

Strategies and Challenges of Business Units

Starz Entertainment. Starz Entertainment's focus in 2010 has been directed to several initiatives. First, Starz Entertainment continues to differentiate itself from other pay television programmers by investing in, producing and airing original programming on its Starz Channel. Secondly, Starz Entertainment has worked with its affiliates to package its channels in lower tier product offerings to gain wider distribution. Thirdly, Starz Entertainment has continued to explore and invest in additional distribution channels and products, including on demand, high definition, Internet and mobile Internet products. Finally, Starz Entertainment is working to finalize new long-term affiliation agreements with those affiliates whose agreements are expiring.

Starz Entertainment faces certain challenges in its attempt to meet these goals, including: (1) cable operators' promotion of bundled service offerings rather than premium video services; (2) the impact on viewer habits of new technologies such as Internet capable televisions and blu-ray players; (3) potential consolidation in the broadband and satellite distribution industries; (4) an increasing number of alternative movie and programming sources; (5) loss of subscribers due to economic conditions and (6) the launch of Epix, a new pay television service owned by three Hollywood movie studios.

Results of Operations—Nine Months Ended September 30, 2010 and 2009

General. We provide in the tables below information regarding our Combined Operating Results and Other Income and Expense, as well as information regarding the contribution to those items from our reportable segments categorized by tracking stock group. The "corporate and other" category for each tracking stock group consists of those assets or businesses which do not qualify as a separate reportable segment. For a more detailed discussion and analysis of the financial results of the principal reporting segments of each tracking stock group, see "Results of Operations—Tracking Stock Groups" below.

Consolidated Operating Results

	Nine months ended September 30, 2010	Nine months ended September 30, 2009
	amounts in millions	
Revenue		
Splitco Starz Group		
Starz Entertainment	$ 929	893
Corporate and other	8	7
	937	900
Splitco Capital Group		
Starz Media	317	248
ANLBC	186	189
TruePosition	86	24
Corporate and other	28	34
	617	495
Combined Splitco	$ 1,554	1,395
Adjusted OIBDA		
Splitco Starz Group		
Starz Entertainment	$ 305	306
Corporate and other	(10)	(6)
	295	300
Splitco Capital Group		
Starz Media	(67)	(49)
ANLBC	8	12
TruePosition	(11)	(56)
Corporate and other	(7)	(6)
	(77)	(99)
Combined Splitco	$ 218	201
Operating Income (Loss)		
Splitco Starz Group		
Starz Entertainment	$ 288	265
Corporate and other	(23)	(42)
	265	223
Splitco Capital Group		
Starz Media	(71)	(56)
ANLBC	(32)	(26)
TruePosition	(18)	(61)
Corporate and other	(35)	(23)
	(156)	(166)
Combined Splitco	$ 109	57

Revenue. Our combined revenue increased 11.3% for the nine month period ended September 30, 2010 as compared to the corresponding prior year period. The nine month increase is due primarily to increases for Starz Media ($69 million), TruePosition ($62 million) and Starz Entertainment ($36 million). See Management's Discussion and Analysis for each of our tracking stock groups below for a more complete discussion of the results of operations of certain of our subsidiaries.

Adjusted OIBDA. We define Adjusted OIBDA as revenue less cost of sales, operating expenses and selling, general and administrative ("SG&A") expenses (excluding stock compensation). Our chief operating decision maker and management team use this measure of performance in conjunction with other measures to evaluate our businesses and make decisions about allocating resources among our businesses. We believe this is an important indicator of the operational strength and performance of our businesses, including each business's ability to service debt and fund capital expenditures. In addition, this measure allows us to view operating results, perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. This measure of performance excludes such costs as depreciation and amortization, stock-based compensation, separately reported litigation settlements and restructuring and impairment charges that are included in the measurement of operating income pursuant to GAAP. Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with GAAP. See note 13 to the accompanying condensed consolidated financial statements for a reconciliation of Adjusted OIBDA to Earnings (loss) from continuing operations before income taxes.

Combined Adjusted OIBDA increased $17 million or 8.5% for the nine months ended September 30, 2010 as compared to the corresponding prior year period. The nine month increase is primarily due to decreased Adjusted OIBDA losses at TruePosition ($45 million) offset by increased Adjusted OIBDA losses at Starz Media ($18 million).

Stock-based compensation. Stock-based compensation includes compensation related to (1) options and stock appreciation rights ("SARs") for shares of our common stock that are granted to certain of our officers and employees, (2) phantom stock appreciation rights ("PSARs") granted to officers and employees of certain of our subsidiaries pursuant to private equity plans and (3) amortization of restricted stock grants.

We recorded $36 million and $65 million of stock compensation expense for the nine months ended September 30, 2010 and 2009, respectively. The decrease in stock compensation expense in 2010 relates to decreased stock compensation at Starz Entertainment related to an outstanding phantom stock appreciation right held by its founder and former CEO offset slightly by greater stock compensation expense throughout the period related to outstanding options granted during the period. As of September 30, 2010, the total unrecognized compensation cost related to unvested Liberty equity awards was approximately $78 million. Such amount will be recognized in our combined statements of operations over a weighted average period of approximately 3.4 years.

Operating income. Our combined operating income increased $52 million for the nine months ended September 30, 2010 as compared to the corresponding prior year period. The increase is primarily due to increases at Starz Entertainment ($23 million) and decreased operating losses at TruePosition ($43 million) offset by increased operating losses at Starz Media ($15 million). See Management's Discussion and Analysis for each of our tracking stock groups below for a more complete discussion of the results of operations of certain of our subsidiaries.

Other Income and Expense

Components of Other Income (Expense) are presented in the table below.

		Nine months ended September 30,	
		2010	2009
		amounts in millions	
Interest expense			
Splitco Starz Group	$	(1)	(2)
Splitco Capital Group		(45)	(102)
Combined Splitco	$	(46)	(104)
Share of losses of affiliates			
Splitco Starz Group	$	—	(8)
Splitco Capital Group		(70)	(26)
Combined Splitco	$	(70)	(34)
Realized and unrealized gains (losses) on financial instruments, net			
Splitco Starz Group	$	(1)	7
Splitco Capital Group		125	(58)
Combined Splitco	$	124	(51)
Gains (losses) on dispositions, net			
Splitco Starz Group	$	(2)	2
Splitco Capital Group		24	96
Combined Splitco	$	22	98
Other, net			
Splitco Starz Group	$	5	(2)
Splitco Capital Group		71	108
Combined Splitco	$	76	106

Interest expense. Combined interest expense decreased $48 million for the nine months ended September 30, 2010, as compared to the corresponding prior year period. The decrease for the nine months is the result of less principal outstanding during the period and the impact of the February Reattribution for the Splitco Capital Group.

Share of losses of affiliates. The following table presents our share of earnings (losses) of affiliates:

		Nine months ended September 30,	
		2010	2009
		amounts in millions	
Splitco Capital Group			
Sirius	$	(51)	(14)
Other		(19)	(12)
Splitco Starz Group			
Other		—	(8)
	$	(70)	(34)

When Splitco applied its initial equity method accounting on the SIRIUS XM investment, Splitco's basis in the investment was different than the underlying equity in the net assets of SIRIUS XM. As a result, Splitco established an excess basis account and allocated the differences to certain fair value adjustments to the outstanding debt (at the time of our initial investment) and certain intangible assets. Even though SIRIUS XM had net income during the current year the amortization of the excess basis resulted in Splitco recording share of losses. In the third quarter of 2010 these share of losses were accelerated as SIRIUS XM refinanced certain debt which had an associated discount recorded in Splitco's excess basis account. As SIRIUS XM repays certain debt issuances where Splitco has established debt discounts, the extinguishment typically results in a loss on the retirement of Splitco's excess basis account. Splitco has suspended taking losses of our basis in SIRIUS XM below zero as Splitco does not have any funding commitments.

Realized and unrealized gains (losses) on financial instruments. Realized and unrealized gains (losses) on financial instruments are comprised of changes in the fair value of the following:

	Nine months ended September 30,	
	2010	2009
	amounts in millions	
Non-strategic Securities(1)	$ 422	1,010
Exchangeable senior debentures(1)	(82)	(605)
Equity collars(1)	(2)	(104)
Borrowed shares(1)	(183)	(314)
Other derivatives	(31)	(38)
	$ 124	(51)

(1) Changes in fair value are due primarily to changes in the market prices of the underlying marketable securities.

Gains (losses) on dispositions. Gains on dispositions in 2010 and 2009 related to recorded gains associated with the repayment of certain SIRIUS XM debt securities owned by the company.

Income taxes. Our effective tax rate for the nine months ended September 30, 2010 is 40% which is more than the U.S. federal income tax rate of 35% due to the impact of state taxes and adjustments to the Company's state NOL deferred tax assets.

Net earnings. We had net earnings of $129 million and $141 million for the nine months ended September 30, 2010 and 2009, respectively, which were the result of the above-described fluctuations in our revenue, expenses and other gains and losses.

Results of Operations—December 31, 2009, 2008 and 2007

General. We provide in the tables below information regarding our Combined Operating Results and Other Income and Expense, as well as information regarding the contribution to those items by our reportable segments in each tracking stock group. The "corporate and other" category for each tracking stock group consists of those assets or businesses which do not qualify as a separate reportable segment. For a more detailed discussion and analysis of the financial results of the principal reporting segments of each tracking stock group, "Splitco Starz Group" and "Splitco Capital Group" below.

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Combined Operating Results

	Years ended December 31,		
	2009	2008	2007
	amounts in millions		
Revenue			
Splitco Starz Group			
Starz Entertainment	1,193	1,111	1,066
Corporate and other	11	13	25
	1,204	1,124	1,091
Splitco Capital Group			
Starz Media	364	321	254
ANLBC	206	204	159
TruePosition	32	21	17
Corporate and other	47	68	55
	649	614	485
Combined Splitco	$ 1,853	1,738	1,576
Adjusted OIBDA			
Splitco Starz Group			
Starz Entertainment	384	301	264
Corporate and other	(10)	(11)	(5)
	374	290	259
Splitco Capital Group			
Starz Media	(93)	(189)	(143)
ANLBC	8	16	38
TruePosition	(77)	(113)	(98)
Corporate and other	(13)	(11)	(7)
	(175)	(297)	(210)
Combined Splitco	$ 199	(7)	49
Operating Income (Loss)			
Splitco Starz Group			
Starz Entertainment	330	(975)	210
Corporate and other	(58)	(38)	(59)
	272	(1,013)	151
Splitco Capital Group			
Starz Media	(100)	(395)	(342)
ANLBC	(40)	(34)	4
TruePosition	(84)	(119)	(103)
Corporate and other	(39)	(103)	(65)
	(263)	(651)	(506)
Combined Splitco	$ 9	(1,664)	(355)

Revenue. Our combined revenue increased 6.6% in 2009 and 10.3% in 2008, as compared to the corresponding prior year. The increase in 2009 is due to increases at Starz Entertainment ($82 million) and Starz Media ($43 million) offset by small decreases in Corporate and other. The 2008 revenue increase is due to increases at Starz Media ($67 million) and Starz Entertainment ($45 million). See

Management's Discussion and Analysis for the Splitco Starz Group and Splitco Capital Group below for a more complete discussion of Starz Entertainment's and Starz Media's results of operations.

In November 2006, TruePosition signed an amendment to its existing services contract with AT&T Corp. that requires TruePosition to develop and deliver additional software features. Because TruePosition did not meet generally accepted accounting principles requirements for revenue recognition, TruePosition was required to defer revenue recognition until all contracted items had been delivered. As discussed previously, during the nine months ended September 30, 2010 TruePosition delivered the final undelivered element under one of the agreements and is recognizing the deferred amounts into operations as of that date. It should be noted that both AT&T and T-Mobile are paying currently for services they receive and that the aforementioned deferrals have normal gross profit margins included. As of June of 2010 TruePosition delivered the final specified upgrade in accordance with one of its agreements under which revenue and costs were being deferred. The delivery of this item allows TruePosition to recognize deferred revenue and costs ($641 million and $202 million, respectively), as of the date of delivery into operations over the remaining useful life of the equipment. In addition, any current revenue will be recognized as delivered and no longer deferred.

Adjusted OIBDA. Combined Adjusted OIBDA increased $206 million and decreased $56 million in 2009 and 2008, respectively, as compared to the corresponding prior year. The 2009 increase is due primarily to improvements for Starz Media ($96 million) and Starz Entertainment ($83 million). The decrease in 2008 is due primarily to increased losses at TruePosition and Starz Media offset by Adjusted OIBDA growth at ANLBC and Starz Enteratinment. Starz Media's Adjusted OIBDA loss decreased in 2009 and increased in 2008 primarily due to the timing of revenue and expenses associated with films released by Overture Films and Starz Animation in 2009 and 2008. Partially offsetting the increased losses in 2008 was a $53 million decrease in capitalized production cost write-offs. Theatrical print costs and advertising expenses related to the release of a film are recognized at the time the advertisements are run and generally exceed the theatrical revenue earned from the film. In addition, amortization of film production costs begins when revenue recognition begins. Although there can be no assurance, the expectation when films are approved for production or acquisition is that the ultimate revenue to be earned from theatrical release, home video and pay-per-view and premium television distribution, which revenue may be earned over several years, will exceed the costs associated with the film. See Note 18 to the accompanying combined financial statements for a reconciliation of Adjusted OIBDA to Earnings (Loss) From Continuing Operations Before Income Taxes.

Stock-based compensation. Stock-based compensation includes compensation related to (1) options and stock appreciation rights ("SARs") for shares of our common stock that are granted to certain of our officers and employees, (2) phantom stock appreciation rights ("PSARs") granted to officers and employees of certain of our subsidiaries pursuant to private equity plans and (3) amortization of restricted stock grants.

We recorded $81 million, $17 million and $54 million of stock compensation expense for the years ended December 31, 2009, 2008, and 2007, respectively. The fluctuations in stock compensation expense in 2009 and 2008 relate to our SARs and Starz Entertainment's PSAR plans and are due to changes in our stock prices and the value of Starz Entertainment and to the vesting of Starz Entertainment PSARs.

Included in earnings from discontinued operations for the year ended December 31, 2009 is $55 million of stock-based compensation related to stock options and restricted stock, the vesting of which was accelerated in connection with the closing of the DTV Business Combination.

Impairment of long-lived assets. No significant impairments were required in 2009.

In December 2008, we performed our annual evaluation of the recoverability of our goodwill and other indefinite lived intangible assets. We compared the estimated fair value of each reporting unit to its carrying value, including goodwill (the "Step 1 Test"). In our Step 1 Test, we estimated the fair value of each of our reporting units using a combination of discounted cash flows and market-based valuation methodologies. Developing estimates of fair value requires significant judgments, including making assumptions about appropriate discount rates, perpetual growth rates, relevant comparable market multiples and the amount and timing of expected future cash flows. The cash flows employed in our valuation analysis were based on management's best estimates considering current marketplace factors and risks as well as assumptions of growth rates in future years. There is no assurance that actual results in the future will approximate these forecasts. For those reporting units whose estimated fair value exceeded the carrying value, no further testwork was required and no impairment was recorded. For those reporting units whose carrying value exceeded the fair value, a second test was required to measure the impairment loss (the "Step 2 Test"). In the Step 2 Test, the fair value of the reporting unit was allocated to all of the assets and liabilities of the reporting unit with any residual value being allocated to goodwill. The difference between such allocated amount and the carrying value of the goodwill was recorded as an impairment charge. In connection with our analysis, we recorded the following impairment charges (amounts in millions):

Starz Entertainment	$ 1,239
Starz Media	192
Other	82
	$ 1,513

We believe that the foregoing impairment charges, which also include $29 million of impairments of intangible assets other than goodwill, were due in large part to the 2008 economic crisis and the downward impact it had on perceptions of future growth prospects and valuation multiples for our reporting units.

While Starz Entertainment had increasing revenue and Adjusted OIBDA in recent years, it failed the Step 1 Test due to the aforementioned lower future growth expectations and the compression of market multiples. In performing the Step 2 Test, Starz Entertainment allocated a significant portion of its estimated fair value to amortizable intangibles such as affiliation agreements and trade names which have little or no carrying value. The resulting residual goodwill was significantly less than its carrying value. Accordingly, Starz Entertainment recorded an impairment charge. The impairment loss for Starz Media is due primarily to a lowered long-term forecast for its home video distribution reporting unit resulting from the current economic conditions.

In connection with our 2007 annual evaluation of the recoverability of Starz Media's goodwill, we estimated the fair value of Starz Media's reporting units using a combination of discounted cash flows and market comparisons and concluded that the carrying value of certain reporting units exceeded their respective fair values. Accordingly, we recognized a $182 million impairment charge related to goodwill during the third quarter of 2007.

Operating income. We generated combined operating income of $9 million in 2009 and a combined operating loss of $1,664 million and $355 million in 2008 and 2007, respectively. The operating loss in 2008 is largely due to the $1,513 million of impairment charges discussed above.

Other Income and Expense

Components of Other Income (Expense) are presented in the table below: The attribution of these items to our tracking stock groups assumes the Reclassification had occurred as of January 1, 2007.

	Years ended December 31, 2009	2008	2007
	amounts in millions		
Interest expense			
Splitco Starz Group	(2)	(22)	(25)
Splitco Capital Group	(130)	(172)	(151)
Combined Splitco	$ (132)	(194)	(176)
Dividend and interest income			
Splitco Starz Group	2	16	3
Splitco Capital Group	115	136	217
Combined Splitco	$ 117	152	220
Share of losses of affiliates			
Splitco Starz Group	(10)	(7)	—
Splitco Capital Group	(34)	(64)	(68)
Combined Splitco	$ (44)	(71)	(68)
Realized and unrealized gains (losses) on financial instruments, net			
Splitco Starz Group	8	272	14
Splitco Capital Group	(42)	(292)	1,261
Combined Splitco	$ (34)	(20)	1,275
Gains (losses) on dispositions, net			
Splitco Starz Group	27	(3)	(1)
Splitco Capital Group	215	16	635
Combined Splitco	$ 242	13	634
Other than temporary declines in fair value of investments			
Splitco Starz Group	—	—	—
Splitco Capital Group	(9)	(1)	(33)
Combined Splitco	$ (9)	(1)	(33)
Other, net			
Splitco Starz Group	(6)	(12)	1
Splitco Capital Group	11	4	(2)
Combined Splitco	$ 5	(8)	(1)

Interest expense. Combined interest expense decreased 32.0% and increased 10.2% for the years ended December 31, 2009 and 2008, respectively, as compared to the corresponding prior year. The decrease in 2009 is due to retirements of Liberty public debt and reattribution of certain debt instruments to Liberty Interactive Group. Interest expense increased in 2008 primarily due to an increase in borrowings against certain derivative positions.

Dividend and interest income. Interest income decreased in 2009 and 2008 primarily due to lower invested cash balances and lower interest rates.

Share of losses of affiliates. The following table presents our share of earnings (losses) of affiliates:

	Years ended December 31, 2009	2008	2007
	amounts in millions		
Splitco Starz Group			
Other	(10)	(7)	—
Splitco Capital Group			
SIRIUS XM	(28)	—	—
Other	(6)	(64)	(68)
	$ (44)	(71)	(68)

Realized and unrealized gains (losses) on financial instruments. Realized and unrealized gains (losses) on financial instruments are comprised of changes in the fair value of the following:

	Years ended December 31, 2009	2008	2007
	amounts in millions		
Non-strategic Securities(1)(4)	$ 1,076	(2,881)	—
Exchangeable senior debentures(2)(4)	(670)	1,513	541
Equity collars(4)	(101)	870	527
Borrowed shares(4)	(301)	791	298
Other derivatives(3)	(38)	(313)	(91)
	$ (34)	(20)	1,275

(1) See note 2 to the accompanying combined financial statements for a discussion of our accounting for Non-strategic Securities.

(2) See note 2 to the accompanying combined financial statements for a discussion of our accounting for our exchangeable senior debentures.

(3) Other derivative losses in 2008 include losses of $234 million on debt swap arrangements related to certain of our public debt issuances and losses of $19 million on put options related to our common stock, as well as losses on interest rate swaps and other derivatives.

(4) Changes in fair value are due to improvements in the equity and debt markets in 2009 and declines in such markets in 2008 and 2007.

Gains (losses) on dispositions. Splitco Capital Group's 2009 gains from dispositions are due primarily to (i) the sale of our interest in WildBlue Communications Corp. to ViaSat, Inc. ($128 million) and (ii) our transactions with SIRIUS XM ($85 million). The 2007 gains from dispositions are due primarily to the Time Warner Exchange ($582 million) and the CBS Exchange ($31 million).

See notes 6 and 7 to the accompanying combined financial statements for a discussion of the foregoing transactions.

Other than temporary declines in fair value of investments. During 2009, 2008 and 2007, we determined that certain of our cost investments experienced other than temporary declines in value. As a result, the cost bases of such investments were adjusted to their respective fair values based primarily on quoted market prices at the date each adjustment was deemed necessary. These adjustments are reflected as other than temporary declines in fair value of investments in our combined statements of operations.

Income taxes. In 2009 we had pre-tax income of $170 million and a tax benefit of $170 million. Our effective tax rate was 13.9% in 2008 and less than 1% in 2007. In 2009, due to the completion of audits with taxing authorities, we recognized previously unrecognized tax benefits of $201 million. Our 2008 effective tax rate was lower than the U.S. federal income tax rate of 35% due primarily to the impairment of goodwill which is not deductible for income tax purposes. The Time Warner Exchange and the CBS Exchange, which were completed in 2007, qualify as IRC Section 355 transactions, and therefore do not trigger federal or state income tax obligations. In addition, upon consummation of those exchange transactions, deferred tax liabilities previously recorded for the difference between our book and tax bases in our Time Warner and CBS Corporation investments in the amount of $354 million were reversed with an offset to income tax benefit.

Net earnings. Our net earnings were $6,204 million, $4,268 million and $1,679 million for the years ended December 31, 2009, 2008 and 2007, respectively, and were the result of the above-described fluctuations in our revenue and expenses. In addition, we recognized earnings from discontinued operations of $5,864 million, $5,812 million and $190 million for the years ended December 31, 2009, 2008 and 2007, respectively. Our 2009 earnings from discontinued operations include a $5,927 million gain that we recognized in connection with the LEI Split-Off and DTV Business Combination. Earnings from discontinued operations in 2008 includes a $3,665 million gain and a $1,791 million tax benefit related to our exchange of our News Corporation investment for certain assets and businesses of News Corporation.

Liquidity and Capital Resources

While the Starz Group and the Capital Group are not separate legal entities and the assets and liabilities attributed to each group remain assets and liabilities of our consolidated company, we manage the liquidity and financial resources of each group separately. Keeping in mind that assets of one group may be used to satisfy liabilities of one of the other groups, the following discussion assumes, consistent with management expectations, that future liquidity needs of each group will be funded by the financial resources attributed to each respective group.

As of September 30, 2010, substantially all of our cash and cash equivalents are invested in U.S. Treasury securities, other government securities or government guaranteed funds and other highly rated securities.

The following are potential sources of liquidity for each group to the extent the identified asset or transaction has been attributed to such group: available cash balances, cash generated by the operating activities of our privately-owned subsidiaries (to the extent such cash exceeds the working capital needs of the subsidiaries and is not otherwise restricted), proceeds from asset sales, monetization of our public investment portfolio, debt and equity issuances, and dividend and interest receipts.

Standard & Poor's Ratings Services and Moody's Investors Services each lowered their rating on Liberty's corporate credit in previous periods. These rating services put our corporate ratings on credit watch with developing implications and possible downgrade, respectively, following the announcement of the proposed Split-Off in June of 2010. In the event we need to obtain external debt financing at the corporate level, such possible downgrades could negatively impact our ability to obtain financing at the corporate level and could increase the cost of any financing we are able to obtain. Upon the completion of the proposed split-off we anticipate Splitco's credit rating would be higher than Liberty's current credit rating in light of Splitco's minimal amount of debt.

Combined Splitco. As of September 30, 2010, Splitco had a cash balance of $2,596 million and additional sources of liquidity of $1,977 million for unpledged non-strategic AFS securities. We note the previous liquidity amounts include $1,012 million of shares underlying the exchangeable debentures that will be reattributed to Liberty upon the completion of the proposed split-off along with a to-be-determined amount of cash. Additionally, to the extent the Company recognizes any taxable gains from the sale of assets we may incur tax expense and be required to make tax payments, thereby reducing any cash proceeds. Further, our operating businesses have provided, on average, approximately $300 million of operating cash flow over the prior three years and do not anticipate any significant reductions in that amount in future years.

The projected uses of Splitco cash are the potential buy back of Liberty Starz or Liberty Capital common shares under the approved share buyback programs, upon the completion of the proposed split-off, a change in attribution of cash to the Liberty Interactive Group and a payment of $150 million for the settlement of stock appreciation rights exercised by the founder and former CEO of Starz. We note that with reattribution of debt at the completion of the proposed split-off and debt service at Splitco will be minimal. Additionally we may make investments in existing or new businesses, however, we do not have any investment commitments at this time. We expect that we will be able to use a combination of cash on hand and cash from operations to fund the future cash needs of Splitco.

Splitco Starz Group. During the nine months ended September 30, 2010, the Starz Group's primary uses of cash were investments in short-term marketable securities of $149 million, the repurchases of Liberty Starz common stock for $40 million and stock based compensation payments of $34 million. The uses of cash were funded by a repayment of the outstanding intergroup loan of $158 million by the Interactive Group and cash from operations. As of September 30, 2010, the Starz Group had a cash balance of $1,015 million.

The projected uses of Starz Group cash in 2010 include payment of $150 million for the settlement of stock appreciation rights exercised by the founder and former CEO of Starz and tax payments to the Capital Group. In addition, we may make additional repurchases of Liberty Starz common stock and additional investments in existing or new businesses and attribute such investments to the Starz Group. However, we do not have any significant commitments to make new investments at this time. We expect that we will be able to use a combination of cash on hand and cash from operations to fund Starz Group cash needs in 2010.

Splitco Capital Group. During the nine months ended September 30, 2010, the Capital Group's primary uses of cash were $843 million cash reattributed to the Interactive and Starz Groups and the repayment of $1,015 million in outstanding debt, primarily the derivative loans, $587 million in Liberty Capital tracking stock repurchases and $566 million of additional funding to cost investments, equity method affiliates and short-term marketable securities. The uses of cash were funded by cash on hand, cash proceeds of $750 million from the settlement of derivatives and the repayment of the outstanding intergroup loan of $158 million by the Interactive Group.

The projected uses of Capital Group cash for the remainder of 2010 include interest payments of approximately $20 million and federal and state tax payments. In October 2010, Liberty reached a settlement with the IRS with respect to certain disputed items reported on our 2009 income tax return. In 2009, Liberty settled various variable share forward sale contracts relating to Sprint and Century Link shares using borrowed shares. Liberty received $177 million when it entered into those contracts in 2001 and $1,180 million in connection with the settlement of such contracts in 2009. Liberty treated the settlement as an open transaction and deferred approximately $1,203 million in gain for tax purposes. For financial statement purposes, Liberty recorded approximately $421 million in current deferred income taxes as a result of the settlement. In connection with its review of Liberty's 2009 tax return the IRS questioned whether the gain realized on the settlement of the forward sale contracts should be deferred. In October 2010 the IRS and Liberty reached an agreement with respect to this issue. The agreement will result in Liberty making current federal payments totaling approximately $210 million. For financial statement purposes, Liberty expects to record a current tax expense of approximately $210 million and record a deferred income tax benefit of approximately $421 million during the fourth quarter of 2010. As a result of this agreement, Liberty will be able to unwind the related share borrowing arrangements by delivering shares that it actually owns without incurring any additional federal taxable income.

We expect that the Capital Group's investing and financing activities will be funded with a combination of cash on hand, net tax payments from the Interactive Group and the Starz Group and dispositions of non-strategic assets. At September 30, 2010, the Capital Group's sources of liquidity include $1,581 million in cash and $1,977 million of unpledged non-strategic AFS securities. To the extent the Capital Group recognizes any taxable gains from the sale of assets we may incur current tax expense and be required to make tax payments, thereby reducing any cash proceeds attributable to the Capital Group.

See note 12 to the accompanying condensed consolidated financial statements for further discussion of our commitments and contingencies.

Off-Balance Sheet Arrangements and Aggregate Contractual Obligations

Splitco Starz Group

The following contingencies and obligations have been attributed to the Splitco Starz Group:

Starz Entertainment has entered into agreements with a number of motion picture producers which obligate Starz Entertainment to pay fees ("Programming Fees") for the rights to exhibit certain films that are released by these producers. The unpaid balance under agreements for film rights related to films that were available for exhibition by Starz Entertainment at December 31, 2009 is reflected as a liability in the accompanying combined balance sheet. The balance due as of December 31, 2009 is payable as follows: $62 million in 2010 and $7 million in 2011.

Starz Entertainment has also contracted to pay Programming Fees for the rights to exhibit films that have been released theatrically, but are not available for exhibition by Starz Entertainment until some future date. These amounts have not been accrued at December 31, 2009. In addition, Starz Entertainment has agreed to pay Sony Pictures Entertainment ("Sony") (i) a total of $190 million in four equal annual installments beginning in 2011 for a contract extension through 2013, and (ii) total of $120 million in three equal annual installments beginning in 2015 for a new output agreement. Starz Entertainment's estimate of amounts payable under these agreements is as follows: $449 million in 2010; $125 million in 2011; $94 million in 2012; $84 million in 2013; $67 million in 2014 and $145 million thereafter.

In addition, Starz Entertainment is obligated to pay Programming Fees for all qualifying films that are released theatrically in the United States by studios owned by The Walt Disney Company ("Disney") through 2012 and all qualifying films that are released theatrically in the United States by studios owned by Sony through 2016. Films are generally available to Starz Entertainment for exhibition 10 - 12 months after their theatrical release. The Programming Fees to be paid by Starz Entertainment are based on the quantity and domestic theatrical exhibition receipts of qualifying films. As these films have not yet been released in theatres, Starz Entertainment is unable to estimate the amounts to be paid under these output agreements. However, such amounts are expected to be significant. In February 2009, Disney announced that it has agreed to enter into a long-term distribution arrangement with DreamWorks Studios. Under the terms of this arrangement, Disney will handle distribution and marketing for approximately six DreamWorks films each year. As a result of this arrangement, the number of qualifying films under Starz Entertainment's output agreement with Disney may be higher than it would have been otherwise.

Splitco guarantees Starz Entertainment's film licensing obligations under certain of its studio output agreements. At December 31, 2009, Splitco's guarantees for studio output obligations for films released by such date aggregated $656 million. While the guarantee amount for films not yet released is not determinable, such amount is expected to be significant. As noted above, Starz Entertainment has recognized the liability for a portion of its obligations under the output agreements. As this represents a direct commitment of Starz Entertainment, a wholly-owned subsidiary of ours, we have not recorded a separate indirect liability for our guarantees of these obligations.

Splitco Capital Group

The Atlanta Braves have entered into long-term employment contracts with certain of their players and coaches whereby such individuals' compensation is guaranteed. Amounts due under guaranteed contracts as of December 31, 2009 aggregated $199 million, which is payable as follows: $80 million in 2010, $67 million in 2011, $50 million in 2012 and $2 million in 2013. In addition to the foregoing amounts, certain players and coaches may earn incentive compensation under the terms of their employment contracts.

Splitco Capital Group and Splitco Starz Group

In connection with agreements for the sale of assets by our company, we may retain liabilities that relate to events occurring prior to the sale, such as tax, environmental, litigation and employment matters. We generally indemnify the purchaser in the event that a third party asserts a claim against the purchaser that relates to a liability retained by us. These types of indemnification obligations may extend for a number of years. We are unable to estimate the maximum potential liability for these types of indemnification obligations as the sale agreements may not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, we have not made any significant indemnification payments under such agreements and no amount has been accrued in the accompanying combined financial statements with respect to these indemnification obligations.

We have contingent liabilities related to legal and tax proceedings and other matters arising in the ordinary course of business. Although it is reasonably possible we may incur losses upon conclusion of such matters, an estimate of any loss or range of loss cannot be made. In the opinion of management, it is expected that amounts, if any, which may be required to satisfy such contingencies will not be material in relation to the accompanying combined financial statements.

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Information concerning the amount and timing of required payments, both accrued and off-balance sheet, under our contractual obligations is summarized below. This table has been prepared as of December 31, 2009, and reflects the impacts of the February Reattribution of assets and liabilities as if the transaction was completed as of such date.

	Payments due by period				
	Total	Less than 1 year	2 - 3 years	4 - 5 years	After 5 years
	amounts in millions				
Attributed Splitco Starz Group contractual obligations					
Long-term debt(1)	$ 48	4	8	9	27
Interest payments(2)	18	3	5	5	5
Programming Fees(3)	1,033	511	226	151	145
Operating lease obligations	9	1	2	2	4
Purchase orders and other obligations	8	8	—	—	—
Total Splitco Starz Group	1,116	527	241	167	181
Attributed Splitco Capital Group contractual obligations					
Long-term debt(1)	2,858	971	759	9	1,119
Interest payments(2)	489	47	78	71	293
Long-term financial instruments	2	—	2	—	—
Operating lease obligations	87	13	24	21	29
Purchase orders and other obligations	247	128	117	2	—
Total Splitco Capital Group	3,683	1,159	980	103	1,441
Combined contractual obligations					
Long-term debt(1)	2,906	975	767	18	1,146
Interest payments(2)	507	50	83	76	298
Programming Fees(3)	1,033	511	226	151	145
Long-term financial instruments	2	—	2	—	—
Operating lease obligations	96	14	26	23	33
Purchase orders and other obligations	255	136	117	2	—
Total combined Splitco	$ 4,799	1,686	1,221	270	1,622

(1) Amounts are stated at the face amount at maturity of our debt instruments and may differ from the amounts stated in our combined balance sheet to the extent debt instruments (i) were issued at a discount or premium or (ii) have elements which are reported at fair value in our combined balance sheet. Also includes capital lease obligations. Amounts do not assume additional borrowings or refinancings of existing debt. As discussed previously, the Split-Off Reattribution will attribute approximately $1.1 billion of principal debt from the Splitco Capital Group to Liberty Interactive Group which has not been reflected in this schedule. Also not reflected in the above table are the impacts of the Starz Media Reattribution which would be between the Splitco Capital Group and the Splitco Starz Group.

(2) Amounts (i) are based on our Pro Forma outstanding debt at December 31, 2009 after the February Reattribution, (ii) assume the interest rates on our variable rate debt remain constant at the December 31, 2009 rates and (iii) assume that our existing debt is repaid at maturity.

(3) Does not include Programming Fees for films not yet released theatrically, as such amounts cannot be estimated.

Recent Accounting Pronouncements

In September 2009, the Financial Accounting Standards Boards amended the Accounting Standards Codification ("ASC") as summarized in Accounting Standards Update ("ASU") 2009-14, *Software (Topic 985): Certain Revenue Arrangements That Include Software Elements*, and ASU 2009-13, *Revenue Recognition (Topic 605): Multiple-Deliverable Revenue Arrangements*. As summarized in ASU 2009-14, ASC Topic 985 has been amended to remove from the scope of industry specific revenue accounting guidance for software and software related transactions, tangible products containing software components and non-software components that function together to deliver the product's essential functionality. As summarized in ASU 2009-13, ASC Topic 605 has been amended (1) to provide updated guidance on whether multiple deliverables exist, how the deliverables in an arrangement should be separated, and the consideration allocated; (2) to require an entity to allocate revenue in an arrangement using estimated selling prices of deliverables if a vendor does not have vendor-specific objective evidence or third-party evidence of selling price; and (3) to eliminate the use of the residual method and require an entity to allocate revenue using the relative selling price method. The accounting changes summarized in ASU 2009-14 and ASU 2009-13 are effective for fiscal years beginning on or after June 15, 2010, with early adoption permitted. Adoption may either be on a prospective basis or by retrospective application.

We have not yet determined the timing and method of our adoption. As of December 31, 2009, our subsidiary, TruePosition, Inc., had deferred revenue and deferred costs of $1,037 million and $434 million, respectively, which we believe will be impacted by the adoption of the new revenue recognition rules. We believe that application of these amendments will result in the revenue and related cost of sales being recognized at the time of sale for the hardware and software portions of bundled arrangements delivered by TruePosition rather than being deferred as is currently the case. As of June of 2010 TruePosition delivered the final specified upgrade in accordance with one of its agreements under which revenue and costs were being deferred. The delivery of this item allows TruePosition to recognize deferred revenue and costs ($641 million and $202 million, respectively, as of the date of delivery) into operations over the remaining useful life of the equipment. In addition, any current revenue will be recognized as delivered and no longer deferred.

Critical Accounting Estimates

The preparation of our financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Listed below are the accounting estimates that we believe are critical to our financial statements due to the degree of uncertainty regarding the estimates or assumptions involved and the magnitude of the asset, liability, revenue or expense being reported. All of these accounting estimates and assumptions, as well as the resulting impact to our financial statements, have been discussed with our audit committee.

Fair Value Measurements

Financial Instruments. We record a number of assets and liabilities in our combined balance sheet at fair value on a recurring basis, including available-for-sale ("AFS") securities, financial instruments and our exchangeable senior debentures. GAAP provides a hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. We use quoted market prices, or Level 1 inputs, to value our AFS securities. As of December 31, 2009, the carrying value of our AFS securities was $3,364 million.

Level 2 inputs are inputs, other than quoted market prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. We use the Black-Scholes Model to value many of our financial instruments. The inputs we use for the Black-Scholes Model include market prices of equity securities, volatilities for equity securities, dividend rates and risk free discount rates. We also consider our credit risk and counterparty credit risk in estimating the fair value of our financial instruments. While these inputs are observable, they are not all quoted market prices, so the fair values of our financial instruments fall in Level 2. As of December 31, 2009, the carrying value of our financial instrument assets and liabilities was $752 million and $851 million, respectively. We use quoted market prices to determine the fair value of our exchangeable senior debentures. However, these debentures are not traded on active markets as defined in GAAP, so these liabilities also fall in Level 2. As of December 31, 2009, the principal amount and carrying value of our exchangeable debentures were $2,561 million and $1,934 million, respectively.

Level 3 inputs are unobservable inputs for an asset or liability. We currently have no Level 3 financial instrument assets or liabilities.

Non-Financial Instruments. Our non-financial instrument valuations are primarily comprised of our annual assessment of the recoverability of our goodwill and other nonamortizable intangibles, such as trademarks and our evaluation of the recoverability of our other long-lived assets upon certain triggering events. If the carrying value of our long-lived assets exceeds their estimated fair value, we are required to write the carrying value down to fair value. Any such writedown is included in impairment of long-lived assets in our combined statement of operations. A high degree of judgment is required to estimate the fair value of our long-lived assets. We may use quoted market prices, prices for similar assets, present value techniques and other valuation techniques to prepare these estimates. We may need to make estimates of future cash flows and discount rates as well as other assumptions in order to implement these valuation techniques. In addition, when the equity market capitalization of one of our tracking stock groups is lower than our estimate of the aggregate fair value of the reporting units attributable to such tracking stock group, we reconcile such difference to further support the carrying value of our long-lived assets. Due to the high degree of judgment involved in our estimation techniques, any value ultimately derived from our long-lived assets may differ from our estimate of fair value. As each of our operating segments has long-lived assets, this critical accounting policy affects the financial position and results of operations of each segment.

As of December 31, 2009, the intangible assets not subject to amortization for each of our significant reporting units was as follows:

	Goodwill	Trademarks	Other	Total
		amounts in millions		
Starz Entertainment	132	—	—	132
Starz Media	—	14	—	14
ANLBC	180	—	143	323
TruePosition	6	—	—	6
Other	16	2	10	28
Combined	$ 334	16	153	503

We perform our annual assessment of the recoverability of our goodwill and other nonamortizable intangible assets as of December 31, except for ANLBC which is evaluated as of October 31.

Carrying Value of Investments. We periodically evaluate our investments to determine if decreases in fair value below our cost bases are other than temporary. If a decline in fair value is determined to be other than temporary, we are required to reflect such decline in our combined statement of operations. Other than temporary declines in fair value of our cost investments are recognized on a separate line in our combined statement of operations, and other than temporary declines in fair value of our equity method investments are included in share of losses of affiliates in our combined statement of operations.

The primary factors we consider in our determination of whether declines in fair value are other than temporary are the length of time that the fair value of the investment is below our carrying value; the severity of the decline; and the financial condition, operating performance and near term prospects of the investee. In addition, we consider the reason for the decline in fair value, be it general market conditions, industry specific or investee specific; analysts' ratings and estimates of 12 month share price targets for the investee; changes in stock price or valuation subsequent to the balance sheet date; and our intent and ability to hold the investment for a period of time sufficient to allow for a recovery in fair value. Fair value of our publicly traded cost investments is based on the market prices of the investments at the balance sheet date. We estimate the fair value of our other cost and equity investments using a variety of methodologies, including cash flow multiples, discounted cash flow, per subscriber values, or values of comparable public or private businesses. Impairments are calculated as the difference between our carrying value and our estimate of fair value. As our assessment of the fair value of our investments and any resulting impairment losses and the timing of when to recognize such charges requires a high degree of judgment and includes significant estimates and assumptions, actual results could differ materially from our estimates and assumptions.

Our evaluation of the fair value of our investments and any resulting impairment charges are made as of the most recent balance sheet date. Changes in fair value subsequent to the balance sheet date due to the factors described above are possible. Subsequent decreases in fair value will be recognized in our combined statement of operations in the period in which they occur to the extent such decreases are deemed to be other than temporary. Subsequent increases in fair value will be recognized in our combined statement of operations only upon our ultimate disposition of the investment.

Income Taxes. We are required to estimate the amount of tax payable or refundable for the current year and the deferred income tax liabilities and assets for the future tax consequences of events that have been reflected in our financial statements or tax returns for each taxing jurisdiction in which we operate. This process requires our management to make judgments regarding the timing and probability of the ultimate tax impact of the various agreements and transactions that we enter into. Based on these judgments we may record tax reserves or adjustments to valuation allowances on deferred tax assets to reflect the expected realizability of future tax benefits. Actual income taxes could vary from these estimates due to future changes in income tax law, significant changes in the jurisdictions in which we operate, our inability to generate sufficient future taxable income or unpredicted results from the final determination of each year's liability by taxing authorities. These changes could have a significant impact on our financial position.

Results of Operations—Tracking Stock Groups

Splitco Starz Group

The Splitco Starz Group is primarily comprised of our subsidiary Starz Entertainment and $635 million of corporate cash. In addition, as of September 30, 2010 Starz Media is attributed to the Splitco Starz Group and will be included in the results of the Splitco Starz Group on a prospective basis. We do not believe the historical results of Starz Media are indicative of the future performance of the Starz Media businesses given the decision made regarding Overture and how the business is expected to be operated in the future.

The following discussion and analysis provides information concerning the attributed results of operations of the Splitco Starz Group. This discussion should be read in conjunction with (1) our condensed consolidated financial statements and notes thereto included elsewhere in this proxy statement/prospectus and (2) the Unaudited Attributed Financial Information for Tracking Stock Groups included in Annex B to this proxy statement/prospectus.

Results of Operations—Nine Months Ended September 30, 2010 and 2009

	Nine months ended September 30, 2010	2009
	amounts in millions	
Revenue		
Starz Entertainment	$ 929	893
Corporate and other	8	7
	$ 937	900
Adjusted OIBDA		
Starz Entertainment	$ 305	306
Corporate and other	(10)	(6)
	$ 295	300
Operating Income (Loss)		
Starz Entertainment	$ 288	265
Corporate and other	(23)	(42)
	$ 265	223

Revenue. The Splitco Starz Group's revenue increased $37 million or 4.1% for the nine months ended September 30, 2010 as compared to the corresponding prior year period.

Adjusted OIBDA. The Splitco Starz Group's Adjusted OIBDA remained relatively flat for the nine months ended September 30, 2010 as compared to the corresponding prior year period.

Operating income. Operating income for the Splitco Starz Group increased $42 million or 18.8% for the nine months ended September 30, 2010 as compared to the corresponding prior year period. The reduced operating loss in corporate and other for the nine months ended September 30, 2010 is primarily due to a decrease in stock compensation.

Starz Entertainment. Starz Entertainment provides premium programming distributed by cable operators, direct-to-home satellite providers, telephone companies, other distributors and the Internet throughout the United States. Substantially all of Starz Entertainment's revenue is derived from the delivery of movies and original programming to subscribers under affiliation agreements with television video programming distributors. Some of Starz Entertainment's affiliation agreements provide for payments to Starz Entertainment based on the number of subscribers that receive Starz Entertainment's services ("consignment agreements"). Starz Entertainment also has fixed-rate affiliation agreements with certain of its customers. Pursuant to these agreements, the customers pay an agreed-upon rate regardless of the number of subscribers. The agreed-upon rate may be increased annually to the extent the contract provides for an increase. The affiliation agreements expire in 2010 through 2018. During the nine months ended September 30, 2010, 55% of Starz Entertainment's revenue was generated by its three largest customers, Comcast, DIRECTV and Dish Network, each of which individually generated more than 10% of Starz Entertainment's revenue for such period.

Starz Entertainment's operating results are as follows:

	Nine months ended September 30,	
	2010	2009
	amounts in millions	
Revenue	$ 929	893
Operating expenses	(520)	(491)
SG&A expenses	(104)	(96)
Adjusted OIBDA	305	306
Stock-based compensation	(6)	(29)
Depreciation and amortization	(11)	(12)
Operating income	$ 288	265

Starz Entertainment's revenue increased 4.0% for the nine months ended September 30, 2010 as compared to the corresponding prior year period. The nine month increase is comprised of $9 million due to a higher effective rate for Starz Entertainment's services, $15 million due to growth in the number of subscriptions under consignment deals and $12 million due to international television and home video revenue associated with original programs (primarily *Spartacus: Blood* and *Sand*). The Starz movie service and Encore and the Encore thematic multiplex channels ("EMP") movie service are the primary drivers of Starz Entertainment's revenue. For the nine months ended September 30, 2010 Starz average subscriptions decreased 2.7% and EMP average subscriptions decreased 0.3%. Such change in average subscriptions are the net result of increases in subscriptions under consignment agreements and decreases in subscriptions under fixed-rate agreements which do not impact revenue. Approximately 33% of Starz Entertainment's revenue in 2010 was earned under its fixed-rate affiliation agreements.

Starz Entertainment's operating expenses increased $29 million or 5.9% for the nine months ended September 30, 2010 as compared to the corresponding prior year period. Operating expenses for the nine months ended September 30, 2010 increased due to additional programming costs associated with our original programming (*The Pillars of the Earth and Spartacus: Blood and Sand*), overall rate increases due to the box office performance of programming acquired and aired during the period and costs associated with the revenue earned on original programs, including increased amortization. Operating expenses for the nine months ended September 30, 2010 were also impacted by impairments on two original programs (*Party Down* and *Gravity*) which were cancelled during the first half of the year.

Starz Entertainment's SG&A expenses increased $8 million or 8.3% for the nine months ended September 30, 2010 as compared to the corresponding prior year period. The nine month increase is due primarily to increased marketing support incurred under affiliation agreements.

Starz Entertainment has outstanding phantom stock appreciation rights (PSARs) held by its founder and former chief executive officer which were exercised in the fourth quarter of 2009. No additional compensation was recorded in the current period related to those rights. The determination of the final amount owed for the PSARs will be made by independent third parties and the process for making that determination has been initiated.

Results of Operations—December 31, 2009, 2008 and 2007

	Years ended December 31,		
	2009	2008	2007
	amounts in millions		
Revenue			
Starz Entertainment	$ 1,193	1,111	1,066
Corporate and other	11	13	25
	$ 1,204	1,124	1,091
Adjusted OIBDA			
Starz Entertainment	$ 384	301	264
Corporate and other	(10)	(11)	(5)
	$ 374	290	259
Operating Income (Loss)			
Starz Entertainment	$ 330	(975)	210
Corporate and other	(58)	(38)	(59)
	$ 272	(1,013)	151

Starz Entertainment's operating results are as follows:

	Years ended December 31,		
	2009	2008	2007
	amounts in millions		
Revenue	$ 1,193	1,111	1,066
Operating expenses	(677)	(675)	(692)
SG&A expenses	(132)	(135)	(110)
Adjusted OIBDA	384	301	264
Stock-based compensation	(38)	(19)	(33)
Depreciation and amortization	(16)	(18)	(21)
Impairment of long-lived assets	—	(1,239)	—
Operating income (loss)	$ 330	(975)	210

Starz Entertainment's revenue increased 7.4% and 4.2% for the years ended December 31, 2009 and 2008, respectively, as compared to the corresponding prior year. The 2009 increase in revenue is comprised of $30 million due to growth in the weighted average number of subscriptions, $31 million due to a higher effective rate for Starz Entertainment's services and $21 million due to new products and services. The increase in revenue in 2008 is comprised of $33 million due to a higher effective rate for Starz Entertainment's services and $12 million due to growth in the weighted average number of subscriptions. During the year ended December 31, 2009, 57.3% of Starz Entertainment's revenue was generated by its three largest customers, Comcast, DIRECTV and Dish Network, each of which individually generated more than 10% of Starz Entertainment's revenue for such period.

The Starz movie service and Encore and the Encore thematic multiplex channels ("EMP") movie service are the primary drivers of Starz Entertainment's revenue. Starz average subscriptions increased 2.8% and 6.7% in 2009 and 2008, respectively; and EMP average subscriptions were essentially flat in 2009 and increased 8.1% in 2008. The impact on revenue of subscription increases is affected by the relative percentages of increases under consignment agreements and fixed-rate affiliation agreements. In this regard, in 2009 subscriptions under fixed-rate agreements decreased while subscriptions under consignment agreements increased. Conversely, in 2008, subscriptions under fixed-rate affiliation agreements increased at a higher rate than subscriptions under consignment agreements.

Starz Entertainment's operating expenses were relatively flat in 2009 and decreased 2.5% in 2008, as compared to the corresponding prior year. Programming expenses are Starz Entertainment's primary operating expense and comprised approximately 91% of the total for 2009. Starz Entertainment has been able to reduce its programming expenses in recent years with expenses decreasing from $656 million in 2007 to $629 million in 2008 to $615 million in 2009. The 2009 decrease in programming expenses is due to a decrease in the percentage of first-run movie exhibitions (which have a relatively higher cost per title) as compared to the number of library product and original programming exhibitions ($31 million) and a lower effective rate for first-run movies ($2 million), partially offset by the amortization of production costs for original series ($19 million). We expect that amortization of production costs for original series will increase in the future as Starz Entertainment continues to invest in original programming. The 2009 decrease in programming expenses was more than offset by (i) the amortization and write-off of production costs related to the home video and international distribution of original programming and (ii) other operating expenses.

The 2008 decrease in programming expense is due to lower amortization ($25 million) of upfront bonus payments made under output agreements and a decrease in the percentage of first-run movie exhibitions as compared to the number of library product exhibitions ($44 million), partially offset by a higher effective rate for first-run movies ($34 million) and the amortization of production costs for original series ($8 million).

Starz Entertainment's SG&A expenses decreased slightly and increased 22.7% during 2009 and 2008, respectively, as compared to the corresponding prior year. The 2009 decrease is due to lower advertising expenses. The 2008 increase is due primarily to higher marketing and advertising costs related to Starz new branding campaign and an increase in marketing support.

Starz Entertainment has outstanding phantom stock appreciation rights held by its founder. Starz Entertainment also has a long-term incentive plan for certain members of its current management team. Compensation relating to the PSARs and the long-term incentive plan has been recorded based upon the estimated fair value of Starz Entertainment. The amount of expense associated with the PSARs and the long-term incentive plan is generally based on the vesting of the awards and the change in the fair value of Starz Entertainment. The value of the PSARs decreased in 2008 due to a decrease in the value of Starz Entertainment.

In connection with our 2008 annual evaluation of the recoverability of our goodwill, we estimated the fair value of our reporting units using a combination of discounted cash flows and market comparisons and determined that the carrying value of the goodwill for Starz Entertainment exceeded its fair value, and we recorded an impairment charge of $1,239 million for Starz Entertainment. See our discussion of our consolidated results of operations above for a more complete description of these impairment charges.

Splitco Capital Group

The Splitco Capital Group is comprised of our subsidiaries, assets and liabilities not attributed to the Splitco Starz Group, including controlling interests in Starz Media through September 30, 2010 (results of Starz Media will be included in the Starz Group prospectively), ANLBC and TruePosition as well as minority investments in SIRIUS XM, Time Warner, Time Warner Cable, Sprint, Live Nation and other public and private companies. In addition, we have attributed $1,581 million of cash, including subsidiary cash, and $1,888 million principal amount (as of September 30, 2010) of our exchangeable senior debentures and other parent debt to the Splitco Capital Group.

The following discussion and analysis provides information concerning the attributed results of operations of the Splitco Capital Group. This discussion should be read in conjunction with (1) our condensed consolidated financial statements and notes thereto included elsewhere in this proxy statement/prospectus and (2) the Unaudited Attributed Financial Information for Tracking Stock Groups included in Annex B to this proxy statement/prospectus.

Results of Operations—Nine Months Ended September 30, 2010 and 2009

	Nine months ended September 30, 2010	Nine months ended September 30, 2009
	amounts in millions	
Revenue		
Starz Media	$ 317	248
ANLBC	186	189
TruePosition	86	24
Corporate and other	28	34
	$ 617	495
Adjusted OIBDA		
Starz Media	$ (67)	(49)
ANLBC	8	12
TruePosition	(11)	(56)
Corporate and other	(7)	(6)
	$ (77)	(99)
Operating Income (Loss)		
Starz Media	$ (71)	(56)
ANLBC	(32)	(26)
TruePosition	(18)	(61)
Corporate and other	(35)	(23)
	$ (156)	(166)

Revenue. The Capital Group's combined revenue increased 24.6% for the nine months ended September 30, 2010 as compared to the corresponding prior year period. The nine month increase in revenue is due primarily to a $18 million increase in theatrical revenue and a $51 million increase in home video revenue at Starz Media. Theatrical revenue increased due to the performance of two films (*The Crazies* and *Brooklyn's Finest*) released in 2010 which exceeded the performance of the four films released in 2009 (*Sunshine Cleaning, Paper Hearts, Capitalism: A Love Story* and *Pandorum)*. Home video revenue increased as the result of the performance of six films (*Law Abiding Citizen, The Men Who Stare at Goats, Pandorum, Capitalism: A Love Story, The Crazies* and *Brooklyn's Finest*) released on DVD during the nine months ended September 30, 2010 exceeding the performance of the four films (*Righteous Kill, Henry Poole is Here, Last Chance Harvey* and *Sunshine Cleaning*) released during the same period last year.

ANLBC revenue decreased slightly from the prior year due to decreased broadcast revenue in the period offset partially by increased event revenue due to a slight increase in attendance.

During the second quarter of 2010 TruePosition delivered the final specified upgrade in accordance with one of its agreements under which revenue and costs were being deferred. The delivery of this item caused TruePosition to recognize previously deferred revenue and costs ($52 million and $18 million, respectively) into operations during the three months ended September 30, 2010. In addition, any current revenue under this agreement will be recognized as delivered and no longer deferred.

Included in Splitco Capital Group's corporate and other revenue are payments from CNBC related to a revenue sharing agreement between our company and CNBC. The agreement has no termination date, and payments aggregated $18 million for each of the nine month periods ended September 30, 2010 and 2009.

Adjusted OIBDA. The Splitco Capital Group's Adjusted OIBDA losses decreased $22 million for the nine months ended September 30, 2010 as compared to the corresponding prior year period. Starz Media's Adjusted OIBDA losses increased $18 million for the nine months ended September 30, 2010 due in part to the number and timing of films released theatrically and on home video by Starz Media and Overture Films and the corresponding fluctuations of theatrical, home video revenue and related expenses associated with these films. In addition, Starz Media determined that a number of its titles were impaired due to lower expected revenue than previously anticipated, and recorded approximately $42 million of impairments during the second quarter of 2010. Theatrical print costs and advertising expenses related to the release of a film are recognized at the time the advertisements are run and generally exceed the theatrical revenue earned from the film. In addition, amortization of film production costs begins when revenue recognition begins. Although there can be no assurance, the expectation when films are approved for production or acquisition is that the ultimate revenue to be earned from theatrical release, home video, premium television and other distribution, which revenue may be earned over several years, will exceed the costs associated with the film.

In July 2010, we announced that the marketing and distribution units of Overture were being transferred to Relativity Media, LLC ("Relativity"), effective July 27, 2010. As part of this arrangement, Relativity will handle the theatrical release of Overture's final three films. We will continue to exploit the films in Overture's library and the net margin earned on these films will be used to service the outstanding debt associated with these films. Further, as discussed above, Starz Media is attributed to the Splitco Starz Group as of September 30, 2010 and will be reflected in the results of the Splitco Starz Group prospectively.

Due to the relatively fixed nature of baseball operations the previously discussed revenue decrease impacted Adjusted OIBDA.

Additionally as discussed above, TruePosition recognized deferred revenue and costs during the period that impacted Adjusted OIBDA by approximately $34 million.

Operating loss. The Splitco Capital Group's operating loss decreased in 2010 due to the aforementioned timing of films released by Starz Media in the theatrical and home video markets, impairments in the second quarter of 2010 offset by deferred revenue and cost recognition at TruePosition and decreased stock compensation as compared to the prior period.

Results of Operations—December 31, 2009, 2008 and 2007

	Years ended December 31,		
	2009	2008	2007
	amounts in millions		
Revenue			
Starz Media	364	321	254
ANLBC	206	204	159
TruePosition	32	21	17
Corporate and other	47	68	55
	649	614	485
Adjusted OIBDA			
Starz Media	(93)	(189)	(143)
ANLBC	8	16	38
TruePosition	(77)	(113)	(98)
Corporate and other	(13)	(11)	(7)
	(175)	(297)	(210)
Operating Income (Loss)			
Starz Media	(100)	(395)	(342)
ANLBC	(40)	(34)	4
TruePosition	(84)	(119)	(103)
Corporate and other	(39)	(103)	(65)
	(263)	(651)	(506)

Revenue. The Splitco Capital Group's combined revenue increased 5.7% and 26.6% for the years ended December 31, 2009 and 2008, respectively, as compared to the corresponding prior year. The 2009 increase in Starz Media's revenue is attributable to a $50 million aggregate increase in theatrical, home video and television revenue from movies released by Overture Films, including $17 million of intercompany revenue from Starz Entertainment. Such intercompany revenue is eliminated in corporate and other. The increases for Overture Films were partially offset by lower theatrical and home video revenue for Starz Media's other divisions. The increase in Starz Media's revenue in 2008 is due primarily to (i) $63 million recognized from the theatrical release of eight films by Overture Films and one film by Starz Animation, as compared with no film releases in 2007, and (ii) an increase of $28 million in home video revenue. These increases in revenue were partially offset by a $20 million decrease in revenue related to for-hire animation projects. Included in Splitco Capital Group's corporate and other revenue are payments from CNBC related to a revenue sharing agreement between our company and CNBC. The agreement has no termination date, and payments aggregated $24 million, $24 million and $21 million for the years ended December 31, 2009, 2008 and 2007, respectively.

ANLBC revenue increased in 2008 primarily due to having a full year of operations. ANLBC was acquired in May of 2007. Therefore the 2007 revenue only included a partial year.

In November 2006, TruePosition signed an amendment to its existing services contract with AT&T Corp. that requires TruePosition to develop and deliver additional software features. Because TruePosition did not meet GAAP requirements for revenue recognition, TruePosition was required to defer revenue recognition until all contracted items had been delivered. In June 2010 TruePosition delivered the final specified element under the AT&T arrangement which allows TruePosition to begin recognizing previously deferred revenue and costs over the remaining useful life of the deliver equipment. TruePosition is currently evaluating recently issued accounting standards and believes that rules it may be able to recognize revenue from this contract upon adoption of the new rules in 2010 depending on the method of adoption. It is expected that accounting for TruePosition's services contract with its other major customer, T-Mobile, Inc., will be similar. It should be noted that T-Mobile is paying currently for services and equipment they receive and that the aforementioned deferrals have normal gross profit margins included.

Adjusted OIBDA. The Splitco Capital Group's Adjusted OIBDA loss decreased $122 million and increased $87 million in 2009 and 2008, respectively, as compared to the corresponding prior year. Starz Media's Adjusted OIBDA loss decreased in 2009 and increased in 2008 primarily due to the timing of revenue and expenses associated with films released by Overture Films and Starz Animation in 2009 and 2008. Partially offsetting the increased losses in 2008 was a $53 million decrease in capitalized production cost write-offs. Theatrical print costs and advertising expenses related to the release of a film are recognized at the time the advertisements are run and generally exceed the theatrical revenue earned from the film. In addition, amortization of film production costs begins when revenue recognition begins.

In July 2010, we announced that the marketing and distribution units of Overture were being transferred to Relativity Media, LLC ("Relativity"), effective July 27, 2010. As part of this arrangement, Relativity will handle the theatrical release of Overture's final three films. We will continue to exploit the films in Overture's library, as well as the three unreleased films, and the net margin earned on these films will be used to service the outstanding debt associated with these films. We are currently evaluating strategic alternatives for the remaining Starz Media businesses. While a final decision has not been made regarding the future of Starz Media, we do not expect it to incur annual operating losses in the future of the same magnitude that it has experienced in recent years given our decision with respect to Overture.

The lower 2009 Adjusted OIBDA loss for TruePosition, which improved $36 million, was a result of lower operating costs for its primary equipment business and reduced marketing expenses for its new product and service initiatives.

In 2008, ANLBC's Adjusted OIBDA decreased $22 million due to the inclusion of the first four months of the year during which ANLBC generally operates at a loss as no significant revenue is recognized until the first home game of the year in April. TruePosition's Adjusted OIBDA loss increased $22 million in 2008 due to costs incurred for new product and service initiatives.

Starz Media's Adjusted OIBDA loss in 2007 resulted from (i) the $79 million write-off of capitalized production costs due to the abandonment of certain films and downward adjustments to the revenue projections for certain television series and other films, (ii) start-up costs for Overture Films and (iii) lower than expected revenue for Anchor Bay, its DVD distribution division. TruePosition's 2007 Adjusted OIBDA loss was due in large part to the deferral of revenue under its AT&T and T-Mobile contracts described above and to losses incurred in connection with new product and service initiatives ($25 million).

Impairment of long-lived assets. In connection with our 2008 annual evaluation of the recoverability of our goodwill, we estimated the fair value of our reporting units using a combination of discounted cash flows and market comparisons and determined that the carrying value of the goodwill for Starz Media and certain of our other subsidiaries exceeded its fair value, and we recorded an aggregate impairment charge of $251 million. See our discussion of our combined results of operations above for a more complete description of this impairment charge.

In connection with our 2007 annual evaluation of the recoverability of Starz Media's goodwill, we estimated the fair value of Starz Media's reporting units using a combination of discounted cash flows and market comparisons and concluded that the carrying value of certain reporting units exceeded their respective fair values. Accordingly, we recognized a $182 million impairment charge related to goodwill.

Operating loss. Splitco Capital Group's operating losses decreased in 2009 and increased in 2008. Such changes are due to the Adjusted OIBDA losses and impairment charges discussed above.

Quantitative and Qualitative Disclosures about Market Risk.

We are exposed to market risk in the normal course of business due to our ongoing investing and financial activities and the conduct of operations by our subsidiaries in different foreign countries. Market risk refers to the risk of loss arising from adverse changes in stock prices, interest rates and foreign currency exchange rates. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. We have established policies, procedures and internal processes governing our management of market risks and the use of financial instruments to manage our exposure to such risks.

We are exposed to changes in interest rates primarily as a result of our borrowing and investment activities, which include investments in fixed and floating rate debt instruments and borrowings used to maintain liquidity and to fund business operations. The nature and amount of our long-term and short-term debt are expected to vary as a result of future requirements, market conditions and other factors. We manage our exposure to interest rates by maintaining what we believe is an appropriate mix of fixed and variable rate debt. We believe this best protects us from interest rate risk. We have achieved this mix by (i) issuing fixed rate debt that we believe has a low stated interest rate and significant term to maturity, (ii) issuing variable rate debt with appropriate maturities and interest rates and (iii) entering into interest rate swap arrangements when we deem appropriate. As of September 30, 2010, our debt is comprised of the following amounts.

	Variable rate debt		Fixed rate debt	
	Principal amount	Weighted avg interest rate	Principal amount	Weighted avg interest rate
	dollar amounts in millions			
Capital Group	$ 750	0.65%	$ 1,138	3.13%
Starz Group	$ 53	2.43%	$ 46	5.55%

The Splitco Capital Group is exposed to changes in stock prices primarily as a result of our significant holdings in publicly traded securities. We continually monitor changes in stock markets, in general, and changes in the stock prices of our holdings, specifically. We believe that changes in stock prices can be expected to vary as a result of general market conditions, technological changes, specific industry changes and other factors.

At September 30, 2010, the fair value of our AFS equity securities attributed to the Splitco Capital Group was $4,171 million. Had the market price of such securities been 10% lower at September 30, 2010, the aggregate value of such securities would have been $417 million lower. Such decrease would be partially offset by an increase in the value of our borrowed shares. Our exchangeable senior debentures are also subject to market risk. Because we mark these instruments to fair value each reporting date, increases in the stock price of the respective underlying security generally result in higher liabilities and unrealized losses in our statement of operations.

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Splitco

Condensed Combined Balance Sheets

(unaudited)

		September 30, 2010	December 31, 2009
		amounts in millions	
Assets			
Current assets:			
Cash and cash equivalents	$	2,596	3,951
Trade and other receivables, net		281	268
Program rights		504	469
Financial instruments (note 8)		—	752
Receivable from Liberty		—	432
Other current assets		651	103
Total current assets		4,032	5,975
Investments in available-for-sale securities and other cost investments, including $1,148 million and $851 million pledged as collateral for share borrowing arrangements (note 6)		4,194	3,386
Investments in affiliates, accounted for using the equity method (note 7)		94	135
Property and equipment, at cost		531	525
Accumulated depreciation		(278)	(250)
		253	275
Intangible assets not subject to amortization		485	503
Intangible assets subject to amortization, net (note 9)		170	187
Program rights		339	327
Deferred costs		354	432
Other assets, at cost, net of accumulated amortization		635	695
Total assets	$	10,556	11,915
Liabilities and Parent's Investment			
Current liabilities:			
Accounts payable	$	17	20
Accrued liabilities		312	269
Payable to Liberty		15	—
Financial instruments (note 8)		1,152	859
Current portion of debt, including $—million and $297 million measured at fair value (note 10)		34	1,269
Current deferred income tax liabilities		1,128	1,442
Other current liabilities		409	201
Total current liabilities		3,067	4,060
Long-term debt, including $1,255 million and $1,637 million measured at fair value (note 10)		2,070	2,432
Deferred income tax liabilities		31	736
Deferred revenue		881	1,034
Other liabilities		312	338
Total liabilities		6,361	8,600
Parent's investment			
Parent's investment		4,205	3,446
Accumulated other comprehensive earnings, net of taxes		24	35
Accumulated deficit		(34)	(166)
Total parent's investment		4,195	3,315
Noncontrolling interests in equity of subsidiaries		—	—
Total parent's investment		4,195	3,315
Commitments and contingencies (note 13)			
Total liabilities and parent's investment	$	10,556	11,915

See accompanying notes to condensed combined financial statements.

Splitco

Condensed Combined Statements Of Operations

(unaudited)

	Nine months ended September 30, 2010	Nine months ended September 30, 2009
	amounts in millions, except per share amounts	
Revenue	$ 1,554	1,395
Operating costs and expenses:		
Operating	987	877
Selling, general and administrative, including stock-based compensation (note 3)	385	382
Depreciation and amortization	73	79
	1,445	1,338
Operating income	109	57
Other income (expense):		
Interest expense	(46)	(104)
Liberty interest income	3	10
Share of losses of affiliates, net (note 7)	(70)	(34)
Realized and unrealized gains (losses) on financial instruments, net (note 8)	124	(51)
Gains on dispositions, net (note 6)	22	98
Other, net	73	96
	106	15
Earnings from continuing operations before income taxes	215	72
Income tax expense	(86)	(16)
Earnings from continuing operations	129	56
Earnings from discontinued operations, net of taxes (note 2)	—	85
Net earnings	129	141
Less net loss attributable to the noncontrolling interests	(3)	—
Net earnings attributable to Splitco stockholders	$ 132	141
Net earnings (loss) attributable to Splitco stockholders:		
Splitco Capital common stock	$ (34)	(91)
Splitco Starz common stock	166	232
	$ 132	141
ProForma basic earnings (loss) from continuing operations attributable to Splitco stockholders per common share (note 4):		
Series A and Series B Splitco Capital common stock	$ (.37)	(.95)
Series A and Series B Splitco Starz common stock	$ 3.32	.28
ProForma diluted earnings (loss) from continuing operations attributable to Splitco stockholders per common share (note 4):		
Series A and Series B Splitco Capital common stock	$ (.37)	(.95)
Series A and Series B Splitco Starz common stock	$ 3.19	.28
ProForma basic net earnings (loss) attributable to Splitco stockholders per common share (note 4):		
Series A and Series B Splitco Capital common stock	$ (.37)	(.95)
Series A and Series B Splitco Starz common stock	$ 3.32	.45
ProForma diluted net earnings (loss) attributable to Splitco stockholders per common share (note 4):		
Series A and Series B Splitco Capital common stock	$ (.37)	(.95)
Series A and Series B Splitco Starz common stock	$ 3.19	.45

See accompanying notes to condensed combined financial statements.

Splitco

Condensed Combined Statements Of Comprehensive Earnings (Loss)

(unaudited)

	Nine months ended September 30,	
	2010	2009
	amounts in millions	
Net earnings	$ 129	141
Other comprehensive earnings (loss), net of taxes:		
Foreign currency translation adjustments	—	2
Unrealized holding gains (loss) arising during the period	(28)	39
Recognition of previously unrealized gains on available-for-sale securities, net	(13)	—
Share of other comprehensive earnings (loss) of equity affiliates	—	(6)
Reattribution of other comprehensive earnings	30	—
Other comprehensive earnings from discontinued operations	—	14
Other comprehensive earnings (loss)	(11)	49
Comprehensive earnings	118	190
Less comprehensive loss attributable to the noncontrolling interests	(3)	—
Comprehensive earnings attributable to Splitco stockholders	$ 121	190
Comprehensive earnings (loss) attributable to Splitco stockholders:		
Splitco Capital common stock	$ (45)	(57)
Splitco Starz common stock	166	247
	$ 121	190

See accompanying notes to condensed combined financial statements.

Splitco

Condensed Combined Statements Of Cash Flows

(unaudited)

	Nine months ended September 30, 2010	Nine months ended September 30, 2009
	amounts in millions	
Cash flows from operating activities:		
Net earnings	$ 129	141
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Earnings from discontinued operations	—	(85)
Depreciation and amortization	73	79
Stock-based compensation	36	65
Cash payments for stock-based compensation	(37)	(2)
Noncash interest expense	1	52
Share of losses of affiliates, net	70	34
Realized and unrealized (gains) losses on financial instruments, net	(124)	51
Gains on disposition of assets, net	(22)	(98)
Liberty tax allocation	(41)	(116)
Liberty tax payments	194	168
Deferred income tax (benefit) expense	49	(11)
Other noncash charges (credits), net	140	(3)
Changes in operating assets and liabilities		
Current and other assets	(122)	(36)
Payables and other current liabilities	74	(24)
Net cash provided by operating activities	420	215
Cash flows from investing activities:		
Cash proceeds from dispositions	59	208
Proceeds from settlement of financial instruments, net	750	1,088
Investments in and loans to cost and equity investees	(288)	(705)
Repayment of loan by cost and equity investees	101	409
Repayment (borrowings) of loans to Liberty	316	(510)
Capital expended for property and equipment	(10)	(16)
Net sales (purchases) short term investments	(427)	58
Net (increase) decrease in restricted cash	(33)	76
Reattribution of cash	(807)	—
Other investing activities, net	(7)	(27)
Net cash provided by investing activities	(346)	581
Cash flows from financing activities:		
Borrowings of debt	97	1,970
Repayments of debt	(1,018)	(1,787)
Repurchases of Liberty common stock	(627)	(3)
Other financing activities, net	119	236
Net cash used by financing activities	(1,429)	416
Effect of foreign currency exchange rates on cash	—	(8)
Net cash provided by discontinued operations:		
Cash used by operating activities	—	156
Cash used by investing activities	—	(17)
Cash provided by financing activities	—	(146)
Change in available cash held by discontinued operations	—	38
Net cash provided by discontinued operations	—	31
Net increase (decrease) in cash and cash equivalents	(1,355)	1,235
Cash and cash equivalents at beginning of period	3,951	2,228
Cash and cash equivalents at end of period	$ 2,596	3,463

See accompanying notes to condensed combined financial statements.

Splitco

Condensed Combined Statement Of Equity

(unaudited)

Nine months ended September 30, 2010

	Parent's investment	Accumulated other comprehensive earnings	Accumulated deficit	Noncontrolling interest in equity of subsidiaries	Total equity
			amounts in millions		
Balance at January 1, 2010	$ 3,446	35	(166)	—	3,315
Net earnings	—	—	132	(3)	129
Other comprehensive loss	—	(11)	—	—	(11)
Stock compensation	73	—	—	—	73
Issuance of common stock upon exercise of stock options	15	—	—	—	15
Series A Liberty Capital stock repurchases	(587)	—	—	—	(587)
Series A Liberty Starz stock repurchases	(40)	—	—	—	(40)
Reattribution net impact (note 2)	1,285	—	—	—	1,285
Other	13	—	—	3	16
Balance at September 30, 2010	$ 4,205	24	(34)	—	4,195

See accompanying notes to condensed combined financial statements.

Splitco

Notes to Condensed Combined Financial Statements

September 30, 2010

(unaudited)

(1) Basis of Presentation

The accompanying combined financial statements of Liberty Splitco, Inc. and its controlled subsidiaries (collectively, " Splitco" or the "Company" unless the context otherwise requires) represent a combination of the historical financial information of certain video programming and other media related assets and businesses of Liberty Media Corporation ("Liberty"). Liberty's capital structure utilizes three tracking stocks Liberty Interactive Group ("Interactive Group"), Liberty Starz Group ("Starz Group") and Liberty Capital Group ("Capital Group"). Splitco will continue to utilize a similar tracking stock capital structure with two tracking stock groups, one tracking assets that are currently attributed to the Liberty Capital group ("Splitco Capital Group") and the other tracking assets that are currently attributed to the Liberty Starz group ("Splitco Starz Group"). Therefore, these financials have been presented using the historical presentation of the Liberty attributed information as a basis for the combined financial statements. Previous transactions of the Liberty Capital and Liberty Starz tracking stock groups have been reflected as transactions of the combined entity and the Liberty Interactive Group has been treated as Liberty for purposes of these combined financial statements. Previous transactions between either the Liberty Starz Group or the Liberty Capital Group with the Liberty Interactive Group, including all Reattributions, have been reflected at historical cost on a prospective basis (i.e., treated as book value transfers rather than retroactive as-if poolings) All significant intercompany accounts and transactions have been eliminated in the combined financial statements.

During the second quarter of 2010, Liberty announced that its board of directors authorized its management to proceed with a plan to separate its Liberty Capital and Liberty Starz tracking stock groups from its Liberty Interactive tracking stock group (the "proposed Split-Off").

The proposed Split-Off will be effected by the redemption of all the outstanding shares of Liberty Capital tracking stock and Liberty Starz tracking stock in exchange for shares in a newly formed company Splitco. Splitco will hold substantially all the assets and be subject to substantially all the liabilities currently attributed to the Liberty Capital and Liberty Starz tracking stock groups other than a to-be-determined amount of cash, exchangeable debt in the principal amount of approximately $1.1 billion and the stock into which such debt is exchangeable, which will be reattributed from Liberty's Capital Group to Liberty's Interactive Group prior to the redemptions (the "Split-Off Reattribution"). In the redemption, holders of Liberty Capital tracking stock will receive shares of Splitco Capital tracking stock and holders of Liberty Starz tracking stock will receive shares of Splitco Starz tracking stock. After the redemption, Splitco and Liberty will be separate public companies.

The proposed Split-Off is intended to be tax-free to stockholders of Liberty, and its completion will be subject to various conditions including the receipt of IRS private letter rulings, the opinions of tax counsel and required governmental approvals. The redemption that is necessary to effect the proposed split-off will require the affirmative vote of a majority of the voting power of the outstanding shares of Liberty Capital tracking stock and the affirmative vote of a majority of the voting power of the outstanding shares of Liberty Starz tracking stock, in each case, as of the applicable record date, that are present (in person or by proxy) at a meeting called to consider the redemption, each voting as a separate class.

On August 6, 2010, Liberty announced that it had filed suit in the Delaware Court of Chancery against the trustee under the indenture governing the public indebtedness issued by the Company's

Splitco

Notes to Condensed Combined Financial Statements (Continued)

September 30, 2010

(unaudited)

(1) Basis of Presentation (Continued)

subsidiary, Liberty Media, LLC. The lawsuit was filed in response to allegations made by a law firm purporting to represent a holder with a large position in this public indebtedness. The lawsuit seeks a declaratory judgment by the court that the proposed Split-Off will not constitute a disposition of "all or substantially all" of the assets of Liberty Media, LLC, as those terms are used in the indenture, as well as related injunctive relief. Resolution of this lawsuit is a condition to Liberty completing the proposed Split-Off. Subject to the satisfaction of the conditions described above, Liberty intends to complete the proposed Split-Off in the first half of 2011.

Splitco, through its ownership of interests in subsidiaries and other companies, is primarily engaged in the video and on-line commerce, media, communications and entertainment industries primarily in North America.

The accompanying interim unaudited condensed combined financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X as promulgated by the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the results for such periods have been included. The results of operations for any interim period are not necessarily indicative of results for the full year. These condensed combined financial statements should be read in conjunction with the combined financial statements and notes thereto of Splitco for the year ended December 31, 2009 which are included in Annex B to this proxy statement/prospectus.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Liberty considers (i) fair value measurement, (ii) accounting for income taxes and (iii) assessments of other-than-temporary declines in fair value of its investments to be its most significant esitmates.

Splitco holds investments that are accounted for using the equity method. Splitco does not control the decision making process or business management practices of these affiliates. Accordingly, Splitco relies on management of these affiliates to provide it with accurate financial information prepared in accordance with GAAP that Liberty uses in the application of the equity method. In addition, Splitco relies on audit reports that are provided by the affiliates' independent auditors on the financial statements of such affiliates. The Company is not aware, however, of any errors in or possible misstatements of the financial information provided by its equity affiliates that would have a material effect on Splitco's condensed combined financial statements.

(2) Tracking Stocks

Tracking stock is a type of common stock that the issuing company intends to reflect or "track" the economic performance of a particular business or "group," rather than the economic performance of the company as a whole. Splitco has two tracking stocks—Splitco Starz common stock and Splitco

Splitco

Notes to Condensed Combined Financial Statements (Continued)

September 30, 2010

(unaudited)

(2) Tracking Stocks (Continued)

Capital common stock, which are intended to track and reflect the economic performance of the Splitco Starz Group and Splitco Capital Group, respectively. While the Splitco Starz Group and the Splitco Capital Group have separate collections of businesses, assets and liabilities attributed to them, neither group is a separate legal entity and therefore cannot own assets, issue securities or enter into legally binding agreements. Holders of tracking stocks have no direct claim to the group's stock or assets and are not represented by separate boards of directors. Instead, holders of tracking stock are stockholders of the parent corporation, with a single board of directors and subject to all of the risks and liabilities of the parent corporation.

On November 19, 2009, Liberty completed its previously announced split-off (the "LEI Split-Off") of its wholly owned subsidiary, Liberty Entertainment, Inc. ("LEI"), and the business combination transaction among Liberty, LEI and The DIRECTV Group, Inc. ("DIRECTV") (the "DTV Business Combination"). The LEI Split-Off was accomplished by a redemption (the "Redemption") of 90% of the outstanding shares of Liberty Entertainment common stock in exchange for all of the outstanding shares of common stock of LEI, pursuant to which, 0.9 of each outstanding share of Liberty Entertainment common stock was redeemed for 0.9 of a share of the corresponding series of common stock of LEI, with payment of cash in lieu of any fractional shares.

LEI held Liberty's 57% interest in DIRECTV (which had a carrying value of $13,475 million at the time of the LEI Split-Off), 100% interest in Liberty Sports Holdings, LLC, 65% interest in Game Show Network, LLC and approximately $120 million in cash and cash equivalents, and approximately $2 billion of indebtedness. All of the businesses, assets and liabilities that were attributed to the Entertainment Group and were not held by LEI have remained with Liberty and continue to be attributed to the Entertainment Group, which Liberty redesignated as the Starz Group. The businesses that were held by LEI are accounted for as discontinued operations for periods prior to the LEI Split-Off.

On February 25, 2010, Liberty announced that its board of directors had resolved to effect the following changes in attribution between the Capital Group and the Interactive Group, effective as of that date (the "February Reattribution"):

- the change in attribution from the Interactive Group to the Capital Group of Liberty's 14.6% ownership interest in Live Nation Entertainment, Inc.;
- the change in attribution from the Capital Group to the Interactive Group of the following debt securities:
  - $469 million in principal amount of 4% Exchangeable Senior Debentures due 2029 (the "2029 Exchangeables");
  - $460 million in principal amount of 3.75% Exchangeable Senior Debentures due 2030 (the "2030 Exchangeables"); and
  - $492 million in principal amount of 3.5% Exchangeable Senior Debentures due 2031 (the "2031 Exchangeables", and together with the 2029 Exchangeables and the 2030 Exchangeables, the "Exchangeable Notes");

Splitco

Notes to Condensed Combined Financial Statements (Continued)

September 30, 2010

(unaudited)

(2) Tracking Stocks (Continued)

- the change in attribution from the Capital Group to the Interactive Group of approximately $830 million in net taxable income to be recognized ratably in tax years 2014 through 2018 as a result of the cancellation in April 2009 of $400 million in principal amount of 2029 Exchangeables and $350 million in principal amount of 2030 Exchangeables; and

- the change in attribution from the Capital Group to the Interactive Group of $807 million in cash.

Liberty reflected the February Reattribution prospectively in the unaudited attributed financial information. This change in attribution had no effect on the assets and liabilities attributed to the Starz Group.

The February Reattribution between the groups resulted in the following impact to parents investment:

	Interactive Group increase (decrease)	Capital Group increase (decrease)
	amounts in millions	
Assets:		
Cash	$ 807	(807)
Investment in available-for-sale securities	(307)	307
Net increase (decrease) to assets	500	(500)
Liabilities (including accumulated other comprehensive earnings:		
Exchangeable senior debentures (including accrued interest)	767	(767)
Deferred tax liabilities	1,048	(1,048)
Accumulated other comprehensive earnings	(30)	30
Net increase (decrease) to liabilities	1,785	(1,785)
Impact to parent's investment	$ (1,285)	1,285

The assets and liabilities were reattributed at their book values versus the estimated fair values of those assets and liabilities that were considered by our board of directors, among other factors, in approving the reattribution. As a result, on a book value basis there is a transfer of net assets between the tracking stocks of $1,285 million. The principal reasons for the difference between fair value and book value is (i) the deferred tax liabilities under GAAP are required to be carried at the gross undiscounted basis difference multiplied by the company's effective tax rate whereas on a fair value basis, these future tax liabilities are not expected to be incurred for many years and therefore their present discounted value is substantially less, and (ii) the senior exchangeables are expected to continue to generate interest deductions for tax purposes in excess of the annual cash coupon over their

Splitco

Notes to Condensed Combined Financial Statements (Continued)

September 30, 2010

(unaudited)

(2) Tracking Stocks (Continued)

remaining life, the present value of which is not reflected in the book values of the reattributed assets and liabilities.

On September 16, 2010 the Board of Directors approved the change in attribution of the Starz Media business along with $15 million in cash from the Liberty Capital Group to the Liberty Starz Group, effective September 30, 2010 (the "Starz Media Reattribution"). The Starz Media business consists of the following assets:

- Overture Films (including its Library of 16 released films and 3 films to be released in the third and fourth quarters of 2010)
- Anchor Bay Entertainment
- Proprietary Productions (Library of 42 films and television series)
- Film Roman
- Toronto Animation Studio

This change in attribution results in the extinguishment of an intergroup payable of $54.9 million owed by the Liberty Capital Group to the Liberty Starz Group and Liberty Starz Group being attributed with $53.7 million in bank debt, interest rate swaps and any shutdown costs associated with winding down the Overture Films business. Notwithstanding the Starz Media Reattribution, the board determined that certain tax benefits relating to Liberty Capital's operation of the Starz Media, LLC business that may be realized from any future sales or other disposition of that business by Liberty Starz will remain attributed to the Liberty Capital.

As with the other reattributions the impact will be reflected prospectively from the date of reattribution, in the attributed financials. There will be no change to the historical Splitco combined financials as a result of the change in attribution.

See accompanying unaudited attributed financial information for Splitco's tracking stock groups.

The term "Splitco Starz Group" does not represent a separate legal entity, rather it represents those businesses, assets and liabilities which Liberty has attributed to that group. The Splitco Starz Group focuses primarily on video programming and is comprised primarily of Starz Entertainment, LLC ("Starz Entertainment") and $635 million of corporate cash (as of September 30, 2010). In addition, as noted above, as of September 30, 2010 Starz Media, LLC ("Starz Media") is attributed to the Splitco Starz Group. The Splitco Starz Group will also include such other businesses, assets and liabilities that Liberty's board of directors may in the future determine to attribute to the Splitco Starz Group, including such other businesses as Splitco may acquire for the Splitco Starz Group.

Similarly, the term "Splitco Capital Group" also does not represent a separate legal entity, rather it represents all of Splitco's businesses, assets and liabilities other than those which have been attributed to the Splitco Starz Group. The assets and businesses attributed to the Splitco Capital Group include Splitco's subsidiaries: Starz Media, LLC ("Starz Media") through September 30, 2010, Atlanta National League Baseball Club, Inc. ("ANLBC") and TruePosition, Inc. ("TruePosition"); and its

Splitco

Notes to Condensed Combined Financial Statements (Continued)

September 30, 2010

(unaudited)

(2) Tracking Stocks (Continued)

interests in Sirius XM Radio Inc. ("SIRIUS XM"), Live Nation Entertainment, Inc. ("Live Nation"), Time Warner Inc. ("Time Warner"), Time Warner Cable Inc. ("Time Warner Cable") and Sprint Nextel Corporation ("Sprint"). In addition, Liberty has attributed $1,581 million of cash, including subsidiary cash, and $1,138 million principal amount (as of September 30, 2010) of its exchangeable senior debentures, which will be reattributed to the Liberty Interactive Group prior to the proposed Split-Off, and $750 million of other corporate level and subsidiary debt to the Splitco Capital Group. The Splitco Capital Group will also include such other businesses, assets and liabilities that Liberty's board of directors may in the future determine to attribute to the Splitco Capital Group, including such other businesses and assets as Splitco may acquire for the Splitco Capital Group.

During the second quarter of 2009, each of the Splitco Starz Group and the Splitco Capital Group made intergroup loans to the Liberty Interactive Group in the amount of $250 million. In the first quarter of 2010, the Liberty Interactive Group repaid the remaining balance of the intergroup loans by making payments of $158 million to each the Splitco Starz Group and Splitco Capital Group.

(3) Stock-Based Compensation

The Company has granted to certain of its directors, employees and employees of its subsidiaries options and stock appreciation rights ("SARs") to purchase shares of Liberty common stock (collectively, "Awards"). The Company measures the cost of employee services received in exchange for an Award of equity instruments (such as stock options and restricted stock) based on the grant-date fair value of the Award, and recognizes that cost over the period during which the employee is required to provide service (usually the vesting period of the Award). The company measures the cost of employee services received in exchange for an Award of liability instruments (such as stock appreciation rights that will be settled in cash) based on the current fair value of the Award, and remeasures the fair value of the Award at each reporting date.

In connection with the proposed Split-Off, Awards with respect to Series A and Series B Liberty Starz and Liberty Capital common stock will be converted to Awards with respect to Series A and B Splitco Starz and Splitco Capital tracking stocks pursuant to Splitco's incentive plans. Therefore, the activity associated with options of Liberty Starz and Capital have been reflected as options of Splitco in the combined financial statements.

Included in selling, general and administrative expenses in the accompanying condensed consolidated statements of operations are the following amounts of stock-based compensation (amounts in millions):

Nine months ended:	
September 30, 2010	$ 36
September 30, 2009	$ 65

During the nine months ended September 30, 2010, Liberty granted, primarily to Starz Entertainment employees, 209,000 options to purchase shares of Series A Liberty Starz common stock. Such options had a weighted average grant-date fair value of $16.17 per share. These options vest quarterly over the 4 year vesting period.

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Notes to Condensed Combined Financial Statements (Continued)

September 30, 2010

(unaudited)

(3) Stock-Based Compensation (Continued)

In addition, during the nine months ended September 30, 2010 Liberty granted 1.1 million options to purchase shares of Series A Liberty Capital common stock and 667,000 options to purchase shares of Series A Liberty Starz common stock, as a long-term incentive grant to Liberty officers. Such options had a weighted average grant-date fair value of $19.48 and $22.97 per share, respectively. These options vest one third each on June 30, 2013, June 30, 2014 and December 31, 2015.

The Company has calculated the grant-date fair value for all of its equity classified awards and any subsequent remeasurement of its liability classified awards using the Black-Scholes Model. The Company estimates the expected term of the Awards based on historical exercise and forfeiture data. The volatility used in the calculation for Awards is based on the historical volatility of Liberty's stocks and the implied volatility of publicly traded Liberty options. The Company uses a zero dividend rate and the risk-free rate for Treasury Bonds with a term similar to that of the subject options.

Liberty—Outstanding Awards

The following table presents the number and weighted average exercise price ("WAEP") of options and SARs to purchase Liberty common stock granted to certain officers, employees and directors of the Company.

	Series A			
	Liberty Capital	WAEP	Liberty Starz	WAEP
	numbers of options in thousands			
Outstanding at January 1, 2010	5,069	$ 14.45	2,595	$ 43.13
Granted	1,116	$ 34.57	875	$ 51.23
Exercised	(866)	$ 13.38	(148)	$ 31.98
Forfeited/Cancelled	(25)	$ 13.78	(20)	$ 44.24
Outstanding at September 30, 2010	5,294	$ 18.87	3,302	$ 45.78
Exercisable at September 30, 2010	1,757	$ 11.11	628	$ 30.61

The following table provides additional information about outstanding options to purchase Liberty common stock at September 30, 2010.

	No. of outstanding options (000's)	WAEP of outstanding options	Weighted average remaining life	Aggregate intrinsic value (000's)	No. of exercisable options (000's)	WAEP of exercisable options	Aggregate intrinsic value (000's)
Series A Capital	5,294	$ 18.87	5.2 years	$ 175,705	1,757	$ 11.11	$ 71,990
Series A Starz	3,302	$ 45.78	5.7 years	$ 68,285	628	$ 30.61	$ 21,606
Series B Starz	370	$ 31.15	0.8 years	$ 12,374	370	$ 31.15	$ 12,374

As of September 30, 2010, the total unrecognized compensation cost related to unvested Liberty equity Awards was approximately $78 million. Such amount will be recognized in the Company's consolidated statements of operations over a weighted average period of approximately 3.4 years.

Splitco

Notes to Condensed Combined Financial Statements (Continued)

September 30, 2010

(unaudited)

(4) Unaudited ProForma Earnings Attributable to Splitco Stockholders Per Common Share

Basic earnings (loss) per common share ("EPS") is computed by dividing net earnings (loss) by the weighted average number of common shares outstanding for the period. Diluted EPS presents the dilutive effect on a per share basis of potential common shares as if they had been converted at the beginning of the periods presented.

ProForma Series A and Series B Splitco Capital Common Stock

The basic and diluted EPS calculation is based on the following weighted average outstanding shares. Excluded from diluted EPS for the nine months ended September 30, 2010 are 2 million potential common shares because their inclusion would be antidilutive.

	Splitco Capital Common Stock	
	Nine months ended September 30, 2010	Nine months ended September 30, 2009
	numbers of shares in millions	
Basic EPS	92	96
Stock options	—	—
Diluted EPS	92	96

ProForma Series A and Series B Splitco Starz Common Stock

The basic and diluted EPS calculation is based on the following weighted average outstanding shares of Liberty Starz common stock on an as if converted basis assuming a ratio of 1 to 1 for the proposed Split-Off. Excluded from diluted EPS for the nine months ended September 30, 2010 are less than a million potential common shares because their inclusion would be antidilutive.

	Splitco Starz Common Stock	
	Nine months ended September 30, 2010	Nine months ended September 30, 2009
	numbers of shares in millions	
Basic EPS	50	517
Stock options	2	4
Diluted EPS	52	521

(5) Assets and Liabilities Measured at Fair Value

For assets and liabilities required to be reported at fair value, GAAP provides a hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs, other than quoted

Splitco

Notes to Condensed Combined Financial Statements (Continued)

September 30, 2010

(unaudited)

(5) Assets and Liabilities Measured at Fair Value (Continued)

market prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

The Company's assets and liabilities measured at fair value are as follows:

	Fair Value Measurements at September 30, 2010			
Description	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	amounts in millions			
Available-for-sale securities	$ 4,185	3,778	407	—
Financial instrument liabilities	$ 1,152	1,148	4	—
Debt	$ 1,255	—	1,255	—

The Company uses the Black-Scholes Model to estimate fair value for the majority of its Level 2 financial instrument assets and liabilities using observable inputs such as exchange-traded equity prices, risk-free interest rates, dividend yields and volatilities obtained from pricing services. For the Company's debt instruments reported at fair value, the Company gets quoted market prices from pricing services or from evidence of observable inputs, some of which may be obtained using third-party brokers. However, the Company does not believe such instruments are traded on "active markets," as defined in GAAP. Accordingly, the debt instruments are reported in the foregoing table as Level 2 fair value.

The Company incorporates a credit risk valuation adjustment in its fair value measurements to estimate the impact of both its own nonperformance risk and the nonperformance risk of its counterparties. The Company estimates credit risk associated with its and its counterparties nonperformance primarily by using observable credit default swap rates for terms similar to those of the remaining life of the instrument, adjusted for any master netting arrangements or other factors that provide an estimate of nonperformance risk. These are Level 3 inputs. However, as the credit risk valuation adjustments were not significant, the Company continues to report its equity collars, interest rate swaps and put options as Level 2.

(6) Investments in Available-for-Sale Securities and Other Cost Investments

All marketable equity and debt securities held by the Company are classified as available-for-sale ("AFS") and are carried at fair value generally based on quoted market prices. GAAP permits entities to choose to measure many financial instruments, such as AFS securities, and certain other items at fair value and to recognize the changes in fair value of such instruments in the entity's statement of operations (the "fair value option"). Splitco has previously entered into economic hedges for certain of its non-strategic AFS securities (although such instruments are not accounted for as fair value hedges by the Company). Changes in the fair value of these economic hedges are reflected in Splitco's statement of operations as unrealized gains (losses). In order to better match the changes in fair value of the subject AFS securities and the changes in fair value of the corresponding economic hedges in the Company's financial statements, Splitco has elected the fair value option for those of its AFS securities which it considers to be non-strategic ("Non-strategic Securities"). Accordingly, changes in

Splitco

Notes to Condensed Combined Financial Statements (Continued)

September 30, 2010

(unaudited)

(6) Investments in Available-for-Sale Securities and Other Cost Investments (Continued)

the fair value of Non-strategic Securities, as determined by quoted market prices, are reported in realized and unrealized gains (losses) on financial instruments in the accompanying condensed consolidated statements of operations. The total value of the Non-strategic Securities aggregated $3,492 million as of September 30, 2010.

Investments in AFS securities, including Non-strategic Securities, and other cost investments are summarized as follows:

	September 30, 2010	December 31, 2009
	amounts in millions	
SplitcoCapital Group		
Time Warner(1)	$ 1,049	997
Time Warner Cable(1)	464	356
Sprint(1)	329	260
Motorola, Inc.(1)	443	403
Viacom, Inc.	275	226
Live Nation(2)	270	—
CenturyLink, Inc.(1)	212	195
Other AFS equity securities(1)	287	220
SIRIUS XM debt securities(3)	422	300
Other AFS debt securities	433	376
Other cost investments and related receivables	9	22
Total attributed Splitco Capital Group	4,193	3,355
Splitco Starz Group		
Other AFS securities	1	31
Total attributed Splitco Starz Group	1	31
Combined Splitco	$ 4,194	3,386

(1) Includes shares pledged as collateral for share borrowing arrangements. See note 8.

(2) On January 25, 2010, Live Nation and Ticketmaster Entertainment, Inc. ("Ticketmaster") completed a merger transaction. Liberty owned approximately 29% of the outstanding common stock of Ticketmaster and received 1.474 shares of Live Nation for each share of Ticketmaster. As a result of the merger Splitco now owns approximately 15% of the combined entity and accounts for the new investment as an AFS security. Splitco recorded the transaction at fair value and recorded a $178 million gain. At the time of the merger the investment was attributed to the Liberty Interactive Group. As a result of the February Reattribution the Live Nation investment is attributed to the Splitco Capital Group.

(3) During the nine months ended September 30, 2010, Liberty acquired $150 million of SIRIUS XM 8.75% bonds due April 15, 2015 at par and SIRIUS XM repurchased and retired certain public bonds of which Splitco owned approximately $55 million of the principal amount. Proceeds from the repurchase were approximately $58 million.

Splitco

Notes to Condensed Combined Financial Statements (Continued)

September 30, 2010

(unaudited)

(6) Investments in Available-for-Sale Securities and Other Cost Investments (Continued)

Unrealized Holdings Gains and Losses

Unrealized holding gains and losses related to investments in AFS securities, not accounted for using the fair value option, are summarized below.

	September 30, 2010		December 31, 2009	
	Equity securities	Debt securities	Equity securities	Debt securities
	amounts in millions			
Gross unrealized holding gains	$ —	67	—	69
Gross unrealized holding losses(a)	$ (16)	—	—	—

(a) The investment in an unrealized loss position has not been in a continuous loss position for more than 12 months.

(7) Investments in Affiliates Accounted for Using the Equity Method

Liberty has various investments accounted for using the equity method. The following table includes Liberty's carrying amount and percentage ownership of the more significant investments in affiliates at September 30, 2010 and the carrying amount at December 31, 2009:

	September 30, 2010		December 31, 2009
	Percentage ownership	Carrying amount	Carrying amount
		dollar amounts in millions	
Capital Group			
SIRIUS XM	40%	—	33
Other	various	94	102
		$ 94	135

The following table presents Liberty's share of earnings (losses) of affiliates:

	Nine months ended September 30,	
	2010	2009
	amounts in millions	
Capital Group		
SIRIUS XM	$ (51)	(14)
Other	(19)	(12)
Starz Group		
Other	—	(8)
	$ (70)	(34)

Splitco

Notes to Condensed Combined Financial Statements (Continued)

September 30, 2010

(unaudited)

(7) Investments in Affiliates Accounted for Using the Equity Method (Continued)

Sirius XM Radio Inc.

During 2009, Splitco made equity investments and loans to SIRIUS XM and made open market purchases of SIRIUS XM public debt.

In the first quarter of 2009, Splitco and SIRIUS XM entered into a senior secured loan agreement (the "Senior Loan") whereby Splitco loaned SIRIUS XM $250 million and made a commitment to loan an additional $30 million to fund qualifying expenditures by SIRIUS XM (the "Purchase Money Commitment"). In exchange for making the Senior Loan, Splitco received a $30 million origination fee. Splitco accounted for the origination fee as a discount to the Senior Loan. On March 6, 2009, Splitco (i) purchased $100 million of a new senior loan facility of a subsidiary of SIRIUS XM ("Subsidiary Senior Loan"), (ii) purchased $61 million of bank debt of such subsidiary directly from the lending group and (iii) committed to make a loan of $150 million to such subsidiary in December 2009 ("Subsidiary Commitment"). Also on March 6, 2009 Splitco purchased voting preferred stock of SIRIUS XM (the "SIRIUS XM Preferred Stock"), which has substantially the same rights and preferences as common shareholders of SIRIUS XM, for a cash payment of $12,500. The SIRIUS XM Preferred Stock is convertible into common stock equal to 40% of the outstanding common shares after giving effect to such conversion.

Splitco allocated the total consideration paid for the Subsidiary Senior Loan, the Subsidiary Commitment and the SIRIUS XM Preferred Stock to each of the instruments based on their relative fair values.

During the first quarter of 2010, Splitco purchased an additional $150 million of SIRIUS XM 8.75% debt securities due April 15, 2015 at par. During the second quarter of 2010, SIRIUS XM repurchased and retired certain public bonds of which Splitco owned approximately $55 million of the principal amounts. As of September 30, 2010, Splitco owns $374 million principal amount of SIRIUS XM public bonds, which are accounted for as AFS securities and have a fair value of $422 million, including related interest, and the SIRIUS XM Preferred Stock. In October of 2010 pursuant to a tender offer by SIRIUS XM, Splitco tendered $87 million principal amount SIRIUS XM's 11.25% Senior Secured Notes due 2013. Splitco acquired an additional $50 million principal amount of SIRIUS XM's 7.625% Senior Notes due 2018.

Based on Splitco's voting rights and its conclusion that the SIRIUS XM Preferred Stock is in-substance common stock, Splitco accounts for its investment in the SIRIUS XM Preferred Stock using the equity method of accounting. Splitco has elected to record its share of earnings/losses for SIRIUS XM on a three-month lag due to timeliness considerations.

Splitco

Notes to Condensed Combined Financial Statements (Continued)

September 30, 2010

(unaudited)

(7) Investments in Affiliates Accounted for Using the Equity Method (Continued)

Summarized unaudited financial information for SIRIUS XM is as follows:

SIRIUS XM Combined Balance Sheet

	June 30, 2010	December 31, 2009
	amounts in millions	
Current assets	$ 760	860
Property and equipment, net	1,765	1,711
Intangible assets, net	2,661	2,695
Goodwill	1,835	1,835
Other assets	180	221
Total assets	$ 7,201	7,322
Current liabilities	$ 2,042	2,077
Deferred income taxes	947	940
Long-term debt	2,662	2,800
Other liabilities	1,370	1,409
Stockholders' equity	180	96
Total liabilities and equity	$ 7,201	7,322

SIRIUS XM Combined Statements of Operations

	Six months ended June 30, 2010	2009
	amounts in millions	
Revenue	$ 1,363	1,178
Cost of services	(527)	(524)
Subscriber acquisition costs	(200)	(140)
Selling, general and administrative expenses	(244)	(249)
Depreciation and amortization	(139)	(159)
Restructuring charges and other	(2)	(28)
Operating income	251	78
Interest expense	(155)	(166)
Other income (expense), net	(36)	(122)
Income tax expense	(3)	(2)
Net earnings (loss)	57	(212)

When Splitco applied its initial equity method accounting on the SIRIUS XM investment, Splitco's basis in the investment was different than the underlying equity in the net assets of SIRIUS XM. As a

Splitco

Notes to Condensed Combined Financial Statements (Continued)

September 30, 2010

(unaudited)

(7) Investments in Affiliates Accounted for Using the Equity Method (Continued)

result, Splitco established an excess basis account and allocated the differences to certain fair value adjustments to the outstanding debt (at the time of our initial investment) and certain intangible assets. Even though SIRIUS XM had net income during the current year the amortization of the excess basis resulted in Splitco recording share of losses. In the third quarter of 2010 these share of losses were accelerated as SIRIUS XM refinanced certain debt which had an associated discount recorded in Splitco's excess basis account. As SIRIUS XM repays certain debt issuances where Splitco has established debt discounts, the extinguishment typically results in a loss on the retirement of Splitco's excess basis account. Splitco has suspended taking losses of our basis in SIRIUS XM below zero as Splitco does not have any funding commitments.

As of September 30, 2010, the SIRIUS XM Preferred Stock had a fair value of $3,111 million based on the value of the common stock into which it is convertible.

(8) Financial Instruments

Equity Collars

The Company has entered into equity collars (which may be structured as variable share forward sale contracts or similar instruments) and other financial instruments to manage market risk associated with its investments in certain marketable securities. These instruments are recorded at fair value based on option pricing models. Equity collars provide the Company with a put option that gives the Company the right to require the counterparty to purchase a specified number of shares of the underlying security at a specified price at a specified date in the future. Equity collars also provide the counterparty with a call option that gives the counterparty the right to purchase the same securities at a specified price at a specified date in the future. The put option and the call option generally have equal fair values at the time of origination resulting in no cash receipts or payments. Currently the Company has no equity collars outstanding.

Borrowed Shares

From time to time and in connection with certain of its derivative instruments, Splitco borrows shares of the underlying securities from a counterparty and delivers these borrowed shares in settlement of maturing derivative positions. In these transactions, the same number of shares that are owned by Splitco, of the same company as the borrowed shares, have been posted as collateral with the counterparty. These share borrowing arrangements can be terminated at any time at Splitco's option by delivering shares to the counterparty. The counterparty can terminate these arrangements at any time. The liability under these share borrowing arrangements is marked to market each reporting period with changes in value recorded in unrealized gains or losses in the combined statement of operations. The shares posted as collateral under these arrangements are marked to market each reporting period with changes in value recorded as unrealized gains or losses in the combined statement of operations.

Splitco

Notes to Condensed Combined Financial Statements (Continued)

September 30, 2010

(unaudited)

(8) Financial Instruments (Continued)

The Company's financial instruments are summarized as follows:

Type of financial instrument	September 30, 2010	December 31, 2009
	amounts in millions	
Assets		
Equity collars(1)	$ —	752
Liabilities		
Borrowed shares(2)	$ 1,148	851
Other	4	8
	$ 1,152	859

(1) The Company's remaining Sprint/CenturyLink, Inc. equity collars were physically settled using borrowed shares during the nine months ended September 30, 2010 for total proceeds of $864 million (including cash for shares delivered). Proceeds from the settlement were used to repay the outstanding derivative loan. Following this transaction the Company no longer has any equity collars outstanding.

(2) The market values of borrowed shares are as follows:

	September 30, 2010	December 31, 2009
	amounts in millions	
Time Warner	$ 93	88
Time Warner Cable	41	31
Sprint	242	125
Motorola	443	403
CenturyLink, Inc.	141	84
Other	188	120
	$ 1,148	851

Splitco

Notes to Condensed Combined Financial Statements (Continued)

September 30, 2010

(unaudited)

(8) Financial Instruments (Continued)

Realized and Unrealized Gains (Losses) on Financial Instruments

Realized and unrealized gains (losses) on financial instruments are comprised of changes in the fair value of the following:

	Nine months ended September 30, 2010	Nine months ended September 30, 2009
	amounts in millions	
Non-strategic Securities	$ 422	1,010
Exchangeable senior debentures	(82)	(605)
Equity collars	(2)	(104)
Borrowed shares	(183)	(314)
Other	(31)	(38)
	$ 124	(51)

(9) Long-Term Debt

Debt, excluding intergroup debt, is summarized as follows:

	Outstanding principal September 30, 2010	Carrying value September 30, 2010	Carrying value December 31, 2009
	amounts in millions		
Splitco Capital Group			
Exchangeable senior debentures			
3.125% Exchangeable Senior Debentures due 2023	$ 1,138	1,255	1,157
4% Exchangeable Senior Debentures due 2029	—	—	243
3.75% Exchangeable Senior Debentures due 2030	—	—	237
3.5% Exchangeable Senior Debentures due 2031	—	—	297
Liberty bank facility	750	750	750
Liberty derivative loan	—	—	838
Subsidiary debt	—	—	131
Total attributed Splitco Capital Group debt	1,888	2,005	3,653
Splitco Starz Group			
Subsidiary debt	99	99	48
Total attributed Splitco Starz Group debt	99	99	48
Total combined Splitco debt	$ 1,987	2,104	3,701
Less current maturities		(34)	(1,269)
Total long-term debt		$ 2,070	2,432

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Notes to Condensed Combined Financial Statements (Continued)

September 30, 2010

(unaudited)

(9) Long-Term Debt (Continued)

Exchangeable Senior Debentures

As discussed in Note 2, effective February 25, 2010 the Board of Directors of Liberty reattributed the 4%, 3.75% and 3.5% Exchangeable Senior Debentures from the Liberty Capital Group to the Liberty Interactive Group which was reflected on a prospective basis. Further, as discussed in Note 1, prior to the completion of the proposed Split-Off the remaining 3.125% Exchangeable Senor Debentures will be reattributed to the Liberty Interactive Group along with a to-be-determined amount of cash and the referenced shares underlying the Exchangeable Senior Debentures, as these obligations will remain the legal obligation of Liberty Media, LLC, which will remain a subsidiary of Liberty.

Other Subsidiary Debt

Other subsidiary debt at September 30, 2010 is comprised of capitalized satellite transponder lease obligations and bank debt of various subsidiaries.

Fair Value of Debt

Due to the variable rate nature and the absence of significant change to Splitco's credit quality, Splitco believes that the carrying amount of its subsidiary debt and other corporate level debt approximated fair value at September 30, 2010.

(10) Stockholders' Equity

As of September 30, 2010, Liberty reserved for issuance upon exercise of outstanding stock options the following:

	Series A	Series B
	amounts in millions	
Liberty Capital common stock	5.3	—
Liberty Starz common stock	3.3	.4

(11) Transactions with Related Parties

As discussed in note 2, Splitco previously held an investment in DIRECTV. During the nine months ended September 30, 2009, subsidiaries of Splitco recognized aggregate revenue of $226 million from DIRECTV for distribution of their programming. In addition, subsidiaries of Splitco made aggregate payments of $27 million to DIRECTV for carriage and marketing.

(12) Commitments and Contingencies

Film Rights

Starz Entertainment, a wholly-owned subsidiary of Splitco, provides premium video programming distributed by cable operators, direct-to-home satellite providers, telephone companies, other distributors and the Internet throughout the United States. Starz Entertainment has entered into agreements with a number of motion picture producers which obligate Starz Entertainment to pay fees

("Programming Fees") for the rights to exhibit certain films that are released by these producers. The unpaid balance of Programming Fees for films that were available for exhibition by Starz Entertainment at September 30, 2010 is reflected as a liability in the accompanying condensed consolidated balance sheet. The balance due as of September 30, 2010 is payable as follows: $76 million in 2010, $12 million in 2011 and $2 million thereafter.

Starz Entertainment has also contracted to pay Programming Fees for films that have been released theatrically, but are not available for exhibition by Starz Entertainment until some future date. These amounts have not been accrued at September 30, 2010. Starz Entertainment is obligated to pay Programming Fees for all qualifying films that are released theatrically in the United States by studios owned by The Walt Disney Company ("Disney") through 2015 and all qualifying films that are released theatrically in the United States by studios owned by Sony through 2016. Films are generally available to Starz Entertainment for exhibition 10-12 months after their theatrical release. The Programming Fees to be paid by Starz Entertainment are based on the quantity and the domestic theatrical exhibition receipts of qualifying films. As these films have not yet been released in theatres, Starz Entertainment is unable to estimate the amounts to be paid under these output agreements. However, such amounts are expected to be significant.

In addition, Starz Entertainment has agreed to pay Sony Pictures Entertainment ("Sony") a total of $190 million in four annual installments of $47.5 million beginning in 2011 for a contract extension. In December 2008, Starz Entertainment entered into a new agreement with Sony requiring $120 million in three equal annual installments beginning in 2015. Starz Entertainment's estimate of amounts payable for rights to future programming (that has been released), including the Disney and Sony agreements, is as follows: $30 million in 2010; $507 million in 2011; $94 million in 2012; $81 million in 2013; $67 million in 2014 and $145 million thereafter.

Guarantees

Splitco guarantees Starz Entertainment's obligations under certain of its studio output agreements. At September 30, 2010, Liberty's guarantees for obligations for films released by such date aggregated $694 million. While the guarantee amount for films not yet released is not determinable, such amount is expected to be significant. As noted above, Starz Entertainment has recognized the liability for a portion of its obligations under the output agreements. As this represents a direct commitment of Starz Entertainment, a consolidated subsidiary of Splitco, Splitco has not recorded a separate indirect liability for its guarantee of these obligations.

In connection with agreements for the sale of assets by Splitco or its subsidiaries, Splitco may retain liabilities that relate to events occurring prior to its sale, such as tax, environmental, litigation and employment matters. Splitco generally indemnifies the purchaser in the event that a third party asserts a claim against the purchaser that relates to a liability retained by Splitco. These types of indemnification obligations may extend for a number of years. Splitco is unable to estimate the maximum potential liability for these types of indemnification obligations as the sale agreements may not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, Splitco has

Splitco

Notes to Condensed Combined Financial Statements (Continued)

September 30, 2010

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(12) Commitments and Contingencies (Continued)

not made any significant indemnification payments under such agreements and no amount has been accrued in the accompanying condensed consolidated financial statements with respect to these indemnification guarantees.

Employment Contracts

The Atlanta Braves and certain of their players and coaches have entered into long-term employment contracts whereby such individuals' compensation is guaranteed. Amounts due under guaranteed contracts as of September 30, 2010 aggregated $124 million, which is payable as follows: $2 million in 2010, $68 million in 2011 and $52 million in 2012 and $2 million thereafter. In addition to the foregoing amounts, certain players and coaches may earn incentive compensation under the terms of their employment contracts.

Operating Leases

Splitco and its subsidiaries lease business offices, have entered into satellite transponder lease agreements and use certain equipment under lease arrangements.

Tax

In 2009, Liberty settled various variable share forward sale contracts relating to Sprint and Century Link shares using borrowed shares. Liberty received $177 million when it entered into those contracts in 2001 and $1,180 million in connection with the settlement of such contracts in 2009. Splitco treated the settlement as an open transaction and deferred approximately $1,203 million in gain for tax purposes. For financial statement purposes, Splitco recorded approximately $421 million in current deferred income taxes as a result of the settlement. In connection with its review of Liberty's 2009 tax return the IRS questioned whether the gain realized on the settlement of the forward sale contracts should be deferred. In October 2010 the IRS and Liberty reached an agreement with respect to this issue. The agreement will result in Liberty making current federal payments totaling approximately $210 million. For financial statement purposes, Splitco expects to record a current tax expense of approximately $210 million and record a deferred income tax benefit of approximately $421 million during the fourth quarter of 2010. As a result of this agreement, Splitco will be able to unwind the related share borrowing arrangements by delivering shares that it actually owns without incurring any additional federal taxable income.

Litigation

Splitco has contingent liabilities related to legal and tax proceedings and other matters arising in the ordinary course of business. Although it is reasonably possible Splitco may incur losses upon conclusion of such matters, an estimate of any loss or range of loss cannot be made. In the opinion of management, it is expected that amounts, if any, which may be required to satisfy such contingencies will not be material in relation to the accompanying condensed consolidated financial statements.

Subsequent to quarter end, TruePosition, attributed to the Splitco Capital Group, received $48 million in cash in settlement of a patent infringement matter.

Splitco

Notes to Condensed Combined Financial Statements (Continued)

September 30, 2010

(unaudited)

(13) Information About Liberty's Operating Segments

Splitco, through its ownership interests in subsidiaries and other companies, is primarily engaged in the media, communications and entertainment industries. Splitco has attributed each of its businesses to one of two groups: the Splitco Starz Group and the Splitco Capital Group. Each of the businesses in the tracking stock groups is separately managed. Splitco identifies its reportable segments as (A) those consolidated subsidiaries that represent 10% or more of its consolidated revenue, pre-tax earnings or total assets and (B) those equity method affiliates whose share of earnings represent 10% or more of Splitco's pre-tax earnings. The segment presentation for prior periods has been conformed to the current period segment presentation.

Splitco evaluates performance and makes decisions about allocating resources to its operating segments based on financial measures such as revenue, Adjusted OIBDA, gross margin, average sales price per unit, number of units shipped and revenue or sales per customer equivalent. In addition, Splitco reviews nonfinancial measures such as subscriber growth, penetration, website visitors, conversion rates and active customers, as appropriate.

Splitco defines Adjusted OIBDA as revenue less cost of sales, operating expenses, and selling, general and administrative expenses (excluding stock-based compensation). Splitco believes this measure is an important indicator of the operational strength and performance of its businesses, including each business's 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. This measure of performance excludes depreciation and amortization, stock-based compensation, separately reported litigation settlements and restructuring and impairment charges that are included in the measurement of operating income pursuant to GAAP. Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with GAAP. Splitco generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties, that is, at current prices.

For the nine months ended September 30, 2010, Splitco has identified the following businesses as its reportable segments:

- Starz Entertainment—consolidated subsidiary attributed to the Splitco Starz Group that provides premium programming distributed by cable operators, direct-to-home satellite providers, telephone companies, other distributors and the Internet throughout the United States.

- Starz Media—consolidated subsidiary attributed to the Splitco Capital Group (through September 30, 2010) that develops, acquires, produces and distributes live-action and animated films and television productions for the theatrical, home video, television and other ancillary markets in the United States and internationally. The Starz Media Reattribution has been reflected prospectively, and the activity of Starz Media, for the nine months ended September 30, 2010, remains attributed to the Splitco Capital Group and the assets and liabilities are attributed to the Splitco Starz Group as of September 30, 2010.

Splitco

Notes to Condensed Combined Financial Statements (Continued)

September 30, 2010

(unaudited)

(13) Information About Liberty's Operating Segments (Continued)

- ANLBC—combined subsidiary attributed to the Capital Group that owns and operates the Atlanta Braves Major League Baseball franchise.
- TruePosition, Inc.—combined subsidiary attributed to the Capital Group that develops and markets technology for locating wireless phones and other wireless devices enabling wireless carriers, application providers and other enterprises to provide E-911 services domestically and other location-based services to mobile users both domestically and worldwide.

Splitco's reportable segments are strategic business units that offer different products and services. They are managed separately because each segment requires different technologies, distribution channels and marketing strategies. The accounting policies of the segments that are also consolidated subsidiaries are the same as those described in the Company's summary of significant policies.

Performance Measures

	Nine months ended September 30,			
	2010		2009	
	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA
	amounts in millions			
Splitco Starz Group				
Starz Entertainment	$ 929	305	893	306
Corporate and other	8	(10)	7	(6)
	937	295	900	300
Splitco Capital Group				
Starz Media	317	(67)	248	(49)
ANLBC	186	8	189	12
TruePosition	86	(11)	24	(56)
Corporate and other	28	(7)	34	(6)
	617	(77)	495	(99)
Combined Splitco	$ 1,554	218	1,395	201

Splitco

Notes to Condensed Combined Financial Statements (Continued)

September 30, 2010

(unaudited)

(13) Information About Liberty's Operating Segments (Continued)

Other Information

	September 30, 2010		
	Total assets	Investments in affiliates	Capital expenditures
	amounts in millions		
Splitco Starz Group			
Starz Entertainment and Media	$ 2,164	—	2
Corporate and other	572	—	—
	2,736	—	2
Splitco Capital Group			
Starz Media	—	—	2
ANLBC	597	30	2
TruePosition	562	1	3
Corporate and other	6,722	63	1
	7,881	94	8
Inter-group eliminations	(61)	—	—
Combined Splitco	$ 10,556	94	10

The following table provides a reconciliation of segment Adjusted OIBDA to earnings (loss) from continuing operations before income taxes:

	Nine months ended September 30,	
	2010	2009
	amounts in millions	
Combined segment Adjusted OIBDA	$ 218	201
Stock-based compensation	(36)	(65)
Depreciation and amortization	(73)	(79)
Interest expense	(46)	(104)
Share of losses of affiliates, net	(70)	(34)
Realized and unrealized gains (losses) on financial instruments, net	124	(51)
Gains on dispositions, net	22	98
Other, net	76	106
Earnings from continuing operations before income taxes	$ 215	72

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Liberty Media Corporation:

We have audited the accompanying combined balance sheets of Liberty Splitco, Inc. (the Company) (as defined in note 1) as of December 31, 2009 and 2008, and the related combined statements of operations, comprehensive earnings, cash flows, and parent's investment for each of the years in the three-year period ended December 31, 2009. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Liberty Splitco, Inc. as of December 31, 2009 and 2008, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2009, in conformity with U.S. generally accepted accounting principles.

As discussed in notes 2 and 5 to the accompanying combined financial statements, effective January 1, 2009, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 160, *Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51* (included in FASB ASC Topic 810, *Consolidation*), and effective January 1, 2008, the Company adopted SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115* (included in FASB ASC Topic 825, *Financial Instruments*), and SFAS No. 157, *Fair Value Measurements* (included in FASB ASC Topic 820, *Fair Value Measurements and Disclosures*).

/s/ KPMG LLP

Denver, Colorado
October 18, 2010

Splitco

COMBINED BALANCE SHEETS

December 31, 2009 and 2008

	2009	2008
	amounts in millions	
Assets		
Current assets:		
Cash and cash equivalents	$ 3,951	2,228
Trade and other receivables, net	268	337
Program rights	469	491
Financial instruments (note 8)	752	1,133
Receivable from Liberty	432	71
Other current assets	103	186
Assets of discontinued operations—current (note 4)	—	163
Total current assets	5,975	4,609
Investments in available-for-sale securities and other cost investments, including $851 million and $392 million pledged as collateral for share borrowing arrangements (note 6)	3,386	2,118
Long-term financial instruments (note 8)	—	1,166
Investments in affiliates, accounted for using the equity method (note 7)	135	235
Property and equipment, at cost	525	475
Accumulated depreciation	(250)	(211)
	275	264
Intangible assets not subject to amortization (note 9)	503	514
Intangible assets subject to amortization, net (note 9)	187	241
Program rights	327	366
Deferred costs	432	410
Other assets, at cost, net of accumulated amortization (note 9)	695	717
Assets of discontinued operations (note 4)	—	14,048
Total assets	$ 11,915	24,688

Splitco

COMBINED BALANCE SHEETS (Continued)

December 31, 2009 and 2008

	2009	2008
	amounts in millions	
Liabilities and Parent's Investment		
Current liabilities:		
Accounts payable	$ 20	25
Accrued liabilities	269	351
Financial instruments (note 8)	859	398
Current portion of debt, including $297 million and $138 million measured at fair value (note 10)	1,269	441
Current deferred income tax liabilities (note 11)	1,442	974
Other current liabilities	201	236
Liabilities of discontinued operations—current (note 4)	—	277
Total current liabilities	4,060	2,702
Long-term debt, including $1,637 million and $1,415 million measured at fair value (note 10)	2,432	2,674
Deferred income tax liabilities (note 11)	736	1,144
Deferred revenue	1,034	900
Other liabilities	338	470
Liabilities of discontinued operations (note 4)	—	3,498
Total liabilities	8,600	11,388
Parent's Investment		
Parent's Investment	3,446	19,705
Accumulated other comprehensive earnings (losses), net of taxes (note 15)	35	(36)
Accumulated deficit	(166)	(6,370)
Total Parent's Investment	3,315	13,299
Noncontrolling interests in equity of subsidiaries	—	1
Total Parent's Investment	3,315	13,300
Commitments and contingencies (note 17)		
Total Liabilities and Parent's Investment	$ 11,915	24,688

See accompanying notes to combined financial statements.

Splitco

COMBINED STATEMENTS OF OPERATIONS

Years ended December 31, 2009, 2008 and 2007

	2009	2008	2007
	amounts in millions, except per share amounts		
Revenue	$ 1,853	1,738	1,576
Operating costs and expenses:			
Operating	1,171	1,197	1,184
Selling, general and administrative, including stock-based compensation (note 2)	564	565	397
Depreciation and amortization	100	127	127
Impairment of long-lived assets (note 9)	9	1,513	223
	1,844	3,402	1,931
Operating income (loss)	9	(1,664)	(355)
Other income (expense):			
Interest expense	(132)	(194)	(176)
Liberty interest income	16	—	—
Dividend and interest income	117	152	220
Share of losses of affiliates, net (note 7)	(44)	(71)	(68)
Realized and unrealized gains (losses) on financial instruments, net (note 8)	(34)	(20)	1,275
Gains on dispositions, net (notes 6 and 7)	242	13	634
Other than temporary declines in fair value of investments	(9)	(1)	(33)
Other, net	5	(8)	(1)
	161	(129)	1,851
Earnings (loss) from continuing operations before income taxes	170	(1,793)	1,496
Income tax benefit (expense) (note 11)	170	249	(7)
Earnings (loss) from continuing operations	340	(1,544)	1,489
Earnings from discontinued operations, net of taxes (note 4)	5,864	5,812	190
Net earnings	6,204	4,268	1,679
Less net earnings attributable to the noncontrolling interests	—	8	6
Net earnings attributable to Splitco stockholders	$ 6,204	4,260	1,673
Net earnings (loss) attributable to Splitco stockholders:			
Splitco Capital common stock	$ 127	(592)	1,537
Splitco Starz common stock	6,077	4,852	136
	$ 6,204	4,260	1,673

Splitco

COMBINED STATEMENTS OF OPERATIONS (Continued)

Years ended December 31, 2009, 2008 and 2007

	2009	2008	2007
	amounts in millions, except per share amounts		
Pro Forma basic earnings (loss) from continuing operations attributable to Splitco stockholders per common share (note 2):			
Series A and Series B Splitco Capital common stock	$ 1.32	(5.24)	10.52
Series A and Series B Splitco Starz common stock	$ 0.46	(1.86)	0.18
Pro Forma diluted earnings (loss) from continuing operations attributable to Splitco stockholders per common share (note 2) :			
Series A and Series B Splitco Capital common stock	$ 1.31	(5.24)	10.44
Series A and Series B Splitco Starz common stock	$ 0.46	(1.86)	0.18
Pro Forma basic net earnings (loss) attributable to Splitco stockholders per common share (note 2):			
Series A and Series B Splitco Capital common stock	$ 1.32	(5.24)	11.64
Series A and Series B Splitco Starz common stock	$ 13.13	9.38	0.26
Pro Forma diluted net earnings (loss) attributable to Splitco stockholders per common share (note 2):			
Series A and Series B Splitco Capital common stock	$ 1.31	(5.24)	11.56
Series A and Series B Splitco Starz common stock	$ 13.04	9.33	0.26

See accompanying notes to combined financial statements.

Splitco

COMBINED STATEMENTS OF COMPREHENSIVE EARNINGS

Years ended December 31, 2009, 2008 and 2007

	2009	2008	2007
	amounts in millions		
Net earnings	$ 6,204	4,268	1,679
Other comprehensive earnings (loss), net of taxes (note 15):			
Foreign currency translation adjustments	2	(9)	(1)
Unrealized holding gains (losses) arising during the period	43	(2)	(845)
Recognition of previously unrealized losses (gains) on available-for-sale securities, net	(1)	1	(375)
Other	(4)	(2)	—
Other comprehensive earnings (loss) from discontinued operations	31	(2,618)	(317)
Other comprehensive earnings (loss)	71	(2,630)	(1,538)
Comprehensive earnings	6,275	1,638	141
Less comprehensive earnings attributable to the noncontrolling interests	—	8	6
Comprehensive earnings attributable to Splitco stockholders	$ 6,275	1,630	135
Comprehensive earnings (loss) attributable to Splitco stockholders:			
Splitco Capital common stock	$ 167	(604)	316
Splitco Starz common stock	6,108	2,234	(181)
	$ 6,275	1,630	135

See accompanying notes to combined financial statements.

Splitco

COMBINED STATEMENTS OF CASH FLOWS

Years ended December 31, 2009, 2008 and 2007

	2009	2008	2007
	amounts in millions (see note 3)		
Cash flows from operating activities:			
Net earnings	$ 6,204	4,268	1,679
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Earnings from discontinued operations	(5,864)	(5,812)	(190)
Depreciation and amortization	100	127	127
Impairment of long-lived assets	9	1,513	223
Stock-based compensation	81	17	54
Cash payments for stock-based compensation	(2)	(15)	(3)
Share of losses of affiliates, net	44	71	68
Realized and unrealized losses (gains) on financial instruments, net	34	20	(1,275)
Gains on disposition of assets, net	(242)	(13)	(634)
Other than temporary declines in fair value of investments	9	1	33
Deferred income tax expense (benefit)	45	(169)	248
Other noncash charges, net	81	99	147
Liberty tax allocation, net	(224)	(239)	(278)
Liberty tax receipts, net	168	190	321
Liberty cash transfers, net	(2)	68	(54)
Changes in operating assets and liabilities, net of the effects of acquisitions and dispositions:			
Current and other assets	14	(69)	(144)
Payables and other current liabilities	(95)	77	182
Net cash provided by operating activities	360	134	504
Cash flows from investing activities:			
Cash proceeds from dispositions	251	17	483
Proceeds from settlement of financial instruments	1,367	33	75
Cash received in exchange transactions	—	—	1,154
Cash paid for acquisitions, net of cash acquired	(2)	(8)	(7)
Proceeds from loan to Liberty	(510)	—	—
Investments in and loans to cost and equity investees	(726)	(251)	—
Repayment of loan by equity investee	634	—	—
Investment in special purpose entity	—	—	(750)
Capital expended for property and equipment	(56)	(36)	(26)
Net decrease (increase) in restricted cash	66	383	(882)
Other investing activities, net	72	(99)	(95)
Net cash provided (used) by investing activities	1,096	39	(48)
Cash flows from financing activities:			
Borrowings of debt	2,061	1,548	757
Repayments of debt	(2,144)	(1,326)	(166)
Repayment of Liberty debt	194	—	—
Repurchases of Liberty common stock	(18)	(462)	(1,305)
Settlement of financial instruments	28	(290)	—
Premium proceeds from financial instruments	155	—	—
Contribution from noncontrolling owner	—	—	751
Reattribution of cash to Liberty	—	(380)	—
Other financing activities, net	120	7	(26)
Net cash provided (used) by financing activities	396	(903)	11
Effect of foreign currency exchange rates on cash	(8)	(13)	(2)
Net cash provided by (to) discontinued operations:			
Cash provided (used) by operating activities	(5)	2	58
Cash used by investing activities	(15)	(1,464)	(2)
Cash provided (used) by financing activities	—	1,930	(106)
Change in available cash held by discontinued operations	(101)	(68)	4
Net cash provided by (to) discontinued operations	(121)	400	(46)
Net increase (decrease) in cash and cash equivalents	1,723	(343)	419
Cash and cash equivalents at beginning of year	2,228	2,571	2,152
Cash and cash equivalents at end of year	$ 3,951	2,228	2,571

See accompanying notes to combined financial statements.

Splitco

COMBINED STATEMENTS OF PARENT'S INVESTMENT

Years ended December 31, 2009, 2008 and 2007

	Parent's Investment	Accumulated other comprehensive earnings	Accumulated deficit	Noncontrolling interests in equity of subsidiaries	Total parent's investment
Balance at January 1, 2007	21,352	5,172	(13,455)	194	13,263
Net earnings	—	—	1,673	6	1,679
Other comprehensive loss	—	(1,538)	—	—	(1,538)
Cumulative effects of accounting changes (note 2)	—	—	112	—	112
Stock issued upon exercise of stock options	15	—	—	—	15
Stock compensation	23	—	—	4	27
Series A Liberty Capital stock repurchases	(1,305)	—	—	—	(1,305)
Liberty acquisition of noncontrolling interest	—	—	—	(35)	(35)
Sale by Liberty of controlling interest in subsidiary	—	—	—	(132)	(132)
Contribution by noncontrolling interests	—	—	—	751	751
Distributions to noncontrolling interests	—	—	—	(29)	(29)
Other	6	—	—	—	6
Balance at December 31, 2007	20,091	3,634	(11,670)	759	12,814
Net earnings	—	—	4,260	8	4,268
Other comprehensive loss	—	(2,630)	—	—	(2,630)
Cumulative effects of accounting changes (note 2)	—	(1,040)	1,040	—	—
Reattribution of exchangeables to parent	57	—	—	—	57
Stock issued upon exercise of options	7	—	—	—	7
Stock compensation	11	—	—	—	11
Series A Liberty Capital stock repurchases	(462)	—	—	—	(462)
Unwind of special purpose entity	—	—	—	(750)	(750)
Liberty purchase of noncontrolling interest	—	—	—	(11)	(11)
Distributions to noncontrolling interests	—	—	—	(5)	(5)
Other	1	—	—	—	1
Balance at December 31, 2008	19,705	(36)	(6,370)	1	13,300
Net earnings	—	—	6,204	—	6,204
Other comprehensive earnings	—	71	—	—	71
Split-Off of Liberty Entertainment, Inc. (note 4)	(16,486)	—	—	—	(16,486)
Stock compensation	134	—	—	—	134
Stock issued upon exercise of stock options	115	—	—	—	115
Series A Liberty Starz stock repurchases	(13)	—	—	—	(13)
Series A Liberty Capital stock repurchases	(5)	—	—	—	(5)
Other	(4)	—	—	(1)	(5)
Balance at December 31, 2009	3,446	35	(166)	—	3,315

See accompanying notes to combined financial statements.

Splitco

Notes to Combined Financial Statements

December 31, 2009, 2008 and 2007

(1) Background on Tracking Stock Structure, Split-off Transaction and Basis of Presentation

Current Liberty Tracking Stock Structure

Liberty Media Corporation's ("Liberty") capital structure currently is divided into three tracking stock groups: Liberty Interactive Group, Liberty Starz Group and Liberty Capital Group.

Tracking stock is a type of common stock that the issuing company intends to reflect or "track" the economic performance of a particular business or "group," rather than the economic performance of the company as a whole. While the Liberty Interactive Group, the Liberty Starz Group and the Liberty Capital Group have separate collections of businesses, assets and liabilities attributed to them, no group is a separate legal entity and therefore cannot own assets, issue securities or enter into legally binding agreements. Holders of tracking stocks have no direct claim to the group's stock or assets and are not represented by separate boards of directors. Instead, holders of tracking stock are stockholders of the parent corporation, with a single board of directors and subject to all of the risks and liabilities of the parent corporation.

The term "Interactive Group" does not represent a separate legal entity, rather it represents those businesses, assets and liabilities which Liberty has attributed to that group. As of December 31, 2009, the assets and businesses Liberty has attributed to the Interactive Group are those engaged in video and on-line commerce, and include its subsidiaries QVC, Inc. ("QVC"), Provide Commerce, Inc. ("Provide"), Backcountry.com, Inc. ("Backcountry"), Bodybuilding.com, LLC ("Bodybuilding") and BuySeasons, Inc. ("BuySeasons") and its interests in Expedia, Inc. ("Expedia"), HSN, Inc. ("HSN"), Interval Leisure Group, Inc. ("Interval"), Ticketmaster Entertainment, Inc. ("Ticketmaster") and IAC/InteractiveCorp ("IAC"). In addition, Liberty has attributed $2,135 million principal amount (as of December 31, 2009) of its public debt to the Interactive Group.

The term "Starz Group" does not represent a separate legal entity, rather it represents those businesses, assets and liabilities which Liberty has attributed to that group. The Starz Group focuses primarily on video programming and is comprised primarily of Starz Entertainment, LLC ("Starz Entertainment") and $542 million of corporate cash (as of December 31, 2009).

Similarly, the term "Capital Group" also does not represent a separate legal entity, rather it represents all of Liberty's businesses, assets and liabilities other than those which have been attributed to the Interactive Group and the Starz Group. The assets and businesses attributed to the Capital Group include Liberty's subsidiaries: Starz Media, LLC ("Starz Media"), Atlanta National League Baseball Club, Inc. ("ANLBC") and TruePosition, Inc. ("TruePosition"); and its interests in Sirius XM Radio Inc. ("SIRIUS XM"), Time Warner Inc., Time Warner Cable Inc. and Sprint Nextel Corporation. In addition, Liberty has attributed $3,157 million of cash, including subsidiary cash, and $4,149 million principal amount (as of December 31, 2009) of its exchangeable senior debentures and other corporate level debt to the Capital Group.

Proposed Split-off Transaction

On June 20, 2010 Liberty announced that its board of directors authorized its management to proceed with a plan to separate its Liberty Capital and Liberty Starz tracking stock groups from its Liberty Interactive tracking stock group (the "proposed Split-Off").

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(1) Background on Tracking Stock Structure, Split-off Transaction and Basis of Presentation (Continued)

The proposed Split-Off will be effected by the redemption of all the outstanding shares of Liberty Capital tracking stock and Liberty Starz tracking stock in exchange for shares in a newly formed company ("Splitco" or the "Company" unless the context otherwise requires). Splitco will hold substantially all the assets and be subject to substantially all the liabilities currently attributed to the Liberty Capital and Liberty Starz tracking stock groups, other than a to be determined amount of cash, exchangeable debt in the principal amount of $1.1 billion and the stock into which such debt is exchangeable, which will be reattributed from Liberty's Capital Group to Liberty's Interactive Group prior to the completion of the proposed Split-Off (the "Split-Off Reattribution). The common stock of Splitco will be divided into two tracking stock groups, one tracking assets that are currently attributed to the Liberty Capital Group ("Splitco Capital") and the other tracking assets that are currently attributed to the Liberty Starz Group ("Splitco Starz"). In the redemption, holders of Liberty Capital tracking stock will receive shares of Splitco Capital tracking stock and holders of Liberty Starz tracking stock will receive shares of Splitco Starz tracking stock. After the redemption, Splitco and Liberty will be separate public companies.

The proposed Split-Off is intended to be tax-free to stockholders of Liberty and its completion will be subject to various conditions, including the receipt of IRS private letter rulings, the opinions of tax counsel and required governmental approvals. The redemption that is necessary to effect the proposed Split-Off will require the affirmative vote of a majority of the voting power of the outstanding shares of Liberty Capital tracking stock and the affirmative vote of a majority of the voting power of the outstanding shares of Liberty Starz tracking stock present in person or by proxy at a meeting called to consider the redemption, each voting as a separate class.

On August 6, 2010, Liberty announced that it had filed suit in the Delaware Court of Chancery against the trustee under the indenture governing the public indebtedness issued by Liberty's subsidiary, Liberty Media, LLC. The lawsuit was filed in response to allegations made by a law firm purporting to represent a holder with a large position in this public indebtedness. The lawsuit seeks a declaratory judgment by the court that the proposed Split-Off will not constitute a disposition of "all or substantially all" of the assets of Liberty Media, LLC, as those terms are used in the indenture, as well as related injunctive relief. Resolution of the subject matter of this lawsuit is a condition to Liberty completing the proposed Split-Off. Subject to the satisfaction of the conditions described above, the proposed Split-Off is intended to be complete in the first half of 2011. The proposed Split-Off is expected to be accounted for at historical cost due to the pro rata nature of the distribution.

In connection with the completion of the proposed Split-Off, Splitco and Liberty will enter into certain agreements in order to govern certain of the ongoing relationships between Splitco and Liberty after the proposed Split-Off and to provide mechanisms for an orderly transition. These agreements include a Reorganization Agreement, a Services Agreement, a Lease Agreement and a Tax Sharing Agreement.

The Reorganization Agreement provides for, among other things, the principal corporate transactions required to effect the proposed Split-Off and cross indemnities. Pursuant to the Services Agreement, Splitco will provide Liberty with certain general and administrative services including accounting, finance, human resources, information technology, investor relations and tax services. All of the corporate employees of Liberty are expected to become corporate employees of Splitco and to cease to be corporate employees of Liberty, and Liberty will reimburse Splitco for direct, out-of-pocket expenses incurred by Splitco, in providing these services and for the allocable portion of costs associated with any shared services or personnel based on an estimated percentage of time spent providing services to Liberty.

Under the Lease Agreement, Splitco will lease to Liberty office space and related amenities at Splitco's corporate headquarters.

The Tax Sharing Agreement provides for the allocation and indemnification of tax liabilities and benefits between Liberty and Splitco and other agreements related to tax matters. Among other things, pursuant to the Tax Sharing Agreement, Splitco has agreed to indemnify Liberty, subject to certain limited exceptions, for losses and taxes resulting from the Split-Off, to the extent such losses or taxes (i) result primarily from, individually or in the aggregate, the breach of certain restrictive covenants made by Splitco (applicable to actions or failures to act by Splitco and its subsidiaries following the completion of the proposed Split-Off), (ii) result from the Splitco Capital common stock or the Splitco Starz common stock not being treated as stock of Splitco, or being treated as Section 306 stock within the meaning of Section 306(c) of the Code, for U.S. federal income tax purposes, (iii) result from the Liberty Interactive common stock, the Liberty Capital common stock, or the Liberty Starz common stock not being treated as stock of Liberty Media, or being treated as Section 306 stock within the meaning of Section 306(c) of the Code, for U.S. federal income tax purposes, (iv) result from Section 355(e) of the Code applying to the proposed Split-Off as a result of the proposed Split-Off being part of a plan (or series of related transactions) pursuant to which one or more persons acquire a 50-percent or greater interest (measured by vote or value) in the stock of Splitco, or (v) result from deferred intercompany items or excess loss accounts that are triggered by the proposed Split-Off, and that would otherwise be allocated to Splitco. In addition, Splitco will be required to indemnify Liberty for any losses or taxes resulting from the failure of the LEI Split-Off (as defined below) and related restructuring transactions to be a tax-free transaction described under Sections 355 and 368(a)(1)(D) (including any such losses or taxes arising as a result of the completion of the proposed Split-Off), except to the extent that such losses or taxes result primarily from, individually or in the aggregate, a breach of certain restrictive covenants made by Liberty (applicable to actions or failures to act by Liberty and its subsidiaries following the completion of the proposed Split-Off).

Basis of Presentation

The accompanying combined financial statements of Splitco and its controlled subsidiaries (collectively, "Splitco" or the "Company" unless the context otherwise requires) represent a combination of the historical financial information of those businesses and assets of Liberty, which are attributed to the Liberty Starz and Liberty Capital Groups. Splitco will continue to utilize a similar tracking stock capital structure with two tracking stock groups, one tracking assets that are currently attributed to the Liberty Capital group and the other tracking assets that are currently attributed to the Liberty Starz group. Therefore, these Combined Financial Statements have been prepared using the historical attributed financial statement information included in Exhibit 99.1 of Liberty Media Corporation's Annual Report on Form 10-K for both the Liberty Starz Group and the Liberty Capital Group. Accordingly, previous transactions between either the Liberty Starz Group or the Liberty

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(1) Background on Tracking Stock Structure, Split-off Transaction and Basis of Presentation (Continued)

Capital Group with the Liberty Interactive Group, including all of the reattributions described below, have been reflected at historical cost on a prospective basis (i.e., treated as book value transfers rather than retroactive as-if poolings). Whenever meaningful, such as in the cases of the reattributions, we provide detailed pro forma information herein which presents Splitco financial statement information as if these intergroup transactions had taken place at the beginning of the periods presented. All significant intercompany accounts and transactions have been eliminated in the combined financial statements.

Splitco, through its ownership of interests in subsidiaries and other companies, is primarily engaged in media, communications and entertainment industries in North America.

Reclassification of Liberty Capital

Prior to March 3, 2008, Liberty had two tracking stocks, Liberty Interactive common stock and Liberty Capital common stock, which were intended to track and reflect the economic performance of one of two groups, the Interactive Group and the Capital Group, respectively.

On March 3, 2008, Liberty completed a reclassification (the "Reclassification") of its Liberty Capital common stock (herein referred to as "Old Liberty Capital common stock") whereby each share of Old Series A Liberty Capital common stock was reclassified into four shares of Series A Liberty Entertainment common stock and one share of new Series A Liberty Capital common stock, and each share of Old Series B Liberty Capital common stock was reclassified into four shares of Series B Liberty Entertainment common stock and one share of new Series B Liberty Capital common stock. The Liberty Entertainment common stock was intended to track and reflect the economic performance of the Entertainment Group. The Reclassification did not change the businesses, assets and liabilities attributed to the Interactive Group.

As more fully described in Note 4, on November 19, 2009, Liberty completed a Split-Off (the "LEI Split-Off") of its wholly owned subsidiary, Liberty Entertainment, Inc. ("LEI"), and the business combination transaction among Liberty, LEI and The DIRECTV Group, Inc. ("DIRECTV") (the "DTV Business Combination"). The LEI Split-Off was accomplished by a redemption (the "Redemption") of 90% of the outstanding shares of Liberty Entertainment common stock in exchange for all of the outstanding shares of common stock of LEI, pursuant to which, 0.9 of each outstanding share of Liberty Entertainment common stock was redeemed for 0.9 of a share of the corresponding series of common stock of LEI, with payment of cash in lieu of any fractional shares. Subsequent to the Redemption, Liberty redesignated the Liberty Entertainment Group as the Liberty Starz Group.

Reattribution Transactions

Previously the board of directors has made decisions to reattribute certain assets and liabilities among the tracking stock groups of Liberty. These reattributions of assets and liabilities have been reflected prospectively in the combined financial statements at book value through Parent's investment.

In the fourth quarter of 2008, the board of directors of Liberty changed the attribution of its 3.25% Exchangeable Senior Debentures from the Liberty Starz Group to the Liberty Interactive Group along with $380 million in cash (the "2008 Reattribution").

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(1) Background on Tracking Stock Structure, Split-off Transaction and Basis of Presentation (Continued)

On February 25, 2010, Liberty announced that its board of directors had resolved to effect the following changes in attribution between the Liberty Capital Group and the Liberty Interactive Group, effective immediately (the "February Reattribution"):

- the change in attribution from the Liberty Interactive Group to the Liberty Capital Group of Liberty's 14.6% ownership interest in Live Nation Entertainment, Inc.;
- the change in attribution from the Liberty Capital Group to the Liberty Interactive Group of the following debt securities:
  - $469 million in principal amount of 4% Exchangeable Senior Debentures due 2029 (the "2029 Exchangeables");
  - $460 million in principal amount of 3.75% Exchangeable Senior Debentures due 2030 (the "2030 Exchangeables"); and
  - $492 million in principal amount of 3.5% Exchangeable Senior Debentures due 2031 (the "2031 Exchangeables", and together with the 2029 Exchangeables and the 2030 Exchangeables, the "Exchangeable Notes");
- the change in attribution from the Liberty Capital Group to the Liberty Interactive Group of approximately $830 million in net taxable income to be recognized ratably in tax years 2014 through 2018 as a result of the cancellation in April 2009 of $400 million in principal amount of 2029 Exchangeables and $350 million in principal amount of 2030 Exchangeables; and
- the change in attribution from the Liberty Capital Group to the Liberty Interactive Group of $807 million in cash.

On September 16, 2010 the Board of Directors approved the change in attribution of the Starz Media business along with $15 million in cash from the Liberty Capital Group to the Liberty Starz Group, effective September 30, 2010 (the "Starz Media Reattribution"). The Starz Media business consists of the following assets:

- Overture Films (including its Library of 16 released films and 3 films to be released in the third and fourth quarters of 2010)
- Anchor Bay Entertainment
- Proprietary Productions (Library of 42 films and television series)
- Film Roman
- Toronto Animation Studio

This change in attribution results in the extinguishment of an intergroup payable of approximately $54.9 million, as of August 31, 2010, owed by Liberty Capital Group to Liberty Starz Group and Liberty Starz Group being attributed with approximately $53.7 million in bank debt, interest rate swaps and any shutdown costs associated with winding down the Overture Films business. This change in attribution also provides that certain tax benefits relating to Liberty Capital's operation of the Starz

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(1) Background on Tracking Stock Structure, Split-off Transaction and Basis of Presentation (Continued)

Media business that may be realized from any future sales or other disposition of that business by Liberty Starz will remain attributed to Liberty Capital.

As with the other reattributions the impact will be reflected prospectively from the date the attribution changed in the attributed financials. There will be no change to the historical Splitco combined financial statements as a result of the Starz Media Reattribution.

In each case, the assets and liabilities were reattributed at their book values versus the estimated fair values of those assets and liabilities that were considered by our board of directors, among other factors, in approving the applicable reattribution. As a result, on a book value basis there is a transfer of net assets between the tracking stocks. The principal reasons for the difference between fair value and book value is (i) the deferred tax liabilities under GAAP are required to be carried at the gross undiscounted basis difference multiplied by the company's effective tax rate whereas on a fair value basis, these future tax liabilities are not expected to be incurred for many years and therefore their present discounted value is substantially less, and (ii) certain of the senior exchangeables are expected to continue to generate interest deductions for tax purposes in excess of the annual cash coupon over their remaining life, the present value of which is not reflected in the book values of the reattributed assets and liabilities.

The Pro Forma summarized unaudited combined historical balance sheets and statements of operation of Splitco, as if the reattributions, discussed above (including the Split-Off Reattribution), occurred for the Balance Sheet data as of such dates and for the Statement of Operations data as if they had occurred on January 1, 2007, are as follows:

Summary Balance Sheet Data:

	December 31,	
	2009	2008
	amounts in millions (unaudited)	
Current assets	5,168	3,802
Cost investments	2,543	1,495
Equity investments	135	235
Total assets	10,265	23,258
Long-term debt, including current portion	1,768	1,640
Deferred income tax liabilities, including current portion	919	756
Parent's investment	4,273	13,755

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(1) Background on Tracking Stock Structure, Split-off Transaction and Basis of Presentation (Continued)

Summary Operations Data:

	December 31,		
	2009	2008	2007
	amounts in millions—unaudited		
Revenue	$ 1,853	1,738	1,576
Operating income (loss)	9	(1,664)	(355)
Interest expense	(34)	(60)	(54)
Share of losses of affiliates	(82)	(309)	(68)
Realized and unrealized gains (losses) on financial instruments, net	434	(755)	767
Earnings (loss) from continuing operations attributable to Splitco stockholders:			
Splitco Capital group	461	(953)	1,152
Splitco Starz group	213	(1,125)	100

See the accompanying unaudited attributed financial information for Splitco's tracking stock groups.

(2) Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash equivalents consist of investments which are readily convertible into cash and have maturities of three months or less at the time of acquisition.

Receivables

Receivables are reflected net of an allowance for doubtful accounts. Such allowance aggregated $35 million, $29 million and $24 million at December 31, 2009, 2008 and 2007, respectively. Activity in the periods ended December 31, 2009, 2008 and 2007 were $7 million, $7 million and $10 million of bad debt charged to expense, respectively, and $1 million, $2 million and $2 million of write-off, respectively.

Program Rights

Program rights are amortized on a film-by-film basis over the anticipated number of exhibitions. Program rights payable are initially recorded at the estimated cost of the programs when the film is available for airing.

Investment in Films and Television Programs

Investment in films and television programs generally includes the cost of proprietary films and television programs that have been released, completed and not released, in production, and in development or pre-production. Capitalized costs include the acquisition of story rights, the

(2) Summary of Significant Accounting Policies (Continued)

development of stories, production labor, postproduction costs and allocable overhead and interest costs. Investment in films and television programs is stated at the lower of unamortized cost or estimated fair value on an individual film basis. Investment in films and television programs is amortized using the individual-film-forecast method, whereby the costs are charged to expense and participation and residual costs are accrued based on the proportion that current revenue from the films bear to an estimate of total revenue anticipated from all markets (ultimate revenue). Ultimate revenue estimates generally may not exceed ten years following the date of initial release or from the date of delivery of the first episode for episodic television series.

Estimates of ultimate revenue involve uncertainty and it is therefore possible that reductions in the carrying value of investment in films and television programs may be required as a consequence of changes in management's future revenue estimates.

Investment in films and television programs in development or pre-production is periodically reviewed to determine whether they will ultimately be used in the production of a film. Costs of films in development or pre-production are charged to expense if the project is abandoned, or if the film has not been set for production within three years from the time of the first capitalized transaction.

The investment in films and television programs is reviewed for impairment on a title-by-title basis when an event or change in circumstances indicates that a film should be assessed. If the estimated fair value of a film is less than its unamortized cost, then the excess of unamortized costs over the estimated fair value is charged to expense.

Investments

All marketable equity and debt securities held by the Company are classified as available-for-sale ("AFS") and are carried at fair value generally based on quoted market prices. Effective January 1, 2008, U.S. generally accepted accounting principles ("GAAP") permit entities to choose to measure many financial instruments, such as AFS securities, and certain other items at fair value and to recognize the changes in fair value of such instruments in the entity's statement of operations (the "fair value option"). Previously under GAAP, entities were required to recognize changes in fair value of AFS securities in the balance sheet in accumulated other comprehensive earnings. Splitco has entered into economic hedges for certain of its non-strategic AFS securities (although such instruments are not accounted for as fair value hedges by the Company). Changes in the fair value of these economic hedges are reflected in Splitco's statement of operations as unrealized gains (losses). In order to better match the changes in fair value of the subject AFS securities and the changes in fair value of the corresponding economic hedges in the Company's financial statements, Splitco has elected the fair value option for those of its AFS securities which it considers to be non-strategic ("Non-strategic Securities"). Accordingly, changes in the fair value of Non-strategic Securities, as determined by quoted market prices, are reported in realized and unrealized gain (losses) on financial instruments in the accompanying December 31, 2009 and 2008 combined statement of operations. The amount of unrealized gains related to the Non-strategic Securities and included in accumulated other comprehensive earnings in the Company's balance sheet as of January 1, 2008 aggregated $1,040 million and was reclassified to accumulated deficit. The total value of AFS securities for which the Company has elected the fair value option aggregated $3,063 million and $2,089 million as of December 31, 2009 and 2008, respectively.

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(2) Summary of Significant Accounting Policies (Continued)

Other investments in which the Company's ownership interest is less than 20% and are not considered marketable securities are carried at cost.

For those investments in affiliates in which the Company has the ability to exercise significant influence, the equity method of accounting is used. Under this method, the investment, originally recorded at cost, is adjusted to recognize the Company's share of net earnings or losses of the affiliate as they occur rather than as dividends or other distributions are received. Losses are limited to the extent of the Company's investment in, advances to and commitments for the investee. In the event the Company is unable to obtain accurate financial information from an equity affiliate in a timely manner, the Company records its share of earnings or losses of such affiliate on a lag. The Company's share of net earnings or loss of affiliates also includes any other than temporary declines in fair value recognized during the period.

Prior to January 1, 2009, changes in the Company's proportionate share of the underlying equity of an equity method investee, which resulted from the issuance of additional equity securities by such equity investee ("SAB 51 Gain"), were recognized in equity. Subsequent to January 1, 2009, such changes are recognized in earnings.

The Company continually reviews its equity investments and its AFS securities which are not Non-strategic Securities to determine whether a decline in fair value below the cost basis is other than temporary. The primary factors the Company considers in its determination are the length of time that the fair value of the investment is below the Company's carrying value; the severity of the decline; and the financial condition, operating performance and near term prospects of the investee. In addition, the Company considers the reason for the decline in fair value, be it general market conditions, industry specific or investee specific; analysts' ratings and estimates of 12 month share price targets for the investee; changes in stock price or valuation subsequent to the balance sheet date; and the Company's intent and ability to hold the investment for a period of time sufficient to allow for a recovery in fair value. If the decline in fair value is deemed to be other than temporary, the cost basis of the security is written down to fair value. In situations where the fair value of an investment is not evident due to a lack of a public market price or other factors, the Company uses its best estimates and assumptions to arrive at the estimated fair value of such investment. The Company's assessment of the foregoing factors involves a high degree of judgment and accordingly, actual results may differ materially from the Company's estimates and judgments. Writedowns for AFS securities which are not Non-strategic Securities are included in the combined statements of operations as other than temporary declines in fair values of investments. Writedowns for equity method investments are included in share of earnings (losses) of affiliates.

Derivative Instruments and Hedging Activities

The Company uses various derivative instruments including equity collars and interest rate swaps to manage fair value and cash flow risk associated with certain of its investments and some of its variable rate debt. Splitco's derivative instruments are executed with counterparties who are well known major financial institutions. While Splitco believes these derivative instruments effectively manage the risks highlighted above, they are subject to counterparty credit risk. Counterparty credit risk is the risk that the counterparty is unable to perform under the terms of the derivative instrument upon

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(2) Summary of Significant Accounting Policies (Continued)

settlement of the derivative instrument. To protect itself against credit risk associated with these counterparties the Company generally:

- executes its derivative instruments with several different counterparties, and
- executes equity derivative instrument agreements which contain a provision that requires the counterparty to post the "in the money" portion of the derivative instrument into a cash collateral account for the Company's benefit, if the respective counterparty's credit rating for its senior unsecured debt were to reach certain levels, generally a rating that is below Standard & Poor's rating of A- and/or Moody's rating of A3.

In addition, to the extent Splitco borrows against a derivative instrument, it has a right of offset with respect to its borrowings and amounts due from the counterparty under the derivative, thereby reducing its counterparty risk.

Due to the importance of these derivative instruments to its risk management strategy, Splitco actively monitors the creditworthiness of each of its counterparties. Based on its analysis, the Company currently considers nonperformance by any of its counterparties to be unlikely.

All of the Company's derivatives are recorded on the balance sheet at fair value. The fair value of the Company's equity collars and other similar derivative instruments is estimated using the Black-Scholes model. The Black-Scholes model incorporates a number of variables in determining such fair values, including expected volatility of the underlying security and an appropriate discount rate. The Company obtains volatility rates from pricing services based on the expected volatility of the underlying security over the remaining term of the derivative instrument. A discount rate is obtained at the inception of the derivative instrument and updated each reporting period based on the Company's estimate of the discount rate at which it could currently settle the derivative instrument. The Company considers its own credit risk as well as the credit risk of its counterparties in estimating the discount rate. Considerable management judgment is required in estimating the Black-Scholes variables. Actual results upon settlement or unwinding of derivative instruments may differ materially from these estimates.

Effective January 1, 2007, Splitco adopted new accounting literature which, among other things, permits fair value remeasurement of hybrid financial instruments that contain an embedded derivative that otherwise would require bifurcation. Prior to January 1, 2007, Splitco reported the fair value of the call option feature of its exchangeable senior debentures separate from the long-term debt. The long-term debt portion was reported as the difference between the face amount of the debenture and the fair value of the call option feature on the date of issuance and was accreted through interest expense to its face amount over the expected term of the debenture. Splitco now accounts for its exchangeable senior debentures at fair value rather than bifurcating such instruments into a debt instrument and a derivative instrument. Decreases in the fair value of the exchangeable debentures are included in realized and unrealized gains on financial instruments in the accompanying combined statements of operations.

(2) Summary of Significant Accounting Policies (Continued)

The impact—increase/(decrease)—on Splitco's January 1, 2007 balance sheet of the change in accounting for its exchangeable senior debentures is as follows (amounts in millions):

Other assets	$	(47)
Long-term financial instrument liabilities	$	(1,280)
Long-term debt	$	1,848
Deferred income tax liabilities	$	(234)
Accumulated deficit	$	381

Property and Equipment

Property and equipment, including significant improvements, is stated at cost. Depreciation is computed using the straight-line method using estimated useful lives of 3 to 20 years for support equipment and 10 to 40 years for buildings and improvements.

Intangible Assets

Intangible assets with estimable useful lives are amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment upon certain triggering events. Goodwill and other intangible assets with indefinite useful lives (collectively, "indefinite lived intangible assets") are not amortized, but instead are tested for impairment at least annually. Equity method goodwill is also not amortized, but is evaluated for impairment upon certain triggering events.

The Company performs an annual assessment of whether there is an indication that goodwill is impaired. In performing this assessment, the Company compares the estimated fair value of a reporting unit to its carrying value, including goodwill (the "Step 1 Test"). Developing estimates of fair value requires significant judgments, including making assumptions about appropriate discount rates, perpetual growth rates, relevant comparable market multiples, public trading prices and the amount and timing of expected future cash flows. The cash flows employed in the Company's valuation analysis are based on management's best estimates considering current marketplace factors and risks as well as assumptions of growth rates in future years. There is no assurance that actual results in the future will approximate these forecasts. For those reporting units whose carrying value exceeds the fair value, a second test is required to measure the impairment loss (the "Step 2 Test"). In the Step 2 Test, the fair value of the reporting unit is allocated to all of the assets and liabilities of the reporting unit with any residual value being allocated to goodwill. The difference between such allocated amount and the carrying value of the goodwill is recorded as an impairment charge.

Impairment of Long-lived Assets

The Company periodically reviews the carrying amounts of its property and equipment and its intangible assets (other than goodwill and indefinite-lived intangibles) to determine whether current events or circumstances indicate that such carrying amounts may not be recoverable. If the carrying amount of the asset is greater than the expected undiscounted cash flows to be generated by such asset, an impairment adjustment is to be recognized. Such adjustment is measured by the amount that the carrying value of such assets exceeds their fair value. The Company generally measures fair value by considering sale prices for similar assets or by discounting estimated future cash flows using an

(2) Summary of Significant Accounting Policies (Continued)

appropriate discount rate. Considerable management judgment is necessary to estimate the fair value of assets. Accordingly, actual results could vary significantly from such estimates. Assets to be disposed of are carried at the lower of their financial statement carrying amount or fair value less costs to sell.

Noncontrolling Interests

Prior to January 1, 2009, recognition of the noncontrolling interests' share of losses of subsidiaries was generally limited to the amount of such noncontrolling interests' allocable portion of the common equity of those subsidiaries. Effective January 1, 2009, the Company adopted new guidance which establishes accounting and reporting standards for the noncontrolling interest in a subsidiary. Among other matters, (a) the previous limitations on allocation of losses to the noncontrolling interests were eliminated, (b) the noncontrolling interest is reported within equity in the balance sheet and (c) the amount of combined net income attributable to the parent and to the noncontrolling interest is presented in the statement of income. Also, changes in ownership interests in subsidiaries in which the Company maintains a controlling interest are recorded in equity. The Company has applied the changes prospectively, except for the presentation and disclosure requirements, which have been applied retrospectively for all periods presented.

Foreign Currency Translation

The functional currency of the Company is the United States ("U.S.") dollar. The functional currency of the Company's foreign operations generally is the applicable local currency for each foreign subsidiary. Assets and liabilities of foreign subsidiaries are translated at the spot rate in effect at the applicable reporting date, and the combined statements of operations are translated at the average exchange rates in effect during the applicable period. The resulting unrealized cumulative translation adjustment, net of applicable income taxes, is recorded as a component of accumulated other comprehensive earnings in stockholders' equity.

Transactions denominated in currencies other than the functional currency are recorded based on exchange rates at the time such transactions arise. Subsequent changes in exchange rates result in transaction gains and losses which are reflected in the accompanying combined statements of operations and comprehensive earnings as unrealized (based on the applicable period-end exchange rate) or realized upon settlement of the transactions.

Revenue Recognition

Revenue is recognized as follows:

- Programming revenue is recognized in the period during which programming is provided, pursuant to affiliation agreements.

- TruePosition earns revenue from the sale and licensing of equipment with embedded software and related service and maintenance. For multiple element contracts with vendor specific objective evidence, the Company recognizes revenue for each specific element when the earnings process is complete. If vendor specific objective evidence does not exist, revenue is deferred and recognized on a straight-line basis over the remaining term of the maintenance period after all other elements have been delivered.

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(2) Summary of Significant Accounting Policies (Continued)

- Revenue from the theatrical release of feature films is recognized at the time of exhibition based on the Company's participation in box office receipts. Revenue from television licensing is recognized when the film or program is complete in accordance with the terms of the arrangement, the license period has begun and is available for telecast or exploitation.

- Revenue for Ticket sales, local radio and television rights, signage and suites are recognized on a per game basis during the baseball season based on a pro rata share of total revenues earning during the entire baseball season to the total number of home games during the season. Concession revenue is recognized as commissions are earned from the sale of food and beverage at the stadium in accordance with agreements with the Company's concessions vendors. Major League Baseball (MLB) revenue is earned throughout the year based on an estimate of revenues generated by MLB on behalf of the 30 MLB clubs through the MLB Central Fund and MLB Properties and revenue sharing income or expense.

Advertising Costs

Advertising costs generally are expensed as incurred. Advertising expense aggregated $211 million, $259 million and $70 million for the years ended December 31, 2009, 2008 and 2007, respectively. Co-operative marketing costs incurred as part of affiliation agreements with distributors are recognized as advertising expense to the extent an identifiable benefit is received and fair value of the benefit can be reasonably measured. Otherwise, such costs are recorded as a reduction of revenue.

Stock-Based Compensation

As more fully described in note 13, current options and equity awards related to Liberty Starz and Liberty Capital will be converted to options and equity awards of Splitco Starz and Splitco Capital. Liberty has granted to its directors, employees and employees of its subsidiaries options and stock appreciation rights ("SARs") to purchase shares of Liberty Starz and Capital common stock (collectively, "Awards"). The Company measures the cost of employee services received in exchange for an Award of equity instruments (such as stock options and restricted stock) based on the grant-date fair value of the Award, and recognizes that cost over the period during which the employee is required to provide service (usually the vesting period of the Award). The Company measures the cost of employee services received in exchange for an Award of liability instruments (such as stock appreciation rights that will be settled in cash) based on the current fair value of the Award, and remeasures the fair value of the Award at each reporting date.

Included in selling, general and administrative expenses in the accompanying combined statements of operations are the following amounts of stock-based compensation (amounts in millions):

Years ended:	
December 31, 2009	$ 81
December 31, 2008	$ 17
December 31, 2007	$ 54

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(2) Summary of Significant Accounting Policies (Continued)

Included in earnings from discontinued operations for the year ended December 31, 2009 is $55 million of stock-based compensation related to stock options and restricted stock, the vesting of which was accelerated in connection with the closing of the DTV Business Combination.

As of December 31, 2009, the total unrecognized compensation cost related to unvested Liberty Starz and Capital equity Awards was approximately $58 million. Such amount will be recognized in the Company's combined statements of operations over a weighted average period of approximately 2.7 years.

Income Taxes

The Company is included in the consolidated tax return of Liberty. The Company accounts for income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying value amounts and income tax bases of assets and liabilities and the expected benefits of utilizing net operating loss and tax credit carryforwards. The deferred tax assets and liabilities are calculated using enacted tax rates in effect for each taxing jurisdiction in which the company operates for the year in which those temporary differences are expected to be recovered or settled. Net deferred tax assets are then reduced by a valuation allowance if the Company believes it more likely than not such net deferred tax assets will not be realized. The effect on deferred tax assets and liabilities of an enacted change in tax rates is recognized in income in the period that includes the enactment date.

Effective January 1, 2007, Splitco adopted new accounting literature which clarified the accounting for uncertainty in income taxes recognized in a company's financial statements and prescribed a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In instances where the Company has taken or expects to take a tax position in its tax return and the Company believes it is more likely than not that such tax position will be upheld by the relevant taxing authority, the Company may record a benefit for such tax position in its combined financial statements.

The impact—increase/(decrease)—on Splitco's balance sheet of the January 1, 2007 changes in accounting for uncertain income tax provisions is as follows (amounts in millions):

Tax liabilities (including interest and penalties)	$	(521)
Deferred tax liabilities	$	28
Accumulated deficit	$	(493)

When the tax law requires interest to be paid on an underpayment of income taxes, the Company recognizes interest expense from the first period the interest would begin accruing according to the relevant tax law. Such interest expense is included in interest expense in the accompanying combined statements of operations. Any accrual of penalties related to underpayment of income taxes on uncertain tax positions is included in other income (expense) in the accompanying combined statements of operations.

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(2) Summary of Significant Accounting Policies (Continued)

Unaudited Pro Forma Earnings (Loss) attributable to Splitco Stockholders Per Common Share

Net earnings attributable to Splitco stockholders are comprised of the following:

	Years ended December 31,		
	2009	2008	2007
	amounts in millions		
Earnings (loss) from continuing operations	$ 340	(1,552)	1,483
Earnings from discontinued operations	5,864	5,812	190
Net earnings	$ 6,204	4,260	1,673

Basic earnings (loss) per common share ("EPS") is computed by dividing net earnings (loss) by the weighted average number of common shares that were outstanding for the period at the Company. Diluted EPS presents the dilutive effect on a per share basis of potential common shares as if they had been converted at the beginning of the periods presented.

ProForma Series A and Series B Splitco Starz Common Stock

Splitco Starz group basic EPS for the year ended December 31, 2009, December 31, 2008 and December 31, 2007 was computed by dividing the net earnings attributable to the Splitco Starz group by the weighted average outstanding shares of Liberty Starz common stock on an as if converted basis assuming an exchange ratio of 4 to 1 for the Reclassification and a ratio of 1 to 1 for the proposed Split-Off for the respective periods (463 million, 517 million and 528 million, respectively). Fully diluted EPS for periods ended December 31, 2009 and 2008 includes 3 million common stock equivalents. Fully diluted EPS for the period ended December 31, 2007 includes 4 million common stock equivalents. Excluded from diluted EPS for the year ended December 31, 2009 are approximately 2 million potential common shares because their inclusion would be anti-dilutive.

Proforma Series A and Series B Splitco Capital Common Stock

Splitco Capital group basic and fully diluted EPS for the year ended December 31, 2009, December 31, 2008 and December 31, 2007 was computed by dividing the net earnings attributable to the Splitco Capital group by the weighted average outstanding shares of Liberty Capital common stock on an as if converted basis assuming an exchange ratio of 1 to 1 for the Reclassification and assuming a ratio of 1 to 1 for the proposed Split-Off for the respective periods (96 million, 113 million and 132 million respectively). Fully diluted EPS for the year ended December 31, 2009 and 2007 includes 1 million common stock equivalents. Due to the relative insignificance of the dilutive securities for the period ended December 31, 2008, their inclusion does not impact the EPS amount. Excluded from diluted EPS for the year ended December 31, 2009 are approximately 2 million potential common shares because their inclusion would be anti-dilutive.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

(2) Summary of Significant Accounting Policies (Continued)

Actual results could differ from those estimates. The Company considers (i) fair value measurements, (ii) accounting for income taxes and (iii) assessments of other-than-temporary declines in fair value of its investments to be its most significant estimates.

The Company holds investments that are accounted for using the equity method. The Company does not control the decision making process or business management practices of these affiliates. Accordingly, the Company relies on management of these affiliates to provide it with accurate financial information prepared in accordance with GAAP that the Company uses in the application of the equity method. In addition, the Company relies on audit reports that are provided by the affiliates' independent auditors on the financial statements of such affiliates. The Company is not aware, however, of any errors in or possible misstatements of the financial information provided by its equity affiliates that would have a material effect on the Company's combined financial statements.

Recent Accounting Pronouncements

In September 2009, the Financial Accounting Standards Boards amended the Accounting Standards Codification ("ASC") as summarized in Accounting Standards Update ("ASU") 2009-14, *Software (Topic 985): Certain Revenue Arrangements That Include Software Elements*, and ASU 2009-13, *Revenue Recognition (Topic 605): Multiple-Deliverable Revenue Arrangements*. As summarized in ASU 2009-14, ASC Topic 985 has been amended to remove from the scope of industry specific revenue accounting guidance for software and software related transactions, tangible products containing software components and non-software components that function together to deliver the product's essential functionality. As summarized in ASU 2009-13, ASC Topic 605 has been amended (1) to provide updated guidance on whether multiple deliverables exist, how the deliverables in an arrangement should be separated, and the consideration allocated; (2) to require an entity to allocate revenue in an arrangement using estimated selling prices of deliverables if a vendor does not have vendor-specific objective evidence or third-party evidence of selling price; and (3) to eliminate the use of the residual method and require an entity to allocate revenue using the relative selling price method. The accounting changes summarized in ASU 2009-14 and ASU 2009-13 are effective for fiscal years beginning on or after June 15, 2010, with early adoption permitted. Adoption may either be on a prospective basis or by retrospective application.

The Company has not yet determined the timing and method of its adoption. As of December 31, 2009, the Company's subsidiary, TruePosition, Inc., had deferred revenue and deferred costs of $1,037 million and $434 million, respectively, which it believes will be impacted by the adoption of the new revenue recognition rules. The Company believes that application of these amendments will result in the revenue and related cost of sales being recognized at the time of sale for the hardware and software portions of bundled arrangements delivered by TruePosition rather than being deferred as is currently the case.

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(3) Supplemental Disclosures to Combined Statements of Cash Flows

	Years ended December 31, 2009	2008	2007
	amounts in millions		
Cash paid for acquisitions:			
Fair value of assets acquired	$ 2	8	17
Net liabilities assumed	—	(5)	(10)
Deferred tax liabilities	—	5	—
Cash paid for acquisitions, net of cash acquired	$ 2	8	7
Available-for-sale securities exchanged for combined subsidiaries and cash	$ —	—	1,718
Cash paid for interest	$ 140	181	152
Cash paid (received) for income taxes	$ (44)	60	32

(4) Discontinued Operations

Split-Off of LEI

On February 27, 2008, Liberty completed a transaction with News Corporation (the "News Corporation Exchange") in which Liberty exchanged all of its 512.6 million shares of News Corporation common stock valued at $10,143 million on the closing date for a subsidiary of News Corporation that held an approximate 41% interest in DIRECTV, three regional sports television networks and $463 million in cash. Liberty accounted for the News Corporation Exchange as a nonmonetary exchange and recognized a pre-tax gain of $3,665 million based on the difference between the fair value and the cost basis of the News Corporation shares exchanged. The News Corporation Exchange qualified as an IRC Section 355 transaction, and therefore did not trigger federal or state income tax obligations. In addition, upon consummation of such transaction, the deferred tax liability previously recorded for the difference between Liberty's book and tax bases in its News Corporation investment in the amount of $1,791 million was reversed with an offset to income tax benefit.

On April 3, 2008, Liberty purchased 78.3 million additional shares of DIRECTV common stock in a private transaction for cash consideration of $1.98 billion. Liberty funded the purchase with borrowings against a newly executed equity collar on 110 million DIRECTV common shares. As of May 5, 2008, Liberty's ownership in DIRECTV was approximately 48%. As a result of stock repurchases by DIRECTV, Liberty's ownership interest in DIRECTV increased to approximately 57% as of November 19, 2009. However, due to a standstill agreement with DIRECTV, Liberty's ability to control DIRECTV was limited, and Liberty accounted for its investment using the equity method of accounting. Liberty's share of the earnings of DIRECTV, including amortization of Liberty's excess basis related to DIRECTV, aggregated $386 million and $404 million in 2009 and 2008, respectively. Such share of earnings are net of amortization of Liberty's excess basis of $279 million and $224 million in 2009 and 2008, respectively.

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(4) Discontinued Operations (Continued)

Summarized unaudited financial information for DIRECTV is as follows:

DIRECTV Consolidated Balance Sheets

	December 31, 2009	December 31, 2008
	amounts in millions	
Current assets	$ 5,055	4,044
Satellites, net	2,338	2,476
Property and equipment, net	4,138	4,171
Goodwill	4,164	3,753
Intangible assets	1,131	1,172
Other assets	1,434	923
Total assets	$ 18,260	16,539
Current liabilities	$ 5,701	3,585
Deferred income taxes	1,070	524
Long-term debt	6,500	5,725
Other liabilities	1,678	1,749
Noncontrolling interest	400	325
Stockholders' equity	2,911	4,631
Total liabilities and equity	$ 18,260	16,539

DIRECTV Consolidated Statements of Operations

	Year ended December 31, 2009	Year ended December 31, 2008
	amounts in millions	
Revenue	$ 21,565	19,693
Costs of revenue	(10,930)	(9,948)
Selling, general and administrative expenses	(5,322)	(4,730)
Depreciation and amortization	(2,640)	(2,320)
Operating income	2,673	2,695
Interest expense	(423)	(360)
DTV Business Combination	(491)	—
Other income, net	75	136
Income tax expense	(827)	(864)
Income from continuing operations	1,007	1,607
Income from discontinued operations	—	6
Net income	1,007	1,613
Less: Net income attributable to noncontrolling interest	(65)	(92)
Net income attributable to DIRECTV	$ 942	1,521

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(4) Discontinued Operations (Continued)

On November 19, 2009, Liberty completed the LEI Split-Off, and the business combination transaction among Liberty, LEI and DIRECTV. LEI held Liberty's 57% interest in DIRECTV (which had a carrying value of $13,475 million at the time of the LEI Split-Off), 100% interest in Liberty Sports Holdings, LLC, 65% interest in Game Show Network, LLC and approximately $120 million in cash and cash equivalents, and approximately $2 billion of indebtedness. All of the businesses, assets and liabilities that were attributed to the Liberty Entertainment Group and were not held by LEI remained with Liberty and continued to be attributed to the Liberty Starz Group.

Immediately following the LEI Split-Off, Liberty, LEI and DIRECTV completed the DTV Business Combination, and each of LEI and DIRECTV became wholly owned subsidiaries of a new public holding company ("Holdings"), and LEI repaid loans to Liberty in the amount of $226 million.

Because the LEI Split-Off was conditioned on, among other matters, satisfaction and waiver of all conditions to the DTV Business Combination, the LEI Split-Off and the DTV Business Combination have been recorded at fair value, and Liberty recognized an approximate $5.9 billion gain on the transaction. Such gain is included in earnings from discontinued operations in the accompanying combined statement of operations. Due to the tax-free nature of the LEI Split-Off and the DTV Business Combination, no taxes have been recorded on the gain for financial statement purposes.

Sale of OpenTV Corp. and Ascent Entertainment Group, Inc.

In 2007, the Company completed the sales of its combined subsidiaries OpenTV Corp. ("OPTV") and Ascent Entertainment Group, Inc. ("AEG"). The gains from such sales are included in earnings from discontinued operations in the accompanying combined statement of operations.

The combined financial statements and accompanying notes of Splitco have been prepared reflecting LEI, OPTV and AEG as discontinued operations. Accordingly, the assets and liabilities, revenue, costs and expenses, and cash flows of these subsidiaries have been excluded from the respective captions in the accompanying combined balance sheets, statements of operations, statements of comprehensive earnings and statements of cash flows and have been reported separately in such combined financial statements.

Certain combined statement of operations information for LEI, OPTV and AEG, which is included in earnings from discontinued operations, is as follows:

	Years ended December 31,		
	2009	2008	2007
	amounts in millions		
Revenue	$ 240	267	104
Earnings before income taxes(1)	$ 5,770	4,274	209

(1) Includes the gain from the News Corporation Exchange in 2008 and the gain from the DTV Split-Off/DTV Business Combination in 2009.

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(5) Assets and Liabilities Measured at Fair Value

For assets and liabilities required to be reported at fair value, GAAP provides a hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs, other than quoted market prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

The Company's assets and liabilities measured at fair value are as follows:

		Fair Value Measurements at December 31, 2009 Using		
Description	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		amounts in millions		
Available-for-sale securities	$ 3,364	2,988	376	—
Financial instrument assets	$ 752	—	752	—
Financial instrument liabilities	$ 859	851	8	—
Debt	$ 1,934	—	1,934	—

The Company uses the Black Scholes Model to estimate fair value for the majority of its Level 2 financial instrument assets and liabilities using observable inputs such as exchange-traded equity prices, risk-free interest rates, dividend yields and volatilities obtained from pricing services. For the Company's debt instruments reported at fair value, the Company gets quoted market prices from pricing services or from evidence of observable inputs, some of which may be obtained using third-party brokers. However, the Company does not believe such instruments are traded on "active markets," as defined in GAAP. Accordingly, the debt instruments are reported in the foregoing table as Level 2 fair value.

The Company incorporates a credit risk valuation adjustment in its fair value measurements to estimate the impact of both its own nonperformance risk and the nonperformance risk of its counterparties. The Company estimates credit risk associated with its and its counterparties nonperformance primarily by using observable credit default swap rates for terms similar to those of the remaining life of the instrument, adjusted for any master netting arrangements or other factors that provide an estimate of nonperformance risk. These are Level 3 inputs. However, as the credit risk valuation adjustments were not significant, the Company continues to report its equity collars, interest rate swaps and put options as Level 2.

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(6) Investments in Available-for-Sale Securities and Other Cost Investments

Investments in AFS securities, including Non-strategic Securities, and other cost investments are summarized as follows:

	December 31, 2009	December 31, 2008
	amounts in millions	
Splitco Capital Group		
Time Warner Inc. ("Time Warner")(1)	$ 997	1,033
Time Warner Cable Inc. ("Time Warner Cable")(1)	356	—
Sprint Nextel Corporation ("Sprint")(1)	260	160
Motorola, Inc. ("Motorola")(1)	403	328
Viacom, Inc.	226	145
CenturyTel, Inc/Embarq Corporation ("CenturyTel")(1)	195	157
Other AFS equity securities(1)	220	40
SIRIUS XM debt securities	300	—
Other AFS debt securities	376	224
Other cost investments and related receivables	22	31
Total attributed Splitco Capital Group	3,355	2,118
Splitco Starz Group		
Other	31	—
Total attributed Splitco Starz Group	31	—
Combined Splitco	$ 3,386	2,118

(1) Includes shares pledged as collateral for share borrowing arrangements. See note 9.

Time Warner

On May 17, 2007, the Company completed a transaction (the "Time Warner Exchange") with Time Warner in which the Company exchanged approximately 68.5 million shares of Time Warner common stock valued at $1,479 million for a subsidiary of Time Warner which held ANLBC, Leisure Arts, Inc. and $984 million in cash. The Company recognized a pre-tax gain of $582 million based on the difference between the fair value and the weighted average cost basis of the Time Warner shares exchanged.

In March 2009, Time Warner Inc. completed the separation of Time Warner Cable from Time Warner Inc. by way of a dividend to Time Warner Inc. shareholders, including the Company. The Company received 8.6 million shares of Time Warner Cable and recorded its investment in Time Warner Cable based on an allocation of its basis in Time Warner Inc. No gain or loss was recognized in connection with this transaction.

CBS Corporation

On April 16, 2007, the Company completed a transaction (the "CBS Exchange") with CBS Corporation pursuant to which the Company exchanged all of its 7.6 million shares of CBS Class B

(6) Investments in Available-for-Sale Securities and Other Cost Investments (Continued)

common stock valued at $239 million for a subsidiary of CBS that held WFRV TV Station and approximately $170 million in cash. The Company recognized a pre-tax gain of $31 million based on the difference between the fair value and the weighted average cost basis of the CBS shares exchanged.

On a pro forma basis, the results of operations of ANLBC, Leisure Arts and WFRV TV Station are not significant to those of the Company for the year ended December 31, 2007.

Other Than Temporary Declines in Fair Value of Investments

During the years ended December 31, 2009, 2008 and 2007, the Company determined that certain of its AFS securities and cost investments experienced other than temporary declines in value. The primary factors considered by the Company in determining the timing of the recognition for these impairments was the length of time the investments traded below the Company's cost bases, the severity of the declines and the lack of near-term prospects for recovery in the stock prices. As a result, the carrying amounts of such investments were adjusted to their respective fair values based primarily on quoted market prices at the balance sheet date. These adjustments are reflected as other than temporary declines in fair value of investments in the combined statements of operations.

Unrealized Holdings Gains and Losses

Unrealized holding gains related to investments in AFS debt securities were $69 million at December 31, 2009.

(7) Investments in Affiliates Accounted for Using the Equity Method

The Company has various investments accounted for using the equity method. The following table includes the Company's carrying amount and percentage ownership of the more significant investments in affiliates at December 31, 2009 and the carrying amount at December 31, 2008:

	December 31, 2009		December 31, 2008
	Percentage ownership	Carrying amount	Carrying amount
		dollar amounts in millions	
Splitco Capital Group			
SIRIUS XM	40%	33	—
Other	various	102	223
Splitco Starz Group			
Other	various	—	12
		$ 135	235

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(7) Investments in Affiliates Accounted for Using the Equity Method (Continued)

The following table presents Splitco's share of losses of affiliates:

	Years ended December 31,		
	2009	2008	2007
	amounts in millions		
Splitco Capital Group			
SIRIUS XM	(28)	—	—
Other	(6)	(64)	(68)
Splitco Starz Group			
Other	(10)	(7)	—
	$ (44)	(71)	(68)

Sirius XM Radio Inc.

During 2009, the Company made equity contributions and loans to SIRIUS XM and made open market purchases of SIRIUS XM public debt. On February 17, 2009, the Company and SIRIUS XM entered into a senior secured loan agreement (the "Senior Loan") whereby the Company loaned SIRIUS XM $250 million and made a commitment to loan an additional $30 million to fund qualifying expenditures by SIRIUS XM (the "Purchase Money Commitment"). In exchange for making the Senior Loan, the Company received a $30 million origination fee. The Company accounted for the origination fee as a discount to the Senior Loan. On March 6, 2009, Liberty (i) purchased $100 million of a new senior loan facility of a subsidiary of SIRIUS XM ("Subsidiary Senior Loan"), (ii) purchased $61 million of bank debt of such subsidiary directly from the lending group and (iii) committed to make a loan of $150 million to such subsidiary in December 2009 ("Subsidiary Commitment"). In addition, the Company purchased voting preferred stock of SIRIUS XM (the "SIRIUS XM Preferred Stock"), which has substantially the same rights and preferences as common shareholders of SIRIUS XM, for a cash payment of $12,500. The SIRIUS XM Preferred Stock is convertible into common stock equal to 40% of fully diluted equity.

The Company allocated the total consideration paid for the Subsidiary Senior Loan, the Subsidiary Commitment and the SIRIUS XM Preferred Stock to each of the instruments based on the relative fair values of such instruments.

During the second and third quarters of 2009, SIRIUS XM issued new public bonds and used the net proceeds to repay all amounts outstanding under the Senior Loan and the Subsidiary Senior Loan; to replace the Subsidiary Commitment, which was terminated; and to refinance and repay other debt of SIRIUS XM. As the Company's book basis in the Senior Loan, the Subsidiary Senior Loan and the Subsidiary Commitment were originally recorded at a discount, the Company recognized an aggregate gain on the debt repayments and commitment cancellation of $85 million, after eliminating 40% of the gain related to the Company's ownership in SIRIUS XM.

As of December 31, 2009, the Company had invested aggregate cash of $611 million and had received scheduled debt repayments, cash from the SIRIUS XM refinancings and bond sales proceeds totaling $425 million, resulting in a net cash investment of $186 million. Such net cash investment has

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(7) Investments in Affiliates Accounted for Using the Equity Method (Continued)

resulted in the Company owning $279 million principal amount of SIRIUS XM public bonds, which are accounted for as AFS securities and have a fair market value of $301 million, and the SIRIUS XM Preferred Stock. In addition, the Purchase Money Commitment has been cancelled.

Based on the Company's voting rights and its conclusion that the SIRIUS XM Preferred Stock is in-substance common stock, the Company accounts for its investment in the SIRIUS XM Preferred Stock using the equity method of accounting. The Company has elected to record its share of earnings/losses for SIRIUS XM on a three-month lag due to timeliness considerations.

Summarized unaudited financial information for SIRIUS XM is as follows:

SIRIUS XM Consolidated Balance Sheet

	September 30, 2009
	amounts in millions
Current assets	$ 811
Property and equipment, net	1,694
Intangible assets	2,713
Goodwill	1,835
Other assets	216
Total assets	$ 7,269
Current liabilities	$ 2,016
Deferred income taxes	906
Long-term debt	2,874
Other liabilities	1,465
Stockholders' equity	8
Total liabilities and equity	$ 7,269

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(7) Investments in Affiliates Accounted for Using the Equity Method (Continued)

SIRIUS XM Consolidated Statement of Operations

	Nine months ended September 30, 2009
	amounts in millions
Revenue	$ 1,796
Costs of services	(791)
Selling, general and administrative expenses	(599)
Restructuring, impairments and related costs	(30)
Depreciation and amortization	(231)
Operating income	145
Interest expense	(240)
Loss on extinguishment of debt	(264)
Other income, net	5
Income tax expense	(3)
Income from continuing operations	(357)
Preferred Stock beneficial conversion feature	(186)
Net income attributable to SIRIUS XM	(543)

As of December 31, 2009, the SIRIUS XM Preferred Stock had a market value of $1,552 million based on the value of the common stock into which it is convertible.

The Company's investment in SIRIUS XM has been attributed to the Splitco Capital Group.

(8) Financial Instruments

Equity Collars

The Company has entered into equity collars and other financial instruments to manage market risk associated with its investments in certain marketable securities. These instruments are recorded at fair value based on option pricing models. Equity collars provide the Company with a put option that gives the Company the right to require the counterparty to purchase a specified number of shares of the underlying security at a specified price at a specified date in the future. Equity collars also provide the counterparty with a call option that gives the counterparty the right to purchase the same securities at a specified price at a specified date in the future. The put option and the call option generally have equal fair values at the time of origination resulting in no cash receipts or payments.

Borrowed Shares

From time to time and in connection with certain of its derivative instruments, Splitco borrows shares of the underlying securities from a counterparty and delivers these borrowed shares in settlement of maturing derivative positions. In these transactions, the same number of shares that are owned by Splitco, of the same company as the borrowed shares, have been posted as collateral with the counterparty. These share borrowing arrangements can be terminated at any time at Splitco's option by delivering shares to the counterparty. The counterparty can terminate these arrangements at any time.

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(8) Financial Instruments (Continued)

The liability under these share borrowing arrangements is marked to market each reporting period with changes in value recorded in unrealized gains or losses in the combined statement of operations. The shares posted as collateral under these arrangements are marked to market each reporting period with changes in value recorded as unrealized gains or losses in the combined statement of operations.

The Company's financial instruments are summarized as follows:

Type of financial instrument	December 31, 2009	December 31, 2008
	amounts in millions	
Assets		
Equity collars(1)	$ 752	2,206
Other	—	93
	752	2,299
Less current portion	(752)	(1,133)
	$ —	1,166
Liabilities		
Borrowed shares(2)	$ 851	392
Other	8	17
	859	409
Less current portion	(859)	(398)
	$ —	11

(1) Represents the Company's Sprint equity collars at December 31, 2009. The Company has made borrowings against substantially all of the future proceeds to be received by the Company upon expiration of these equity collars. See note 11.

(2) Borrowed shares are as follows:

	December 31, 2009	December 31, 2008
	amounts in millions	
Time Warner	$ 88	91
Time Warner Cable	31	—
Sprint	125	17
Motorola	403	230
CenturyTel	84	16
Other	120	38
	$ 851	392

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(8) Financial Instruments (Continued)

Realized and Unrealized Gains (Losses) on Financial Instruments

Realized and unrealized gains (losses) on financial instruments are comprised of changes in the fair value of the following:

	Years ended December 31, 2009	2008	2007
	amounts in millions		
Non-strategic Securities	$ 1,076	(2,881)	—
Exchangeable senior debentures	(670)	1,513	541
Equity collars	(101)	870	527
Borrowed shares	(301)	791	298
Other derivatives	(38)	(313)	(91)
	$ (34)	(20)	1,275

(9) Goodwill and Other Intangible Assets

Changes in the carrying amount of goodwill are as follows:

	Starz Entertainment	Starz Media	ANLBC	TruePosition	Other	Total
			amounts in millions			
Balance at January 1, 2008	$ 1,371	194	177	6	79	1,827
Acquisitions	—	—	—	—	8	8
Impairment(1)	(1,239)	(186)	—	—	(57)	(1,482)
Foreign currency translation adjustments	—	(8)	—	—	—	(8)
Other	—	—	7	—	(10)	(3)
Balance at December 31, 2008	132	—	184	6	20	342
Impairment	—	—	—	—	(3)	(3)
Foreign currency translation adjustments	—	—	—	—	—	—
Other	—	—	(4)	—	(1)	(5)
Balance at December 31, 2009	$ 132	—	180	6	16	334

As of December 31, 2009, the accumulated impairment losses for Starz Entertainment and Starz Media were $2,592 million and $368 million, respectively.

(1) The Company performs its annual evaluation of the recoverability of its goodwill and other indefinite lived intangible assets each December, except for ANLBC which is evaluated each October. In its Step 1 Test in 2008, the Company estimated the fair value of each of its reporting units using a combination of discounted cash flows and market based valuation methodologies. For those reporting units whose estimated fair value exceeded the carrying value, no further testwork was required and no impairment was recorded. For those reporting units whose carrying value exceeded the fair value, a Step 2 Test was performed. In the Step 2 Test, the fair value of the reporting unit was allocated to all of the assets and liabilities of the reporting unit with any

(9) Goodwill and Other Intangible Assets (Continued)

residual value being allocated to goodwill. The difference between such allocated amount and the carrying value of the goodwill is recorded as an impairment charge. In connection with its analysis, the Company recorded the following impairment charges (amounts in millions):

Starz Entertainment	$ 1,239
Starz Media	192
Other	82
	$ 1,513

The Company believes that the foregoing impairment charges, which also include $29 million of impairments of intangible assets other than goodwill, are due in large part to the 2008 economic crisis and the downward impact it had on perceptions of future growth prospects and valuation multiples for its reporting units.

While Starz Entertainment had increasing revenue and Adjusted OIBDA, as defined in note 18, in recent years, it failed the Step 1 Test due to the aforementioned lower future growth expectations and the compression of market multiples. In performing the Step 2 Test, Starz Entertainment allocated a significant portion of its estimated fair value to amortizable intangibles such as affiliation agreements and trade names which have little or no carrying value. The resulting residual goodwill was significantly less than its carrying value. Accordingly, Starz Entertainment recorded an impairment charge. The impairment loss for Starz Media is due primarily to a lowered long-term forecast for its home video distribution reporting unit resulting from the 2008 economic conditions.

Other significant intangible assets not subject to amortization include Franchise Rights ($143 million) owned by ANLBC and other intangibles ($26 million and $29 million, respectively) as of December 31, 2009 and 2010.

Intangible Assets Subject to Amortization

Intangible assets subject to amortization are comprised of the following:

	December 31, 2009			December 31, 2008		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
	amounts in millions					
Customer relationships	$ 84	(34)	50	84	(22)	62
Other	634	(497)	137	639	(460)	179
Total	$ 718	(531)	187	723	(482)	241

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(9) Goodwill and Other Intangible Assets (Continued)

Customer relationships are amortized over 10-14 years. Amortization expense was $55 million, $77 million and $84 million for the years ended December 31, 2009, 2008 and 2007, respectively. Based on its amortizable intangible assets as of December 31, 2009, Splitco expects that amortization expense will be as follows for the next five years (amounts in millions):

2010	$ 44
2011	$ 26
2012	$ 13
2013	$ 13
2014	$ 11

(10) Long-Term Debt

Debt is summarized as follows:

	Outstanding principal December 31, 2009	Carrying value December 31, 2009	Carrying value December 31, 2008
	amounts in millions		
Splitco Capital Group			
Exchangeable senior debentures			
3.125% Exchangeable Senior Debentures due 2023	$ 1,138	1,157	918
4% Exchangeable Senior Debentures due 2029	469	243	256
3.75% Exchangeable Senior Debentures due 2030	460	237	241
3.5% Exchangeable Senior Debentures due 2031	494	297	138
Splitco bank facility	750	750	750
Splitco derivative loan	838	838	625
Subsidiary debt	131	131	135
Total attributed Splitco Capital Group debt	4,280	3,653	3,063
Splitco Starz Group			
Subsidiary debt	48	48	52
Total Combined Splitco debt	$ 4,328	3,701	3,115
Less current portion		(1,269)	(441)
Total long-term debt		$ 2,432	2,674

Exchangeable Senior Debentures

As discussed in note 2, the exchangeable senior debentures are the legal obligation of Liberty Media, LLC, which will remain a subsidiary of Liberty subsequent to the proposed Split-Off and will therefore remain the legal obligation of Liberty. Upon completion of the February Reattribution only the 3.125% Exchangeable Senior Debentures remain attributed to Combined Splitco. Upon completion of the proposed Split-Off all of the outstanding Exchangeable Senior Debentures will be obligations of Liberty.

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(10) Long-Term Debt (Continued)

Each $1,000 debenture of Liberty's 3.125% Exchangeable Senior Debentures is exchangeable at the holder's option for the value of 19.136 shares of Time Warner common stock, 4.8033 shares of Time Warner Cable common stock and 1.7396 shares of AOL Inc. common stock. Liberty may, at its election, pay the exchange value in cash, Time Warner, Time Warner Cable and AOL common stock, shares of Liberty common stock or a combination thereof. On or after April 5, 2013, Liberty, at its option, may redeem the debentures, in whole or in part, for cash equal to the face amount of the debentures plus accrued interest. On March 30, 2013 or March 30, 2018, each holder may cause Liberty to purchase its exchangeable debentures, and Liberty, at its election, may pay the purchase price in shares of Time Warner, Time Warner Cable and AOL common stock, cash, Liberty common stock, or any combination thereof.

Each $1,000 debenture of Liberty's 4% Exchangeable Senior Debentures is exchangeable at the holder's option for the value of 11.4743 shares of Sprint common stock and .786 shares of CenturyLink common stock. Liberty may, at its election, pay the exchange value in cash, Sprint and CenturyLink common stock or a combination thereof. Liberty, at its option, may redeem the debentures, in whole or in part, for cash generally equal to the face amount of the debentures plus accrued interest.

Each $1,000 debenture of Liberty's 3.75% Exchangeable Senior Debentures is exchangeable at the holder's option for the value of 8.3882 shares of Sprint common stock and .5746 shares of CenturyLink common stock. Liberty may, at its election, pay the exchange value in cash, Sprint and CenturyLink common stock or a combination thereof. Liberty, at its option, may redeem the debentures, in whole or in part, for cash equal to the face amount of the debentures plus accrued interest.

Each $1,000 debenture of Liberty's 3.5% Exchangeable Senior Debentures (the "Motorola Exchangeables") is exchangeable at the holder's option for the value of 36.8189 shares of Motorola common stock. Such exchange value is payable, at Liberty's option, in cash, Motorola stock or a combination thereof. Liberty, at its option, may redeem the debentures, in whole or in part, for cash generally equal to the adjusted principal amount of the debentures plus accrued interest. As a result of a cash distribution made by Liberty in 2007 to holders of the Motorola Exchangeables, the adjusted principal amount of each $1,000 debenture is $837.38.

Liberty has sold or otherwise disposed of a portion of its shares of Motorola common stock which underlie the Motorola Exchangeables. Because such exchangeable debentures are exchangeable at the option of the holder at any time and Liberty can no longer use shares it owns to redeem the debentures, Liberty has classified for financial reporting purposes the portion of the debentures that would be redeemed for cash as a current liability. Such amount aggregated $297 million at December 31, 2009. Although such amount has been classified as a current liability for financial reporting purposes, the Company believes the probability that the holders of such instruments will exchange a significant principal amount of the debentures prior to maturity is remote.

During the second quarter of 2009, Liberty used cash for the voluntary early retirement of $750 million face amount of its Exchangeable Senior Debentures attributable to Splitco Capital Group. Liberty paid $187.5 million (of which $37.5 million was existing cash collateral) to retire $400 million face amount of its 4% Exchangeable Senior Debentures due 2029 and $350 million face amount of its 3.75% Exchangeable Senior Debentures due 2030. Liberty also terminated swap arrangements that reference the 4% and 3.75% Exchangeable Senior Debentures with no additional payment. The total

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(10) Long-Term Debt (Continued)

cash used to retire the $750 million face amount of Exchangeable Senior Debentures and swaps referencing these Exchangeable Senior Debentures was $503 million, of which $315 million was paid to settle swap arrangements that were settled in November 2008. Liberty also purchased and retired $126 million principal amount of its 3.125% Exchangeable Senior Debentures for aggregate cash payments of $106 million.

Interest on the exchangeable debentures is payable semi-annually based on the date of issuance. At maturity, all of the exchangeable debentures are payable in cash.

Splitco Bank Facility

Represents borrowings from a financial institution to be invested by Splitco in a portfolio of selected debt and mezzanine-level instruments of companies in the telecommunications, media and technology sectors. Due to the investment restrictions contained in the agreements related to these borrowings, the uninvested cash balance of $465 million is included in other assets in the accompanying combined balance sheet at December 31, 2009. Borrowings accrue interest at LIBOR plus an applicable margin (.82% at December 31, 2009).

Splitco Derivative Loan

During the first quarter of 2009, the Company made additional net borrowings of $1,638 million against the present value of its Sprint derivatives. Such debt accrues interest at LIBOR plus an applicable margin (.74% at December 31, 2009), is due when the derivatives expire in 2010 and is expected to be retired by the offset of debt left against amounts to be received by Splitco upon expiration of the derivatives. In this regard, in the second quarter of 2009, the Company repaid $333 million of the Sprint derivative loan with cash on hand. In addition, in the third quarter of 2009, the Company repaid $775 million of the Sprint derivative loans. In the third quarter of 2009, certain Sprint derivatives expired, and the Company received cash proceeds of $1,027 million. In the fourth quarter of 2009, Splitco voluntarily unwound a derivative collar, repaid $317 million of the derivative loan and received cash proceeds of $286 million upon the unwind.

Other Subsidiary Debt

Other subsidiary debt at December 31, 2009 is comprised of capitalized satellite transponder lease obligations and bank debt of certain subsidiaries.

Five Year Maturities

The U.S. dollar equivalent of the annual principal maturities of debt for each of the next five years is as follows (amounts in millions):

2010	$ 975
2011	$ 8
2012	$ 759
2013	$ 8
2014	$ 9

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(10) Long-Term Debt (Continued)

Fair Value of Debt

The Company estimates the fair value of its debt based on the quoted market prices for the same or similar issues or on the current rate offered to the Company for debt of the same remaining maturities.

Due to its variable rate nature, the Company believes that the carrying amount of its subsidiary debt and other corporate level debt, approximated fair value at December 31, 2009.

(11) Income Taxes

Income tax benefit (expense) consists of:

	Years ended December 31,		
	2009	2008	2007
	amounts in millions		
Current:			
Federal	$ 204	78	261
State and local	13	—	(17)
Foreign	(2)	2	(3)
	215	80	241
Deferred:			
Federal	(65)	150	(247)
State and local	20	19	(1)
Foreign	—	—	—
	(45)	169	(248)
Income tax benefit (expense)	$ 170	249	(7)

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(11) Income Taxes (Continued)

Income tax benefit (expense) differs from the amounts computed by applying the U.S. federal income tax rate of 35% as a result of the following:

	Years ended December 31,		
	2009	2008	2007
	amounts in millions		
Computed expected tax benefit (expense)	$ (59)	629	(523)
State and local income taxes, net of federal income taxes	16	12	(16)
Nontaxable exchange of investments for subsidiaries and cash	—	(2)	541
Change in valuation allowance affecting tax expense	9	(20)	(10)
Impairment of goodwill not deductible for tax purposes	(1)	(454)	(11)
Recognition of tax benefits not previously recognized, net	201	56	—
Expenses not deductible for income tax purposes	(15)	—	(2)
Excess tax deductions over book expense	19	—	—
Other, net	—	28	14
Income tax benefit (expense)	$ 170	249	(7)

The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities are presented below:

	December 31,	
	2009	2008
	amounts in millions	
Deferred tax assets:		
Net operating and capital loss carryforwards	$ 138	294
Accrued stock compensation	97	78
Other accrued liabilities	57	61
Deferred revenue	404	361
Other future deductible amounts	75	40
Deferred tax assets	771	834
Valuation allowance	(16)	(23)
Net deferred tax assets	755	811
Deferred tax liabilities:		
Investments	1,660	1,414
Intangible assets	147	146
Discount on exchangeable debentures	738	1,351
Deferred gain on debt retirements	316	—
Other	72	18
Deferred tax liabilities	2,933	2,929
Net deferred tax liabilities	$ 2,178	2,118

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(11) Income Taxes (Continued)

The Company's deferred tax assets and liabilities are reported in the accompanying combined balance sheets as follows:

	December 31, 2009	December 31, 2008
	amounts in millions	
Current deferred tax liabilities	$ 1,442	974
Long-term deferred tax liabilities	736	1,144
Net deferred tax liabilities	$ 2,178	2,118

The Company's valuation allowance decreased $7 million in 2009. Such decrease is due to a $10 million decrease that affected tax expense and a $3 million increase for acquisitions.

At December 31, 2009, the Company had net operating and capital loss carryforwards for income tax purposes aggregating approximately $177 million which, if not utilized to reduce taxable income in future periods, will expire as follows: 2011: $89 million; 2013: $1 million; 2014: $1 million and beyond 2014: $86 million. The foregoing net operating and capital loss are subject to certain limitations and may not be currently utilized.

A reconciliation of unrecognized tax benefits is as follows:

	Years ended December 31, 2009	Years ended December 31, 2008
	amounts in millions	
Balance at beginning of year	$ 274	331
Additions based on tax positions related to the current year	—	2
Additions for tax positions of prior years	—	3
Reductions for tax positions of prior years	(229)	(47)
Lapse of statute and settlements	—	(15)
Balance at end of year	$ 45	274

As of December 31, 2009, the Company had recorded tax reserves of $45 million related to unrecognized tax benefits for uncertain tax positions. If such tax benefits were to be recognized for financial statement purposes, $39 million would be reflected in the Company's tax expense and affect its effective tax rate. The Company's estimate of its unrecognized tax benefits related to uncertain tax positions requires a high degree of judgment.

As of December 31, 2009, the Company's 2001 through 2005 tax years are closed for federal income tax purposes, and the IRS has completed its examination of the Company's 2006 through 2008 tax years. The Company's tax loss carryforwards from its 2004 through 2008 tax years are still subject to adjustment. The Company's 2009 tax year is being examined currently as part of the IRS's Compliance Assurance Process ("CAP") program. The states of California and New York are currently examining the Company's 2003 through 2005 tax years. The Company is currently under audit in the UK, Japan, and Germany. It is reasonably possible that the amount of the Company's gross unrecognized tax benefits may decrease within the next twelve months by up to $5 million.

As of December 31, 2009, the Company had recorded $1 million of accrued interest and penalties related to uncertain tax positions.

(12) Transactions with Officers and Directors

Officers and Directors of Liberty are expected to be Officers and Directors of Splitco. The compensation related to these individuals and other corporate employees have been historically allocated to the three trackers and will continue to be allocated to the Splitco tracking stock groups in a similar manner with reimbursement from Liberty for the compensation allocated under the services agreement.

Chief Executive Officer Compensation Arrangement

On December 17, 2009, the Compensation Committee (the "Committee") of Liberty approved a new compensation arrangement for its President and Chief Executive Officer (the "CEO"). The arrangement provides for a five year employment term beginning January 1, 2010 and ending December 31, 2014, with an annual base salary of $1.5 million, increasing annually by 5% of the prior year's base salary, and an annual target cash bonus equal to 200% of the applicable year's annual base salary. The arrangement also provides that, in the event the CEO is terminated for "cause" or terminates his employment without "good reason," he will be entitled only to his accrued base salary and any amounts due under applicable law, and he will forfeit all rights to his unvested restricted shares and unvested options. If, however, the CEO is terminated by Liberty without cause or if he terminates his employment for good reason, the arrangement provides for him to receive $7.8 million and for his unvested restricted shares and unvested options to vest pro rata based on the portion of the term elapsed through the termination date plus 18 months and for all vested and accelerated options to remain exercisable until their respective expiration dates. Lastly, in the case of the CEO's death or his disability, the arrangement provides for a payment of $7.8 million, for his unvested restricted shares and unvested options to fully vest and for his vested and accelerated options to remain exercisable until their respective expiration dates.

Also, on December 17, 2009, in connection with the approval of his compensation arrangement, the CEO received a one-time grant of options to purchase the following shares of Liberty with exercise prices equal to the closing sale prices of the applicable series of stock on the grant date: 8,743,000 shares of Series A Liberty Interactive common stock, 760,000 shares of Series A Liberty Starz common stock and 1,353,000 shares of Series A Liberty Capital common stock. One-half of the options will vest on the fourth anniversary of the grant date with the remaining options vesting on the fifth anniversary of the grant date, in each case, subject to the CEO being employed by Liberty on the applicable vesting date. The options will have a term of 10 years.

The employment agreement with the CEO will be assumed by Splitco upon completion of the proposed Split-Off.

Chairman's Employment Agreement

On December 12, 2008, the Committee determined to modify its employment arrangements with its Chairman of the Board, to permit the Chairman to begin receiving payments in 2009 in satisfaction of Liberty's obligations to him under two deferred compensation plans and a salary continuation plan. Under one of the deferred compensation plans (the "8% Plan"), compensation has been deferred by the Chairman since January 1, 1993 and accrues interest at the rate of 8% per annum compounded annually from the applicable date of deferral. The amount owed to the Chairman under the 8% Plan aggregated approximately $2.4 million at December 31, 2008. Under the second plan (the "13% Plan"),

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(12) Transactions with Officers and Directors (Continued)

compensation was deferred by the Chairman from 1982 until December 31, 1992 and accrues interest at the rate of 13% per annum compounded annually from the applicable date of deferral. The amount owed to the Chairman under the 13% Plan aggregated approximately $20 million at December 31, 2008. Both deferred compensation plans had provided for payment of the amounts owed to him in 240 monthly installments beginning upon termination of his employment. Under his salary continuation plan, the Chairman would have been entitled to receive $15,000 (increased at the rate of 12% per annum compounded annually from January 1, 1998 to the date of the first payment, (the "Base Amount") per month for 240 months beginning upon termination of his employment. The amount owed to the Chairman under the salary continuation plan aggregated approximately $39 million at December 31, 2008. There is no further accrual of interest under the salary continuation plan once payments have begun.

The Committee determined to modify all three plans to begin making payments to the Chairman in 2009, while he remains employed by the company. By commencing payments under the salary continuation plan, interest ceased to accrue on the Base Amount. As a result of these modifications, the Chairman will receive 240 equal monthly installments as follows: (1) approximately $20,000 under the 8% Plan; (2) approximately $237,000 under the 13% Plan; and (3) approximately $164,000 under the salary continuation plan.

The Committee also approved certain immaterial amendments to the Chairman's employment agreement intended to comply with Section 409A of the Internal Revenue Code.

The employment agreement and deferred compensation plan with the Chairman will become obligations of Splitco upon the completion of the proposed Split-Off.

Stock Purchases from Chairman

In October 2008, Liberty purchased 4.5 million shares of Series A Liberty Capital common stock from its Chairman for $11 per share in cash pursuant to the Company's stock repurchase program.

(13) Stock Options and Stock Appreciation Rights

Liberty—Incentive Plans

Pursuant to the Liberty Media Corporation 2000 Incentive Plan, as amended from time to time (the "2000 Plan"), the Company has granted to certain of its employees stock options and SARs (collectively, "Awards") to purchase shares of Series A and Series B Liberty Capital, Liberty Entertainment and Liberty Interactive common stock. The 2000 Plan provides for Awards to be made in respect of a maximum of 69.5 million shares of Liberty common stock. On May 1, 2007, stockholders of the Company approved the Liberty Media Corporation 2007 Incentive Plan (the "2007 Plan"). The 2007 Plan provides for Awards to be made in respect of a maximum of 39.3 million shares of Liberty common stock. Awards generally vest over 4-5 years and have a term of 7-10 years. Liberty issues new shares upon exercise of equity awards.

Pursuant to the Liberty Media Corporation 2002 Nonemployee Director Incentive Plan, as amended from time to time (the "NDIP"), the Liberty Board of Directors has the full power and

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(13) Stock Options and Stock Appreciation Rights (Continued)

authority to grant eligible nonemployee directors stock options, SARs, stock options with tandem SARs, and restricted stock.

In connection with the proposed Split-Off, Awards with respect to Series A and B Liberty Starz and Liberty Capital tracking stocks will be converted to Awards with respect to Series A and B Splitco Starz and Splitco Capital tracking stocks after appropriate compensation plans have been approved by the stockholders as part of the final Split-Off plan. Therefore, the activity associated with options of Liberty Starz and Liberty Capital have been reflected as options of Splitco for the combined financial statements.

Liberty—Grants of Liberty Capital and Starz tracking stock options

Awards granted in 2009, 2008 and 2007 pursuant to the 2000 Plan, the 2007 Plan and the NDIP are summarized as follows:

	Year ended December 31,					
	2009		2008		2007	
	Options granted	Weighted average grant-date fair value	Options granted	Weighted average grant-date fair value	Options granted	Weighted average grant-date fair value
Series A Liberty Capital	1,649,511	$ 12.17	1,285,787	$ 1.19	739,681	$ 28.78
Series A Liberty Starz	2,083,429	$ 14.33	5,261,721	$ 5.79	N/A	N/A

The Company has calculated the grant-date fair value for all of its equity classified awards and any subsequent remeasurement of its liability classified awards using the Black-Scholes Model. The Company estimates the expected term of the Awards based on historical exercise and forfeiture data. The volatility used in the calculation for Awards is based on the historical volatility of Liberty's stocks and the implied volatility of publicly traded Liberty options. The Company uses a zero dividend rate and the risk-free rate for Treasury Bonds with a term similar to that of the subject options.

The following table presents the volatilities used by the Company in the Black-Scholes Model for the 2009, 2008 and 2007 grants.

	Volatility
2009 grants	
Liberty Capital options	29.3% - 47.9%
Liberty Starz options	29.3% - 33.6%
2008 grants	
Liberty Capital options	19.7% - 29.4%
Liberty Starz options	19.7% - 29.4%
2007 grants	
Liberty Capital options	17.5% - 19.7%

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(13) Stock Options and Stock Appreciation Rights (Continued)

Liberty—Outstanding Awards

The following table presents the number and weighted average exercise price ("WAEP") of certain options and SARs to purchase Liberty common stock granted to certain officers, employees and directors of the Company.

	Series A			
	Liberty Capital	WAEP	Liberty Starz	WAEP
	numbers of options in thousands			
Outstanding at January 1, 2009	4,031	$ 10.83	15,978	$ 19.77
Granted	1,650	$ 23.26	2,083	$ 45.96
Exercised	(592)	$ 13.55	(5,776)	$ 19.84
Redeemed for LEI options	—		(9,633)	$ 19.95
Forfeited/cancelled/exchanged	(20)	$ 37.37	(57)	$ 38.75
Outstanding at December 31, 2009	5,069	$ 14.45	2,595	$ 43.13
Exercisable at December 31, 2009	2,190	$ 12.20	566	$ 29.51

There were no grants or exercises of any of the Liberty's Series B options during 2009, except that 1,408,000 options for Series B Liberty Capital common stock with an exercise price of $15.20 were exercised.

The following table provides additional information about outstanding options to purchase Liberty common stock at December 31, 2009.

	No. of outstanding options (000's)	WAEP of outstanding options	Weighted average remaining life	Aggregate intrinsic value (000's)	No. of exercisable options (000's)	WAEP of exercisable options	Aggregate intrinsic value (000's)
Series A Capital	5,069	$ 14.45	5.1 years	$ 47,981	2,190	$ 12.20	$ 25,757
Series B Capital	—				—		
Series A Starz	2,595	$ 43.13	7.6 Years	$ 18,597	566	$ 29.51	$ 9,508
Series B Starz	599	$ 31.33	1.4 Years	$ 9,305	599	$ 31.33	$ 9,305

Liberty—Exercises

The aggregate intrinsic value of all options exercised during the years ended December 31, 2009, 2008 and 2007 was $66 million, $3 million and $8 million, respectively.

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(13) Stock Options and Stock Appreciation Rights (Continued)

Liberty—Restricted Stock

The following table presents the number and weighted average grant-date fair value ("WAFV") of unvested restricted shares of Liberty common stock held by certain directors, officers and employees of the Company as of December 31, 2009 (numbers of shares in thousands).

	Number of shares	WAFV
Series A Liberty Capital	340	$ 7.40
Series A Liberty Starz	241	$ 39.42

The aggregate fair value of all restricted shares of Liberty Capital and Liberty Starz common stock that vested during the years ended December 31, 2009, 2008 and 2007 was $11 million, $2 million and $2 million, respectively.

Starz Entertainment

Starz Entertainment has fully vested outstanding Phantom Stock Appreciation Rights ("PSARs") held by its founder. Effective September 30, 2009, the founder elected to exercise all of his remaining PSARs. The amount to be paid to the founder for his PSARs is to be determined by a valuation process. Starz Entertainment has accrued $116 million as of December 31, 2009 based upon Starz Entertainment's best estimate of the amount to be paid. Such amount is payable in cash, Liberty common stock or a combination thereof.

Other

Certain of the Company's other subsidiaries have stock based compensation plans under which employees and non-employees are granted options or similar stock based awards. Awards made under these plans vest and become exercisable over various terms. The awards and compensation recorded, if any, under these plans is not significant to Splitco.

(14) Employee Benefit Plans

Liberty is the sponsor of the Liberty Media 401(k) Savings Plan (the "Liberty 401(k) Plan"), which provides its employees and the employees of certain of its subsidiaries an opportunity for ownership in the Company and creates a retirement fund. The Liberty 401(k) Plan provides for employees to make contributions to a trust for investment in Liberty common stock, as well as several mutual funds. The Company and its subsidiaries make matching contributions to the Liberty 401(k) Plan based on a percentage of the amount contributed by employees. In addition, certain of the Company's subsidiaries have similar employee benefit plans. Employer cash contributions attributable to Splitco Starz group and Splitco Capital group aggregated $14 million, $12 million and $8 million for the years ended December 31, 2009, 2008 and 2007, respectively, and are reflected as Splitco expenses.

(15) Other Comprehensive Earnings (Loss)

Accumulated other comprehensive earnings (loss) included in Splitco's combined balance sheets and combined statements of equity reflect the aggregate of foreign currency translation adjustments,

(15) Other Comprehensive Earnings (Loss) (Continued)

unrealized holding gains and losses on AFS securities and Splitco's share of accumulated other comprehensive earnings of affiliates.

The change in the components of accumulated other comprehensive earnings (loss), net of taxes ("AOCI"), is summarized as follows:

	Foreign currency translation adjustments	Unrealized holding gains (losses) on securities	Other	AOCI of discontinued operations	AOCI
		amounts in millions			
Balance at January 1, 2007	$ (1)	2,260	—	2,913	5,172
Other comprehensive earnings (loss) attributable to Liberty Media Corporation stockholders	8	(1,220)	—	(326)	(1,538)
Balance at December 31, 2007	7	1,040	—	2,587	3,634
Other comprehensive loss attributable to Liberty Media Corporation stockholders	(9)	(1)	(2)	(2,618)	(2,630)
Cumulative effect of accounting change	—	(1,040)	—	—	(1,040)
Balance at December 31, 2008	(2)	(1)	(2)	(31)	(36)
Other comprehensive earnings (loss) attributable to Liberty Media Corporation stockholders	2	43	(5)	31	71
Balance at December 31, 2009	$ —	42	(7)	—	35

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(15) Other Comprehensive Earnings (Loss) (Continued)

The components of other comprehensive earnings (loss) are reflected in Liberty's combined statements of comprehensive earnings (loss) net of taxes. The following table summarizes the tax effects related to each component of other comprehensive earnings (loss).

	Before-tax amount	Tax (expense) benefit	Net-of-tax amount
	amounts in millions		
Year ended December 31, 2009:			
Foreign currency translation adjustments	$ 4	(2)	2
Unrealized holding gains on securities arising during period	69	(26)	43
Reclassification adjustment for holding gains realized in net loss	(2)	1	(1)
Other	(6)	2	(4)
Other comprehensive earnings from discontinued operations	50	(19)	31
Other comprehensive earnings	$ 115	(44)	71
Year ended December 31, 2008:			
Foreign currency translation adjustments	$ (15)	6	(9)
Unrealized holding losses on securities arising during period	(3)	1	(2)
Reclassification adjustment for holding losses realized in net earnings	2	(1)	1
Other	(3)	1	(2)
Other comprehensive loss from discontinued operations	(4,223)	1,605	(2,618)
Other comprehensive loss	$ (4,242)	1,612	(2,630)
Year ended December 31, 2007:			
Foreign currency translation adjustments	$ 13	(5)	8
Unrealized holding losses on securities arising during period	(1,363)	518	(845)
Reclassification adjustment for holding gains realized in net earnings	(605)	230	(375)
Other comprehensive loss from discontinued operations	(526)	200	(326)
Other comprehensive loss	$ (2,481)	943	(1,538)

(16) Transactions with Related Parties

During the year ended December 31, 2009 and the period from February 27, 2008 to December 31, 2008, subsidiaries of the Company recognized aggregate revenue of $303 million and $235 million, respectively, from DIRECTV for distribution of their programming. In addition, subsidiaries of the Company made aggregate payments of $7 million and $6 million in 2009 and 2008, respectively, to DIRECTV for carriage and marketing.

Starz Entertainment pays Revolution Studios ("Revolution"), an equity affiliate, fees for the rights to exhibit films produced by Revolution. Payments aggregated $46 million and $58 million in 2008 and 2007, respectively.

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(17) Commitments and Contingencies

Film Rights

Starz Entertainment, a wholly-owned subsidiary of Splitco, provides premium video programming distributed by cable operators, direct-to-home satellite providers, telephone companies, other distributors and the Internet throughout the United States. Starz Entertainment has entered into agreements with a number of motion picture producers which obligate Starz Entertainment to pay fees ("Programming Fees") for the rights to exhibit certain films that are released by these producers. The unpaid balance of Programming Fees for films that were available for exhibition by Starz Entertainment at December 31, 2009 is reflected as a liability in the accompanying combined balance sheet. The balance due as of December 31, 2009 is payable as follows: $62 million in 2010 and $7 million in 2011.

Starz Entertainment has also contracted to pay Programming Fees for films that have been released theatrically, but are not available for exhibition by Starz Entertainment until some future date. These amounts have not been accrued at December 31, 2009. In addition, Starz Entertainment has agreed to pay Sony Pictures Entertainment ("Sony") (i) a total of $190 million in four equal annual installments beginning in 2011 for a contract extension through 2013, and (ii) a total of $120 million in three equal annual installments beginning in 2015 for a new output agreement. Starz Entertainment's estimate of amounts payable under these agreements is as follows: $449 million in 2010; $125 million in 2011; $94 million in 2012; $84 million in 2013; $67 million in 2014 and $145 million thereafter.

In addition, Starz Entertainment is also obligated to pay Programming Fees for all qualifying films that are released theatrically in the United States by studios owned by The Walt Disney Company ("Disney") through 2012 and all qualifying films that are released theatrically in the United States by studios owned by Sony through 2016. Films are generally available to Starz Entertainment for exhibition 10-12 months after their theatrical release. The Programming Fees to be paid by Starz Entertainment are based on the quantity and the domestic theatrical exhibition receipts of qualifying films. As these films have not yet been released in theatres, Starz Entertainment is unable to estimate the amounts to be paid under these output agreements. However, such amounts are expected to be significant. In February 2009, Disney announced that it has agreed to enter into a long-term distribution arrangement with DreamWorks Studios. Under the terms of this arrangement, Disney will handle distribution and marketing for approximately six DreamWorks films each year. As a result of this arrangement, the number of qualifying films under Starz Entertainment's output agreement with Disney may be higher than it would have been otherwise.

Guarantees

Splitco guarantees Starz Entertainment's obligations under certain of its studio output agreements. At December 31, 2009, Splitco's guarantees for obligations for films released by such date aggregated $656 million. While the guarantee amount for films not yet released is not determinable, such amount is expected to be significant. As noted above, Starz Entertainment has recognized the liability for a portion of its obligations under the output agreements. As this represents a direct commitment of Starz Entertainment, a wholly-owned subsidiary of Splitco, Splitco has not recorded a separate indirect liability for its guarantee of these obligations.

In connection with agreements for the sale of assets by Splitco or its subsidiaries, Splitco may retain liabilities that relate to events occurring prior to its sale, such as tax, environmental, litigation

(17) Commitments and Contingencies (Continued)

and employment matters. Splitco generally indemnifies the purchaser in the event that a third party asserts a claim against the purchaser that relates to a liability retained by Splitco. These types of indemnification obligations may extend for a number of years. Splitco is unable to estimate the maximum potential liability for these types of indemnification obligations as the sale agreements may not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, Splitco has not made any significant indemnification payments under such agreements and no amount has been accrued in the accompanying combined financial statements with respect to these indemnification obligations.

Employment Contracts

ANLBC has entered into long-term employment contracts with certain of their players and coaches whereby such individuals' compensation is guaranteed. Amounts due under guaranteed contracts as of December 31, 2009 aggregated $199 million, which is payable as follows: $80 million in 2010, $67 million in 2011, $50 million in 2012 and $2 million in 2013. In addition to the foregoing amounts, certain players and coaches may earn incentive compensation under the terms of their employment contracts.

Operating Leases

Splitco leases business offices, has entered into satellite transponder lease agreements and uses certain equipment under lease arrangements. Rental expense under such arrangements amounted to $17 million, $16 million and $15 million for the years ended December 31, 2009, 2008 and 2007, respectively.

A summary of future minimum lease payments under noncancelable operating leases as of December 31, 2009 follows (amounts in millions):

Years ending December 31:	
2010	$ 14
2011	$ 13
2012	$ 12
2013	$ 12
2014	$ 12
Thereafter	$ 33

It is expected that in the normal course of business, leases that expire generally will be renewed or replaced by leases on other properties; thus, it is anticipated that future lease commitments will not be less than the amount shown for 2009.

Litigation

Splitco has contingent liabilities related to legal and tax proceedings and other matters arising in the ordinary course of business. Although it is reasonably possible Splitco may incur losses upon conclusion of such matters, an estimate of any loss or range of loss cannot be made. In the opinion of

(17) Commitments and Contingencies (Continued)

management, it is expected that amounts, if any, which may be required to satisfy such contingencies will not be material in relation to the accompanying combined financial statements.

Other

During the period from March 9, 1999 to August 10, 2001, the Company was included in the consolidated federal income tax return of AT&T and was a party to a tax sharing agreement with AT&T (the "AT&T Tax Sharing Agreement"). Pursuant to the AT&T Tax Sharing Agreement and in connection with the Company's split-off from AT&T in 2001, AT&T was required to pay the Company an amount equal to 35% of the amount of the net operating losses reflected in TCI's final federal income tax return ("TCI NOLs") that had not been used as an offset to the Company's obligations under the AT&T Tax Sharing Agreement and that had been, or were reasonably expected to be, utilized by AT&T.

AT&T has requested a refund from the Company of $91 million, plus accrued interest, relating to losses that it generated and was able to carry back to offset taxable income previously offset by the Company's losses. AT&T has asserted that the Company's losses caused AT&T to pay alternative minimum tax ("AMT") that it would not have been otherwise required to pay had the Company's losses not been included in its return. The Company has accrued approximately $70 million representing its estimate of the amount it may ultimately pay (excluding accrued interest, if any) to AT&T as a result of these requests. Although the Company has not reduced its accrual for any future refunds, the Company believes it is entitled to a refund when AT&T is able to realize a benefit in the form of a credit for the AMT previously paid.

Although for accounting purposes the Company has accrued a portion of the amounts claimed by AT&T to be owed by the Company under the AT&T Tax Sharing Agreement, the Company believes there are valid defenses or set-off or similar rights in its favor that may cause the total amount that it owes AT&T to be less than the amounts accrued; and under certain interpretations of the AT&T Tax Sharing Agreement, the Company may be entitled to further reimbursements from AT&T.

(18) Information About Liberty's Operating Segments

Splitco, through its ownership interests in subsidiaries and other companies, is primarily engaged in the media, communications and entertainment industries. Splitco has attributed each of its businesses to one of two groups: the Splitco Starz Group and the Splitco Capital Group. Each of the businesses in the tracking stock groups is separately managed. Splitco identifies its reportable segments as (A) those combined subsidiaries that represent 10% or more of its combined revenue, pre-tax earnings or total assets and (B) those equity method affiliates whose share of earnings represent 10% or more of Splitco's pre-tax earnings. The segment presentation for prior periods has been conformed to the current period segment presentation.

Splitco evaluates performance and makes decisions about allocating resources to its operating segments based on financial measures such as revenue, Adjusted OIBDA, gross margin, average sales price per unit, number of units shipped and revenue or sales per customer equivalent. In addition, Splitco reviews nonfinancial measures such as subscriber growth, penetration, website visitors, conversion rates and active customers, as appropriate.

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(18) Information About Liberty's Operating Segments (Continued)

Splitco defines Adjusted OIBDA as revenue less cost of sales, operating expenses, and selling, general and administrative expenses (excluding stock-based compensation). Splitco believes this measure is an important indicator of the operational strength and performance of its businesses, including each business's 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. This measure of performance excludes depreciation and amortization, stock-based compensation, separately reported litigation settlements and restructuring and impairment charges that are included in the measurement of operating income pursuant to GAAP. Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with GAAP. Splitco generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties, that is, at current prices.

For the year ended December 31, 2009, Splitco has identified the following businesses as its reportable segments:

- Starz Entertainment—combined subsidiary attributed to the Starz Group that provides premium programming distributed by cable operators, direct-to-home satellite providers, telephone companies, other distributors and the Internet throughout the United States.
- Starz Media—combined subsidiary attributed to the Capital Group that develops, acquires, produces and distributes live-action and animated films and television productions for the theatrical, home video, television and other ancillary markets in the United States and internationally.
- ANLBC—combined subsidiary attributed to the Capital Group that owns and operates the Atlanta Braves Major League Baseball franchise.
- TruePosition, Inc.—combined subsidiary attributed to the Capital Group that develops and markets technology for locating wireless phones and other wireless devices enabling wireless carriers, application providers and other enterprises to provide E-911 services domestically and other location-based services to mobile users both domestically and worldwide.

Splitco's reportable segments are strategic business units that offer different products and services. They are managed separately because each segment requires different technologies, distribution channels and marketing strategies. The accounting policies of the segments that are also combined subsidiaries are the same as those described in the summary of significant policies.

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Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(18) Information About Liberty's Operating Segments (Continued)

Performance Measures

	Years ended December 31,					
	2009		2008		2007	
	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA
	amounts in millions					
Splitco Starz Group						
Starz Entertainment	1,193	384	1,111	301	1,066	264
Corporate and other	11	(10)	13	(11)	25	(5)
	1,204	374	1,124	290	1,091	259
Splitco Capital Group						
Starz Media	364	(93)	321	(189)	254	(143)
ANLBC	206	8	204	16	159	38
TruePosition	32	(77)	21	(113)	17	(98)
Corporate and other	47	(13)	68	(11)	55	(7)
	649	(175)	614	(297)	485	(210)
Combined Splitco	$ 1,853	199	1,738	(7)	1,576	49

Other Information

	December 31,					
	2009			2008		
	Total assets	Investments in affiliates	Capital expenditures	Total assets	Investments in affiliates	Capital expenditures
	amounts in millions					
Splitco Starz Group						
Starz Entertainment	1,607	—	10	1,462	—	7
Corporate and other	829	—	—	14,890	12	—
	2,436	—	10	16,352	12	7
Splitco Capital Group						
Starz Media	610	—	2	654	—	3
ANLBC	616	29	3	666	28	7
TruePosition	661	2	6	630	5	5
Corporate and other	7,680	104	35	6,497	190	14
	9,567	135	46	8,447	223	29
Inter-group eliminations	(88)	—	—	(111)	—	—
Combined Splitco	$ 11,915	135	56	24,688	235	36

Splitco

Notes to Combined Financial Statements (Continued)

December 31, 2009, 2008 and 2007

(18) Information About Liberty's Operating Segments (Continued)

The following table provides a reconciliation of segment Adjusted OIBDA to earnings (loss) from continuing operations before income taxes:

	Years ended December 31,		
	2009	2008	2007
	amounts in millions		
Combined segment Adjusted OIBDA	$ 199	(7)	49
Stock-based compensation	(81)	(17)	(54)
Depreciation and amortization	(100)	(127)	(127)
Impairment of long-lived assets	(9)	(1,513)	(223)
Interest expense	(132)	(194)	(176)
Dividend and interest income	117	152	220
Share of losses of affiliates	(44)	(71)	(68)
Realized and unrealized gains (losses) on derivative instruments, net	(34)	(20)	1,275
Gains on dispositions, net	242	13	634
Other than temporary declines in fair value of investments	(9)	(1)	(33)
Other, net	21	(8)	(1)
Earnings (loss) from continuing operations before income taxes	$ 170	(1,793)	1,496

Unaudited Attributed Financial Information for Tracking Stock Groups

The following tables present our assets, liabilities, revenue, expenses and cash flows as of and for the years ended December 31, 2009, 2008 and 2007. The tables further present our assets, liabilities, revenue, expenses and cash flows that are attributed to the Splitco Starz Group and the Splitco Capital Group, respectively. The financial information should be read in conjunction with our audited financial statements for the years ended December 31, 2009, 2008 and 2007 included in this combined registration statement.

Notwithstanding the following attribution of assets, liabilities, revenue, expenses and cash flows to the Splitco Starz Group and the Splitco Capital Group, our tracking stock capital structure does not affect the ownership or the respective legal title to our assets or responsibility for our liabilities. We and our subsidiaries each continue to be responsible for our respective liabilities. Holders of Splitco Starz Stock and Splitco Capital Stock will be holders of our common stock and continue to be subject to risks associated with an investment in our company and all of our businesses, assets and liabilities. The issuance of Splitco Starz Stock and Splitco Capital Stock does not affect the rights of our creditors.

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SUMMARY ATTRIBUTED FINANCIAL DATA

Splitco Starz Group

	December 31, 2009	December 31, 2008
	amounts in millions	
Summary Balance Sheet Data:		
Current assets	$ 1,782	1,476
Assets of discontinued operations	$ —	14,211
Total assets	$ 2,436	16,352
Long-term debt, including current portion	$ 48	52
Attributed net assts	$ 2,040	12,180

	Years ended December 31, 2009	2008	2007
	amounts in millions		
Summary Operations Data:			
Revenue	$ 1,204	1,124	1,091
Operating expenses	(685)	(682)	(704)
Selling, general and administrative expenses(1)	(221)	(167)	(170)
Depreciation and amortization	(21)	(26)	(25)
Impairment of long-lived assets	(5)	(1,262)	(41)
Operating income (loss)	272	(1,013)	151
Interest expense	(2)	(22)	(25)
Share of losses of affiliates	(10)	(7)	—
Realized and unrealized gains on financial instruments	8	272	14
Other income, net	31	1	3
Income tax expense	(86)	(191)	(69)
Earnings (loss) from continuing operations	213	(960)	74
Earnings from discontinued operations	5,864	5,812	41
Net earnings	6,077	4,852	115
Less net loss attributable to the noncontrolling interests	—	—	(21)
Net earnings attributable to Splitco stockholders	$ 6,077	4,852	136

(1) Includes stock-based compensation of $76 million, $15 million and $42 million for the years ended December 31, 2009, 2008 and 2007, respectively.

SUMMARY ATTRIBUTED FINANCIAL DATA

Splitco Capital Group

	December 31, 2009	December 31, 2008
	amounts in millions	
Summary Balance Sheet Data:		
Current assets	$ 4,281	3,044
Cost investments	$ 3,355	2,118
Total assets	$ 9,567	8,432
Long-term debt, including current portion	$ 3,653	3,063
Deferred tax liabilities, including current portion	$ 2,260	2,195
Attributed net assets	$ 1,275	1,121

	Years ended December 31, 2009	2008	2007
	amounts in millions		
Summary Operations Data:			
Revenue	$ 649	614	485
Operating expenses	(486)	(515)	(480)
Selling, general and administrative expenses(1)	(343)	(398)	(227)
Depreciation and amortization	(79)	(101)	(102)
Impairment of long-lived assets	(4)	(251)	(182)
Operating loss	(263)	(651)	(506)
Interest expense	(130)	(172)	(151)
Realized and unrealized gains (losses) on derivative instruments, net	(42)	(292)	1,261
Gain on dispositions, net	215	16	635
Other income, net	91	75	114
Income tax benefit	256	440	62
Earnings (loss) from continuing operations	127	(584)	1,415
Earnings from discontinued operations, net of taxes	—	—	149
Net earnings (loss)	127	(584)	1,564
Less net earnings attributable to the noncontrolling interests	—	8	27
Net earnings (loss) attributable to Splitco stockholders	$ 127	(592)	1,537

(1) Includes stock-based compensation of $5 million, $2 million and $12 million for the years ended December 31, 2009, 2008 and 2007, respectively.

BALANCE SHEET INFORMATION

December 31, 2009

(unaudited)

	Attributed (note 1) Splitco Starz Group	Splitco Capital Group	Inter-group eliminations	Combined Splitco
	amounts in millions			
Assets				
Current assets:				
Cash and cash equivalents	$ 794	3,157	—	3,951
Trade and other receivables, net	191	77	—	268
Program rights	469	—	—	469
Financial instruments	—	752	—	752
Current deferred tax assets	88	—	(88)	—
Receivable from Liberty (note 1)	238	194	—	432
Other current assets	2	101	—	103
Total current assets	1,782	4,281	(88)	5,975
Investments in available-for-sale securities and other cost investments (note 2)	31	3,355	—	3,386
Investments in affiliates, accounted for using the equity method (note 3)	—	135	—	135
Property and equipment, net	109	166	—	275
Intangible assets not subject to amortization	135	368	—	503
Intangible assets subject to amortization, net	2	185	—	187
Program rights	327	—	—	327
Deferred costs	—	432	—	432
Other assets, at cost, net of accumulated amortization	50	645	—	695
Total assets	$ 2,436	9,567	(88)	11,915
Liabilities and Equity				
Current liabilities:				
Accounts payable	$ 7	13	—	20
Accrued liabilities	116	153	—	269
Financial instruments	—	859	—	859
Current portion of debt (note 4)	4	1,265	—	1,269
Current deferred tax liabilities	—	1,530	(88)	1,442
Other current liabilities	165	36	—	201
Total current liabilities	292	3,856	(88)	4,060
Long-term debt (note 4)	44	2,388	—	2,432
Deferred income tax liabilities (note 6)	6	730	—	736
Deferred revenue	—	1,034	—	1,034
Other liabilities	54	284	—	338
Total liabilities	396	8,292	(88)	8,600
Attributed net assets	2,040	1,275	—	3,315
Total liabilities and net assets	$ 2,436	9,567	(88)	11,915

BALANCE SHEET INFORMATION

December 31, 2008

(unaudited)

	Attributed (note 1) Splitco Starz Group	Splitco Capital Group	Inter-group eliminations	Combined Splitco
	amounts in millions			
Assets				
Current assets:				
Cash and cash equivalents	$ 732	1,496	—	2,228
Trade and other receivables, net	181	156	—	337
Program rights	492	—	(1)	491
Financial instruments	14	1,119	—	1,133
Current deferred tax assets	55	—	(55)	—
Receivable from Liberty	—	71	—	71
Other current assets	2	202	(18)	186
Assets of discontinued operations—current	163	—	—	163
Total current assets	1,639	3,044	(74)	4,609
Investments in available-for-sale securities and other cost investments (note 2)	—	2,118	—	2,118
Long-term financial instruments	—	1,166	—	1,166
Investments in affiliates, accounted for using the equity method (note 3)	12	223	—	235
Property and equipment, net	117	147	—	264
Intangibles not subject to amortization	137	377	—	514
Intangible assets subject to amortization, net	11	230	—	241
Program rights	366	—	—	366
Deferred costs	—	410	—	410
Other assets, at cost, net of accumulated amortization	22	717	(22)	717
Assets of discontinued operations	14,048	—	—	14,048
Total assets	$ 16,352	8,432	(96)	24,688
Liabilities and Equity				
Current liabilities:				
Accounts payable	$ 1	24	—	25
Accrued liabilities	140	212	(1)	351
Intergroup payable (receivable)	15	(15)	—	—
Financial instruments	—	398	—	398
Current portion of debt (note 4)	4	437	—	441
Current deferred tax liabilities	—	1,029	(55)	974
Other current liabilities	180	71	(15)	236
Liabilities of discontinued operations—current	277	—	—	277
Total current liabilities	617	2,156	(71)	2,702
Long-term debt (note 4)	48	2,626	—	2,674
Deferred income tax liabilities (note 6)	—	1,166	(22)	1,144
Deferred revenue	—	900	—	900
Other liabilities	9	462	(1)	470
Liabilities of discontinued operations	3,498	—	—	3,498
Total liabilities	4,172	7,310	(94)	11,388
Attributed net assets	12,180	1,121	(2)	13,299
Noncontrolling interests in equity of subsidiaries	—	1	—	1
Total liabilities and net assets	$ 16,352	8,432	(96)	24,688

STATEMENT OF OPERATIONS AND COMPREHENSIVE EARNINGS (LOSS) INFORMATION

Year ended December 31, 2009

(unaudited)

	Attributed (note 1) Splitco Starz Group	Splitco Capital Group	Combined Splitco
	amounts in millions		
Revenue	$ 1,204	649	1,853
Operating costs and expenses:			
Operating	685	486	1,171
Selling, general and administrative, including stock-based compensation (notes 1 and 5)	221	343	564
Depreciation and amortization	21	79	100
Impairment of long-lived assets	5	4	9
	932	912	1,844
Operating income (loss)	272	(263)	9
Other income (expense):			
Interest expense	(2)	(130)	(132)
Dividend and interest income	2	115	117
Liberty interest income	8	8	16
Share of losses of affiliates, net	(10)	(34)	(44)
Realized and unrealized gains (losses) on financial instruments, net	8	(42)	(34)
Gains on dispositions, net	27	215	242
Other than temporary declines in fair value of investments	—	(9)	(9)
Other, net	(6)	11	5
	27	134	161
Earnings (loss) from continuing operations before income taxes	299	(129)	170
Income tax benefit (expense) (note 6)	(86)	256	170
Net earnings from continuing operations	213	127	340
Earnings from discontinued operations, net of taxes	5,864	—	5,864
Net earnings	$ 6,077	127	6,204
Net earnings	$ 6,077	127	6,204
Other comprehensive earnings (loss), net of taxes:			
Foreign currency translation adjustments	—	2	2
Unrealized holding gains arising during the period	—	43	43
Recognition of previously unrealized gains on available-for-sale securities, net	—	(1)	(1)
Other	—	(4)	(4)
Other comprehensive earnings from discontinued operations	31	—	31
Other comprehensive earnings	31	40	71
Comprehensive earnings	6,108	167	6,275
Comprehensive earnings attributable to Splitco stockholders	$ 6,108	167	6,275

STATEMENT OF OPERATIONS AND COMPREHENSIVE EARNINGS (LOSS) INFORMATION

Year ended December 31, 2008

(unaudited)

	Attributed (note 1)		
	Splitco Starz Group	Splitco Capital Group	Combined Splitco
	amounts in millions		
Revenue	$ 1,124	614	1,738
Operating costs and expenses:			
Operating	682	515	1,197
Selling, general and administrative, including stock-based compensation (notes 1 and 5)	167	398	565
Depreciation and amortization	26	101	127
Impairment of long-lived assets	1,262	251	1,513
	2,137	1,265	3,402
Operating income	(1,013)	(651)	(1,664)
Other income (expense):			
Interest expense	(22)	(172)	(194)
Dividend and interest income	16	136	152
Share of losses of affiliates, net	(7)	(64)	(71)
Realized and unrealized gains (losses) on financial instruments, net	272	(292)	(20)
Gains (losses) on dispositions of assets, net	(3)	16	13
Other than temporary declines in fair value of investments	—	(1)	(1)
Other, net	(12)	4	(8)
	244	(373)	(129)
Loss from continuing operations before income taxes	(769)	(1,024)	(1,793)
Income tax benefit (expense) (note 6)	(191)	440	249
Loss from continuing operations	(960)	(584)	(1,544)
Earnings from discontinued operations, net of taxes	5,812	—	5,812
Net earnings (loss)	4,852	(584)	4,268
Less net earnings attributable to the noncontrolling interests	—	8	8
Net earnings (loss) attributable to Splitco stockholders	$ 4,852	(592)	4,260
Net earnings (loss)	$ 4,852	(584)	4,268
Other comprehensive earnings (loss), net of taxes:			
Foreign currency translation adjustments	—	(9)	(9)
Unrealized holding losses arising during the period	—	(2)	(2)
Recognition of previously unrealized losses on available-for-sale securities, net	—	1	1
Other	—	(2)	(2)
Other comprehensive loss from discontinued operations	(2,618)	—	(2,618)
Other comprehensive loss	(2,618)	(12)	(2,630)
Comprehensive earnings (loss)	2,234	(596)	1,638
Less comprehensive earnings attributable to the noncontrolling interests	—	8	8
Comprehensive earnings (loss) attributable to Splitco stockholders	$ 2,234	(604)	1,630

STATEMENT OF OPERATIONS AND COMPREHENSIVE EARNINGS (LOSS) INFORMATION

Year ended December 31, 2007

(unaudited)

	Attributed (note 1) Splitco Starz Group	Splitco Capital Group	Combined Splitco
	amounts in millions		
Revenue	$ 1,091	485	1,576
Operating costs and expenses:			
Operating	704	480	1,184
Selling, general and administrative, including stock-based compensation (notes 1 and 5)	170	227	397
Depreciation and amortization	25	102	127
Impairment of long-lived assets	41	182	223
	940	991	1,931
Operating income (loss)	151	(506)	(355)
Other income (expense):			
Interest expense	(25)	(151)	(176)
Dividend and interest income	3	217	220
Share of losses of affiliates, net	—	(68)	(68)
Realized and unrealized gains on financial instruments, net	14	1,261	1,275
Gains (losses) on dispositions of assets, net	(1)	635	634
Other than temporary declines in fair value of investments	—	(33)	(33)
Other, net	1	(2)	(1)
	(8)	1,859	1,851
Earnings from continuing operations before income taxes	143	1,353	1,496
Income tax benefit (expense) (note 6)	(69)	62	(7)
Earnings from continuing operations	74	1,415	1,489
Earnings from discontinued operations, net of taxes	41	149	190
Net earnings	115	1,564	1,679
Less net earnings (loss) attributable to the noncontrolling interests	(21)	27	6
Net earnings attributable to Splitco stockholders	$ 136	1,537	1,673
Net earnings	$ 115	1,564	1,679
Other comprehensive earnings (loss), net of taxes:			
Foreign currency translation adjustments	—	(1)	(1)
Unrealized holding losses arising during the period	—	(845)	(845)
Recognition of previously unrealized gains on available-for-sale securities, net	—	(375)	(375)
Other comprehensive loss from discontinued operations	(317)	—	(317)
Other comprehensive loss	(317)	(1,221)	(1,538)
Comprehensive earnings (loss)	(202)	343	141
Less comprehensive earnings (loss) attributable to the noncontrolling interests	(21)	27	6
Comprehensive earnings (loss) attributable to Splitco stockholders	$ (181)	316	135

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STATEMENT OF CASH FLOWS INFORMATION

Year ended December 31, 2009

(unaudited)

	Attributed (note 1) Splitco Starz Group	Attributed (note 1) Splitco Capital Group	Combined Splitco
	amounts in millions		
Cash flows from operating activities:			
Net earnings	$ 6,077	127	6,204
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Earnings from discontinued operations	(5,864)	—	(5,864)
Depreciation and amortization	21	79	100
Impairment of long-lived assets	5	4	9
Stock-based compensation	76	5	81
Cash payments for stock based compensation	(2)	—	(2)
Share of losses of affiliates, net	10	34	44
Realized and unrealized losses (gains) on financial instruments, net	(8)	42	34
Gains on disposition of assets, net	(27)	(215)	(242)
Other than temporary declines in fair value of investments	—	9	9
Deferred income tax expense (benefit)	(8)	53	45
Other noncash charges, net	21	60	81
Liberty tax allocations	97	(321)	(224)
Liberty tax payments	(96)	264	168
Other Liberty cash transfers, net	(10)	8	(2)
Changes in operating assets and liabilities, net of the effects of acquisitions and dispositions:			
Current and other assets	(15)	29	14
Payables and other current liabilities	(21)	(74)	(95)
Net cash provided by operating activities	256	104	360
Cash flows from investing activities:			
Cash proceeds from dispositions	—	251	251
Proceeds from settlement of financial instruments	21	1,346	1,367
Cash paid for acquisitions, net of cash acquired	(1)	(1)	(2)
Investments in Loans to Liberty	(255)	(255)	(510)
Investments in and loans to cost and equity investees	—	(726)	(726)
Repayment of loan by equity investee	—	634	634
Capital expended for property and equipment	(10)	(46)	(56)
Net decrease in restricted cash	—	66	66
Other investing activities, net	—	72	72
Net cash provided (used) by investing activities	(245)	1,341	1,096
Cash flows from financing activities:			
Borrowings of debt	—	2,061	2,061
Repayments of debt	(3)	(2,141)	(2,144)
Repurchases of Liberty common stock	(13)	(5)	(18)
Settlement of financial instruments	—	28	28
Premium proceeds from financial instruments	—	155	155
Repayment of intergroup loan	97	97	194
Other financing activities, net	99	21	120
Net cash provided by financing activities	180	216	396
Effect of foreign currency rates on cash	(8)	—	(8)
Net cash provided to discontinued operations:			
Cash used by operating activities	(5)	—	(5)
Cash used by investing activities	(15)	—	(15)
Cash provided by financing activities	—	—	—
Change in available cash held by discontinued operations	(101)	—	(101)
Net cash provided to discontinued operations	(121)	—	(121)
Net increase in cash and cash equivalents	62	1,661	1,723
Cash and cash equivalents at beginning of year	732	1,496	2,228
Cash and cash equivalents at end year	$ 794	3,157	3,951

STATEMENT OF CASH FLOWS INFORMATION

Year ended December 31, 2008

(unaudited)

	Attributed (note 1) Splitco Starz Group	Splitco Capital Group	Combined Splitco
	amounts in millions		
Cash flows from operating activities:			
Net earnings (loss)	$ 4,852	(584)	4,268
Adjustments to reconcile net earnings (loss) to net cash provided (used) by operating activities:			
Earnings from discontinued operations	(5,812)	—	(5,812)
Depreciation and amortization	26	101	127
Impairment of long-lived assets	1,262	251	1,513
Stock-based compensation	15	2	17
Cash payments for stock-based compensation	(14)	(1)	(15)
Share of losses of affiliates, net	7	64	71
Realized and unrealized losses (gains) on financial instruments, net	(272)	292	20
Losses (gains) on dispositions of assets, net	3	(16)	(13)
Other than temporary declines in fair value of investments	—	1	1
Deferred income tax expense (benefit)	131	(300)	(169)
Other noncash charges, net	—	99	99
Liberty tax allocation	59	(298)	(239)
Liberty tax payments	(79)	269	190
Other Liberty cash transfers, net	9	59	68
Changes in operating assets and liabilities, net of the effects of acquisitions:			
Current and other assets	60	(129)	(69)
Payables and other current liabilities	(23)	100	77
Net cash provided (used) by operating activities	224	(90)	134
Cash flows from investing activities:			
Cash proceeds from dispositions	—	17	17
Proceeds from settlement of financial instruments	—	33	33
Cash paid for acquisitions, net of cash acquired	(7)	(1)	(8)
Investment in and loans to cost and equity investees	(19)	(232)	(251)
Capital expended for property and equipment	(7)	(29)	(36)
Net decrease in restricted cash	—	383	383
Other investing activities, net	(11)	(88)	(99)
Net cash provided (used) by investing activities	(44)	83	39
Cash flows from financing activities:			
Borrowings of debt	—	1,548	1,548
Repayments of debt	(3)	(1,323)	(1,326)
Repurchases of Liberty common stock	—	(462)	(462)
Settlement of financial instruments	(13)	(277)	(290)
Cash transfers with parent, net	450	(450)	—
Reattribution of cash to Liberty	(380)	—	(380)
Other financing activities, net	15	(8)	7
Net cash provided (used) by financing activities	69	(972)	(903)
Effect of foreign currency rates on cash	—	(13)	(13)
Net cash provided by discontinued operations:			
Cash provided by operating activities	2	—	2
Cash used by investing activities	(1,464)	—	(1,464)
Cash provided by financing activities	1,930	—	1,930
Change in available cash held by discontinued operations	(68)	—	(68)
Net cash provided by discontinued operations	400	—	400
Net increase (decrease) in cash and cash equivalents	649	(992)	(343)
Cash and cash equivalents at beginning of year	83	2,488	2,571
Cash and cash equivalents at end of year	$ 732	1,496	2,228

STATEMENT OF CASH FLOWS INFORMATION

Year ended December 31, 2007

(unaudited)

	Attributed (note 1) Splitco Starz Group	Splitco Capital Group	Combined Splitco
	amounts in millions		
Cash flows from operating activities:			
Net earnings	$ 115	1,564	1,679
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Earnings from discontinued operations	(41)	(149)	(190)
Depreciation and amortization	25	102	127
Impairment of long-lived assets	41	182	223
Stock-based compensation	42	12	54
Cash payments for stock-based compensation	—	(3)	(3)
Share of losses of affiliates, net	—	68	68
Realized and unrealized gains on financial instruments, net	(14)	(1,261)	(1,275)
Losses (gains) on dispositions of assets, net	1	(635)	(634)
Other than temporary declines in fair value of investments	—	33	33
Deferred income tax expense	48	200	248
Other noncash charges, net	—	147	147
Tax allocation with Liberty	21	(299)	(278)
Tax payments with Liberty	(50)	371	321
Other Liberty cash transfers, net	—	(54)	(54)
Changes in operating assets and liabilities, net of the effects of acquisitions:			
Current and other assets	21	(165)	(144)
Payables and other current liabilities	(41)	223	182
Net cash provided by operating activities	168	336	504
Cash flows from investing activities:			
Cash proceeds from dispositions	—	483	483
Proceeds from settlement of financial instruments	—	75	75
Cash received in exchange transactions	—	1,154	1,154
Cash paid for acquisitions, net of cash acquired	—	(7)	(7)
Investment in special purpose entity	—	(750)	(750)
Capital expended for property and equipment	(10)	(16)	(26)
Net increase in restricted stock	—	(882)	(882)
Other investing activities, net	3	(98)	(95)
Net cash used by investing activities	(7)	(41)	(48)
Cash flows from financing activities:			
Borrowings of debt	—	757	757
Repayments of debt	(3)	(163)	(166)
Repurchases of Liberty common stock	—	(1,305)	(1,305)
Intergroup cash transfers, net	(111)	111	—
Contribution from noncontrolling owner	—	751	751
Other financing activities, net	1	(27)	(26)
Net cash provided (used) by financing activities	(113)	124	11
Effect of foreign currency rates on cash	—	(2)	(2)
Net cash provided by discontinued operations:			
Cash provided by operating activities	50	8	58
Cash provided (used) by investing activities	7	(9)	(2)
Cash used by financing activities	(106)	—	(106)
Change in available cash held by discontinued operations	2	2	4
Net cash provided (used) by discontinued operations	(47)	1	(46)
Net increase in cash and cash equivalents	1	418	419
Cash and cash equivalents at beginning of year	82	2,070	2,152
Cash and cash equivalents at end of year	$ 83	2,488	2,571

Notes to Attributed Financial Information

(unaudited)

(1) The Splitco Starz Group consists primarily of our subsidiary Starz Entertainment, LLC, and approximately $542 million of corporate cash. Accordingly, the accompanying attributed financial information for the Splitco Starz Group includes the assets, liabilities, revenue, expenses and cash flows of Starz Entertainment.

The Splitco Starz Group focuses primarily on programming businesses. Accordingly, we expect that businesses that we may acquire in the future that we believe are complementary to Starz Entertainment will also be attributed to the Splitco Starz Group.

The Splitco Capital Group consists of all of our businesses not included in the Splitco Starz Group, including our combined subsidiaries Starz Media, LLC, Atlanta National League Baseball Club, Inc. and TruePosition, Inc., and certain cost and equity investments. Accordingly, the accompanying attributed financial information for the Splitco Capital Group includes these investments and the assets, liabilities, revenue, expenses and cash flows of these consolidated subsidiaries. In addition, we have attributed to the Splitco Capital Group all of our notes and debentures (and related interest expense) that have not been attributed to the Splitco Starz Group. See note 4 below for the debt obligations attributed to the Splitco Capital Group.

Any businesses that we may acquire in the future that we do not attribute to the Splitco Starz Group will be attributed to the Splitco Capital Group.

While we believe the allocation methodology described above is reasonable and fair to each group, we may elect to change the allocation methodology in the future. In the event we elect to reattribute assets or businesses from one group to the other, such reattribution would be made on a fair value basis and would be accounted for either (i) as a short-term loan unless our board of directors determines to account for it as a long-term loan, (ii) as an inter-group interest, or (iii) through some other form of consideration.

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Notes to Attributed Financial Information (Continued)

(unaudited)

(2) Investments in AFS securities, which are recorded at their respective fair market values, and other cost investments are summarized as follows:

	December 31, 2009	December 31, 2008
	amounts in millions	
Splitco Capital Group		
Time Warner Inc.(a)	$ 997	1,033
Time Warner Cable Inc.(a)	356	—
Sprint Nextel Corporation(a)	260	160
Motorola, Inc.(a)	403	328
Viacom, Inc.	226	145
CenturyTel, Inc./Embarq Corporation(a)	195	157
Other available-for-sale equity securities(a)	220	40
Other available-for-sale debt securities	676	224
Other cost investments and related receivables	22	31
Total attributed Splitco Capital Group	3,355	2,118
Splitco Starz Group		
Other	31	—
Total attributed Splitco Starz Group	31	—
Combined Splitco	$ 3,386	2,118

(a) Includes shares pledged as collateral for share borrowing arrangements.

(3) The following table presents information regarding certain equity method investments attributed to each of the Splitco Capital Group:

	December 31, 2009			Share of earnings (losses) years ended December 31,		
	Percentage ownership	Carrying value	Market value	2009	2008	2007
	dollar amounts in millions					
Splitco Capital Group						
Sirius	40%	$ 33	(a)	(28)	—	—

(a) As of December 31, 2009, the Sirius Preferred Stock had a market value of $1,552 million based on the value of the common stock into which it is convertible.

Notes to Attributed Financial Information (Continued)

(unaudited)

(4) Debt attributed to the Splitco Capital Group and the Splitco Starz Group is comprised of the following:

	December 31, 2009	
	Outstanding principal	Carrying value
	amounts in millions	
Splitco Capital Group		
3.125% Exchangeable Senior Debentures due 2023(b)	1,138	1,157
4% Exchangeable Senior Debentures due 2029(a)	469	243
3.75% Exchangeable Senior Debentures due 2030(a)	460	237
3.5% Exchangeable Senior Debentures due 2031(a)	494	297
Liberty bank facility	750	750
Liberty derivative loan	838	838
Subsidiary debt	131	131
Total Splitco Capital Group debt	4,280	3,653
Splitco Starz Group		
Subsidiary debt	48	48
Total debt	$ 4,328	3,701

(a) In February of 2010 these Exchangeable Senior Debentures were reattributed to the Liberty Interactive Group.

(b) Prior to the completion of the proposed Split-Off the 3.125% Exchangeable Senior Debentures will be attributed to the Liberty Interactive Group.

(5) Cash compensation expense for our corporate employees has been allocated among the Splitco Starz Group and the Splitco Capital Group based on the estimated percentage of time spent providing services for each group. Stock-based compensation is allocated directly to the tracking stock groups based on the underlying stock of the options or other equity awards. Historically, these same items were allocated to the Liberty Interactive Group based on the same methodology and based on the services agreement will continue to be allocated on a similar basis upon the completion of the proposed Split-Off. Other general and administrative expenses are charged directly to the groups whenever possible and are otherwise allocated based on estimated usage or some other reasonably determined methodology. Amounts allocated from the Splitco Capital Group to the Splitco Starz Group and the Liberty Interactive Group, including stock-based compensation, are as follows:

	Years ended December 31,		
	2009	2008	2007
	amounts in millions		
Splitco Starz Group	$ 46	11	19
Liberty Interactive Group	$ 26	19	17

While we believe that this allocation method is reasonable and fair to each group, we may elect to change the allocation methodology or percentages used to allocate general and administrative expenses in the future.

Notes to Attributed Financial Information (Continued)

(unaudited)

(6) We have accounted for income taxes for the Splitco Starz Group and the Splitco Capital Group in the accompanying attributed financial information in a manner similar to a stand-alone company basis. To the extent this methodology differs from our tax sharing policy, differences have been reflected in the attributed net assets of the groups.

Splitco Starz Group

The Splitco Starz Group's income tax benefit (expense) consists of:

	Years ended December 31,		
	2009	2008	2007
	amounts in millions		
Current:			
Federal	$ (83)	(50)	(20)
State and local	(9)	(9)	1
Foreign	(2)	(1)	(2)
	(94)	(60)	(21)
Deferred:			
Federal	4	(116)	(39)
State and local	4	(15)	(9)
Foreign	—	—	—
	8	(131)	(48)
Income tax expense	$ (86)	(191)	(69)

The Splitco Starz Group's income tax benefit (expense) differs from the amounts computed by applying the U.S. federal income tax rate of 35% as a result of the following:

	Years ended December 31,		
	2009	2008	2007
	amounts in millions		
Computed expected tax benefit (expense)	$ (104)	270	(50)
State and local income taxes, net of federal income taxes	(4)	(16)	(6)
Change in valuation allowance affecting tax expense	3	(17)	—
Impairment of goodwill not deductible for tax purposes	—	(442)	(11)
Expenses not deductible for income tax purposes	(3)	—	—
Excess tax deductions over book expense	19	—	—
Other, net	3	14	(2)
Income tax expense	$ (86)	(191)	(69)

Notes to Attributed Financial Information (Continued)

(unaudited)

The tax effects of temporary differences that give rise to significant portions of the Splitco Starz Group's deferred tax assets and deferred tax liabilities are presented below:

	December 31, 2009	December 31, 2008
	amounts in millions	
Deferred tax assets:		
Net operating and capital loss carryforwards	$ 3	7
Accrued stock compensation	87	69
Intangible assets	7	11
Other future deductible amounts	8	14
Deferred tax assets	105	101
Valuation allowance	(5)	(6)
Net deferred tax assets	100	95
Deferred tax liabilities:		
Other	18	18
Deferred tax liabilities	18	18
Net deferred tax assets	$ (82)	(77)

Splitco Capital Group

The Splitco Capital Group's income tax benefit (expense) consists of:

	Years ended December 31, 2009	2008	2007
	amounts in millions		
Current:			
Federal	$ 287	128	281
State and local	22	9	(18)
Foreign	—	3	(1)
	309	140	262
Deferred:			
Federal	(69)	266	(208)
State and local	16	34	8
Foreign	—	—	—
	(53)	300	(200)
Income tax benefit	$ 256	440	62

Notes to Attributed Financial Information (Continued)

(unaudited)

The Splitco Capital Group's income tax benefit (expense) differs from the amounts computed by applying the U.S. federal income tax rate of 35% as a result of the following:

	Years ended December 31, 2009	2008	2007
	amounts in millions		
Computed expected tax benefit (expense)	$ 45	359	(473)
Nontaxable exchange of investments for subsidiaries and cash	—	(2)	541
State and local income taxes, net of federal income taxes	20	28	(10)
Change in valuation allowance affecting tax expense	6	(3)	(10)
Recognition of tax benefits not previously recognized, net	201	56	—
Expenses not deductible for income tax purposes	(12)	—	(2)
Other, net	(4)	2	16
Income tax benefit	$ 256	440	62

The tax effects of temporary differences that give rise to significant portions of the Splitco Capital Group's deferred tax assets and deferred tax liabilities are presented below:

	December 31, 2009	2008
	amounts in millions	
Deferred tax assets:		
Net operating and capital loss carryforwards	$ 135	287
Accrued liabilities	66	70
Deferred revenue	403	359
Other	62	17
Deferred tax assets	666	733
Valuation allowance	(11)	(17)
Net deferred tax assets	655	716
Deferred tax liabilities:		
Investments	1,660	1,414
Intangible assets	147	146
Discount on exchangeable debentures	738	1,351
Deferred gain on debt retirements	316	—
Other	54	—
Deferred tax liabilities	2,915	2,911
Net deferred tax liabilities	$ 2,260	2,195

Notes to Attributed Financial Information (Continued)

(unaudited)

Attributed Financial Information for Tracking Stock Groups

Our Splitco Starz common stock is intended to reflect the separate performance of our Splitco Starz Group which primarily includes our wholly-owned subsidiary Starz Entertainment, LLC and Starz Media, as of September 30, 2010. Our Splitco Capital common stock is intended to reflect the separate performance of our Splitco Capital Group which is comprised of all of our assets and businesses not attributed to the Splitco Starz Group.

The following tables present our assets, liabilities, revenue, expenses and cash flows as of and for the periods ended September 30, 2010 and 2009. The tables further present our assets, liabilities, revenue, expenses and cash flows that are attributed to the Splitco Starz Group and the Splitco Capital Group, respectively. The financial information should be read in conjunction with our unaudited condensed combined financial statements for the three and nine month periods ended September 30, 2010 included in this proxy/prospectus statement.

Notwithstanding the following attribution of assets, liabilities, revenue, expenses and cash flows to the Splitco Starz Group and the Splitco Capital Group, our tracking stock structure does not affect the ownership or the respective legal title to our assets or responsibility for our liabilities. We and our subsidiaries are each responsible for our respective liabilities. Holders of Splitco Starz common stock and Splitco Capital common stock are holders of our common stock and are subject to risks associated with an investment in our company and all of our businesses, assets and liabilities. The issuance of Splitco Starz common stock and Splitco Capital common stock does not affect the rights of our creditors or creditors of our subsidiaries.

Notes to Attributed Financial Information (Continued)

(unaudited)

SUMMARY ATTRIBUTED FINANCIAL DATA

Splitco Starz Group

	September 30, 2010	December 31, 2009
	amounts in millions	
Summary balance sheet data:		
Current assets	$ 1,999	1,782
Total assets	$ 2,736	2,436
Long-term debt, including current portion	$ 99	48
Attributed net assets	$ 2,179	2,040

	Nine months ended September 30, 2010	2009
	amounts in millions	
Summary operations data:		
Revenue	$ 937	900
Operating expenses	(529)	(496)
Selling, general and administrative expenses(1)	(127)	(164)
Depreciation and amortization	(16)	(17)
Operating income	265	223
Other income (expense), net	1	(3)
Income tax expense	(100)	(73)
Earnings from continuing operations	166	147
Loss from discontinued operations, net of taxes	—	85
Net earnings	$ 166	232

(1) Includes stock-based compensation of $14 million and $60 million for the nine months ended September 30, 2010 and 2009, respectively.

Notes to Attributed Financial Information (Continued)

(unaudited)

SUMMARY ATTRIBUTED FINANCIAL DATA

Splitco Capital Group

	September 30, 2010	December 31, 2009
	amounts in millions	
Summary balance sheet data:		
Current assets	$ 2,094	4,281
Cost investments	$ 4,193	3,355
Total assets	$ 7,881	9,567
Long-term debt, including current portion	$ 2,005	3,653
Deferred income tax liabilities, including current portion	$ 1,211	2,260
Attributed net assets	$ 2,016	1,275

	Nine months ended September 30, 2010	2009
	amounts in millions	
Summary operations data:		
Revenue	$ 617	495
Operating expenses	(458)	(381)
Selling, general and administrative expenses(1)	(258)	(218)
Depreciation and amortization	(57)	(62)
Operating loss	(156)	(166)
Interest expense	(45)	(102)
Realized and unrealized gains (losses) on financial instruments, net	125	(58)
Other income (expense), net	25	178
Income tax benefit	14	57
Net earnings (loss)	(37)	(91)
Less net earnings (loss) attributable to the noncontrolling interests	(3)	—
Net earnings (loss) attributable to Splitco Capital Group stockholders	$ (34)	(91)

(1) Includes stock-based compensation of $22 million and $5 million for the nine months ended September 30, 2010 and 2009, respectively.

BALANCE SHEET INFORMATION

September 30, 2010

(unaudited)

	Attributed (note 1) Splitco Starz Group	Splitco Capital Group	Inter-group eliminations	Combined Splitco
	amounts in millions			
Assets				
Current assets:				
Cash and cash equivalents	$ 1,015	1,581	—	2,596
Trade and other receivables, net	230	51	—	281
Program rights	504	—	—	504
Current deferred tax assets	61	—	(61)	—
Other current assets	189	462	—	651
Total current assets	1,999	2,094	(61)	4,032
Investments in available-for-sale securities and other cost investments (note 2)	1	4,193	—	4,194
Investments in affiliates, accounted for using the equity method (note 3)	—	94	—	94
Property and equipment, net	109	144	—	253
Intangible assets not subject to amortization	132	353	—	485
Intangible assets subject to amortization, net	21	149	—	170
Program rights	339	—	—	339
Deferred costs	—	354	—	354
Other assets, at cost, net of accumulated amortization	135	500	—	635
Total assets	$ 2,736	7,881	(61)	10,556
Liabilities and Parent's Investment				
Current liabilities:				
Accounts payable	$ 8	9	—	17
Accrued liabilities	261	51	—	312
Intergroup payable (receivable)	(34)	34	—	—
Payable to Liberty	—	15	—	15
Financial instruments	4	1,148	—	1,152
Current portion of debt (note 4)	34	—	—	34
Current deferred tax liabilities	—	1,189	(61)	1,128
Other current liabilities	160	249	—	409
Total current liabilities	433	2,695	(61)	3,067
Long-term debt (note 4)	65	2,005	—	2,070
Deferred income tax liabilities	9	22	—	31
Deferred revenue	—	881	—	881
Other liabilities	50	262	—	312
Total liabilities	557	5,865	(61)	6,361
Parent's investment/attributed net assets	2,179	2,016	—	4,195
Total liabilities and parent's investment	$ 2,736	7,881	(61)	10,556

STATEMENT OF OPERATIONS AND COMPREHENSIVE EARNINGS INFORMATION

Nine months ended September 30, 2010

(unaudited)

	Attributed (note 1)		
	Splitco Starz Group	Splitco Capital Group	Combined Splitco
	amounts in millions		
Revenue	$ 937	617	1,554
Operating costs and expenses:			
Operating	529	458	987
Selling, general and administrative including stock-based compensation (notes 1 and 5)	127	258	385
Depreciation and amortization	16	57	73
	672	773	1,445
Operating income (loss)	265	(156)	109
Other income (expense):			
Interest expense	(1)	(45)	(46)
Liberty interest income	2	1	3
Share of losses of affiliates, net	—	(70)	(70)
Realized and unrealized gains (losses) on financial instruments, net	(1)	125	124
Gains (losses) on dispositions, net	(2)	24	22
Other, net	3	70	73
	1	105	106
Earnings (loss) before income taxes	266	(51)	215
Income tax (expense) benefit (note 6)	(100)	14	(86)
Net earnings (loss)	166	(37)	129
Less net earnings (loss) attributable to the noncontrolling interests	—	(3)	(3)
Net earnings (loss) attributable to Splitco stockholders	$ 166	(34)	132
Net earnings (loss)	$ 166	(37)	129
Other comprehensive earnings (loss), net of taxes:			
Unrealized holding gains (loss) arising during the period	—	(28)	(28)
Recognition of previously unrealized gains on available-for-sale securities, net	—	(13)	(13)
Reattribution of other comprehensive earnings between tracking stocks	—	30	30
Other comprehensive loss	—	(11)	(11)
Comprehensive earnings (loss)	166	(48)	118
Less comprehensive earnings (loss) attributable to the noncontrolling interests	—	(3)	(3)
Comprehensive earnings (loss) attributable to Splitco stockholders	$ 166	(45)	121

STATEMENT OF OPERATIONS AND COMPREHENSIVE EARNINGS (LOSS) INFORMATION

Nine months ended September 30, 2009

(unaudited)

	Attributed (note 1) Splitco Starz Group	Splitco Capital Group	Combined Splitco
	amounts in millions		
Revenue	$ 900	495	1,395
Operating costs and expenses:			
Operating	496	381	877
Selling, general and administrative including stock-based compensation (notes 1 and 5)	164	218	382
Depreciation and amortization	17	62	79
	677	661	1,338
Operating income (loss)	223	(166)	57
Other income (expense):			
Interest expense	(2)	(102)	(104)
Liberty interest income	5	5	10
Share of losses of affiliates, net	(8)	(26)	(34)
Realized and unrealized gains (losses) on financial instruments, net	7	(58)	(51)
Gains on dispositions, net	2	96	98
Other, net	(7)	103	96
	(3)	18	15
Earnings (loss) from continuing operations before income taxes	220	(148)	72
Income tax benefit (expense) (note 6)	(73)	57	(16)
Earnings (loss) from continuing operations	147	(91)	56
Earnings from discontinued operations, net of taxes	85	—	85
Net earnings (loss)	232	(91)	141
Net earnings (loss) attributable to Splitco stockholders	$ 232	(91)	141
Net earnings (loss)	$ 232	(91)	141
Other comprehensive earnings (loss), net of taxes:			
Foreign currency translation adjustments	—	2	2
Unrealized holding gains arising during the period	6	33	39
Recognition of previously unrealized (gains) losses on available-for-sale securities, net	1	(1)	—
Share of other comprehensive loss of equity affiliates	(6)	—	(6)
Other comprehensive earnings from discontinued operations	14	—	14
Other comprehensive earnings	15	34	49
Comprehensive earnings (loss)	247	(57)	190
Comprehensive earnings (loss) attributable to Splitco stockholders	$ 247	(57)	190

STATEMENT OF CASH FLOWS INFORMATION

Nine months ended September 30, 2010

(unaudited)

	Attributed (note 1) Splitco Starz Group	Splitco Capital Group	Combined Splitco
	amounts in millions		
Cash flows from operating activities:			
Net earnings (loss)	$ 166	(37)	129
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:			
Depreciation and amortization	16	57	73
Stock-based compensation	14	22	36
Cash payments for stock based compensation	(34)	(3)	(37)
Noncash interest expense	—	1	1
Share of losses (earnings) of affiliates, net	—	70	70
Realized and unrealized gains (losses) on financial instruments, net	1	(125)	(124)
(Gains) losses on disposition of assets, net	2	(24)	(22)
Liberty tax allocation	89	(130)	(41)
Liberty tax payments	23	171	194
Deferred income tax expense	10	39	49
Other noncash charges, net	19	121	140
Changes in operating assets and liabilities			
Current and other assets	(70)	(52)	(122)
Payables and other current liabilities	(38)	112	74
Net cash provided by operating activities	198	222	420
Cash flows from investing activities:			
Cash proceeds from dispositions	30	29	59
Proceeds (payments) related to settlement of financial instruments	—	750	750
Investments in and loans to cost and equity investees	—	(288)	(288)
Repayment of loan by cost and equity investee	—	101	101
Repayment of loan by Liberty	158	158	316
Capital expended for property and equipment	(2)	(8)	(10)
Net purchases of short term investments	(149)	(278)	(427)
Net (increase) decrease in restricted cash	(20)	(13)	(33)
Reattribution of cash	36	(843)	(807)
Other investing activities, net	—	(7)	(7)
Net cash provided (used) by investing activities	53	(399)	(346)
Cash flows from financing activities:			
Borrowings of debt	—	97	97
Repayments of debt	(3)	(1,015)	(1,018)
Repurchases of Liberty common stock	(40)	(587)	(627)
Other financing activities, net	13	106	119
Net cash provided (used) by financing activities	(30)	(1,399)	(1,429)
Net increase (decrease) in cash and cash equivalents	221	(1,576)	(1,355)
Cash and cash equivalents at beginning of period	794	3,157	3,951
Cash and cash equivalents at end period	$ 1,015	1,581	2,596

STATEMENT OF CASH FLOWS INFORMATION

Nine months ended September 30, 2009

(unaudited)

	Attributed (note 1) Splitco Starz Group	Splitco Capital Group	Combined Splitco
	amounts in millions		
Cash flows from operating activities:			
Net earnings (loss)	$ 232	(91)	141
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:			
Earnings from discontinued operations	(85)	—	(85)
Depreciation and amortization	17	62	79
Stock-based compensation	60	5	65
Cash payments for stock based compensation	(2)	—	(2)
Noncash interest expense	52	—	52
Share of losses of affiliates, net	8	26	34
Realized and unrealized losses on financial instruments, net	(7)	58	51
Gains on disposition of assets, net	(2)	(96)	(98)
Liberty tax allocation	80	(196)	(116)
Liberty tax payments	(121)	289	168
Other intergroup cash transfers, net	(53)	53	—
Deferred income tax benefit	(10)	(1)	(11)
Other noncash charges (credits), net	(44)	41	(3)
Changes in operating assets and liabilities, net of the effects of acquisitions and dispositions:			
Current and other assets	(71)	35	(36)
Payables and other current liabilities	(78)	54	(24)
Net cash provided by operating activities	(24)	239	215
Cash flows from investing activities:			
Cash proceeds from dispositions	2	206	208
Proceeds from settlement of financial instruments	21	1,067	1,088
Investments in and loans to cost and equity investees	—	(705)	(705)
Repayment of loan by cost and equity investee	—	409	409
Investment in loans to Liberty	(255)	(255)	(510)
Capital expended for property and equipment	(6)	(10)	(16)
Net sales of short term investments	—	58	58
Net decrease (increase) in restricted cash	1	75	76
Other investing activities, net	(1)	(26)	(27)
Net cash provided by (used in) investing activities	(238)	819	581
Cash flows from financing activities:			
Borrowings of debt	—	1,970	1,970
Repayments of debt	(2)	(1,785)	(1,787)
Repurchases of Liberty common stock	—	(3)	(3)
Other financing activities, net	49	187	236
Net cash provided by (used in) financing activities	47	369	416
Effect of foreign currency rates on cash	(8)	—	(8)
Net cash provided by discontinued operations			
Cash provided by operating activities	156	—	156
Cash used by investing activities	(17)	—	(17)
Cash used by financing activities	(146)	—	(146)
Change in available cash held by discontinued operations	38	—	38
Net cash provided by discontinued operations	31	—	31
Net increase (decrease) in cash and cash equivalents	(192)	1,427	1,235
Cash and cash equivalents at beginning of period	732	1,496	2,228
Cash and cash equivalents at end period	$ 540	2,923	3,463

Notes to Attributed Financial Information

(unaudited)

(1) During the second quarter of 2010, Liberty announced that its board of directors authorized its management to proceed with a plan to separate its Liberty Capital and Liberty Starz tracking stock groups from its Liberty Interactive tracking stock group.

The proposed split-off will be effected by the redemption of all the outstanding shares of Liberty Capital tracking stock and Liberty Starz tracking stock in exchange for shares in a newly formed company ("Splitco"). Splitco will hold substantially all the assets and be subject to substantially all the liabilities currently attributed to the Liberty Capital and Liberty Starz tracking stock groups, other than a to-be-determined amount of cash, exchangeable debt in the principal amount of $1.1 billion and the stock into which such debt is exchangeable which will be reattributed from Liberty Capital to Liberty Entertainment prior to the completion of the proposed split-off. The common stock of Splitco will be divided into two tracking stock groups, one tracking assets that are currently attributed to the Liberty Capital group ("Splitco Capital") and the other tracking assets that are currently attributed to the Liberty Starz group ("Splitco Starz"). In the redemption, holders of Liberty Capital tracking stock will receive shares of Splitco Capital tracking stock and holders of Liberty Starz tracking stock will receive shares of Splitco Starz tracking stock. After the redemption, Splitco and Liberty will be separate public companies.

The proposed split-off is intended to be tax-free to stockholders of Liberty and its completion will be subject to various conditions including the receipt of IRS private letter rulings, the opinions of tax counsel and required governmental approvals. The redemption that is necessary to effect the proposed split-off will require the affirmative vote of (i) a majority of the voting power of the outstanding shares of Liberty Capital tracking stock and (ii) a majority of the voting power of the outstanding shares of Liberty Starz tracking stock at a meeting called to consider the redemption. On August 6, 2010, Liberty announced that it had filed suit in the Delaware Court of Chancery against the trustee under the indenture governing the public indebtedness issued by the Company's subsidiary, Liberty Media LLC. The lawsuit was filed in response to allegations made by a law firm purporting to represent a holder with a large position in this public indebtedness. The lawsuit seeks a declaratory judgment by the court that the proposed split-off will not constitute a disposition of "all or substantially all" of the assets of Liberty Media LLC, as those terms are used in the indenture, as well as related injunctive relief. Resolution of the subject matter of this lawsuit is a condition to Liberty completing the proposed split-off. Subject to the satisfaction of the conditions described above, Liberty intends to complete the proposed split-off in the first half of 2011.

The assets attributed to our Splitco Starz Group consists primarily of our subsidiary Starz Entertainment, LLC and approximately $635 million of corporate cash. Accordingly, the accompanying attributed financial information for the Splitco Starz Group includes these investments and the assets, liabilities, revenue, expenses and cash flows of these consolidated subsidiaries. As discussed below, Starz Media, LLC ("Starz Media") is attributed to the Splitco Starz Group as of September 30, 2010 and the results of Starz Media will be reflected prospectively in the Starz Group. The specific debt obligations attributed to each of the Splitco Starz Group and the Splitco Capital Group are described in note 4 below. In addition, we have allocated certain corporate general and administrative expenses among the Liberty Interactive Group, the Splitco Starz Group and the Splitco Capital Group as described in note 5 below.

The Splitco Starz Group focuses primarily on video programming. Accordingly, we expect that businesses we may acquire in the future that we believe are complementary to this strategy will also be attributed to the Splitco Starz Group.

Notes to Attributed Financial Information (Continued)

(unaudited)

The Splitco Capital Group consists of all of our businesses not included in the Splitco Starz Group, including our consolidated subsidiaries Starz Media through September 30, 2010, Atlanta National League Baseball Club, Inc., TruePosition, Inc. and certain cost and equity investments. Accordingly, the accompanying attributed financial information for the Splitco Capital Group includes these investments and the assets, liabilities, revenue, expenses and cash flows of these consolidated subsidiaries. In addition, we have attributed to the Splitco Capital Group all of our notes and debentures (and related interest expense) that have not been attributed to the Splitco Starz Group. See note 4 below for the debt obligations attributed to the Splitco Capital Group.

Any businesses that we may acquire in the future that are not attributed to the Splitco Starz Group will be attributed to the Splitco Capital Group.

While we believe the allocation methodology described above is reasonable and fair to each group, we may elect to change the allocation methodology in the future. In the event we elect to transfer assets or businesses from one group to the other, such transfer would be made on a fair value basis and would be accounted for as a short-term loan unless our board of directors determines to account for it as a long-term loan or through an inter-group interest.

On February 25, 2010, Liberty announced that its board of directors had resolved to effect the following changes in attribution between the Splitco Capital Group and the Liberty Interactive Group, effective immediately (the "February Reattribution"):

- the change in attribution from the Interactive Group to the Splitco Capital Group of Liberty's 14.6% ownership interest in Live Nation Entertainment, Inc.;
- the change in attribution from the Capital Group to the Interactive Group of the following debt securities:
  - $469 million in principal amount of 4% Exchangeable Senior Debentures due 2029 (the "2029 Exchangeables");
  - $460 million in principal amount of 3.75% Exchangeable Senior Debentures due 2030 (the "2030 Exchangeables"); and
  - $492 million in principal amount of 3.5% Exchangeable Senior Debentures due 2031 (the "2031 Exchangeables", and together with the 2029 Exchangeables and the 2030 Exchangeables, the "Exchangeable Notes");
- the change in attribution from the Capital Group to the Interactive Group of approximately $830 million in net taxable income to be recognized ratably in tax years 2014 through 2018 as a result of the cancellation in April 2009 of $400 million in principal amount of 2029 Exchangeables and $350 million in principal amount of 2030 Exchangeables; and
- the change in attribution from the Capital Group to the Interactive Group of $807 million in cash.

The Liberty Media board determined that the February Reattribution would enable the Liberty Interactive Group to obtain long-term debt financing on better terms than would have been available to it in the capital markets at that time and improve the liquidity of the Liberty Interactive Group. In addition, the Liberty Interactive Group's generation of meaningful taxable income would better position it to utilize more directly and efficiently the tax benefits associated with the Exchangeable Notes. Previously, the Liberty Interactive Group was using these tax benefits, which were then attributed to the Liberty Capital Group, and compensating the Liberty

Notes to Attributed Financial Information (Continued)

(unaudited)

Capital Group for such use. Lastly, the Liberty Media board believed that Liberty Media's equity interests in Live Nation Entertainment should be reattributed to the Liberty Capital Group in order to position it to take advantage of potential synergies associated with the Liberty Capital Group's then recent acquisition of its interests in Sirius XM Radio.

In establishing the terms of the February Reattribution, the Liberty Media board reviewed, among other things, (i) a range of estimated values for the Exchangeable Notes (between $482 million and $526 million), which took into account the trading prices of the Exchangeable Notes and their unique tax attributes, among other things, and (ii) the estimated value of Liberty Media's equity interests in Live Nation Entertainment (approximately $298 million), which was based on the $12 per share at which Liberty Media publicly tendered for additional shares of Live Nation during February 2010. Consistent with Liberty Media's Management and Allocation Policies, the Liberty Media board determined that the exchange of assets and liabilities between the two groups in the February Reattribution was completed on a fair value basis.

The reattribution between the groups resulted in the following impact to attributed net assets:

	Interactive Group increase (decrease)	Capital Group increase (decrease)
	amounts in millions	
Assets:		
Cash	$ 807	(807)
Investment in available-for-sale securities	(307)	307
Net increase (decrease) to assets	500	(500)
Liabilities (including accumulated other comprehensive earnings:		
Exchangeable senior debentures (including accrued interest)	767	(767)
Deferred tax liabilities	1,048	(1,048)
Accumulated other comprehensive earnings	(30)	30
Net increase (decrease) to liabilities	1,785	(1,785)
Impact to attributed net assets	$ (1,285)	1,285

The assets and liabilities were reattributed at their book values versus the estimated fair values of those assets and liabilities that were considered by our board of directors, among other factors, in approving the reattribution. As a result, on a book value basis there is a transfer of net assets between the tracking stocks of $1,285 million. The principal reasons for the difference between fair value and book value is (i) the deferred tax liabilities under GAAP are required to be carried at the gross undiscounted basis difference multiplied by the company's effective tax rate whereas on a fair value basis, these future tax liabilities are not expected to be incurred for many years and therefore their present discounted value is substantially less, and (ii) the senior exchangeables are expected to continue to generate interest deductions for tax purposes in excess of the annual cash coupon over their remaining life, the present value of which is not reflected in the book values of the reattributed assets and liabilities.

On September 16, 2010, Liberty Media's board of directors approved a change in attribution of Liberty Media's interest in Starz Media, LLC along with $15 million in cash from its Capital Group to its Starz Group, effective September 30, 2010 (the "Starz Media Reattribution"). As a

Notes to Attributed Financial Information (Continued)

(unaudited)

result of the Starz Media Reattribution, an intergroup payable of approximately $54.9 million owed by Splitco Capital Group to its Starz Group has been extinguished, and its Starz Group has become attributed with approximately $53.7 million in bank debt, interest rate swaps, and any shutdown costs associated with the winding down of the Overture Films business. Notwithstanding the Starz Media Reattribution, the board determined that certain tax benefits relating to the operation of the Starz Media, LLC business by Splitco Capital Group that may be realized from any future sale or other disposition of that business by Splitco Starz Group will remain attributed to its Capital Group.

The Starz Media Reattribution enabled the Liberty Starz Group to acquire the complementary Starz Media business. Starz Entertainment had been engaging in mutually beneficial content distribution and programming arrangements with Starz Media, and it was inefficient for these arrangements to be treated as inter-group transactions. Accordingly, the Liberty Media board reattributed Starz Media, and its related debt, from the Liberty Capital Group to the Liberty Starz Group. This also enabled the Liberty Capital Group to repay indebtedness it owed to the Liberty Starz Group without using any of its cash reserves.

In establishing the terms of the Starz Media Reattribution, the Liberty Media board considered, among other things, (i) a range of estimated values for the Starz Media assets (between $95 million and $122 million), (ii) the $53.7 million in Starz Media liabilities to be assumed and (iii) the $54.9 million payable owed by the Liberty Capital Group to the Liberty Starz Group. Consistent with Liberty Media's Management and Allocation Policies, the Liberty Media board determined that the exchange of assets and liabilities between the two groups in the Starz Reattribution was completed on a fair value basis.

The Starz Media Reattribution has been accounted for prospectively.

The assets and liabilities were attributed at their book values versus the estimated fair values of those assets and liabilities that were considered by our board of directors, among other factors, in approving the reattribution. As a result, on a book value basis there is a transfer of net assets between the tracking stock groups of $54 million from the Splitco Capital Group to the Splitco Starz Group.

During the second quarter of 2009, each of the Splitco Starz Group and the Splitco Capital Group made intergroup loans to the Liberty Interactive Group in the amount of $250 million. Such loans (i) are secured by various public stocks attributed to the Interactive Group, (ii) accrue interest quarterly at the rate of LIBOR plus 500 basis points and (iii) are due June 16, 2010. In the first quarter of 2010, the Liberty Interactive Group repaid the remaining balance of the intergroup loans by making payments of $158 million to each of the Splitco Starz Group and the Splitco Capital Group.

Notes to Attributed Financial Information (Continued)

(unaudited)

(2) Investments in available-for-sale securities, including non-strategic securities, and other cost investments are summarized as follows:

	September 30, 2010	December 31, 2009
	amounts in millions	
Splitco Capital Group		
Time Warner Inc.(a)	$ 1,049	997
Time Warner Cable Inc.(a)	464	356
Sprint Nextel Corporation(a)	329	260
Motorola, Inc.(a)	443	403
Viacom, Inc.	275	226
Live Nation Entertainment, Inc.(b)	270	—
CenturyLink, Inc.(a)	212	195
Other available-for-sale equity securities(a)	287	220
SIRIUS XM debt securities(c)	422	300
Other available-for-sale debt securities	433	376
Other cost investments and related receivables	9	22
Total attributed Splitco Capital Group	4,193	3,355
Splitco Starz Group		
Other	1	31
Total attributed Splitco Starz Group	1	31
Combined Splitco	$ 4,194	3,386

(a) Includes shares pledged as collateral for share borrowing arrangements.

(b) On January 25, 2010, Live Nation, Inc. and Ticketmaster Entertainment, Inc. completed a merger transaction. Splitco owned approximately 29% of the outstanding common stock of Ticketmaster and received 1.474 shares of Live Nation Entertainment, Inc. for each share of Ticketmaster. As a result of the merger Splitco now owns approximately 15% of combined entity and accounts for the new investment as an AFS security. Splitco recorded the transaction at fair value and recorded a $178 million gain. At the time of the merger that investment was attributed to the Liberty Interactive Group. As a result of the reattribution the Live Nation investment is attributed to the Splitco Capital Group.

(c) During the six months ended June 30, 2010 Splitco acquired $150 million of SIRIUS XM 8.75% bonds due April 15, 2015 at par and SIRIUS XM repurchased and retired certain public bonds of which Splitco owned approximately $55 million of principal amounts. Proceeds from the repurchase were approximately $58 million.

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Notes to Attributed Financial Information (Continued)

(unaudited)

(3) The following table presents information regarding certain equity method investments:

	September 30, 2010			Share of earnings (losses) nine months ended September 30,	
	Percentage ownership	Carrying value	Market value	2010	2009
	dollar amounts in millions				
Splitco Capital Group					
SIRIUS XM(a)	40%	$ —	$ 3,111	$ (51)	$ (14)

(a) When Splitco applied its initial equity method accounting on the SIRIUS XM investment, Splitco's basis in the investment was different than the underlying equity in the net assets of SIRIUS XM. As a result, Splitco established an excess basis account and allocated the differences to certain fair value adjustments to the outstanding debt (at the time of our initial investment) and certain intangible assets. Even though SIRIUS XM had net income during the current year the amortization of the excess basis resulted in Splitco recording share of losses. In the third quarter of 2010 these share of losses were accelerated as SIRIUS XM refinanced certain debt which had an associated discount recorded in Splitco's excess basis account. As SIRIUS XM repays certain debt issuances where Splitco has established debt discounts, the extinguishment typically results in a loss on the retirement of Splitco's excess basis account. Splitco has suspended taking losses of our basis in SIRIUS XM below zero as Splitco does not have any funding commitments.

(4) Debt attributed to the Splitco Starz Group and the Splitco Capital Group is comprised of the following:

	September 30, 2010	
	Outstanding principal	Carrying value
	amounts in millions	
Splitco Capital Group		
3.125% Exchangeable Senior Debentures due 2023	$ 1,138	1,255
Liberty bank facility	750	750
Total attributed Splitco Capital Group debt	1,888	2,005
Splitco Starz Group		
Subsidiary debt	99	99
Total attributed Splitco Starz Group debt	99	99
Total debt	$ 1,987	2,104

(5) Cash compensation expense for our corporate employees has been allocated among the Splitco Starz Group and the Splitco Capital Group based on the estimated percentage of time spent providing services for each group. Stock compensation is allocated directly to the tracking stock groups based on the underlying stock of the options or other equity awards. Historically, these same items have been allocated to the Liberty Interactive Group based on the same methodology and based on the service agreement will continue to be allocated on a similar basis upon the completion of the proposed Split-Off. Other general and administrative expenses are charged

Notes to Attributed Financial Information (Continued)

(unaudited)

directly to the groups whenever possible and are otherwise allocated based on estimated usage or some other reasonably determined methodology. Amounts allocated from the Splitco Capital Group to the Liberty Interactive Group and the Splitco Starz Group, including stock-based compensation, are as follows:

	Nine months ended September 30, 2010	2009
	amounts in millions	
Liberty Interactive Group	$ 37	18
Splitco Starz Group	$ 14	49

While we believe that this allocation method is reasonable and fair to each group, we may elect to change the allocation methodology or percentages used to allocate general and administrative expenses in the future.

(6) We have accounted for income taxes for the Splitco Starz Group and the Splitco Capital Group in the accompanying attributed financial information in a manner similar to a stand-alone company basis. To the extent this methodology differs from our tax sharing policy, differences have been reflected in the attributed net assets of the groups.

(7) The Splitco Starz common stock and the Splitco Capital common stock will have voting and conversion rights under the proposed charter. Following is a summary of those rights. Holders of Series A common stock of each group are entitled to one vote per share and holders of Series B common stock of each group are entitled to ten votes per share. Holders of Series C common stock of each group, if issued, will be entitled to 1/100th of a vote per share in certain limited cases and will otherwise not be entitled to vote. In general, holders of Series A and Series B common stock vote as a single class. In certain limited circumstances, the board may elect to seek the approval of only the holders of common stock related to our Starz Group or our Capital Group.

At the option of the holder, each share of Series B common stock is convertible into one share of Series A common stock of the same group. At the discretion of our board, the common stock related to one group may be converted into common stock of the same series that is related to one of our other groups.

Liberty Media Corporation and Subsidiaries

Condensed Pro Forma Consolidated Financial Statements

September 30, 2010

(unaudited)

The Board of Directors of Liberty Media Corporation ("Liberty Media") has authorized a plan to Split-Off the businesses and other assets attributed to Liberty Media's Capital Group tracking stock and to Liberty Media's Starz Group tracking stock by redeeming all of the outstanding shares of Liberty Media's Capital Group tracking stock and Liberty Media's Starz Group tracking stock for all of the outstanding shares of a newly formed company, Splitco (the "Split-Off"). Splitco will hold the businesses and assets currently attributed to the Liberty Media Capital Group and Liberty Media Starz Group. After the Split-Off, Splitco and Liberty Media will be separate public companies and will operate independently, with neither company having an ownership interest in the other.

At the time of the Split-Off, the common stock of Splitco would be divided into two tracking stock groups, with the Splitco Capital Group tracking substantially all of the assets and liabilities that are currently attributed to the Liberty Media Capital Group and the Splitco Starz Group tracking all of the assets and liabilities that are currently attributed to the Liberty Media Starz Group. In connection with and immediately prior to the Split-Off, a to-be-determined amount of cash, the 3.125% Exchangeable Senior Debentures and the stock into which such debt is exchangeable, is expected to be reattributed from the Liberty Media Capital Group to the Liberty Media Interactive Group (the "Split-Off Reattribution").

Effective February 25, 2010, Liberty Media made the following changes: (1) reattributed its 14.6% ownership interest in Live Nation Entertainment, Inc. from the Liberty Media Interactive Group to the Liberty Media Capital Group; (2) reattributed $1,421 million in principal amount of Exchangeable Senior Debentures from the Liberty Media Capital Group to the Liberty Media Interactive Group; (3) reattributed approximately $830 million in net taxable income to be recognized ratably in tax years 2014 to 2018 from the Liberty Media Capital Group to the Liberty Media Interactive Group; and (4) reattributed $807 million in cash from the Liberty Media Capital Group to the Liberty Media Interactive Group (the "February Reattribution"). Liberty Media accounted for the February Reattribution prospectively.

Effective October 31, 2008, Liberty Media reattributed exchangeable senior debentures with a net book value of $134 million and cash of $380 million from the Liberty Media Starz Group to the Liberty Media Interactive Group (the "2008 Reattribution"). Liberty Media accounted for the 2008 Reattribution prospectively.

The Split-Off Reattribution, February Reattribution and 2008 Reattribution are collectively referred to as the "Reattributions".

Following the Split-Off, Liberty Media will report the results of operations of Splitco as discontinued operations. The following unaudited condensed pro forma consolidated balance sheets of Liberty Media dated as of September 30, 2010, December 31, 2009 and December 31, 2008 assume the Split-Off and Reattributions had been completed as of such dates. The following unaudited condensed pro forma consolidated statements of operations of Liberty Media for the nine months ended September 30, 2010 and 2009 and for the years ended December 31, 2009, 2008 and 2007 assume that the Split-Off and Reattributions had been completed as of January 1, 2007. The unaudited pro forma results do not purport to be indicative of the results that would have been obtained if such transactions had been completed as of such dates.

Liberty Media Corporation and Subsidiaries

Condensed Pro Forma Consolidated Financial Statements (Continued)

September 30, 2010

(unaudited)

The Split-Off is conditioned on, among other matters, receipt of stockholder approval, receipt of a private letter ruling from the IRS and a tax opinion from tax counsel, and resolution of a lawsuit filed by Liberty Media on August 6, 2010 seeking a declaratory judgment by the court that the proposed Split-Off will not constitute a disposition of "all or substantially all" of the assets of a subsidiary of Liberty Media with respect to its public indebtedness as well as related injunctive relief. The Split-Off is expected to occur in the first half of 2011.

If the Split-Off is completed, it will be accounted for at historical cost since the Splitco common stock is to be distributed pro rata to the holders of Liberty Media Capital Group tracking stock and Liberty Media Starz Group tracking stock.

Liberty Media Corporation and Subsidiaries

Condensed Pro Forma Consolidated Balance Sheet

September 30, 2010

(unaudited)

	Liberty Media historical	Less: Splitco historical(2)	Liberty Media pro forma prior to reattributions	Add: Split-Off Reattribution(3)	Liberty Media pro forma
			amounts in millions		
Assets					
Cash	$ 3,531	2,596	935	—	935
Other current assets	3,146	1,436	1,710	—	1,710
Due from Splitco	—	—	—	447	447
Cost investments	4,530	4,194	336	1,012	1,348
Equity investments	1,027	94	933	—	933
Property and equipment, net	1,295	253	1,042	—	1,042
Intangible assets not subject to amortization	8,878	485	8,393	—	8,393
Other assets	4,178	1,498	2,680	—	2,680
Total assets	$ 26,585	10,556	16,029	1,459	17,488
Liabilities and Equity					
Current liabilities	$ 5,054	3,067	1,987	98	2,085
Long-term debt	7,042	2,070	4,972	1,254	6,226
Deferred tax liabilities	2,757	31	2,726	158	2,884
Other liabilities	1,476	1,193	283	65	348
Total liabilities	16,329	6,361	9,968	1,575	11,543
Total stockholders' equity	10,147	4,195	5,952	(116)	5,836
Noncontrolling interest	109	—	109	—	109
Total equity	10,256	4,195	6,061	(116)	5,945
Total liabilities and equity	$ 26,585	10,556	16,029	1,459	17,488

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Liberty Media Corporation and Subsidiaries

Condensed Pro Forma Consolidated Balance Sheet

December 31, 2009

(unaudited)

	Liberty Media historical	Less: Splitco historical(2)	Liberty Media pro forma prior to reattributions	Add: February Reattribution(4)	Add: Split-Off Reattribution(3)	Liberty Media pro forma
	amounts in millions					
Assets						
Cash	$ 4,835	3,951	884	807	—	1,691
Other current assets	3,892	2,024	1,868	—	—	1,868
Due from Splitco	—	—	—	—	474	474
Cost investments	4,120	3,386	734	(64)	907	1,577
Equity investments	1,030	135	895	—	—	895
Property and equipment, net	1,305	275	1,030	—	—	1,030
Intangible assets not subject to amortization	8,886	503	8,383	—	—	8,383
Other assets	4,563	1,641	2,922	—	—	2,922
Total assets	$ 28,631	11,915	16,716	743	1,381	18,840
Liabilities and Equity						
Current liabilities	$ 6,176	4,060	2,116	—	13	2,129
Long-term debt	7,842	2,432	5,410	776	1,157	7,343
Deferred tax liabilities	2,675	736	1,939	1,103	156	3,198
Other liabilities	1,700	1,372	328	(197)	74	205
Total liabilities	18,393	8,600	9,793	1,682	1,400	12,875
Total stockholders' equity	10,109	3,315	6,794	(939)	(19)	5,836
Noncontrolling interests	129	—	129	—	—	129
Total equity	10,238	3,315	6,923	(939)	(19)	5,965
Total liabilities and equity	$ 28,631	11,915	16,716	743	1,381	18,840

Liberty Media Corporation and Subsidiaries

Condensed Pro Forma Consolidated Balance Sheet

December 31, 2008

(unaudited)

	Liberty Media historical	Less: Splitco historical(2)	Liberty Media pro forma prior to reattributions	Add: February Reattribution(4)	Add: Split-Off Reattribution(3)	Liberty Media pro forma
	amounts in millions					
Assets						
Cash	$ 3,060	2,228	832	807	—	1,639
Other current assets	4,559	2,381	2,178	—	—	2,178
Due from Splitco	—	—	—	—	844	844
Cost investments	2,857	2,118	739	(107)	730	1,362
Equity investments	1,136	235	901	—	—	901
Property and equipment, net	1,328	264	1,064	—	—	1,064
Intangible assets not subject to amortization	8,864	514	8,350	—	—	8,350
Other assets	20,099	16,948	3,151	—	—	3,151
Total assets	$ 41,903	24,688	17,215	700	1,574	19,489
Liabilities and Equity						
Current liabilities	$ 4,140	2,702	1,438	—	15	1,453
Long-term debt	9,630	2,674	6,956	557	918	8,431
Deferred tax liabilities	3,143	1,144	1,999	1,153	209	3,361
Other liabilities	5,233	4,868	365	(209)	86	242
Total liabilities	22,146	11,388	10,758	1,501	1,228	13,487
Total stockholders' equity	19,602	13,299	6,303	(801)	346	5,848
Noncontrolling interests	155	1	154	—	—	154
Total equity	19,757	13,300	6,457	(801)	346	6,002
Total liabilities and equity	$ 41,903	24,688	17,215	700	1,574	19,489

Liberty Media Corporation and Subsidiaries

Condensed Pro Forma Consolidated Statement of Operations

Nine Months Ended September 30, 2010

(unaudited)

	Liberty Media historical	Less: Splitco historical(2)	Liberty Media pro forma prior to reattributions	Add: February Reattribution(4)	Add: Split-Off Reattribution(3)	Liberty Media pro forma
			amounts in millions except per share amounts			
Revenue	$ 7,600	1,554	6,046	—	—	6,046
Cost of sales	(3,832)	—	(3,832)	—	—	(3,832)
Operating, selling, general and administrative expenses	(2,453)	(1,372)	(1,081)	—	—	(1,081)
Depreciation and amortization	(494)	(73)	(421)	—	—	(421)
Impairment of long-lived assets	—	—	—	—	—	—
Operating income	821	109	712	—	—	712
Interest expense	(514)	(46)	(468)	(8)	(26)	(502)
Share of earnings (loss) of affiliates, net	25	(70)	95	(2)	—	93
Realized and unrealized gains on financial instruments	88	124	(36)	15	7	(14)
Gains on dispositions, net	416	22	394	—	—	394
Other income (expense), net	35	76	(41)	—	—	(41)
Earnings from continuing operations before income taxes	871	215	656	5	(19)	642
Income tax expense	(237)	(86)	(151)	(2)	7	(146)
Earnings from continuing operations	$ 634	129	505	3	(12)	496

Liberty Media Corporation and Subsidiaries

Condensed Pro Forma Consolidated Statement of Operations (Continued)

Nine Months Ended September 30, 2010

(unaudited)

	Liberty Media historical	Less: Splitco historical(2)	Liberty Media pro forma prior to reattributions	Add: February Reattribution(4)	Add: Split-Off Reattribution(3)	Liberty Media pro forma
			amounts in millions except per share amounts			
Basic earnings (loss) from continuing operations per common share:						
Series A and Series B Liberty Starz common stock	3.32					n/a
Series A and Series B Liberty Capital common stock	(0.40)					n/a
Series A and Series B Liberty Interactive common stock	0.85					0.83
Diluted earnings (loss) from continuing operations per common share:						
Series A and Series B Liberty Starz common stock	3.19					n/a
Series A and Series B Liberty Capital common stock	(0.40)					n/a
Series A and Series B Liberty Interactive common stock	0.84					0.82
Basic weighted average outstanding common shares:						
Series A and Series B Liberty Starz common stock	50					n/a
Series A and Series B Liberty Capital common stock	92					n/a
Series A and Series B Liberty Interactive common stock	596					596
Diluted weighted average outstanding common shares:						
Series A and Series B Liberty Starz common stock	52					n/a
Series A and Series B Liberty Capital common stock	92					n/a
Series A and Series B Liberty Interactive common stock	603					603

Liberty Media Corporation and Subsidiaries

Condensed Pro Forma Consolidated Statement of Operations

Nine Months Ended September 30, 2009

(unaudited)

	Liberty Media historical	Less: Splitco historical(2)	Liberty Media pro forma prior to reattributions	Add: February Reattribution(4)	Add: Split-Off Reattribution(3)	Liberty Media pro forma
			amounts in millions except per share amounts			
Revenue	$ 6,989	1,395	5,594	—	—	5,594
					—	
Cost of sales	(3,573)	—	(3,573)	—	—	(3,573)
Operating, selling, general and administrative expenses	(2,215)	(1,259)	(956)	—	—	(956)
Depreciation and amortization	(500)	(79)	(421)	—	—	(421)
Operating income	701	57	644	—	—	644
Interest expense	(457)	(104)	(353)	(34)	(28)	(415)
Share of earnings (loss) of affiliates, net	(81)	(34)	(47)	44	—	(3)
Realized and unrealized gains (losses) on financial instruments	(165)	(51)	(114)	(140)	(98)	(352)
Gain (loss) on dispositions, net	98	98	—	—	—	—
Other income (expense), net	108	106	2	(4)	—	(2)
Earnings (loss) from continuing operations before income taxes	204	72	132	(134)	(126)	(128)
Income tax benefit (expense)	(57)	(16)	(41)	50	48	57
Earnings (loss) from continuing operations	$ 147	56	91	(84)	(78)	(71)

Liberty Media Corporation and Subsidiaries

Condensed Pro Forma Consolidated Statement of Operations (Continued)

Nine Months Ended September 30, 2009

(unaudited)

	Liberty Media historical	Less: Splitco historical(2)	Liberty Media pro forma prior to reattributions	Add: February Reattribution(4)	Add: Split-Off Reattribution(3)	Liberty Media pro forma
			amounts in millions except per share amounts			
Basic earnings (loss) from continuing operations per common share:						
Series A and Series B Liberty Starz common stock	0.28					n/a
Series A and Series B Liberty Capital common stock	(0.95)					n/a
Series A and Series B Liberty Interactive common stock	0.15					(0.12)
Diluted earnings (loss) from continuing operations per common share:						
Series A and Series B Liberty Starz common stock	0.28					n/a
Series A and Series B Liberty Capital common stock	(0.95)					n/a
Series A and Series B Liberty Interactive common stock	0.15					(0.12)
Basic weighted average outstanding common shares:						
Series A and Series B Liberty Starz common stock	517					n/a
Series A and Series B Liberty Capital common stock	96					n/a
Series A and Series B Liberty Interactive common stock	594					594
Diluted weighted average outstanding common shares:						
Series A and Series B Liberty Starz common stock	521					n/a
Series A and Series B Liberty Capital common stock	96					n/a
Series A and Series B Liberty Interactive common stock	599					594

Liberty Media Corporation and Subsidiaries

Condensed Pro Forma Consolidated Statement of Operations

Year Ended December 31, 2009

(unaudited)

	Liberty Media historical	Less: Splitco historical(2)	Liberty Media pro forma prior to reattributions	Add: February Reattribution(4)	Add: Split-Off Reattribution(3)	Liberty Media pro forma
	amounts in millions except per share amounts					
Revenue	$ 10,158	1,853	8,305	—	—	8,305
Cost of sales	(5,332)	—	(5,332)	—	—	(5,332)
Operating, selling, general and administrative expenses	(3,101)	(1,735)	(1,366)	—	—	(1,366)
Depreciation and amortization	(666)	(100)	(566)	—	—	(566)
Impairment of long-lived assets	(9)	(9)	—	—	—	—
Operating income	1,050	9	1,041	—	—	1,041
Interest expense	(628)	(132)	(496)	(61)	(37)	(594)
Share of earnings (loss) of affiliates, net	(58)	(44)	(14)	38	—	24
Realized and unrealized loss on financial instruments	(155)	(34)	(121)	(362)	(106)	(589)
Gains on dispositions, net	284	242	42	—	—	42
Other than temporary decline in fair value	(9)	(9)	—	—	—	—
Other income (expense), net	137	138	(1)	(5)	—	(6)
Earnings (loss) from continuing operations before income taxes	621	170	451	(390)	(143)	(82)
Income tax benefit	16	170	(154)	145	54	45
Earnings (loss) from continuing operations	$ 637	340	297	(245)	(89)	(37)

Liberty Media Corporation and Subsidiaries

Condensed Pro Forma Consolidated Statement of Operations (Continued)

Year Ended December 31, 2009

(unaudited)

	Liberty Media historical	Less: Splitco historical(2)	Liberty Media pro forma prior to reattributions	Add: February Reattribution(4)	Add: Split-Off Reattribution(3)	Liberty Media pro forma
	amounts in millions except per share amounts					
Basic earnings from continuing operations per common share:						
Series A and Series B Liberty Starz common stock	0.46					n/a
Series A and Series B Liberty Capital common stock	1.32					n/a
Series A and Series B Liberty Interactive common stock	0.50					(0.06)
Diluted earnings from continuing operations per common share:						
Series A and Series B Liberty Starz common stock	0.46					n/a
Series A and Series B Liberty Capital common stock	1.31					n/a
Series A and Series B Liberty Interactive common stock	0.50					(0.06)
Basic weighted average outstanding common shares:						
Series A and Series B Liberty Starz common stock	463					n/a
Series A and Series B Liberty Capital common stock	96					n/a
Series A and Series B Liberty Interactive common stock	594					594
Diluted weighted average outstanding common shares:						
Series A and Series B Liberty Starz common stock	466					n/a
Series A and Series B Liberty Capital common stock	97					n/a
Series A and Series B Liberty Interactive common stock	600					594

Liberty Media Corporation and Subsidiaries

Condensed Pro Forma Consolidated Statement of Operations

Year Ended December 31, 2008

(unaudited)

	Liberty Media historical	Less: Splitco historical(2)	Liberty Media pro forma prior to reattributions	Add: February Reattribution(4)	Add: 2008 Reattribution(5)	Add: Split-Off Reattribution(3)	Liberty Media pro forma
				amounts in millions except per share amounts			
Revenue	$ 9,817	1,738	8,079	—	—	—	8,079
Cost of sales	(5,224)	—	(5,224)	—	—	—	(5,224)
Operating, selling, general and administrative expenses	(3,094)	(1,762)	(1,332)	—	—	—	(1,332)
Depreciation and amortization	(688)	(127)	(561)	—	—	—	(561)
Impairment of long-lived assets	(1,569)	(1,513)	(56)	—	—	—	(56)
Operating income (loss)	(758)	(1,664)	906	—	—	—	906
Interest expense	(667)	(194)	(473)	(82)	(19)	(33)	(607)
Share of earnings (loss) of affiliates, net	(1,263)	(71)	(1,192)	238	—	—	(954)
Realized and unrealized gain (loss) on financial instruments	(260)	(20)	(240)	571	285	(121)	495
Gains on dispositions, net	15	13	2	—	—	—	2
Other than temporary decline in fair value	(441)	(1)	(440)	—	—	—	(440)
Other income, net	343	144	199	8	—	—	207
Earnings (loss) from continuing operations before income taxes	(3,031)	(1,793)	(1,238)	735	266	(154)	(391)
Income tax benefit (expense)	742	249	493	(282)	(101)	62	172
Earnings (loss) from continuing operations	$ (2,289)	(1,544)	(745)	453	165	(92)	(219)

Liberty Media Corporation and Subsidiaries

Condensed Pro Forma Consolidated Statement of Operations

Year Ended December 31, 2007

(unaudited)

	Liberty Media historical	Less: Splitco historical(2)	Liberty Media pro forma prior to reattributions	Add: February Reattribution(4)	Add: 2008 Reattribution(5)	Add: Split-Off Reattribution(3)	Liberty Media pro forma
				amounts in millions except per share amounts			
Revenue	$ 9,378	1,576	7,802	—	—	—	7,802
Cost of sales	(4,925)	—	(4,925)	—	—	—	(4,925)
Operating, selling, general and administrative expenses	(2,809)	(1,581)	(1,228)	—	—	—	(1,228)
Depreciation and amortization	(663)	(127)	(536)	—	—	—	(536)
Impairment of long-lived assets	(223)	(223)	—	—	—	—	—
Operating income (loss)	758	(355)	1,113	—	—	—	1,113
Interest expense	(641)	(176)	(465)	(83)	(22)	(17)	(587)
Share of earnings (loss) of affiliates, net	9	(68)	77	—	—	—	77
Realized and unrealized gains on financial instruments	1,269	1,275	(6)	71	19	418	502
Gains on dispositions, net	646	634	12	—	—	—	12
Other than temporary decline in fair value	(33)	(33)	—	—	—	—	—
Other income (expense), net	264	219	45	—	(2)	—	43
Earnings (loss) from continuing operations before income taxes	2,272	1,496	776	(12)	(5)	401	1,160
Income tax benefit (expense)	(313)	(7)	(306)	1	—	(154)	(459)
Earnings (loss) from continuing operations	$ 1,959	1,489	470	(11)	(5)	247	701

Liberty Media Corporation and Subsidiaries

Notes to Condensed Pro Forma Consolidated Financial Statements

September 30, 2010

(unaudited)

(1) The Board of Directors of Liberty Media Corporation ("Liberty Media") has approved a plan to Split-Off the businesses and other assets attributed to Liberty Media's Capital Group tracking stock and to Liberty Media's Starz Group tracking stock by redeeming all of the outstanding shares of Liberty Media's Capital Group tracking stock and Liberty Media's Starz Group tracking stock for all of the outstanding shares of a newly formed company, Splitco (the "Split-Off"). Splitco will hold the businesses and assets currently attributed to the Liberty Media Capital Group and Liberty Media Starz Group. After the Split-Off, Splitco and Liberty Media will be separate public companies and will operate independently, with neither company having an ownership interest in the other.

At the time of the Split-Off, the common stock of Splitco would be divided into two tracking stock groups, with the Splitco Capital Group tracking substantially all of the assets and liabilities that are currently attributed to the Liberty Media Capital Group and the Splitco Starz Group tracking all of the assets and liabilities that are currently attributed to the Liberty Media Starz Group.

(2) Represents the historical financial position and results of operations of Splitco. Such amounts were derived from the historical combined financial statements of Splitco found elsewhere herein this Annex B.

(3) The historical combined financial statements of Splitco include 3.125% Exchangeable Senior Debentures and the stock into which such debt is exchangeable. Prior to the completion of the Split-Off, the board of directors will make a reattribution so that these debentures and the underlying stock will be reattributed from the Liberty Media Capital Group to the Liberty Media Interactive Group ("Split-Off Reattribution"). For presentation purposes, the amount "Due from Splitco" assumes that the Liberty Interactive Group will receive payment (expected to be paid in cash) to compensate for the difference between the principal amount of such debentures and the fair value (as of each balance sheet date) of the stock into which the debentures are exchangeable, plus associated tax liabilities. The actual amount of compensation to be received by the Liberty Interactive Group in the Split-Off Reattribution will not be known until immediately prior to the Split-Off. See "The Split-Off—Background and Reasons for the Split-Off Proposals" in the accompanying proxy statement/prospectus for more information. The "Split-Off Reattribution" column in the accompanying condensed pro forma consolidated balance sheets and statements of operations is necessary to reflect the Split-Off Reattribution as if it had been completed as of such balance sheet dates and as of January 1, 2007, respectively.

(4) The historical combined financial statements of Splitco have been prepared to reflect the February Reattribution on a prospective basis. Accordingly, the "February Reattribution" column in the accompanying condensed pro forma consolidated balance sheets and statements of operations is necessary to reflect the February Reattribution as if it had been completed as of such balance sheet dates and as of January 1, 2007, respectively. If the long-term debt balances had actually been reattributed on the dates reflected here-in, the amount of compensation would have been different since the fair value of the long-term debt and related tax attribution was different on such dates.

(5) The historical combined financial statements of Splitco have been prepared to reflect the 2008 Reattribution on a prospective basis. Accordingly, the "2008 Reattribution" column in the accompanying statement of operations is necessary to reflect the 2008 Reattribution as if it had been completed as of January 1, 2007, and includes some activity for the year ended December 31, 2007 involving certain other securities related to the debentures in the reattribution.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification Of Directors And Officers.

Section 145 of the Delaware General Corporation Law ("**DGCL**") provides, generally, that a corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (except actions by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the corporation against all expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. A corporation may similarly indemnify such person for expenses actually and reasonably incurred by such person in connection with the defense or settlement of any action or suit by or in the right of the corporation, *provided* that such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, in the case of claims, issues and matters as to which such person shall have been adjudged liable to the corporation, *provided* that a court shall have determined, upon application, that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to findemnity for such expenses which such court shall deem proper.

Section 102(b)(7) of the DGCL provides, generally, that the certificate of incorporation may contain a provision eliminating or limiting the personal liability of a director to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, *provided* that such provision may not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the corporation or its shareholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under section 174 of Title 8 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. No such provision may eliminate or limit the liability of a director for any act or omission occurring prior to the date when such provision became effective.

Article V, Section E of the Certificate of Incorporation (the "**Charter**") of the Registrant provides as follows:

1. *Limitation On Liability.* To the fullest extent permitted by the DGCL as the same exists or may hereafter be amended, a director of the Registrant shall not be liable to the Registrant or any of its stockholders for monetary damages for breach of fiduciary duty as a director. Any amendment, repeal or modification of this paragraph 1 shall be prospective only and shall not adversely affect any limitation, right or protection of a director of the Registrant existing at the time of such repeal or modification.

2. *Indemnification.*

(a) *Right to Indemnification.* The Registrant shall indemnify, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**proceeding**") by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the Registrant or is or was serving at the request of the Registrant as a director, officer, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) incurred by such person. Such right of indemnification shall inure whether or not the claim asserted is based on matters which antedate the adoption of Article V, Section E of the Charter. The Registrant shall be required to indemnify or make advances to a person in connection with a proceeding (or part thereof) initiated by such person only if the proceeding (or part thereof) was authorized by the board of directors of the Registrant.

(b) *Prepayment of Expenses.* The Registrant shall pay the expenses (including attorneys' fees) incurred by a director or officer in defending any proceeding in advance of its final disposition; provided, however, that the payment of expenses incurred by a director or officer in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that the director or officer is not entitled to be indemnified under this paragraph or otherwise.

(c) *Claims.* If a claim for indemnification or payment of expenses under this paragraph is not paid in full within 60 days after a written claim therefor has been received by the Registrant, the claimant may file suit to recover the unpaid amount of such claim and, if successful, will be entitled to be paid the expense of prosecuting such claim to the fullest extent permitted by Delaware law. In any such action the Registrant shall have the burden of proving that the claimant was not entitled to the requested indemnification or payment of expenses under applicable law.

(d) *Non-Exclusivity of Rights.* The rights conferred on any person by this paragraph shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the Charter, the bylaws of the Registrant, agreement, vote of stockholders or resolution of disinterested directors or otherwise.

(e) *Insurance.* The board of directors may, to the full extent permitted by applicable law as it presently exists, or may hereafter be amended from time to time, authorize an appropriate officer or officers to purchase and maintain at the Registrant's expense insurance: (i) to indemnify the Registrant for any obligation which it incurs as a result of the indemnification of directors and officers under the provisions of Article V, Section E of the Charter; and (ii) to indemnify or insure directors and officers against liability in instances in which they may not otherwise be indemnified by the Registrant under the provisions of Article V, Section E of the Charter.

(f) *Other Indemnification.* The Registrant's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such person may collect as indemnification from such other corporation, partnership, joint venture, trust, enterprise or nonprofit entity.

3. *Amendment or Repeal.*

Any amendment, modification or repeal of the foregoing provisions of Article V, Section E of the Charter shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

Item 21. Exhibits And Financial Statement Schedules.

(a) *Exhibits.* The following is a complete list of Exhibits filed as part of this registration statement.

Exhibit No.	Document
2.1	Form of Reorganization Agreement by and between Liberty Media Corporation and Liberty Splitco, Inc.
3.1	Form of Certificate of Incorporation of the Registrant (to be in effect contemporaneously with the effective time of the Redemption)

Exhibit No.	Document
3.2	Form of Bylaws of the Registrant (to be in effect contemporaneously with the effective time of the Redemption)
4.1	Specimen certificate for shares of the Registrant's Series A Capital common stock, par value $.01 per share
4.2	Specimen certificate for shares of the Registrant's Series B Capital common stock, par value $.01 per share
4.3	Specimen certificate for shares of the Registrant's Series A Starz common stock, par value $.01 per share
4.4	Specimen certificate for shares of the Registrant's Series B Starz common stock, par value $.01 per share
5.1	Form of Opinion of Baker Botts L.L.P.**
8.1	Form of Opinion of Baker Botts L.L.P. regarding certain tax matters
10.1	Liberty Splitco, Inc. 2011 Incentive Plan
10.2	Liberty Splitco, Inc. 2011 Non-Employee Director Incentive Plan
10.3	Liberty Splitco, Inc. Transitional Stock Adjustment Plan
10.4	Form of Tax Sharing Agreement by and between Liberty Media Corporation, Liberty Media LLC and Liberty Splitco, Inc.
10.5	Form of Services Agreement by and between Liberty Media Corporation and Liberty Splitco, Inc.
10.6	Form of Facilities Sharing Agreement by and between Liberty Media Corporation and Liberty Property Holdings, Inc.*
10.7	Form of Indemnification Agreement by and between Liberty Splitco, Inc. and its executive officers/directors*
10.8	Form of Aircraft Time Sharing Agreements*
10.9	Form of Voting Agreement by and among Liberty Media Corporation and John C. Malone
10.10	Management and Allocation Policies of Liberty Splitco, Inc.
10.11	Tax Sharing Agreement dated as of March 9, 1999, by and among AT&T Corp., Liberty Media LLC, Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc. and each Covered Entity listed on the signature pages thereof (incorporated by reference to Exhibit 10.1 to Liberty Media Corporation's Annual Report on Form 10-K for the year ended December 31, 2009 (File No. 001-33982) as filed on February 25, 2010 (the "Liberty Media 2009 10-K")).
10.12	First Amendment to Tax Sharing Agreement dated as of May 28, 1999, by and among AT&T Corp., Liberty Media LLC, Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc. and each Covered Entity listed on the signature pages thereof (incorporated by reference to Exhibit 10.2 to the Liberty Media 2009 10-K).
10.13	Second Amendment to Tax Sharing Agreement dated as of September 24, 1999, by and among AT&T Corp., Liberty Media LLC, Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc. and each Covered Entity listed on the signature pages thereof (incorporated by reference to Exhibit 10.3 to the Liberty Media 2009 10-K).

Exhibit No.	Document
10.14	Third Amendment to Tax Sharing Agreement dated as of October 20, 1999, by and among AT&T Corp., Liberty Media LLC, Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc. and each Covered Entity listed on the signature pages thereof (incorporated by reference to Exhibit 10.4 to the Liberty Media 2009 10-K).
10.15	Fourth Amendment to Tax Sharing Agreement dated as of October 28, 1999, by and among AT&T Corp., Liberty Media LLC, Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc. and each Covered Entity listed on the signature pages thereof (incorporated by reference to Exhibit 10.5 to the Liberty Media 2009 10-K).
10.16	Fifth Amendment to Tax Sharing Agreement dated as of December 6, 1999, by and among AT&T Corp., Liberty Media LLC, Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc. and each Covered Entity listed on the signature pages thereof (incorporated by reference to Exhibit 10.6 to the Liberty Media 2009 10-K).
10.17	Sixth Amendment to Tax Sharing Agreement dated as of December 10, 1999, by and among AT&T Corp., Liberty Media LLC, Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc. and each Covered Entity listed on the signature pages thereof (incorporated by reference to Exhibit 10.7 to the Liberty Media 2009 10-K).
10.18	Seventh Amendment to Tax Sharing Agreement dated as of December 30, 1999, by and among AT&T Corp., Liberty Media LLC, Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc. and each Covered Entity listed on the signature pages thereof (incorporated by reference to Exhibit 10.8 to the Liberty Media 2009 10-K).
10.19	Eighth Amendment to Tax Sharing Agreement dated as of July 25, 2000, by and among AT&T Corp., Liberty Media LLC, Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc. and each Covered Entity listed on the signature pages thereof (incorporated by reference to Exhibit 10.9 to the Liberty Media 2009 10-K).
10.20	Instrument dated January 14, 2000, adding The Associated Group, Inc. as a party to the Tax Sharing Agreement dated as of March 9, 1999, as amended, among The Associated Group, Inc., AT&T Corp., Liberty Media LLC, Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc. and each Covered Entity listed on the signature pages thereof (incorporated by reference to Exhibit 10.10 to the Liberty Media 2009 10-K).
10.21	Restated and Amended Employment Agreement dated November 1, 1992, between Tele-Communications, Inc. and John C. Malone (assumed by Liberty Media LLC as of March 9, 1999), and the amendment thereto dated June 30, 1999 and effective as of March 9, 1999, between Liberty Media LLC and John C. Malone (collectively, the "Malone Employment Agreement") (incorporated by reference to Exhibit 10.11 to the Liberty Media 2009 10-K).
10.22	Second Amendment to Malone Employment Agreement effective January 1, 2003 (incorporated by reference to Exhibit 10.12 to the Liberty Media 2009 10-K).
10.23	Third Amendment to Malone Employment Agreement effective January 1, 2007 (incorporated by reference to Exhibit 10.13 to Liberty Media Corporation's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 001-33982) as filed on February 27, 2009) (the "Liberty Media 2008 10-K")).

Exhibit No.	Document
10.24	Fourth Amendment to Malone Employment Agreement effective January 1, 2009 (incorporated by reference to Exhibit 10.14 to the Liberty Media 2008 10-K).
10.25	Tax Sharing Agreement, dated as of November 19, 2009, by and between Liberty Media Corporation and Liberty Entertainment, Inc. ("LEI") (incorporated by reference to Exhibit 10.7 to Amendment No. 1 to the LEI Registration Statement on Form S-4 (File No. 333-158795) as filed on June 8, 2009).
10.26	Executive Employment Agreement, dated December 19, 2009, between Gregory B. Maffei and Liberty Media Corporation (incorporated by reference to Exhibit 10.1 to Liberty Media Corporation's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010 (File No. 001-33982) as filed on August 9, 2010).
21.1	List of Subsidiaries of the Registrant
23.1	Consent of KPMG LLP (for Liberty Media Corporation)
23.2	Consent of KPMG LLP (for Liberty Splitco, Inc.)
23.3	Consent of Ernst & Young LLP
23.4	Consent of Baker Botts L.L.P. (included in Exhibit 5.1)
24.1	Power of Attorney**
99.1	Proxy Cards for Liberty Capital and Liberty Starz stockholders
99.2	Letters of Transmittal

* To be filed by amendment.

** Previously filed.

(b) *Financial Statement Schedules.* Schedules not listed above have been omitted because the information set forth therein is not material, not applicable or is included in the financial statements or notes of the proxy statement/prospectus which forms a part of this registration statement.

Item 22. Undertakings.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

The Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment hereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to such information in this registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the

registration statement or made in any such document immediately prior to such date of first use.

(5) That, for the purpose of determining liability of the Registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, in a primary offering of securities of the Registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the Registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the Registrant relating to the offering required to be filed pursuant to Rule 424 of the Securities Act of 1933;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the Registrant or used or referred to by the Registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the Registrant or its securities provided by or on behalf of the Registrant; and

(iv) Any other communication that is an offer in the offering made by the Registrant to the purchaser.

(6) To deliver or cause to be delivered with the prospectus, to each person to whom the prospectus is sent or given the latest annual report, to security holders that is incorporated by reference in the prospectus and furnished pursuant to and meeting the requirements of Rule 14a-3 or Rule 14c-3 under the Securities Exchange Act of 1934; and, where interim financial information required to be presented by Article 3 of Regulation S-X is not set forth in the prospectus, to deliver, or cause to be delivered to each person to whom the prospectus is sent or given, the latest quarterly report that is specifically incorporated by reference in the prospectus to provide such interim financial information.

(7) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(8) That prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other items of the applicable form.

(9) That every prospectus (i) that is filed pursuant to paragraph (8) immediately preceding, or (ii) that purports to meet the requirements of Section 10(a)(3) of the Securities Act of 1933 and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to this registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(10) To respond to requests for information that is incorporated by reference into this prospectus pursuant to Items 4, 10(b), 11, or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means; this includes information contained in documents filed subsequent to the effective date of this registration statement through the date of responding to the request.

(11) To supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in this registration statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Denver, state of Colorado, on January 27, 2011.

LIBERTY SPLITCO, INC.

By: /s/ CHARLES Y. TANABE

Name: Charles Y. Tanabe
Title: *Executive Vice President and General Counsel*

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons (which persons constitute a majority of the Board of Directors) in the capacities and on the dates indicated:

Name	Title	Date
* John C. Malone	Chairman of the Board and Director	
* Gregory B. Maffei	Chief Executive Officer (Principal Executive Officer), President and Director	
* David J.A. Flowers	Senior Vice President and Treasurer (Principal Financial Officer)	
* Christopher W. Shean	Senior Vice President and Controller (Principal Accounting Officer)	
/s/ CHARLES Y. TANABE Charles Y. Tanabe	Executive Vice President, General Counsel, and Director	

By: /s/ CHARLES Y. TANABE — January 27, 2011

Charles Y. Tanabe
Attorney-in-Fact

EXHIBIT INDEX

Exhibit No.	Document
2.1	Form of Reorganization Agreement by and between Liberty Media Corporation and Liberty Splitco, Inc.
3.1	Form of Certificate of Incorporation of the Registrant (to be in effect contemporaneously with the effective time of the Redemption)
3.2	Form of Bylaws of the Registrant (to be in effect contemporaneously with the effective time of the Redemption)
4.1	Specimen certificate for shares of the Registrant's Series A Capital common stock, par value $.01 per share
4.2	Specimen certificate for shares of the Registrant's Series B Capital common stock, par value $.01 per share
4.3	Specimen certificate for shares of the Registrant's Series A Starz common stock, par value $.01 per share
4.4	Specimen certificate for shares of the Registrant's Series B Starz common stock, par value $.01 per share
5.1	Form of Opinion of Baker Botts L.L.P.**
8.1	Form of Opinion of Baker Botts L.L.P. regarding certain tax matters
10.1	Liberty Splitco, Inc. 2011 Incentive Plan
10.2	Liberty Splitco, Inc. 2011 Non-Employee Director Incentive Plan
10.3	Liberty Splitco, Inc. Transitional Stock Adjustment Plan
10.4	Form of Tax Sharing Agreement by and between Liberty Media Corporation, Liberty Media LLC and Liberty Splitco, Inc.
10.5	Form of Services Agreement by and between Liberty Media Corporation and Liberty Splitco, Inc.
10.6	Form of Facilities Sharing Agreement by and between Liberty Media Corporation and Liberty Property Holdings, Inc.*
10.7	Form of Indemnification Agreement by and between Liberty Splitco, Inc. and its executive officers/directors*
10.8	Form of Aircraft Time Sharing Agreements*
10.9	Form of Voting Agreement by and among Liberty Media Corporation and John C. Malone
10.10	Management and Allocation Policies of Liberty Splitco, Inc.
10.11	Tax Sharing Agreement dated as of March 9, 1999, by and among AT&T Corp., Liberty Media LLC, Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc. and each Covered Entity listed on the signature pages thereof (incorporated by reference to Exhibit 10.1 to Liberty Media Corporation's Annual Report on Form 10-K for the year ended December 31, 2009 (File No. 001-33982) as filed on February 25, 2010 (the "Liberty Media 2009 10-K")).
10.12	First Amendment to Tax Sharing Agreement dated as of May 28, 1999, by and among AT&T Corp., Liberty Media LLC, Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc. and each Covered Entity listed on the signature pages thereof (incorporated by reference to Exhibit 10.2 to the Liberty Media 2009 10-K).

Exhibit No.	Document
10.13	Second Amendment to Tax Sharing Agreement dated as of September 24, 1999, by and among AT&T Corp., Liberty Media LLC, Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc. and each Covered Entity listed on the signature pages thereof (incorporated by reference to Exhibit 10.3 to the Liberty Media 2009 10-K).
10.14	Third Amendment to Tax Sharing Agreement dated as of October 20, 1999, by and among AT&T Corp., Liberty Media LLC, Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc. and each Covered Entity listed on the signature pages thereof (incorporated by reference to Exhibit 10.4 to the Liberty Media 2009 10-K).
10.15	Fourth Amendment to Tax Sharing Agreement dated as of October 28, 1999, by and among AT&T Corp., Liberty Media LLC, Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc. and each Covered Entity listed on the signature pages thereof (incorporated by reference to Exhibit 10.5 to the Liberty Media 2009 10-K).
10.16	Fifth Amendment to Tax Sharing Agreement dated as of December 6, 1999, by and among AT&T Corp., Liberty Media LLC, Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc. and each Covered Entity listed on the signature pages thereof (incorporated by reference to Exhibit 10.6 to the Liberty Media 2009 10-K).
10.17	Sixth Amendment to Tax Sharing Agreement dated as of December 10, 1999, by and among AT&T Corp., Liberty Media LLC, Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc. and each Covered Entity listed on the signature pages thereof (incorporated by reference to Exhibit 10.7 to the Liberty Media 2009 10-K).
10.18	Seventh Amendment to Tax Sharing Agreement dated as of December 30, 1999, by and among AT&T Corp., Liberty Media LLC, Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc. and each Covered Entity listed on the signature pages thereof (incorporated by reference to Exhibit 10.8 to the Liberty Media 2009 10-K).
10.19	Eighth Amendment to Tax Sharing Agreement dated as of July 25, 2000, by and among AT&T Corp., Liberty Media LLC, Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc. and each Covered Entity listed on the signature pages thereof (incorporated by reference to Exhibit 10.9 to the Liberty Media 2009 10-K).
10.20	Instrument dated January 14, 2000, adding The Associated Group, Inc. as a party to the Tax Sharing Agreement dated as of March 9, 1999, as amended, among The Associated Group, Inc., AT&T Corp., Liberty Media LLC, Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc. and each Covered Entity listed on the signature pages thereof (incorporated by reference to Exhibit 10.10 to the Liberty Media 2009 10-K).
10.21	Restated and Amended Employment Agreement dated November 1, 1992, between Tele-Communications, Inc. and John C. Malone (assumed by Liberty Media LLC as of March 9, 1999), and the amendment thereto dated June 30, 1999 and effective as of March 9, 1999, between Liberty Media LLC and John C. Malone (collectively, the "Malone Employment Agreement") (incorporated by reference to Exhibit 10.11 to the Liberty Media 2009 10-K).
10.22	Second Amendment to Malone Employment Agreement effective January 1, 2003 (incorporated by reference to Exhibit 10.12 to the Liberty Media 2009 10-K).

Exhibit No.	Document
10.23	Third Amendment to Malone Employment Agreement effective January 1, 2007 (incorporated by reference to Exhibit 10.13 to Liberty Media Corporation's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 001-33982) as filed on February 27, 2009) (the "Liberty Media 2008 10-K")).
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** Previously filed.

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 2.1

Form of

REORGANIZATION AGREEMENT

between

LIBERTY MEDIA CORPORATION

and

LIBERTY SPLITCO, INC.

Dated as of [   ], 2011

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REORGANIZATION AGREEMENT

This **REORGANIZATION AGREEMENT** (together with all Schedules and Exhibits hereto, this "*Agreement*"), dated as of [ ] 2011, is entered into by and between **LIBERTY MEDIA CORPORATION**, a Delaware corporation ("*LMC*"), and **LIBERTY SPLITCO, INC**., a Delaware corporation ("*Splitco*"). Certain capitalized terms used herein have the meanings ascribed thereto in Section 7.1.

RECITALS:

WHEREAS, in accordance with and pursuant to the LMC Charter, the businesses, assets and liabilities of LMC are currently attributed among three tracking stock groups: the Capital Group; the Starz Group; and the Interactive Group;

WHEREAS, the Liberty Board has determined that it is appropriate and in the best interests of LMC and its stockholders to separate LMC into two publicly traded companies (the "*Split-Off*"): (1) Splitco, which immediately after the Split-Off will conduct the Splitco Businesses, own the Splitco Assets and be responsible for the Splitco Liabilities; and (2) LMC, which immediately after the Split-Off will conduct the LMC Retained Businesses, own the LMC Retained Assets and be responsible for the LMC Retained Liabilities;

WHEREAS, in accordance with and pursuant to the Splitco Charter, the Splitco Businesses, the Splitco Assets and the Splitco Liabilities will be attributed between two tracking stock groups of Splitco: the Capital Group and the Starz Group;

WHEREAS, the LMC Board has determined that, in order to effect the Split-Off, it is appropriate and in the best interests of LMC and its stockholders: (i) for LMC and its Subsidiaries to effect the Restructuring, as a result of which Splitco will own, directly or indirectly, the Splitco Businesses, the Splitco Assets and the Splitco Liabilities and LMC will retain the LMC Retained Businesses, the LMC Retained Assets and the LMC Retained Liabilities; (ii) for LMC to redeem (the "*LCAP Redemption*") all of the issued and outstanding shares of LMC's Series A Liberty Capital common stock, par value $.01 per share ("*LCAPA*"), and Series B Liberty Capital common stock, par value $.01 per share ("*LCAPB*" and, together with LCAPA, the "*Liberty Capital Stock*"), for shares of a corresponding series of Splitco Capital common stock, and (iii) for LMC to redeem (the "*LSTZ Redemption*," and together with the LCAP Redemption, the "*Redemptions*"), all of the issued and outstanding shares of LMC's Series A Liberty Starz common stock, par value $.01 per share ("*LSTZA*"), and Series B Liberty Starz common stock, par value $.01 per share ("*LSTZB*" and, together with LSTZA, the "*Liberty Starz Stock*"), for shares of a corresponding series of Splitco Starz common stock; in each case, on the terms and subject to the conditions set forth in the LMC Charter and this Agreement;

WHEREAS, the transactions contemplated by this Agreement, including the Restructuring and the Redemptions, have been approved by the LMC Board and, to the extent applicable, the Splitco Board and are motivated in whole or substantial part by certain substantial corporate business purposes of LMC and Splitco;

WHEREAS, this Agreement constitutes a "plan of reorganization" within the meaning of Section 368 of the Internal Revenue Code of 1986, as amended (the "*Code*"), and the Treasury Regulations promulgated thereunder; and

WHEREAS, the parties wish to set forth in this Agreement the terms on which, and the conditions subject to which, they intend to implement the measures referred to above and elsewhere herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements contained herein, the parties to this Agreement hereby agree as follows:

ARTICLE I
THE RESTRUCTURING

1.1 Restructuring.

(a) The parties have taken or will take, and have caused or will cause their respective Subsidiaries to take, all actions that are necessary or appropriate to implement and accomplish the transactions contemplated by each of the steps set forth in the Restructuring Plan (collectively, the "*Restructuring*"), in the order set forth therein;*provided,* that all of such steps shall be completed by no later than the Effective Time.

(b) All the transactions contemplated by the Restructuring and the Redemptions are intended to be part of the same plan of reorganization, even though there may be delays between the completion of certain of the transactions.

1.2 *Transfer of Splitco Assets; Assumption of Splitco Liabilities.*

On the terms and subject to the conditions of this Agreement, and in furtherance of the Restructuring and the Split-Off:

(a) LMC, by no later than the Effective Time, shall cause all of its (or its Subsidiaries') rights, title and interest in and to all of the Splitco Assets to be contributed, assigned, transferred, conveyed and delivered, directly or indirectly, to Splitco, and Splitco agrees to accept or cause to be accepted all such rights, title and interest in and to all the Splitco Assets. All Splitco Assets are being transferred on an "as is, where is" basis, without any warranty whatsoever on the part of LMC.

(b) LMC, by no later than the Effective Time, shall cause all of the Splitco Liabilities to be assigned, directly or indirectly, to Splitco, and Splitco agrees to accept, assume, perform, discharge and fulfill all of the Splitco Liabilities in accordance with their respective terms.

(c) Upon completion of the transactions contemplated by Sections 1.2(a), (b) and (c) above: (i) Splitco will own, directly or indirectly, the Splitco Businesses and the Splitco Assets and be subject to the Splitco Liabilities; and (ii) LMC will continue to own, directly or indirectly, the LMC Retained Businesses and the LMC Retained Assets and continue to be subject to the LMC Retained Liabilities.

1.3 *Third Party Consents and Government Approvals.* To the extent that either Redemption or any step in the Restructuring Plan requires a consent of any third party or a Governmental Authorization, the parties will use commercially reasonable efforts to obtain each such consent and Governmental Authorization at or prior to the time such consent or Governmental Authorization is required in order to lawfully effect the Redemptions and each step in the Restructuring Plan.

1.4 *Further Actions.* From and after the Effective Time, upon the reasonable request of a party hereto, each other party hereto will promptly take, or cause its Subsidiaries to promptly take, all commercially reasonable actions necessary or appropriate to fully accomplish the Restructuring and to give effect to the transactions provided for in this Agreement, including each step in the Restructuring Plan, in accordance with the purposes hereof.

1.5 *Restructuring Documents.* All documents and instruments used to effect the Restructuring and otherwise to comply with this Agreement shall be in form satisfactory to LMC, Splitco and any additional signatories hereto.

1.6 *Qualification as Reorganization.* For U.S. federal income tax purposes, (1) each step of the Restructuring is generally intended to be undertaken in a manner so that no gain or loss is recognized by LMC, Splitco or their respective Subsidiaries, and (2) the Contribution and the Redemptions are intended to qualify as a tax-free reorganization under Sections 368(a) and 355 of the Code.

ARTICLE II
THE REDEMPTIONS

2.1 *The Redemptions.*

(a) The LMC Board shall have the authority and right: (i) to effect the Redemptions, subject to the conditions set forth in Section 2.2, or terminate the Redemptions at any time prior to the Effective Time; (ii) to establish and change the record date (the "*Record Date*") for the meeting of stockholders (the "*Stockholders Meeting*") at which the holders of record of Liberty Capital Stock and Liberty Starz Stock will be asked to vote, as separate classes, on the applicable Redemption in accordance with Section A.2.(e)(i) and Section A.2.(f)(i) of the LMC Charter, respectively; (iii) to establish and change the date of the Stockholders Meeting; (iv) to establish and change the date (the "*Redemption Date*") and time (the "*Effective Time*") at which the Redemptions will be effective; and (v) prior to the Effective Time, to establish and change the procedures for effecting the Redemptions; subject, in all cases, to the applicable provisions of the DGCL and the LMC Charter.

(b) On the Redemption Date, subject to the satisfaction or, where permissible, waiver of the conditions precedent to the Redemptions set forth in Section 2.2, LMC shall redeem:

(i) each outstanding share of LCAPA for one validly issued, fully paid and non-assessable share of Splitco's Series A Splitco Capital common stock, par value $0.01 per share ("*Splitco Series A Capital Stock*");

(ii) each outstanding share of LCAPB for one validly issued, fully paid and non-assessable share of Splitco's Series B Splitco Capital common stock, par value $0.01 per share ("*Splitco Series B Capital Stock*" and together with the Splitco Series A Capital Stock, the "*Splitco Capital Stock*");

(iii) each outstanding share of LSTZA for one validly issued, fully paid and non-assessable share of Splitco's Series A Splitco Starz common stock, par value $0.01 per share ("*Splitco Series A Starz Stock*"); and

(iv) each outstanding share of LSTZB for one validly issued, fully paid and non-assessable share of Splitco's Series B Splitco Starz common stock, par value $0.01 per share ("*Splitco Series B Starz Stock*" and together with the Splitco Series A Starz Stock, the "*Splitco Starz Stock*").

(c) Immediately prior to the Effective Time and in accordance with the Restructuring Plan, Splitco shall cause the Splitco Charter to be filed with the Delaware Secretary of State, whereupon the issued and outstanding shares of Splitco common stock, par value $0.01 per share (all of which shall be owned by LMC) shall automatically be reclassified into: (i) a number of shares of Splitco Series A Capital Stock equal to the number of shares of LCAPA outstanding immediately prior to the Effective Time; (ii) a number of shares of Splitco Series B Capital Stock equal to the number of shares of LCAPB outstanding immediately prior to the Effective Time; (iii) a number of shares of Splitco Series A Starz Stock equal to the number of shares of LSTZA outstanding immediately prior to the Effective Time; and (iv) a number of shares of Splitco Series B Starz Stock equal to the number of shares of LSTZB outstanding immediately prior to the Effective Time.

(d) LMC will provide notice of the Redemption Date and the Effective Time to holders of Liberty Capital Stock and Liberty Starz Stock in accordance with the requirements of Section A.2.(e)(iv) and Section A.2.(f)(iv), respectively, of the LMC Charter and the applicable provisions of the DGCL and the rules and regulations of the SEC.

(e) LMC will take such action, if any, as may be necessary or appropriate under applicable state and foreign securities and "blue sky" laws to permit the Redemptions to be effected in compliance, in all material respects, with such laws.

(f) Promptly following the Effective Time, LMC will deliver (or cause to be delivered) to the Redemption Agent all of the shares of Splitco Stock owned by LMC, and shall cause the Redemption Agent (i) to exchange (by means of debit and credit), on a one-for-one basis, the shares of each series of Liberty Capital Stock and Liberty Starz Stock held in book-entry form as of the Effective Time for the corresponding series of Splitco Capital Stock and Splitco Starz Stock, respectively, and (ii) to mail to the holders of record of certificated shares of each series of Liberty Capital Stock and Liberty Starz Stock as of the Redemption Date a letter of transmittal (which will specify that delivery will be effected, and risk of loss and title to the redeemed shares will pass, only upon proper delivery of the certificates representing such shares to the Redemption Agent) with instructions for use in effecting the surrender, on a one-for-one basis, of the redeemed shares of Liberty Capital Stock and Liberty Starz Stock for the corresponding series of Splitco Capital Stock and Splitco Starz Stock, respectively.

(g) Shares of Splitco Capital Stock that are exchanged in the LCAP Redemption for shares of Liberty Capital Stock and shares of Splitco Starz Stock that are exchanged in the LSTZ Redemption for shares of Liberty Starz Stock will be deemed to have been distributed as of the Effective Time; *provided,* that until the surrender of any certificate representing redeemed shares of Liberty Capital Stock or Liberty Starz Stock for shares of Splitco Stock, Splitco may withhold and accumulate any dividends or distributions which become payable with respect to such shares of Splitco Stock pending the surrender of such certificate.

(h) No fractional shares of Splitco Stock will be distributed, and no fractional shares of Liberty Capital Stock or Liberty Starz Stock will be redeemed, in connection with the Redemptions.

2.2 *Conditions to the Redemptions.* The completion of the Redemptions is subject to the satisfaction of the following conditions:

(a) a proposal to allow LMC to effect the LCAP Redemption shall have been approved by the holders of a majority of the aggregate voting power of the shares of LCAPA and LCAPB that are present, in person or by proxy, and entitled to vote at the Stockholders Meeting or at any adjournment or postponement thereof, voting together as a single class;

(b) a proposal to allow LMC to effect the LSTZ Redemption shall have been approved by the holders of a majority of the aggregate voting power of the shares of LSTZA and LSTZB that are present, in person or by proxy, and entitled to vote at the Stockholders Meeting or any adjournment or postponement thereof, voting together as a single class;

(c) LMC shall have received a private letter ruling from the IRS (the "*Ruling*"), in form and substance reasonably acceptable to LMC, which Ruling shall not have been withdrawn, invalidated or modified in an adverse manner, to the effect that the Contribution and the Redemptions will qualify as a tax-free transaction under Sections 355 and 368(a)(1)(D) of the Code and that, for U.S. federal income tax purposes, (i) no gain or loss will be recognized by LMC upon the distribution of Splitco Stock pursuant to the Redemptions, and (ii) no gain or loss will be recognized by, and no amount will be included in the income of, holders of Liberty Capital Stock and Liberty Starz Stock upon their receipt of shares of Splitco Capital Stock and Splitco Starz Stock, respectively, pursuant to the Redemptions;

(d) LMC shall have received a tax opinion from Baker Botts L.L.P., in form and substance reasonably acceptable to LMC, and which opinion will rely on the receipt and continued validity of the Ruling, to the effect that the Contribution and the Redemptions will qualify as a tax-free transaction under Sections 355 and 368(a)(1)(D) of the Code and that (i) for U.S. federal income tax purposes, (x) no gain or loss will be recognized by LMC upon the distribution of Splitco Stock pursuant to the

Redemptions, and (y) no gain or loss will be recognized by, and no amount will be included in the income of, holders of Liberty Capital Stock and Liberty Starz Stock upon their receipt of shares of Splitco Capital Stock and Splitco Starz Stock, respectively, pursuant to the Redemptions, (ii) the Splitco Capital Stock and the Splitco Starz Stock distributed in the Redemptions will be treated as stock of Splitco for U.S. federal income tax purposes, and (iii) the Splitco Capital Stock and the Splitco Starz Stock distributed in the Redemptions will not constitute Section 306 stock within the meaning of Section 306(c) of the Code.

(e) the Registration Statement shall be effective under the Securities Act and the registration of the Splitco Stock under Section 12(b) of the Exchange Act shall be effective, and no proceedings to suspend either such effectiveness shall have been initiated or threatened by the SEC;

(f) the Splitco Stock shall have been approved for listing on The Nasdaq Stock Market (the "*Nasdaq*"), subject to compliance with Nasdaq's listing requirements;

(g) the transfer of control of certain Federal Communications Commission ("*FCC*") licenses to be held by Splitco subsidiaries or investees upon completion of the Restructuring shall have been approved by the FCC;

(h) any other Governmental Authorizations that the LMC Board determines to obtain shall have been so obtained (or all relevant waiting periods with respect thereto shall have expired);

(i) any approval, consent, ratification, waiver or other authorization of any Person that is not a party to this Agreement that the LMC Board determines to obtain shall have been so obtained;

(j) with respect to the action captioned *Liberty Media Corporation and Liberty Media LLC vs. The Bank of New York Mellon Trust Company, as Trustee* (C.A. No. 5702-VCL), pending in the Delaware Court of Chancery (the "*Delaware Action*"), a judgment shall have been rendered to the effect that the Split-Off will not constitute a disposition of substantially all the assets and properties of Liberty Media LLC and its subsidiaries (taken as a whole), within the meaning of Section 801 of Liberty Media LLC's Indenture, dated as of July 7, 1999 (as amended and supplemented, the "*Indenture*"); and

(k) no Order or other legal restraint or prohibition preventing the consummation of the Split-Off or any of the other transactions contemplated by this Agreement, including the transactions to effect the Restructuring and the Redemptions, shall be pending or in effect.

The foregoing conditions are for the sole benefit of LMC and shall not in any way limit LMC's right to amend, modify or terminate this Agreement in accordance with Section 6.1. Any determination made by LMC prior to the Redemptions concerning the satisfaction of any condition set forth in this Section 2.2 shall be final and conclusive. The conditions set forth in Sections 2.2(a), (b), (e), (f) and (k) may not be waived, and Sections 2.2 (c), (d) and (j) may be waived by the Liberty Board but the Redemptions may not be completed until holders of Liberty Capital Stock and Liberty Starz Stock are notified of any such waiver and new proxies are resolicited from such holders to the extent required by the Exchange Act. The conditions set forth in Sections 2.2(f), (h) and (i) may be waived by the Liberty Board without any resolicitation of proxies from holders of Liberty Capital Stock and Liberty Starz Stock.

2.3 *Treatment of Outstanding Equity Awards.*

(a) Certain current and former employees, non-employee directors and consultants of LMC, the Qualfiying Subsidiaries and their respective subsidiaries have been granted options, stock appreciation rights, and restricted shares in respect of Liberty Capital Stock and/or Liberty Starz Stock pursuant to various stock incentive plans of LMC administered by the LMC Board (collectively, "*Awards*"). LMC and Splitco shall use commercially reasonable efforts to take all actions necessary or appropriate so that Awards that are outstanding immediately prior to the Effective Time are adjusted as set forth in this Section 2.3.

(b) *Options.* As of the Effective Time, and as determined by the LMC Board pursuant to its authority granted under the applicable stock incentive plan of LMC, the following shall occur:

(i) each outstanding LMC Option to purchase shares of Liberty Capital Stock, whether vested or unvested (each, an "*Outstanding LMC Capital Option*"), will be converted, automatically, into a Splitco Option to purchase the same number and series of shares of Splitco Capital Stock (a "*Splitco Capital Option*") as the number and series of shares of Liberty Capital Stock subject to such Outstanding LMC Capital Option immediately prior to the Effective Time; and

(ii) each outstanding LMC Option to purchase shares of Liberty Starz Stock, whether vested or unvested (each, an "*Outstanding LMC Starz Option*"), will be converted, automatically, into a Splitco Option to purchase the same number and series of shares of Splitco Starz Stock (a "*Splitco Starz Option*") as the number and series of shares of Liberty Starz Stock subject to such Outstanding LMC Starz Option immediately prior to the Effective Time.

In addition, the per share exercise price of each Splitco Capital Option will be equal to the per share exercise price of the corresponding Outstanding LMC Capital Option, and the per share exercise price of each Splitco Starz Option will be equal to the per share exercise price of the corresponding Outstanding LMC Starz Option; *provided,* that the exercise price and number of shares subject to each Splitco Capital Option and Splitco Starz Option shall be determined in a manner consistent with the requirements of Section 409A of the Code.

All other terms of the Splitco Capital Options and Splitco Starz Options (including the vesting terms thereof) will, in all material respects, be the same as those of the corresponding Outstanding LMC Capital Option and Outstanding LMC Starz Option, respectively, except that the Splitco Options will continue to vest so long as the holder provides service (whether as an employee, non-employee or consultant, as the case may be) to any of LMC, a Qualifying Subsidiary or their respective Subsidiaries and/or Splitco or its Subsidiaries**;** *provided*, that the terms and conditions of exercise of the Splitco Options shall be determined in a manner consistent with Section 409A of the Code.

(c) *SARs.* As of the Effective Time, and as determined by the LMC Board pursuant to its authority granted under the applicable stock incentive plan of LMC, the following shall occur:

(i) each outstanding LMC SAR related to Liberty Capital Stock, whether vested or unvested (an "*Outstanding LMC Capital SAR*"), will be converted, automatically, into a Splitco SAR related to the same number and series of shares of Splitco Capital Stock (a "*Splitco Capital SAR*") as the number and series of shares of Liberty Capital Stock subject to such Outstanding LMC Capital SAR immediately prior to the Effective Time; and

(ii) each outstanding LMC SAR related to Liberty Starz Stock, whether vested or unvested (an "*Outstanding LMC Starz SAR*"), will be converted, automatically, into a Splitco SAR related to the same number and series of shares of Splitco Starz Stock (a "*Splitco Starz SAR*") as the number and series of shares of Liberty Starz Stock subject to such Outstanding LMC Starz SAR immediately prior to the Effective Time.

In addition, the per share base price of each Splitco Capital SAR will be equal to the per share base price of the corresponding Outstanding LMC Capital SAR, and the per share base price of each Splitco Starz SAR will be equal to the per share base price of the corresponding Outstanding LMC Starz SAR; *provided*, that the base price and the number of shares to which such Splitco SARs relate shall be determined in a manner consistent with the requirements of Section 409A of the Code.

All other terms of the Splitco Capital SARs and Splitco Starz SARs (including the vesting terms thereof) will, in all material respects, be the same as those of the corresponding Outstanding LMC Capital SAR and Outstanding LMC Starz SAR, respectively, except that the Splitco SARs will continue to vest so long as the holder provides service (whether as an employee, consultant or nonemployee director, as the case may be) to any of LMC, a Qualifying Subsidiary or their respective Subsidiaries and/or Splitco or its Subsidiaries; *provided*, that the terms and conditions of exercise of the Splitco SARs shall be determined in a manner consistent with Section 409A of the Code.

(d) *Restricted Stock.* Shares of Liberty Capital Stock and Liberty Starz Stock that are subject to a restricted stock award granted under a stock incentive plan of LMC ("*LMC Restricted Stock*") will be treated in the Redemptions in the same manner as other outstanding shares of Liberty Capital Stock and Liberty Starz Stock, respectively. As of the Effective Time, and as determined by the LMC Board pursuant to its authority granted under the applicable stock incentive plan of LMC, shares of LMC Restricted Stock shall become Splitco Restricted Stock, and will otherwise be subject, in all material respects, to the same terms and conditions (including the vesting terms thereof) as those applicable to such shares of LMC Restricted Stock immediately prior to the Effective Time, except that the Splitco Restricted Stock will continue to vest so long as the holder provides service (whether as an employee, consultant or nonemployee director, as the case may be) to any of LMC, a Qualifying Subsidiary or their respective Subsidiaries and/or Splitco or its Subsidiaries.

(e) From and after the Effective Time, Splitco Options, Splitco SARs and Splitco Restricted Stock, regardless of by whom held, shall be settled by Splitco pursuant to the terms of the Splitco Transitional Plan. The obligation to deliver (i) shares of Splitco Capital Stock or Splitco Starz Stock upon the exercise of Splitco Options, (ii) cash or shares of Splitco Capital Stock or Splitco Starz Stock in settlement of Splitco SARs or (iii) shares of Splitco Capital Stock or Splitco Starz Stock upon vesting of shares of Splitco Restricted Stock shall be the sole obligation of Splitco, and LMC shall have no Liability in respect thereof.

(f) It is intended that the Splitco Transitional Plan be considered, as to any Splitco Option, Splitco SAR or Splitco Restricted Stock that is issued as part of the adjustment provisions of this Section 2.3, to be a successor plan to the stock incentive plan of LMC pursuant to which the corresponding LMC Option, LMC SAR or LMC Restricted Stock was issued, and Splitco shall be deemed to have assumed the obligations under the applicable stock incentive plans of LMC to make the adjustments to the Awards set forth in this Section 2.3.

(g) With respect to Awards adjusted pursuant to this Section 2.3, employment after the Effective Time by LMC, any Qualfiying Subsidiary and their respective Subsidiaries shall be treated as employment with Splitco and its Subsidiaries with respect to Splitco Options, Splitco SARs and Splitco Restricted Stock held after the Effective Time by employees of LMC, any Qualfiying Subsidiary and their respective Subsidiaries.

(h) The Effective Time shall not be considered a termination of employment for any employee of Splitco or any of its Subsidiaries for purposes of any Award, and employment with Splitco or any of its Subsidiaries shall be treated as employment with LMC or its Subsidiaries with respect to awards under any stock incentive plan of LMC relating to shares of LMC Interactive common stock held by employees of Splitco or any of its Subsidiaries.

(i) Splitco agrees that, on and after the Effective Date, it shall use its reasonable efforts to cause to be effective under the Securities Act, on a continuous basis, a registration statement on Form S-8 with respect to shares of Splitco Capital Stock and Splitco Starz Stock issuable upon exercise of Splitco Options or settlement of Splitco SARs.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

3.1 *Representations and Warranties of the Parties.* Each party hereto represents and warrants to the other as follows:

(a) *Organization and Qualification.* Such party is a corporation duly organized, validly existing and in good standing under the laws of the state of Delaware, has all requisite corporate power and authority to own, use, lease or operate its properties and assets, and to conduct the business heretofore conducted by it, and is duly qualified to do business and is in good standing in each jurisdiction in which the properties owned, used, leased or operated by it or the nature of the business conducted by it requires such qualification, except in such jurisdictions where the failure to be so qualified and in good standing would not have a material adverse effect on its business, financial condition or results of operations or its ability to perform its obligations under this Agreement.

(b) *Authorization and Validity of Agreement.* Such party has all requisite power and authority to execute, deliver and perform its obligations under this Agreement, the agreements and instruments to which it is to be a party required to effect the Restructuring (the "*Restructuring Agreements*") and the agreements to be delivered by it at the Closing pursuant to Section 5.3 (the "*Other Agreements*"). The execution, delivery and performance by such party of this Agreement, the Restructuring Agreements and the Other Agreements and the consummation by it of the transactions contemplated hereby and thereby have been duly and validly authorized by the board of directors, managing members or analogous governing body of such party and, to the extent required by law, its stockholders or members, and no other corporate or other action on its part is necessary to authorize the execution and delivery by such party of this Agreement, the Restructuring Agreements and the Other Agreements, the performance by it of its obligations hereunder and thereunder and the consummation by it of the transactions contemplated hereby and thereby. This Agreement has been, and each of the Restructuring Agreements and each of the Other Agreements, when executed and delivered, will be, duly executed and delivered by such party and each is, or will be, a valid and binding obligation of such party, enforceable in accordance with its terms.

3.2 *No Approvals or Notices Required; No Conflict with Instruments.* The execution, delivery and performance by such party of this Agreement, the Restructuring Agreements and the Other Agreements, and the consummation of the transactions contemplated hereby and thereby, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, constitute a default under, or result in the creation of any lien, charge or encumbrance upon any of its assets pursuant to the terms of, the charter or bylaws (or such similar formation or governance instruments) of such party, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party or by which it or any of its assets are bound, or any law, rule, regulation, judgment, order or decree of any court or governmental authority having jurisdiction over it or its properties; *provided,* that no representation or warranty is given with respect to the Indenture.

3.3 *No Other Reliance.* In determining to enter into this Agreement, the Restructuring Agreements and the Other Agreements, and to consummate the transactions contemplated hereby and thereby, such party has not relied on any representation, warranty, promise or agreement other than those expressly contained herein or therein, and no other representation, warranty, promise or agreement has been made or will be implied. Except as otherwise expressly set forth herein or in the Restructuring Agreements or the Other Agreements, all Splitco Assets and Splitco Businesses are being transferred on an "as is, where is" basis, at the risk of the transferee, without any warranty whatsoever on the part of the transferor and after the Effective Time the Splitco Liabilities shall be the sole obligation of Splitco or its Subsidiaries.

ARTICLE IV
COVENANTS

4.1 *Cross-Indemnities*.

(a) Splitco hereby covenants and agrees, on the terms and subject to the limitations set forth in this Agreement, from and after the Closing, to indemnify and hold harmless LMC and its current and former directors, officers and employees, and each of the heirs, executors, trustees, administrators, successors and assigns of any of the foregoing (the "*LMC Indemnified Parties*") from and against any Losses incurred by the LMC Indemnified Parties to the extent arising out of or resulting from any of the following:

(i) the Splitco Businesses and the Splitco Assets,

(ii) the Splitco Liabilities; or

(iii) any breach of, or failure to perform or comply with, any covenant, undertaking or obligation of Splitco or any of its Subsidiaries under this Agreement, any Restructuring Agreement or any Other Agreement.

(b) LMC hereby covenants and agrees, on the terms and subject to the limitations set forth in this Agreement, from and after the Closing, to indemnify and hold harmless Splitco and its current and former directors, officers and employees, and each of the heirs, executors, trustees, administrators, successors and assigns of any of the foregoing (the "*Splitco Indemnified Parties*") from and against any Losses incurred by the Splitco Indemnified Parties to the extent arising out of or resulting from:

(i) the LMC Retained Businesses and the LMC Retained Assets;

(ii) the LMC Retained Liabilities; or

(iii) any breach of, or failure to perform or comply with, any covenant, undertaking or obligation of LMC or any of its Subsidiaries (other than the Splitco Entities) under this Agreement, any Restructuring Agreement or any Other Agreement.

(c) The indemnification provisions set forth in Sections 4.1(a) and (b) shall not apply to: (i) any Losses the responsibility for which is expressly covered by a Restructuring Agreement or an Other Agreement, including the Tax Sharing Agreement; (ii) any Losses incurred by any Splitco Entity pursuant to any contractual obligation (other than the Restructuring Agreements or the Other Agreements) existing on or after the Closing Date between (x) LMC or any of its Affiliates, on the one hand, and (y) Splitco or any of its Affiliates, on the other hand; and (iii) any Losses incurred by any LMC Entity pursuant to any contractual obligation (other than the Restructuring Agreements or Other Agreements) existing on or after the Closing Date between (x) LMC or any of its Affiliates, on the one hand, and (y) Splitco or any of its Affiliates, on the other hand.

(d) (i) In connection with any indemnification provided for in this Section 4.1, the party seeking indemnification (the "*Indemnitee*") will give the party from which indemnification is sought (the "*Indemnitor*") prompt notice whenever it comes to the attention of the Indemnitee that the Indemnitee has suffered or incurred, or may suffer or incur, any Losses for which it is entitled to indemnification under this Section 4.1, and, if and when known, the facts constituting the basis for such claim and the projected amount of such Losses (which shall not be conclusive as to the amount of such Losses), in each case in reasonable detail. Without limiting the generality of the foregoing, in the case of any claim, investigation, action, suit or proceeding made or commenced by a third party for which indemnification is being sought (a "*Third-Party Claim*"), such notice will be given no later than ten business days following receipt by the Indemnitee of written notice of such Third-Party Claim. Failure by any Indemnitee to so notify the Indemnitor will not affect the rights of such Indemnitee hereunder except to the extent that such failure has a material prejudicial effect on the defenses or other rights available to the Indemnitor with respect to such Third Party Claim. The Indemnitee will deliver to the Indemnitor as promptly as practicable, and in any event within five business days after Indemnitee's receipt, copies of all notices, court papers and other documents received by the Indemnitee relating to any Third-Party Claim.

(ii) After receipt of a notice pursuant to Section 4.1(d)(i) with respect to any Third-Party Claim, the Indemnitor will be entitled, if it so elects, to take control of the defense and investigation with respect to such Third-Party Claim and to employ and engage attorneys reasonably satisfactory to the Indemnitee to handle and defend such claim, at the Indemnitor's cost, risk and expense, upon written notice to the Indemnitee of such election, which notice acknowledges the Indemnitor's obligation to provide indemnification under this Agreement with respect to any Losses arising out of or relating to such Third-Party Claim. The Indemnitor will not settle any Third-Party Claim that is the subject of indemnification without the written consent of the Indemnitee, which consent will not be unreasonably withheld, conditioned or delayed; *provided, however*, that, after reasonable notice, the Indemnitor may settle a claim without the Indemnitee's consent if such settlement (A) makes no admission or acknowledgment of Liability or culpability with respect to the Indemnitee, (B) includes a complete release of the Indemnitee and (C) does not seek any relief against the Indemnitee other than the payment of money damages to be borne by the Indemnitor. The Indemnitee will cooperate in all reasonable respects with the Indemnitor and its attorneys in the investigation, trial and defense of any lawsuit or action with respect to such claim and any appeal arising therefrom (including the filing in the Indemnitee's name of appropriate cross-claims and counterclaims). The Indemnitee may, at its own cost, participate in any investigation, trial and defense of any Third-Party Claim controlled by the Indemnitor and any appeal arising therefrom, including participating in the process with respect to the potential settlement or compromise thereof. If the Indemnitee has been advised by its counsel that there may be one or more legal defenses available to the Indemnitee that conflict with those available to, or that are not available to, the Indemnitor [("*Separate Legal Defenses*")], or that there may be actual or potential differing or conflicting interests between the Indemnitor and the Indemnitee in the conduct of the defense of such Third-Party Claim, the Indemnitee will have the right, at the expense of the Indemnitor, to engage separate counsel reasonably acceptable to the Indemnitor to handle and defend such Third Party Claim, and the Indemnitor will not have the right to control the defense or investigation of such [Third-Party Claim].

(e) In no event will the Indemnitor be liable to any Indemnitee for any special, consequential, indirect, collateral, incidental or punitive damages, however caused and on any theory of liability arising in any way out of this Agreement, whether or not such Indemnitor was advised of the possibility of any such damages; *provided*, that the foregoing limitations shall not limit a party's indemnification obligations for any Losses incurred by an Indemnitee as a result of the assertion of a Third Party Claim.

(f) The Indemnitor and the Indemnitee shall use commercially reasonable efforts to avoid production of confidential information, and to cause all communications among employees, counsel and others representing any party with respect to a Third Party Claim to be made so as to preserve any applicable attorney-client or work-product privilege.

(g) The Indemnitor shall pay all amounts payable pursuant to this Section 4.1 by wire transfer of immediately available funds, promptly following receipt from an Indemnitee of a bill, together with all accompanying reasonably detailed backup documentation, for any Losses that are the subject of indemnification hereunder, unless the Indemnitor in good faith disputes the amount of such Losses or whether such Losses are covered by the Indemnitor's indemnification obligation in which event the Indemnitor shall promptly so notify the Indemnitee. In any event, the Indemnitor shall pay to the Indemnitee, by wire transfer of immediately available funds, the amount of any Losses for which it is liable hereunder no later than three (3) days following any final determination of the amount of such Losses and the Indemnitor's liability therefor. A "final determination" shall exist when (a) the parties to the dispute have reached an agreement in writing or (b) a court of competent jurisdiction shall have entered a final and non-appealable order or judgment.

(h) If the indemnification provided for in this Section 4.1 shall, for any reason, be unavailable or insufficient to hold harmless an Indemnitee in respect of any Losses for which it is entitled to indemnification hereunder, then the Indemnitor shall contribute to the amount paid or payable by such Indemnitee as a result of such Losses, in such proportion as shall be appropriate to reflect the relative benefits received by and the relative fault of the Indemnitor on the one hand and the Indemnitee on the other hand with respect to the matter giving rise to such Losses.

(i) The remedies provided in this Section 4.1 shall be cumulative and shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against an Indemnitor.

(j) The rights and obligations of the LMC Indemnified Persons and the Splitco Indemnified Persons under this Section 4.1 shall survive the Split-Off.

(k) For the avoidance of doubt, the provisions of this Section 4.1 are not intended to, and shall not, apply to any Loss, claim or Liability to which the provisions of the Tax Sharing Agreement are applicable.

4.2 *Further Assurances.* At any time before or after the Closing, each party hereto covenants and agrees to make, execute, acknowledge and deliver such instruments, agreements, consents, assurances and other documents, and to take all such other commercially reasonable actions, as any other party may reasonably request and as may reasonably be required in order to carry out the purposes and intent of this Agreement and to implement the terms hereof.

4.3 *Specific Performance.* Each party hereby acknowledges that the benefits to the other party of the performance by such party of its obligations under this Agreement are unique and that the other party hereto is willing to enter into this Agreement only in reliance that such party will perform such obligations, and agrees that monetary damages may not afford an adequate remedy for any failure by such party to perform any of such obligations. Accordingly, each party hereby agrees that the other party will have the right to enforce the specific performance of such party's obligations hereunder and irrevocably waives any requirement for securing or posting of any bond or other undertaking in connection with the obtaining by the other party of any injunctive or other equitable relief to enforce their rights hereunder.

4.4 *Access to Information.*

(a) Each party will provide to the other party, at any time before or after the Redemption Date, upon written request and promptly after the request therefor (subject in all cases, to any bona fide concerns of attorney-client or work-product privilege that any party may reasonably have and any restrictions contained in any agreements or contracts to which any party or its Subsidiaries is a party (it being understood that each of LMC and Splitco will use its reasonable best efforts to provide any such information in a manner that does not result in a violation of a privilege)), any information in its possession or under its control that the requesting party reasonably needs (i) to comply with reporting, filing or other requirements imposed on the requesting party by a foreign or U.S. federal, state or local judicial, regulatory or administrative authority having jurisdiction over the requesting party or its Subsidiaries, (ii) to enable the requesting party to institute or defend against any action, suit or proceeding in any foreign or U.S. federal, state or local court or (iii) to enable the requesting party to implement the transactions contemplated hereby, including but not limited to performing its obligations under this Agreement, the Restructuring Agreements and the Other Agreements.

(b) Any information belonging to a party that is provided to another party pursuant to Section 4.4(a) will remain the property of the providing party. The parties agree to cooperate in good faith to take all reasonable efforts to maintain any legal privilege that may attach to any information delivered pursuant to this Section 4.4 or which otherwise comes into the receiving party's possession and control pursuant to this Agreement. Nothing contained in this Agreement will be construed as granting or conferring license or other rights in any such information.

(c) The party requesting any information under this Section 4.4 will reimburse the providing party for the reasonable out of pocket costs, if any, of creating, gathering and copying such information, to the extent that such costs are incurred for the benefit of the requesting party. No party will have any Liability to any other party if any information exchanged or provided pursuant to this Agreement that is an estimate or forecast, or is based on an estimate or forecast, is found to be inaccurate, absent willful misconduct or fraud by the party providing such information.

(d) For the avoidance of doubt, the provisions of this Section 4.4 are not intended to, and shall not, apply to any information relating to matters governed by the Tax Sharing Agreement, which shall be subject to the provisions thereof in lieu of this Section 4.4.

4.5 *Confidentiality.* Each party will keep confidential for five years following the Closing Date (or for three years following disclosure to such party, whichever is longer), and will use reasonable efforts to cause its officers, directors, members, employees, Affiliates and agents to keep confidential during such period all Proprietary Information of the other party, in each case to the extent permitted by applicable law.

(a) "*Proprietary Information*" means any proprietary ideas, plans and information, including information of a technological or business nature, of a party (in this context, the "*Disclosing Party*") (including all trade secrets, intellectual property, data, summaries, reports or mailing lists, in whatever form or medium whatsoever, including oral communications, and however produced or reproduced), that is marked proprietary or confidential, or that bears a marking of like import, or that the Disclosing Party states is to be considered proprietary or confidential, or that a reasonable and prudent person would consider proprietary or confidential under the circumstances of its disclosure. Without limiting the foregoing, all information of the types referred to in the immediately preceding sentence to the extent used by Splitco or the Splitco Businesses or which constitute Splitco Assets on or prior to the Closing Date that is treated as proprietary or confidential, or that a reasonable and prudent person would consider proprietary or confidential under the circumstances, will constitute Proprietary Information of Splitco for purposes of this Section 4.5 (it being understood that LMC or its Subsidiaries may retain copies of such information).

(b) Anything contained herein to the contrary notwithstanding, information of a Disclosing Party will not constitute Proprietary Information (and the other party (in this context, the "*Receiving Party*") will have no obligation of confidentiality with respect thereto), to the extent such information: (i) is in the public domain other than by the breach of this Agreement or by breach of any other agreement relating to confidentiality between the Disclosing Party and the Receiving Party; (ii) was lawfully acquired by the Disclosing Party from a third party not bound by a confidentiality obligation; (iii) is approved for release by prior written authorization of the Disclosing Party, or (iv) is disclosed in order to comply with a judicial order issued by a court of competent jurisdiction, or to comply with the laws or regulations of any governmental authority having jurisdiction over the Receiving Party, in which event the Receiving Party will give prior written notice to the Disclosing Party of such disclosure as soon as practicable and will cooperate with the Disclosing Party in using commercially reasonable efforts to obtain an appropriate protective order or equivalent, and provided that the information will continue to be Proprietary Information to the extent it is covered by such protective order or equivalent.

4.6 *Notices Regarding Transferred Assets.* Any transferor of an asset, Liability, contract or interest in the Restructuring that receives a notice or other communication from any third party, or that otherwise becomes aware of any fact or circumstance, after the Restructuring, relating to such asset, Liability, contract or interest will use commercially reasonable efforts to promptly forward the notice or other communication to the transferee thereof or give notice to such transferee of such fact or circumstance of which it has become aware. The parties will cause their respective Subsidiaries to comply with this Section 4.6.

4.7 *Treatment Of Payments.* The parties agree to treat all payments made pursuant to this Agreement in accordance with Section 4.6 of the Tax Sharing Agreement and to increase or reduce any amount paid hereunder if such payment would have been required to be increased or reduced under such section if it was a payment made pursuant to the Tax Sharing Agreement.

ARTICLE V
CLOSING

5.1 *Closing.* Unless this Agreement is terminated and the transactions contemplated by this Agreement abandoned pursuant to the provisions of Article VI, and subject to the satisfaction of all conditions set forth in Sections 2.2 and 5.2 (or the waiver of such conditions, to the extent such conditions may be waived), the closing of the Redemptions (the "*Closing*") will take place at the offices of LMC, at 12300 Liberty Boulevard, Englewood, Colorado, at a mutually acceptable time and date to be determined by LMC (the "*Closing Date*").

5.2 *Conditions to Closing.*

(a) The obligations of the parties to complete the transactions provided for herein are conditioned upon the satisfaction or, if applicable, waiver of the conditions set forth in Section 2.2.

(b) The performance by each party of its obligations hereunder is further conditioned upon:

(i) the performance in all material respects by the other party of its covenants and agreements contained herein to the extent such are required to be performed at or prior to the Closing; and

(ii) the representations and warranties of the other party being true and complete in all material respects as of the Closing Date with the same force and effect as if made at and as of the Closing Date.

5.3 *Deliveries at Closing.*

(a) *LMC.* At the Closing, LMC will deliver or cause to be delivered to Splitco:

(i) the Tax Sharing Agreement duly executed by an authorized officer of LMC and Liberty Media LLC;

(ii) the Services Agreement duly executed by an authorized officer of LMC;

(iii) the Facilities Sharing Agreement duly executed by an authorized officer of LMC;

(iv) the Aircraft Usage Agreement duly executed by an authorized officer of LMC;

(v) a secretary's certificate certifying that the LMC Board has authorized the execution, delivery and performance by LMC of this Agreement, the Restructuring Agreements and the Other Agreements, which authorization will be in full force and effect at and as of the Closing; and

(vi) such other documents and instruments as Splitco may reasonably request.

(b) *Splitco.* At the Closing, Splitco will deliver or cause to be delivered to LMC:

(i) the Tax Sharing Agreement duly executed by an authorized officer of Splitco;

(ii) the Services Agreement duly executed by an authorized officer of Splitco;

(iii) the Facilities Sharing Agreement duly executed by an authorized officer of Liberty Property Holdings, Inc. (a Subsidiary of Splitco);

(iv) the Aircraft Usage Agreement duly executed by an authorized officer of Splitco;

(v) a secretary's certificate certifying that the Board of Splitco has authorized the execution, delivery and performance by Splitco of this Agreement, the Restructuring Agreements and the Other Agreements, which authorizations will be in full force and effect at and as of the Closing; and

(vi) such other documents and instruments as LMC may reasonably request.

ARTICLE VI
TERMINATION

6.1 *Termination.* This Agreement may be terminated and the transactions contemplated hereby may be amended, modified, supplemented or abandoned at any time prior to the Effective Time by and in the sole and absolute discretion of LMC without the approval of Splitco or the holders of Liberty Capital Stock or Liberty Starz Stock. For the avoidance of doubt, from and after the Effective Time, this Agreement may not be terminated (or any provision hereof modified, amended or waived) without the written agreement of all the parties hereto.

6.2 *Effect of Termination.* In the event of any termination of this Agreement in accordance with Section 6.1, this Agreement will immediately become void and the parties hereto will have no Liability whatsoever to each other with respect to the transactions contemplated hereby.

ARTICLE VII
MISCELLANEOUS

7.1 Definitions.

(a) For purposes of this Agreement, the following terms have the corresponding meanings:

"*Action*" means any demand, action, claim, suit, countersuit, litigation, arbitration, prosecution, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, inquiry, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any court, grand jury or other governmental authority or any arbitrator or arbitration panel.

"*Affiliates*" means with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such first Person. For the avoidance of doubt, none of LMC and its Subsidiaries shall be deemed to be Affiliates of Splitco or any of its Subsidiaries, and none of Splitco and its Subsidiaries shall be deemed to be Affiliates of LMC or any of its Subsidiaries, in each case both before and after the Effective Time.

"*Aircraft Usage Agreement*" means the Aircraft Usage Agreement between LMC and Splitco, substantially in the form attached hereto as *Exhibit A.*

"*Assets*" means assets, properties and rights (including goodwill), wherever located, whether real, personal or mixed, tangible or intangible, movable or immovable, in each case whether or not required by GAAP to be reflected in financial statements or disclosed in the notes thereto.

"*Contribution*" has the meaning given to such term in the Restructuring Plan.

"*Control*" means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through ownership of securities or partnership, membership, limited liability company, or other ownership interests, by contract or otherwise and the terms "*Controlling*" and "*Controlled*" have meanings correlative to the foregoing.

"*DGCL*" means the Delaware General Corporation Law, as amended.

"*Exchange Act*" means the Securities Exchange Act of 1934, together with the rules and regulations promulgated thereunder.

"*Excluded Assets*" means all Assets attributed to LMC's Capital Group or Starz Group which, pursuant to the Restructuring Plan, are to be reattributed to LMC's Interactive Group.

"*Excluded Liabilities*" means all Liabilities attributed to LMC's Capital Group or Starz Group which, pursuant to the Restructuring Plan, are to be reattributed to LMC's Interactive Group.

"*Facilities Sharing Agreement*" means the Facilities Sharing Agreement between Liberty Property Holdings, Inc. and LMC, substantially in the form attached hereto as *Exhibit B*.

"*GAAP*" means generally accepted accounting principles as in effect from time to time in the United States, consistently applied.

"*Governmental Authorization*" means any consent, license, certificate or permit issued, granted, or otherwise made available under the authority of any court, governmental or regulatory authority, agency, stock exchange, commission or body.

"*IRS*" means the Internal Revenue Service.

"*Liabilities*" means any and all debts, liabilities, commitments and obligations, whether or not fixed, contingent or absolute, matured or unmatured, direct or indirect, liquidated or unliquidated, accrued or unaccrued, known or unknown, and whether or not required by GAAP to be reflected in financial statements or disclosed in the notes thereto (other than taxes).

"*LMC Board*" means the Board of Directors of LMC or a duly authorized committee thereof.

"*LMC Charter"* means the Restated Certificate of Incorporation of LMC, as in effect immediately prior to the Redemption Date.

"*LMC Entities*" means and includes each of LMC and its Subsidiaries (other than the Splitco Entities), after giving effect to the Restructuring.

"*LMC Option*" means an option to purchase shares of Liberty Capital Stock or Liberty Starz Stock pursuant to a stock incentive plan of LMC.

"*LMC Retained Assets*" means all Assets which (i) immediately prior to the Effective Time, are attributed to the Liberty Interactive Group or (ii) are Excluded Assets.

"*LMC Retained Businesses*" means all businesses which, immediately prior to the Effective Time, are attributed to the Liberty Interactive Group, including QVC, Inc., Backcountry.com, Bodybuilding.com., BUYSEASONS, Evite, Gifts.com and Provide Commerce, Inc.

"*LMC Retained Liabilities*" means all Liabilities which, immediately prior to the Effective Time, are attributed to LMC's Interactive Group or are Excluded Liabilities.

"*LMC SARs*" means stock appreciation rights with respect to shares of Liberty Capital Stock or Liberty Starz Stock granted under a stock incentive plan of LMC.

"*Losses*" means any and all damages, losses, deficiencies, Liabilities, penalties, judgments, settlements, claims, payments, fines, interest, costs and expenses (including the fees and expenses of any and all actions and demands, assessments, judgments, settlements and compromises relating thereto and the costs and expenses of attorneys', accountants', consultants' and other professionals' fees and expenses incurred in the investigation or defense thereof or the enforcement of rights hereunder), whether in connection with a Third-Party Claim or otherwise.

"*Order*" means any order, injunction, judgment, decree or ruling of any court, governmental or regulatory authority, agency, commission or body.

"*Person*" means any individual, corporation, company, partnership, trust, incorporated or unincorporated association, joint venture or other entity of any kind.

"*Proxy Statement/Prospectus*" means the proxy statement of LMC relating to the Stockholder Meeting which includes the prospectus of Splitco and forms a part of the Registration Statement.

"*Qualifying Subsidiary*" means a former subsidiary of LMC (or its predecessor Liberty Media LLC), any successor of any such former subsidiary, and the parent company directly or indirectly of any such former subsidiary or successor, including without limitation Ascent Media Corporation, DIRECTV, Discovery Communications, Inc. and Liberty Global, Inc.

"*Redemption*" means the LCAP Redemption or the LSTZ Redemption.

"*Redemption Agent*" means [Computershare Trust Company, N.A., P.O. Box 43102, Providence, Rhode Island 02940].

"*Registration Statement*" means the registration statement of Splitco on Form S-4 relating to the Redemptions.

"*Restructuring Plan*" means the Plan of Restructuring attached hereto as Schedule 1.1.

"*SEC*" means the Securities and Exchange Commission.

"*SEC Filings*" means the Registration Statement, the Proxy Statement/Prospectus, any amendments or supplements thereto, including any preliminary filings of the same, and any other registration statements or reports filed under the Securities Act or Exchange Act, in connection with the Redemptions.

"*Securities Act*" means the Securities Act of 1933, together with all rules and regulations promulgated thereunder.

"*Services Agreement*" means the Services Agreement between LMC and Splitco, substantially in the form attached hereto as *Exhibit C*.

"*Splitco Assets*" means all assets, properties and rights (including goodwill), wherever located, whether real, personal or mixed, tangible or intangible, which immediately prior to the Effective Time are attributed to either the Liberty Capital Group or the Liberty Starz Group, other than the LMC Retained Assets.

"*Splitco Board*" means the Board of Directors of Splitco or a duly authorized committee thereof.

"*Splitco Businesses*" means all businesses which, immediately prior to the Effective Time, are attributed to either the Liberty Capital Group or the Liberty Starz Group, including Atlanta National League Baseball Club, TruePosition, Inc., Starz Entertainment, LLC, Starz Media, LLC and Liberty Sports Interactive, Inc.

"*Splitco Charter*" means the Restated Certificate of Incorporation of Splitco to be filed with the Delaware Secretary of State at the Effective Time, substantially in the form attached hereto as *Exhibit D*.

"*Splitco Entities*" means and includes each of Splitco and its Subsidiaries, after giving effect to the Restructuring.

"*Splitco Liabilities*" means all Liabilities which are attributed to either LMC's Capital Group or Starz Group, other than the LMC Retained Liabilities.

"*Splitco Option*" means any option to purchase shares of Splitco Capital Stock or Splitco Starz Stock issued pursuant to the Splitco Transitional Plan.

"*Splitco Restricted Stock"* means any shares of Splitco Capital Stock or Splitco Starz Stock subject to restricted stock awards issued pursuant to the Splitco Transitional Plan.

"*Splitco SARs*" means stock appreciation rights with respect to Splitco Capital Stock or Splitco Starz Stock issued pursuant to the Splitco Transitional Plan.

"*Splitco Stock*" means the Splitco Capital Stock and the Splitco Starz Stock.

"*Splitco Transitional Plan*" means the 2011 Splitco Transitional Incentive Plan.

"*Subsidiary*" when used with respect to any Person, means (i)(A) a corporation a majority in voting power of whose share capital or capital stock with voting power, under ordinary circumstances, to elect directors is at the time, directly or indirectly, owned by such Person, by one or more Subsidiaries of such Person, or by such Person and one or more Subsidiaries of such Person, whether or not such power is subject to a voting agreement or similar encumbrance, (B) a partnership or limited liability company in which such Person or a Subsidiary of such Person is, at the date of determination, (1) in the case of a partnership, a general partner of such partnership with the power affirmatively to direct the policies and management of such partnership or (2) in the case of a limited liability company, the managing member or, in the absence of a managing member, a member with the power affirmatively to direct the policies and management of such limited liability company, or (C) any other Person (other than a corporation) in which such Person, one or more Subsidiaries of such Person or such Person and one or more Subsidiaries of such Person, directly or indirectly, at the date of determination thereof, has or have (1) the power to elect or direct the election of a majority of the members of the governing body of such Person, whether or not such power is subject to a voting agreement or similar encumbrance, or (2) in the absence of such a governing body, at least a majority ownership interest or (ii) any other Person of which an aggregate of 50% or more of the equity interests are, at the time, directly or indirectly, owned by such Person and/or one or more Subsidiaries of such Person. For purposes of this Agreement, both prior to and after the Effective Time none of Splitco and its Subsidiaries shall be deemed to be Subsidiaries of LMC or any of its Subsidiaries.

"*Tax Sharing Agreement*" means the Tax Sharing Agreement among LMC, Liberty Media LLC and Splitco, substantially in the form attached hereto as *Exhibit E*.

"*Treasury Regulations*" means the Treasury regulations promulgated under the Code.

(b) As used herein, the following terms will have the meanings set forth in the applicable section of this Agreement set forth below:

Agreement	Preamble
Awards	Section 2.3(a)
Closing	Section 5.1
Closing Date	Section 5.1
Code	Recitals
Delaware Action	Section 2.2(i)
Delaware Chancery Court	Section 7.8
Disclosing Party	Section 4.5(a)
Effective Time	Section 2.1(a)
FCC	Section 2.2(f)
Indemnitee	Section 4.1(d)(i)
Indemnitor	Section 4.1(d)(i)
Indenture	Section 2.2(i)
Splitco	Preamble
Splitco Asset Successor	Section 7.6(b)
Splitco Capital Option	Section 2.3(b)(i)
Splitco Capital SAR	Section 2.3(c)(i)
Splitco Capital Stock	Section 2.1(b)
Splitco Indemnified Parties	Section 4.1(b)
Splitco Series A Capital Stock	Section 2.1(b)
Splitco Series B Capital Stock	Section 2.1(b)
Splitco Series A Starz Stock	Section 2.1(b)
Splitco Series B Starz Stock	Section 2.1(b)
Splitco Successor Entity	Section 7.6(b)
Splitco Starz Option	Section 2.3(b)(ii)
Splitco Starz SAR	Section 2.3(c)(ii)
Splitco Starz Stock	Section 2.1(b)
Splitco Successor Parent	Section 7.6(b)
Splitco Successor	Section 7.6(b)
Split-Off	Recitals
LCAPA	Recitals
LCAPB	Recitals
LCAP Redemption	Recitals
Liberty Capital Stock	Recitals
Liberty Starz Stock	Recitals
LMC	Preamble
LMC Indemnified Parties	Section 4.1(a)
LMC Restricted Stock	Section 2.3(d)
LSTZA	Recitals
LSTZB	Recitals
LSTZ Redemption	Recitals
Nasdaq	Section 2.2(e)
Outstanding LMC Capital Option	Section 2.3(b)(i)
Outstanding LMC Capital SAR	Section 2.3(c)(i)
Outstanding LMC Starz Option	Section 2.3(b)(ii)
Outstanding LMC Starz SAR	Section 2.3(c)(ii)
Other Agreements	Section 3.1(b)
Proprietary Information	Section 4.5(a)

Receiving Party	Section 4.5(b)
Record Date	Section 2.1(a)
Redemptions	Recitals
Redemption Date	Section 2.1(a)
Restructuring	Section 1.1(a)
Restructuring Agreements	Section 3.1(b)
[**Separate Legal Defenses**]	**[Section 4.1(d)(ii)]**
Stockholders Meeting	Section 2.1(a)
Third-Party Claim	Section 4.1(d)(i)

7.2 *No Third-Party Rights.* Except for the indemnification rights of the LMC Indemnified Persons and the Splitco Indemnified Persons pursuant to Section 4.1, nothing expressed or referred to in this Agreement is intended or will be construed to give any Person other than the parties hereto and their respective successors and assigns any legal or equitable right, remedy or claim under or with respect to this Agreement, or any provision hereof, it being the intention of the parties hereto that this Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this Agreement and their respective successors and assigns.

7.3 *Notices.* All notices and other communications hereunder shall be in writing and shall be delivered in person, by facsimile (with confirming copy sent by one of the other delivery methods specified herein), by overnight courier or sent by certified, registered or express air mail, postage prepaid, and shall be deemed given when so delivered in person, or when so received by facsimile or courier, or, if mailed, three (3) calendar days after the date of mailing, as follows:

if to any LMC Entity: Liberty Media Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112
Facsimile (720) 875-5401
Attention: General Counsel

if to any Splitco Entity: Liberty Splitco, Inc.
12300 Liberty Boulevard
Englewood, Colorado 80112
Facsimile (720) 875-5401
Attention: General Counsel

or to such other address as the party to whom notice is given may have previously furnished to the other party in writing in the manner set forth above.

7.4 *Entire Agreement.* This Agreement (including the Exhibits and Schedules attached hereto) together with the Restructuring Agreements and the Other Agreements (including the Tax Sharing Agreement and the Services Agreement) embodies the entire understanding among the parties relating to the subject matter hereof and thereof and supersedes and terminates any prior agreements and understandings among the parties with respect to such subject matter, and no party to this Agreement shall have any right, responsibility or Liability under any such prior agreement or understanding. Any and all prior correspondence, conversations and memoranda are merged herein and shall be without effect hereon. No promises, covenants or representations of any kind, other than those expressly stated herein, have been made to induce either party to enter into this Agreement.

7.5 *Binding Effect; Assignment.* This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Except with respect to a merger of a party, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto without the prior written consent of the other parties; *provided*, *however*, that LMC and Splitco may assign their respective rights, interests, duties, liabilities and obligations under this Agreement to any of their respective wholly-owned Subsidiaries, but such assignment shall not relieve LMC or Splitco, as the assignor, of its obligations hereunder.

7.6 *Costs and Expenses.* LMC and Splitco will each pay their respective costs and expenses incurred in connection with the Restructuring and the Redemptions.

7.7 *Governing Law; Jurisdiction.* THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement will be brought exclusively in the Court of Chancery of the State of Delaware (the "*Delaware Chancery Court*"), or, if the Delaware Chancery Court does not have subject matter jurisdiction, in the federal courts located in the State of Delaware. Each of the parties hereby consents to personal jurisdiction in any such action, suit or proceeding brought in any such court (and of the appropriate appellate courts therefrom) and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 7.3 shall be deemed effective service of process on such party.

7.8 *Waiver of Jury Trial.* EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND, THEREFORE, EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY ACTION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH OR RELATING TO THIS AGREEMENT. EACH PARTY HERETO CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF SUCH ACTION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.9.

7.9 *Severability.* Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Upon a determination that any provision of this Agreement is prohibited or unenforceable in any jurisdiction, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the provisions contemplated hereby are consummated as originally contemplated to the fullest extent possible.

7.10 *Amendments; Waivers.* Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as otherwise provided herein, the rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by applicable law. Any consent provided under this Agreement must be in writing, signed by the party against whom enforcement of such consent is sought.

7.11 *No Strict Construction; Interpretation*.

(a) LMC and Splitco each acknowledge that this Agreement has been prepared jointly by the parties hereto and shall not be strictly construed against any party hereto.

(b) When a reference is made in this Agreement to an Article, Section, Exhibit or Schedule, such reference shall be to an Article of, a Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

7.12 *Conflicts with Tax Sharing Agreement.* In the event of a conflict between this Agreement and the Tax Sharing Agreement, the provisions of the Tax Sharing Agreement shall prevail.

7.13 *Counterparts.* This Agreement may be executed in two or more identical counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same agreement. The Agreement may be delivered by facsimile transmission of a signed copy thereof.

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

LIBERTY MEDIA CORPORATION

By:

Name:
Title:

[LIBERTY SPLITCO, INC.]

By:

Name:
Title:

[SIGNATURE PAGE TO REORGANIZATION AGREEMENT]

Exhibit A

Form of Aircraft Usage Agreement

Exhibit B

Form of Facilities Sharing Agreement

Exhibit C

Form of Services Agreement

Exhibit D

Form of Splitco Charter

Exhibit E

Form of Tax Sharing Agreement

Schedule 1.1

Restructuring Plan

List of Omitted Exhibits and Schedules

The following exhibits and schedules to the Reorganization Agreement, dated as of [ ], 2011, by and between Liberty Media Corporation and [Liberty Splitco, Inc.] have not been provided herein:

Exhibit A: Form of Aircraft Usage Agreement (See Exhibit 10.8 to Form S-4 filed herewith)

Exhibit B: Form of Facilities Sharing Agreement (See Exhibit [ ] to Registration Statement on Form S-4) (333—)

Exhibit C: Form of Services Agreement (See Exhibit 10.5 to Form S-4 filed herewith)

Exhibit D: Form of Splitco Charter (See Exhibit 3.1 to Form S-4 filed herewith) (333—)

Exhibit E: Form of Tax Sharing Agreement (See Exhibit 10.4 to Form S-4 filed herewith)

Schedule 1.1—Restructuring Plan

The undersigned registrant hereby undertakes to furnish supplementally a copy of any omitted exhibit or schedule to the Securities and Exchange Commission upon request.

QuickLinks

Exhibit 3.1

FORM OF
CERTIFICATE OF INCORPORATION
OF LIBERTY SPLITCO, INC.

LIBERTY SPLITCO, INC., a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

(1) The name of the Corporation is Liberty Splitco, Inc. The original Certificate of Incorporation of the Corporation was filed on [,]. The name under which the Corporation was originally incorporated is [ ].

(2) This Restated Certificate of Incorporation restates and amends the Certificate of Incorporation of the Corporation.

(3) This Restated Certificate of Incorporation has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware.

(4) This Restated Certificate of Incorporation will become effective upon its filing with the Secretary of State of the State of Delaware.

(5) Pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware, the text of the Certificate of Incorporation is hereby restated to read in its entirety as follows:

ARTICLE I

NAME

The name of the corporation is Liberty Splitco, Inc. (the "**Corporation**").

ARTICLE II

REGISTERED OFFICE

The address of the registered office of the Corporation in the State of Delaware is 2711 Centerville Road, Suite 400, in the City of Wilmington, County of New Castle, 19808. The name of its registered agent at such address is the Corporation Service Company.

ARTICLE III

PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware (as the same may be amended from time to time, "**DGCL**").

ARTICLE IV

AUTHORIZED STOCK

The total number of shares of capital stock which the Corporation will have authority to issue is twelve billion two hundred seventy-five million (12,275,000,000) shares, which will be divided into the following classes:

(a) twelve billion two hundred twenty-five million (12,225,000,000) shares will be of a class designated Common Stock, par value $0.01 per share ("**Common Stock**"), such class to be divided in series as provided in Section A of this Article IV; and

(b) fifty million (50,000,000) shares will be of a class designated Preferred Stock, par value $0.01 per share ("**Preferred Stock**"), such class to be issuable in series as provided in Section B of this Article IV.

Upon this Certificate becoming effective pursuant to the DGCL (the "**Effective Time**"), all shares of Common Stock, par value $0.01 per share, issued and outstanding immediately prior to the Effective Time shall automatically be reclassified as (i) W (as defined below) number of shares of the Corporation's Series A Splitco Starz Common Stock, par value $0.01 per share, (ii) X (as defined below) number of shares of the Corporation's Series A Splitco Capital Common Stock, par value $0.01 per share, (iii) Y (as defined below) number of shares of the Corporation's Series B Splitco Starz Common Stock, par value $0.01 per share, and (iv) Z (as defined below) number of shares of the Corporation's Series B Splitco Capital Common Stock, par value $0.01 per share, in each case without any action by the holder thereof. As used in this paragraph, "W" means the number of outstanding shares of Liberty Media Corporation's Series A Liberty Starz Common Stock, par value $.01 per share, "X" means the number of outstanding shares of Liberty Media Corporation's Series A Liberty Capital Common Stock, par value $.01 per share, "Y" means the number of outstanding shares of Liberty Media Corporation's Series B Liberty Starz Common Stock, par value $.01 per share (the "**LMC Series B Starz Common Stock**"), and "Z" means the number of outstanding shares of Liberty Media Corporation's Series B Liberty Capital Common Stock, par value $.01 per share (the "**LMC Series B Capital Common Stock**"), in each case, as of the Effective Time.

The description of the Common Stock and the Preferred Stock of the Corporation, and the relative rights, preferences and limitations thereof, or the method of fixing and establishing the same, are as hereinafter in this Article IV set forth:

SECTION A

COMMON STOCK

1. ***General.***

Two billion (2,000,000,000) shares of Common Stock will be of a series designated Series A Splitco Capital Common Stock (the "**Series A Splitco Capital Common Stock**"), seventy five million (75,000,000) shares of Common Stock will be of a series designated Series B Splitco Capital Common Stock (the "**Series B Splitco Capital Common Stock**"), and two billion (2,000,000,000) shares of Common Stock will be of a series designated as Series C Splitco Capital Common Stock (the "**Series C Splitco Capital Common Stock**" and together with the Series A Splitco Capital Common Stock and the Series B Splitco Capital Common Stock, the "**Splitco Capital Common Stock**"). Four billion (4,000,000,000) shares of Common Stock will be of a series designated Series A Splitco Starz Common Stock (the "**Series A Splitco Starz Common Stock**"), one hundred fifty million (150,000,000) shares of Common Stock will be of a series designated Series B Splitco Starz Common Stock (the "**Series B Splitco Starz Common Stock**"), and four billion (4,000,000,000) shares of Common Stock will be of a series designated as Series C Splitco Starz Common Stock (the "**Series C Splitco Starz Common Stock**" and together with the Series A Splitco Starz Common Stock and the Series B Splitco Starz Common Stock, the "**Splitco Starz Common Stock**").

2. ***Splitco Capital Common Stock and Splitco Starz Common Stock.***

Each share of Series A Splitco Capital Common Stock, Series B Splitco Capital Common Stock and Series C Splitco Capital Common Stock will, except as otherwise provided in this Section A.2., be identical in all respects and will have equal rights, powers and privileges.

Each share of Series A Splitco Starz Common Stock, Series B Splitco Starz Common Stock and Series C Splitco Starz Common Stock will, except as otherwise provided in this Section A.2., be identical in all respects and will have equal rights, powers and privileges.

(a) *Voting Powers.*

(i) *Series A Splitco Capital Common Stock, Series B Splitco Capital Common Stock, Series A Splitco Starz Common Stock and Series B Splitco Starz Common Stock.* Holders of Series A Splitco Capital Common Stock will be entitled to one vote for each share of such stock held of record, holders of Series B Splitco Capital Common Stock will be entitled to ten votes for each share of such stock held of record, holders of Series A Splitco Starz Common Stock will be entitled to one vote for each share of such stock held of record and holders of Series B Splitco Starz Common Stock will be entitled to ten votes for each share of such stock held of record, upon all matters that may be submitted to a vote of stockholders of the Corporation (regardless of whether such holders are voting together with the holders of all Voting Securities, or as a separate class with the holders of one or more series of Common Stock, or as a separate series of Common Stock, or otherwise).

(ii) *Series C Splitco Capital Common Stock and Series C Splitco Starz Common Stock.* Holders of Series C Splitco Capital Common Stock and holders of Series C Splitco Starz Common Stock will not be entitled to any voting powers, except as (and then only to the extent) required by the laws of the State of Delaware. If a vote of the holders of Series C Splitco Capital Common Stock or Series C Splitco Starz Common Stock should at any time be required by the laws of the State of Delaware on any matter, the holders of Series C Splitco Capital Common Stock or Series C Splitco Starz Common Stock, as applicable, will be entitled to $^{1}/_{100}$th of a vote on such matter for each share held of record.

(iii) *Voting Generally.* Except (A) as may otherwise be provided in this Certificate, (B) as may otherwise be required by the laws of the State of Delaware or (C) as may otherwise be provided in any Preferred Stock Designation, the holders of shares of Series A Splitco Capital Common Stock, the holders of shares of Series B Splitco Capital Common Stock, the holders of shares of Series A Splitco Starz Common Stock, the holders of shares of Series B Splitco Starz Common Stock and the holders of shares of each series of Preferred Stock that is designated as a Voting Security and is entitled to vote thereon in accordance with the terms of the applicable Preferred Stock Designation will vote as one class with respect to the election of directors and with respect to all other matters to be voted on by stockholders of the Corporation (including, without limitation and irrespective of the provisions of Section 242(b)(2) of the DGCL, any proposed amendment to this Certificate that (i) would increase (x) the number of authorized shares of Common Stock or any series thereof, (y) the number of authorized shares of Preferred Stock or any series thereof or (z) the number of authorized shares of any other class or series of capital stock of the Corporation hereafter established, or (ii) decrease (x) the number of authorized shares of Common Stock or any series thereof, (y) the number of authorized shares of Preferred Stock or any series thereof or (z) the number of authorized shares of any other class or series of capital stock of the Corporation hereafter established (but, in each case, not below the number of shares of such class or series of capital stock (as the case may be) then outstanding)), and no separate class or series vote of the holders of shares of any class or series of capital stock of the Corporation will be required for the approval of any such matter. In the event the holders of the Series C Splitco Capital Common Stock and/or the holders of the Series C Splitco Starz Common Stock are entitled to vote on any matter that may be submitted to a vote of stockholders of the Corporation, such holders will vote as one class with all other stockholders of the Corporation entitled to vote on such matter, unless otherwise required by this Certificate, the laws of the State of Delaware or any Preferred Stock Designation.

(iv) *Special Voting Rights in Connection with Dispositions.* (A) If the Board of Directors, at its election, determines to seek the approval of the holders of Splitco Capital Voting Securities entitled to vote thereon to classify a proposed Capital Group Disposition as an Exempt Capital Group Disposition, then such proposed Capital Group Disposition will constitute an Exempt

Capital Group Disposition if approved by the holders of record, as of the record date for the meeting at which such vote is taken, of Splitco Capital Voting Securities representing a majority of the aggregate voting power of Splitco Capital Voting Securities that are present in person or by proxy at such meeting, voting together as a separate class.

(B) If the Board of Directors, at its election, determines to seek the approval of the holders of Splitco Starz Voting Securities entitled to vote thereon to classify a proposed Starz Group Disposition as an Exempt Starz Group Disposition, then such proposed Starz Group Disposition will constitute an Exempt Starz Group Disposition if approved by the holders of record, as of the record date for the meeting at which such vote is taken, of Splitco Starz Voting Securities representing a majority of the aggregate voting power of Splitco Starz Voting Securities that are present in person or by proxy at such meeting, voting together as a separate class.

(C) Any vote taken pursuant to clause (A) or (B) of this paragraph (a)(iv) will be in addition to, and not in lieu of, any vote of the stockholders of the Corporation required pursuant to Article IX of this Certificate or the DGCL to be taken with respect to the applicable Disposition.

(v) *Special Voting Rights in Connection with Certain Redemptions.* (A) If the Corporation proposes to redeem outstanding shares of Splitco Capital Common Stock for securities of a Subsidiary pursuant to paragraph (e)(i) of this Section A.2, such redemption will be subject to, and will not be undertaken unless, the Corporation has received (x) the approval of the holders of record, as of the record date for the meeting at which such vote is taken, of Splitco Capital Voting Securities representing a majority of the aggregate voting power of Splitco Capital Voting Securities that are present in person or by proxy at such meeting, voting together as a separate class, and (y) if required pursuant to paragraphs (e)(i) or (e)(ii) of this Section A.2., the Series B Capital Group Consent (together, a "**Capital Group Redemption Stockholder Approval**").

(B) If the Corporation proposes to redeem outstanding shares of Splitco Starz Common Stock for securities of a Subsidiary pursuant to paragraph (f)(i) of this Section A.2, such redemption will be subject to, and will not be undertaken unless, the Corporation has received (x) the approval of the holders of record, as of the record date for the meeting at which such vote is taken, of Splitco Starz Voting Securities representing a majority of the aggregate voting power of Splitco Starz Voting Securities that are present in person or by proxy at such meeting, voting together as a separate class and (y) if required pursuant to paragraphs (f)(i) or (f)(ii) of this Section A.2., the Series B Starz Group Consent (together, a "**Starz Group Redemption Stockholder Approval**").

(C) Any vote taken pursuant to clause (A) or (B) of this paragraph (a)(v) will be in addition to, and not in lieu of, any vote of the stockholders of the Corporation required by the DGCL to be taken with respect to the applicable redemption.

(vi) *Special Voting Rights in Connection with Certain Issuances of Series B Splitco Capital Common Stock and Series B Splitco Starz Common Stock.* (A) Other than shares issued in connection with (x) the redemption of shares of LMC Series B Capital Common Stock on the Effective Date, (y) the conversion, exercise or exchange of any Convertible Securities issued in connection with the redemption of shares of LMC Series B Capital Common Stock on the Effective Date or (z) either (i) a Share Distribution made in accordance with Article IV, Section A.2(d) below or (ii) a conversion of shares of Series B Splitco Starz Common Stock pursuant to Article IV, Section A.2(b)(ii) below (such issuance pursuant to clauses (x), (y), or (z) above, a "**Permitted Series B Capital Group Share Issuance**"), so long as there are issued and outstanding (with all shares issuable upon the conversion, exercise or exchange of then-outstanding Convertible Securities deemed outstanding for this purpose) a number of shares of Series B Splitco

Capital Common Stock equal to no less than 50% of the Series B Capital Group Base Amount (the "**Series B Capital Group Minimum Share Condition**"), the Corporation will not issue, or enter into any agreement to issue (including any issuance of or agreement to issue Convertible Securities pursuant to which shares of Series B Splitco Capital Common Stock may be issued), any shares of Series B Splitco Capital Common Stock unless a Series B Capital Group Consent approving such issuance has been received.

(B) Other than shares issued in connection with (x) the redemption of shares of LMC Series B Starz Common Stock on the Effective Date, (y) the conversion, exercise or exchange of any Convertible Securities issued in connection with the redemption of shares of LMC Series B Starz Common Stock on the Effective Date or (z) either (i) a Share Distribution made in accordance with Article IV, Section A.2(d) below or (ii) a conversion of shares of Series B Splitco Capital Common Stock pursuant to Article IV, Section A.2(b)(iii) below (such issuance pursuant to clauses (x), (y), or (z) above, a "**Permitted Series B Starz Group Share Issuance**," and collectively with the Permitted Series B Capital Group Share Issuance, a "**Permitted Series B Issuance**"), so long as there are issued and outstanding (with all shares issuable upon the conversion, exercise or exchange of then-outstanding Convertible Securities deemed outstanding for this purpose) a number of shares of Series B Splitco Starz Common Stock equal to no less than 50% of the Series B Starz Group Base Amount (the "**Series B Starz Group Minimum Share Condition**"), the Corporation will not issue, or enter into any agreement to issue (including any issuance of or agreement to issue Convertible Securities pursuant to which shares of Series B Splitco Starz Common Stock may be issued), any shares of Series B Splitco Starz Common Stock unless a Series B Starz Group Consent approving such issuance has been received.

(C) Any vote taken pursuant to clause (A) or (B) of this paragraph (a)(vi) will be in addition to, and not in lieu of, any vote of the stockholders of the Corporation required by the DGCL to be taken with respect to the applicable share issuance.

(b) *Conversion Rights.*

(i) *(A) Conversion of Series B Splitco Capital Common Stock into Series A Splitco Capital Common Stock; Other.* Each share of Series B Splitco Capital Common Stock will be convertible at any time, at the option of the holder thereof, into one fully paid and non-assessable share of Series A Splitco Capital Common Stock. Any such conversion may be effected by any holder of Series B Splitco Capital Common Stock by surrendering such holder's certificate or certificates representing the Series B Splitco Capital Common Stock to be converted, duly endorsed, at the principal office of the Corporation or any transfer agent for the Series B Splitco Capital Common Stock, together with a written notice to the Corporation at such office that such holder elects to convert all or a specified whole number of shares of Series B Splitco Capital Common Stock represented by such certificate or certificates and stating the name or names in which such holder desires the certificate or certificates representing shares of Series A Splitco Capital Common Stock to be issued and, if less than all of the shares of Series B Splitco Capital Common Stock represented by one certificate are to be converted, the name or names in which such holder desires the certificate or certificates representing the unconverted shares of Series B Splitco Capital Common Stock to be issued. Any certificate representing shares surrendered for conversion in accordance with this paragraph will, if so required by the Corporation or its transfer agent, be accompanied by instruments of transfer, in form satisfactory to the Corporation or its transfer agent, duly executed by the holder of such shares or the duly authorized representative of such holder, and will, if required by the next succeeding paragraph, be accompanied by payment, or evidence of payment, of applicable issue or transfer taxes. Promptly thereafter, the Corporation will issue and deliver to such holder or such holder's nominee or nominees, a certificate or certificates representing the number of shares of Series A Splitco Capital Common Stock to which such holder will be entitled as herein provided. If less than all of the shares of Series B Splitco Capital Common Stock represented by any one certificate are to be converted, the Corporation will issue and deliver to such holder or such holder's nominee or nominees a new certificate representing the shares of Series B Splitco Capital Common Stock not converted. Such conversion will be deemed to have been made at the close of business on the date of receipt by the Corporation or any such transfer agent of the certificate or certificates, notice and, if required, instruments of transfer and payment or evidence of payment of taxes referred to above, and the Person or Persons entitled to receive the Series A Splitco Capital Common Stock issuable on such conversion will be treated for all purposes as the record holder or holders of such Series A Splitco Capital Common Stock on that date. A number of shares of Series A Splitco Capital Common Stock equal to the number of shares of Series B Splitco Capital Common Stock outstanding from time to time will be set aside and reserved for issuance upon conversion of shares of Series B Splitco Capital Common Stock as provided herein. Shares of Series A Splitco Capital Common Stock and shares of Series C Splitco Capital Common Stock will not be convertible at the option of the holder into shares of any other series of Common Stock.

The Corporation will pay any and all documentary, stamp or similar issue or transfer taxes that may be payable in respect of the issue or delivery of a certificate or certificates representing shares of Splitco Capital Common Stock on conversion of shares of Series B Splitco Capital Common Stock pursuant to this paragraph (b)(i)(A). The Corporation will not, however, be required to pay any tax that may be payable in respect of any issue or delivery of a certificate or certificates representing any shares of Splitco Capital Common Stock in a name other than that in which the shares of Series B Splitco Capital Common Stock so converted were registered and no such issue or delivery will be made unless and until the person requesting the same has paid to the Corporation or its transfer agent the amount of any such tax or has established to the satisfaction of the Corporation or its transfer agent that such tax has been paid.

Splitco Capital Common Stock will be convertible at the option of the Corporation, in whole or in part, in accordance with the other provisions of this Section A.2.

(B) *Conversion of Series B Splitco Starz Common Stock into Series A Splitco Starz Common Stock; Other.* Each share of Series B Splitco Starz Common Stock will be convertible at any time, at the option of the holder thereof, into one fully paid and non-assessable share of Series A Splitco Starz Common Stock. Any such conversion may be effected by any holder of Series B Splitco Starz Common Stock by surrendering such holder's certificate or certificates representing the Series B Splitco Starz Common Stock to be converted, duly endorsed, at the principal office of the Corporation or any transfer agent for the Series B Splitco Starz Common Stock, together with a written notice to the Corporation at such office that such holder elects to convert all or a specified whole number of shares of Series B Splitco Starz Common Stock represented by such certificate or certificates and stating the name or names in which such holder desires the certificate or certificates representing shares of Series A Splitco Starz Common Stock to be issued and, if less than all of the shares of Series B Splitco Starz Common Stock represented by one certificate are to be converted, the name or names in which such holder desires the certificate or certificates representing the unconverted shares of Series B Splitco Starz Common Stock to be issued. Any certificate representing shares surrendered for conversion in accordance with this paragraph will, if so required by the Corporation or its transfer agent, be accompanied by instruments of transfer, in form satisfactory to the Corporation or its transfer agent, duly executed by the holder of such shares or the duly authorized representative of such holder, and will, if required by the next succeeding paragraph, be accompanied by payment, or evidence of payment, of applicable issue or transfer taxes. Promptly thereafter, the Corporation will issue and deliver to such holder or such holder's nominee or nominees, a certificate or certificates representing the number of shares of Series A Splitco Starz Common Stock to which such holder will be entitled as herein provided. If less than all of the shares of Series B Splitco Starz Common Stock represented by any one certificate are to be converted, the Corporation will issue and deliver to such holder or such holder's nominee or nominees a new certificate representing the shares of Series B Splitco Starz Common Stock not converted. Such conversion will be deemed to have been made at the close of business on the date of receipt by the Corporation or any such transfer agent of the certificate or certificates, notice and, if required, instruments of transfer and payment or evidence of payment of taxes referred to above, and the Person or Persons entitled to receive the Series A Splitco Starz Common Stock issuable on such conversion will be treated for all purposes as the record holder or holders of such Series A Splitco Starz Common Stock on that date. A number of shares of Series A Splitco Starz Common Stock equal to the number of shares of Series B Splitco Starz Common Stock outstanding from time to time will be set aside and reserved for issuance upon conversion of shares of Series B Splitco Starz Common Stock as provided herein. Shares of Series A Splitco Starz Common Stock and shares of Series C Splitco Starz Common Stock will not be convertible at the option of the holder into shares of any other series of Common Stock.

The Corporation will pay any and all documentary, stamp or similar issue or transfer taxes that may be payable in respect of the issue or delivery of a certificate or certificates representing shares of Splitco Starz Common Stock on conversion of shares of Series B Splitco Starz Common Stock pursuant to this paragraph (b)(i)(B). The Corporation will not, however, be required to pay any tax that may be payable in respect of any issue or delivery of a certificate or certificates representing any shares of Splitco Starz Common Stock in a name other than that in which the shares of Series B Splitco Starz Common Stock so converted were registered and no such issue or delivery will be made unless and until the person requesting the same has paid to the Corporation or its transfer agent the amount of any such tax or has established to the satisfaction of the Corporation or its transfer agent that such tax has been paid.

Splitco Starz Common Stock will be convertible at the option of the Corporation, in whole or in part, in accordance with the other provisions of this Section A.2.

(ii) *Conversion of Splitco Starz Common Stock into Splitco Capital Common Stock at the Option of the Corporation*

(A) At the option of the Corporation, exercisable at any time by resolution of its Board of Directors: (I) each share of Series A Splitco Starz Common Stock will be converted into a number (or fraction) of fully paid and non-assessable shares of Series A Splitco Capital Common Stock equal to the Starz/Capital Group Optional Conversion Ratio, (II) each share of Series B Splitco Starz Common Stock will be converted into a number (or fraction) of fully paid and non-assessable shares of Series B Splitco Capital Common Stock equal to the Starz/Capital Group Optional Conversion Ratio, and (III) each share of Series C Splitco Starz Common Stock will be converted into a number (or fraction) of fully paid and non-assessable shares of Series C Splitco Capital Common Stock equal to the Starz/Capital Group Optional Conversion Ratio.

(B) For purposes of this paragraph (b)(ii), the "**Starz/Capital Group Optional Conversion Ratio**" means the amount (calculated to the nearest five decimal places) obtained by dividing (I) the Average Market Value of the Splitco Starz Reference Share over the 20-Trading Day period ending on the Trading Day preceding the Determination Date, by (II) the Average Market Value of the Splitco Capital Reference Share over the 60-Trading Day period ending on the Trading Day preceding the Determination Date.

(C) If the Corporation determines to convert shares of Splitco Starz Common Stock into Splitco Capital Common Stock pursuant to this paragraph (b)(ii), such conversion will occur on a Starz Group Conversion Date on or prior to the 45th day following the Determination Date and will otherwise be effected in accordance with the provisions of paragraph (f)(iv) of this Section A.2. If the Corporation determines not to undertake such conversion following the determination of the Starz/Capital Group Optional Conversion Ratio, the Corporation may at any time thereafter establish a new Determination Date, in which event the Starz/Capital Group Optional Conversion Ratio will be recalculated as of such new Determination Date and, if the Corporation determines to convert shares of Splitco Starz Common Stock into shares of Splitco Capital Common Stock, a new Starz Group Conversion Date will be established, in each case, in accordance with this paragraph (b)(ii).

(D) The Corporation will not convert shares of a series of Splitco Starz Common Stock into shares of Splitco Capital Common Stock pursuant to this paragraph (b)(ii) without converting all outstanding shares of each series of Splitco Starz Common Stock into shares of Splitco Capital Common Stock, in each case, in accordance with this paragraph (b)(ii).

(iii) *Conversion of Splitco Capital Common Stock into Splitco Starz Common Stock at the Option of the Corporation*

(A) At the option of the Corporation, exercisable at any time by resolution of its Board of Directors: (I) each share of Series A Splitco Capital Common Stock will be converted into a number (or fraction) of fully paid and non-assessable shares of Series A Splitco Starz Common Stock equal to the Capital/Starz Group Optional Conversion Ratio, (II) each share of Series B Splitco Capital Common Stock will be converted into a number (or fraction) of fully paid and non-assessable shares of Series B Splitco Starz Common Stock equal to the Capital/Starz Group Optional Conversion Ratio, and (III) each share of Series C Splitco Capital Common Stock will be converted into a number (or fraction) of fully paid and non-assessable shares of Series C Splitco Starz Common Stock equal to the Capital/Starz Group Optional Conversion Ratio.

(B) For purposes of this paragraph (b)(iii), the "**Capital/Starz Group Optional Conversion Ratio**" means the amount (calculated to the nearest five decimal places) obtained by dividing (I) the Average Market Value of the Splitco Capital Reference Share over the 20-Trading Day period ending on the Trading Day preceding the Determination Date, by (II) the Average Market Value of the Splitco Starz Reference Share over the 20-Trading Day period ending on the Trading Day preceding the Determination Date.

(C) If the Corporation determines to convert shares of Splitco Capital Common Stock into Splitco Starz Common Stock pursuant to this paragraph (b)(iii), such conversion will occur on a Capital Group Conversion Date on or prior to the 45th day following the Determination Date and will otherwise be effected in accordance with the provisions of paragraph (e)(iv) of this Section A.2. If the Corporation determines not to undertake such conversion following the determination of the Capital/Starz Group Optional Conversion Ratio, the Corporation may at any time thereafter establish a new Determination Date, in which event the Capital/Starz Group Optional Conversion Ratio will be recalculated as of such new Determination Date and, if the Corporation determines to convert shares of Splitco Capital Common Stock into shares of Splitco Starz Common Stock, a new Capital Group Conversion Date will be established, in each case, in accordance with this paragraph (b)(iii).

(D) The Corporation will not convert shares of a series of Splitco Capital Common Stock into shares of Splitco Starz Common Stock pursuant to this paragraph (b)(iii) without converting all outstanding shares of each series of Splitco Capital Common Stock into shares of Splitco Starz Common Stock, in each case, in accordance with this paragraph (b)(iii).

(c) *Dividends Generally*.

(i) *Dividends on Splitco Capital Common Stock*. Subject to the applicable terms of any Preferred Stock Designation, dividends on the Splitco Capital Common Stock may be declared and paid only out of the lesser of (A) assets of the Corporation legally available therefor and (B) the Capital Group Available Dividend Amount. Whenever a dividend, other than a dividend that consists of a Share Distribution, is paid to the holders of one or more series of Splitco Capital Common Stock, the Corporation will also pay to the holders of each other series of Splitco Capital Common Stock a dividend per share equal to the dividend per share paid to the holders of such first one or more series of Splitco Capital Common Stock, such that the dividend paid on each share of Splitco Capital Common Stock, regardless of series, is the same. Whenever a dividend that consists of a Share Distribution is paid to the holders of one or more series of Splitco Capital Common Stock, the Corporation will also pay a dividend that consists of a Share Distribution to the holders of each other series of Splitco Capital Common Stock as provided in paragraph (d)(i) of this Section A.2.

If the Capital Group Outstanding Interest Fraction is less than one (1) on the record date for any dividend, including a dividend that consists of a Share Distribution, with respect to the Splitco Capital Common Stock, then concurrently with the payment of any dividend on the outstanding shares of Splitco Capital Common Stock:

(A) if such dividend consists of cash, securities (other than shares of Splitco Capital Common Stock or Splitco Starz Common Stock) or other assets, at the election of the Board of Directors, the Corporation will (I) attribute (a "**Capital Group Inter-Group Dividend**") to the Starz Group, subject to the last paragraph of this paragraph (c)(i), an aggregate amount of cash, securities or other assets, or a combination thereof (the "**Capital Group Inter-Group Dividend Amount**"), with a Fair Value equal to the amount (rounded, if necessary, to the nearest whole number) obtained by multiplying (x) the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest as of the record date for such dividend, by (y) the per share Fair Value of such dividend payable to the holders of outstanding shares of Splitco Capital Common Stock, as determined by the Board of Directors or (II) increase the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest by a number equal to the amount (rounded, if necessary, to the nearest whole number) obtained by dividing (x) the Capital Group Inter-Group Dividend Amount, by (y) the Fair Value of the Splitco Capital Reference Share as of the "ex" date or any similar date for such dividend;

(B) if such dividend consists of shares of Splitco Capital Common Stock, the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest will be increased by a number equal to the amount (rounded, if necessary, to the nearest whole number) obtained by multiplying (x) the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest as of the record date for such dividend, by (y) the Capital Group Share Distribution Ratio applicable to such dividend; or

(C) if such dividend consists of shares of Splitco Starz Common Stock, subject to paragraph (d)(i)(B), the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest will be decreased by a number equal to the amount (rounded, if necessary, to the nearest whole number) obtained by adding (I) the number of shares of Splitco Starz Common Stock distributed to holders of Splitco Capital Common Stock, plus (II) the amount (rounded, if necessary, to the nearest whole number) obtained by multiplying (x) the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest as of the record date for such dividend, by (y) the Starz Group Share Distribution Ratio applicable to such dividend.

In the case of a dividend paid pursuant to clause (D) of paragraph (e)(ii) of this Section A.2. in connection with a Capital Group Disposition, the Capital Group Inter-Group Dividend Amount may be increased, at the election of the Board of Directors, by the aggregate amount of the dividend that would have been payable with respect to the shares of Splitco Capital Common Stock converted into Splitco Starz Common Stock in connection with such Capital Group Disposition if such shares were not so converted and received the same dividend per share as the other shares of Splitco Capital Common Stock received in connection with such Capital Group Disposition.

A Capital Group Inter-Group Dividend may, at the discretion of the Board of Directors, be reflected by an allocation or by a direct transfer of cash, securities or other assets, or a combination thereof, and may be payable in kind or otherwise.

(ii) *Dividends on Splitco Starz Common Stock.* Subject to the applicable terms of any Preferred Stock Designation, dividends on the Splitco Starz Common Stock may be declared and paid only out of the lesser of (A) assets of the Corporation legally available therefor and (B) the Starz Group Available Dividend Amount. Whenever a dividend, other than a dividend that consists of a Share Distribution, is paid to the holders of one or more series of Splitco Starz Common Stock, the Corporation will also pay to the holders of each other series of Splitco Starz Common Stock a dividend per share equal to the dividend per share paid to the holders of such first one or more series of Splitco Starz Common Stock, such that the dividend paid on each share of Splitco Starz Common Stock, regardless of series, is the same. Whenever a dividend that consists of a Share Distribution is paid to the holders of one or more series of Splitco Starz Common Stock, the Corporation will also pay a dividend that consists of a Share Distribution to the holders of each other series of Splitco Starz Common Stock as provided in paragraph (d)(ii) of this Section A.2.

If the Starz Group Outstanding Interest Fraction is less than one (1) on the record date for any dividend, including a dividend that consists of a Share Distribution, with respect to the Splitco Starz Common Stock, then concurrently with the payment of any dividend on the outstanding shares of Splitco Starz Common Stock:

(A) if such dividend consists of cash, securities (other than shares of Splitco Starz Common Stock or Splitco Capital Common Stock) or other assets, at the election of the Board of Directors, the Corporation will (I) attribute (a "**Starz Group Inter-Group Dividend**") to the Capital Group, subject to the last paragraph of this paragraph (c)(ii), an aggregate amount of cash, securities or other assets, or a combination thereof (the "**Starz Group Inter-Group Dividend Amount**"), with a Fair Value equal to the amount (rounded, if necessary, to the nearest whole number) obtained by multiplying (x) the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest as of the record date for such dividend, by (y) the per share Fair Value of such dividend payable to the holders of outstanding shares of Splitco Starz Common Stock, as determined by the Board of Directors or (II) increase the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest by a number equal to the amount (rounded, if necessary, to the nearest whole number) obtained by dividing (x) the Starz Group Inter-Group Dividend Amount, by (y) the Fair Value of the Splitco Starz Reference Share as of the "ex" date or any similar date for such dividend;

(B) if such dividend consists of shares of Splitco Starz Common Stock, the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest will be increased by a number equal to the amount (rounded, if necessary, to the nearest whole number) obtained by multiplying (x) the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest as of the record date for such dividend, by (y) the Starz Group Share Distribution Ratio applicable to such dividend; or

(C) if such dividend consists of shares of Splitco Capital Common Stock, subject to paragraph (d)(ii)(B), the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest will be decreased by a number equal to the amount (rounded, if necessary, to the nearest whole number) obtained by adding (I) the number of shares of Splitco Capital Common Stock distributed to holders of Splitco Starz Common Stock, plus (II) the amount (rounded, if necessary, to the nearest whole number) obtained by multiplying (x) the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest as of the record date for such dividend, by (y) the Capital Group Share Distribution Ratio applicable to such dividend.

In the case of a dividend paid pursuant to clause (D) of paragraph (f)(ii) of this Section A.2. in connection with a Starz Group Disposition, the Starz Group Inter-Group Dividend Amount may be increased, at the election of the Board of Directors, by the aggregate amount of the dividend that would have been payable with respect to the shares of Splitco Starz Common Stock converted into Splitco Capital Common Stock in connection with such Starz Group Disposition if such shares were not so converted and received the same dividend per share as the other shares of Splitco Starz Common Stock received in connection with such Starz Group Disposition.

A Starz Group Inter-Group Dividend may, at the discretion of the Board of Directors, be reflected by an allocation or by a direct transfer of cash, securities or other assets, or a combination thereof, and may be payable in kind or otherwise.

(iii) *Discrimination Between or Among Series of Common Stock.* Subject to the provisions of paragraphs (c) and (d) of this Section A.2., the Board of Directors will have the authority and discretion to declare and pay (or to refrain from declaring and paying) dividends, including, without limitation, dividends consisting of Share Distributions, on outstanding shares of Splitco Capital Common Stock or Splitco Starz Common Stock, or all such series, and in equal or unequal amounts, or only on the Splitco Capital Common Stock or the Splitco Starz Common Stock (subject to applicable law), notwithstanding the relationship between or among the Capital Group Available Dividend Amount and the Starz Group Available Dividend Amount, or the respective amounts of prior dividends declared on, or the liquidation rights of, the Splitco Capital Common Stock or the Splitco Starz Common Stock, or any other factor.

(d) *Share Distributions.*

(i) *Distributions on Series A Splitco Capital Common Stock, Series B Splitco Capital Common Stock and Series C Splitco Capital Common Stock.* If at any time a Share Distribution is to be made with respect to the Series A Splitco Capital Common Stock, Series B Splitco Capital Common Stock or Series C Splitco Capital Common Stock, then, in addition to the applicable requirements of paragraph (c)(i) of this Section A.2., such Share Distribution may be declared and paid only as follows:

(A) a Share Distribution consisting, at the election of the Board of Directors, of: (I) shares of Series C Splitco Capital Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series C Splitco Capital Common Stock) may be declared and paid to holders of Series A Splitco Capital Common Stock, Series B Splitco Capital Common Stock and Series C Splitco Capital Common Stock, on an equal per share basis; or (II) shares of Series A Splitco Capital Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series A Splitco Capital Common Stock) may be declared and paid to holders of Series A Splitco Capital Common Stock, shares of Series B Splitco Capital Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series B Splitco Capital Common Stock) may be declared and paid to holders of Series B Splitco Capital Common Stock and shares of Series C Splitco Capital Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series C Splitco Capital Common Stock) may be declared and paid to holders of Series C Splitco Capital Common Stock, in each case, on an equal per share basis;

(B) a Share Distribution consisting, at the election of the Board of Directors, of: (I) shares of Series C Splitco Starz Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series C Splitco Starz Common Stock) may be declared and paid to holders of Series A Splitco Capital Common Stock, Series B Splitco Capital Common Stock and Series C Splitco Capital Common Stock, on an equal per share basis; or (II) shares of Series A Splitco Starz Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series A Splitco Starz Common Stock) may be declared and paid to holders of Series A Splitco Capital Common Stock, shares of Series B Splitco Starz Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series B Splitco Starz Common Stock) may be declared and paid to holders of Series B Splitco Capital Common Stock and shares of Series C Splitco Starz Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series C Splitco Starz Common Stock) may be declared and paid to holders of Series C Splitco Capital Common Stock, in each case, on an equal per share basis; *provided*, *however*, that no such Share Distribution will be declared and paid if the amount obtained by adding (x) the aggregate number of shares of Splitco Starz Common Stock to be so distributed pursuant to this paragraph (d)(i)(B) (including the number of such shares that would be issuable upon conversion, exercise or exchange of any Convertible Securities to be so distributed pursuant to such Share Distribution), plus (y) the number of shares of Splitco Starz Common Stock that are subject to issuance upon conversion, exercise or exchange of any Convertible Securities then outstanding that are attributed to the Capital Group, plus (z) if the Capital Group Outstanding Interest Fraction is less than one (1) on the record date for the Share Distribution, the number of shares of Splitco Starz Common Stock equal to the amount (rounded, if necessary, to the nearest whole number) obtained by multiplying (I) the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest as of the record date for such Share Distribution, by (II) the Starz Group Share Distribution Ratio, is greater than the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest; or

(C) subject to the provisions of the last paragraph of this paragraph (d)(i) of this Section A.2., a Share Distribution consisting of any class or series of securities of the Corporation or any other Person, other than Splitco Capital Common Stock or Splitco Starz Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Splitco Capital Common Stock or Splitco Starz Common Stock), may be declared and paid, at the election of the Board of Directors, either on the basis of a distribution of (x) identical securities, on an equal per share basis, to holders of each series of Splitco Capital Common Stock, (y) separate classes or series of securities, on an equal per share basis, to the holders of each series of Splitco Capital Common Stock or (z) a separate class or series of securities to the holders of one or more series of Splitco Capital Common Stock and, on an equal per share basis, a different class or series of securities to the holders of all other series of Splitco Capital Common Stock; *provided*, *that* in the case of clauses (y) and (z), (1) such separate classes or series of securities (and, if the distribution consists of Convertible Securities, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) do not differ in any respect other than their relative voting rights (and any related differences in designation, conversion, redemption and share distribution provisions such as those set forth in this Section A.2.), with holders of shares of Series B Splitco Capital Common Stock receiving the class or series of securities having (or convertible into or exercisable or exchangeable for securities having) the highest relative voting rights and the holders of shares of each other series of Splitco Capital Common Stock receiving securities of a class or series having (or convertible into or exercisable or exchangeable for securities having) lesser relative voting rights, in each case, without regard to whether such rights differ to a greater or lesser extent than the corresponding differences in voting rights (and any related differences in designation, conversion, redemption and share distribution provisions such as those set forth in this Section A.2.) among the Series A Splitco Capital Common Stock, the Series B Splitco Capital Common Stock and the Series C Splitco Capital Common Stock, and (2) in the event the securities to be received by the holders of shares of Splitco Capital Common Stock other than the Series B Splitco Capital Common Stock consist of different classes or series of securities, with each such class or series of securities (or the securities into which such class or series is convertible or for which such class or series is exercisable or exchangeable) differing only with respect to the relative voting rights of such class or series (and any related differences in designation, conversion, redemption and share distribution provisions such as those set forth in this Section A.2.), then such classes or series of securities will be distributed to the holders of each series of Splitco Capital Common Stock (other than the Series B Splitco Capital Common Stock) (i) as the Board of Directors determines or (ii) such that the relative voting rights (and any related differences in designation, conversion, redemption and share distribution provisions such as those set forth in this Section A.2.) of the class or series of securities (or the securities into which such class or series is convertible or for which such class or series is exercisable or exchangeable) to be received by the holders of each series of Splitco Capital Common Stock (other than the Series B Splitco Capital Common Stock) corresponds to the extent practicable to the relative voting rights (and any related differences in designation, conversion, redemption and share distribution provisions such as those set forth in this Section A.2.) of such series of Splitco Capital Common Stock, as compared to the other series of Splitco Capital Common Stock (other than the Series B Splitco Capital Common Stock).

Notwithstanding the foregoing, so long as the Series B Capital Group Minimum Share Condition is satisfied, unless a Series B Capital Group Consent has been received approving the terms of such Share Distribution, (i) no Share Distribution may be declared, paid or made on Splitco Capital Common Stock if the securities to be received by the holders of the Series C Splitco Capital Common Stock in such Share Distribution (and, if the distribution consists of Convertible Securities, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) are entitled to vote with respect to matters upon which security holders of the issuer thereof are generally entitled to vote (other than to an extent no greater than the holders of Series C Splitco Capital Common Stock are entitled to vote upon matters as provided in this Certificate); and (ii) no Share Distribution of securities entitled to vote generally upon matters that may be submitted to a vote of security holders of the issuer thereof, whether consisting of any class or series of securities of the Corporation or any other Person (or Convertible Securities that are convertible into, exchangeable for or evidence the right to purchase such securities), may be declared, paid or made on Splitco Capital Common Stock unless the securities to be received by the holders of Series B Splitco Capital Common Stock in such Share Distribution (and, if the distribution consists of Convertible Securities, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) at all times have voting power with respect to matters upon which security holders of the issuer thereof are generally entitled to vote per share or other unit ("**Per Share Voting Power**") of not less than ten times the Per Share Voting Power of the securities (and, if the distribution consists of Convertible Securities, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) to be received in such Share Distribution by the holders of each other series of Splitco Capital Common Stock receiving securities entitled to such voting power, if any.

(ii) *Distributions on Series A Splitco Starz Common Stock, Series B Splitco Starz Common Stock and Series C Splitco Starz Common Stock.* If at any time a Share Distribution is to be made with respect to the Series A Splitco Starz Common Stock, Series B Splitco Starz Common Stock or Series C Splitco Starz Common Stock, then, in addition to the applicable requirements of paragraph (c)(ii) of this Section A.2., such Share Distribution may be declared and paid only as follows:

(A) a Share Distribution consisting, at the election of the Board of Directors, of: (I) shares of Series C Splitco Starz Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series C Splitco Starz Common Stock) may be declared and paid to holders of Series A Splitco Starz Common Stock, Series B Splitco Starz Common Stock and Series C Splitco Starz Common Stock, on an equal per share basis; or (II) shares of Series A Splitco Starz Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series A Splitco Starz Common Stock) may be declared and paid to holders of Series A Splitco Starz Common Stock, shares of Series B Splitco Starz Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series B Splitco Starz Common Stock) may be declared and paid to holders of Series B Splitco Starz Common Stock and shares of Series C Splitco Starz Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series C Splitco Starz Common Stock) may be declared and paid to holders of Series C Splitco Starz Common Stock, in each case, on an equal per share basis;

(B) a Share Distribution consisting, at the election of the Board of Directors, of: (I) shares of Series C Splitco Capital Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series C Splitco Capital Common Stock) may be declared and paid to holders of Series A Splitco Starz Common Stock, Series B Splitco Starz Common Stock and Series C Splitco Starz Common Stock, on an equal per share basis; or (II) shares of Series A Splitco Capital Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series A Splitco Capital Common Stock) may be declared and paid to holders of Series A Splitco Starz Common Stock, shares of Series B Splitco Capital Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series B Splitco Capital Common Stock) may be declared and paid to holders of Series B Splitco Starz Common Stock and shares of Series C Splitco Capital Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series C Splitco Capital Common Stock) may be declared and paid to holders of Series C Splitco Starz Common Stock, in each case, on an equal per share basis; *provided*, *however*, that no such Share Distribution will be declared and paid if the amount obtained by adding (x) the aggregate number of shares of Splitco Capital Common Stock to be so distributed pursuant to this paragraph (d)(ii)(B) (including the number of such shares that would be issuable upon conversion, exercise or exchange of any Convertible Securities to be so distributed pursuant to such Share Distribution), plus (y) the number of shares of Splitco Capital Common Stock that are subject to issuance upon conversion, exercise or exchange of any Convertible Securities then outstanding that are attributed to the Starz Group, plus (z) if the Starz Group Outstanding Interest Fraction is less than one (1) on the record date for the Share Distribution, the number of shares of Splitco Capital Common Stock equal to the amount (rounded, if necessary, to the nearest whole number) obtained by multiplying (I) the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest as of the record date for such Share Distribution, by (II) the Capital Group Share Distribution Ratio, is greater than the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest; or

(C) subject to the provisions of the last paragraph of this paragraph (d)(ii) of this Section A.2., a Share Distribution consisting of any class or series of securities of the Corporation or any other Person, other than Splitco Starz Common Stock or Splitco Capital

Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Splitco Starz Common Stock or Splitco Capital Common Stock), may be declared and paid, at the election of the Board of Directors, either on the basis of a distribution of (x) identical securities, on an equal per share basis, to holders of each series of Splitco Starz Common Stock, (y) separate classes or series of securities, on an equal per share basis, to the holders of each series of Splitco Starz Common Stock or (z) a separate class or series of securities to the holders of one or more series of Splitco Starz Common Stock and, on an equal per share basis, a different class or series of securities to the holders of all other series of Splitco Starz Common Stock; *provided*, *that* in the case of clauses (y) and (z), (1) such separate classes or series of securities (and, if the distribution consists of Convertible Securities, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) do not differ in any respect other than their relative voting rights (and any related differences in designation, conversion, redemption and share distribution provisions such as those set forth in this Section A.2.), with holders of shares of Series B Splitco Starz Common Stock receiving the class or series of securities having (or convertible into or exercisable or exchangeable for securities having) the highest relative voting rights and the holders of shares of each other series of Splitco Starz Common Stock receiving securities of a class or series having (or convertible into or exercisable or exchangeable for securities having) lesser relative voting rights, in each case, without regard to whether such rights differ to a greater or lesser extent than the corresponding differences in voting rights (and any related differences in designation, conversion, redemption and share distribution provisions such as those set forth in this Section A.2.) among the Series A Splitco Starz Common Stock, the Series B Splitco Starz Common Stock and the Series C Splitco Starz Common Stock, and (2) in the event the securities to be received by the holders of shares of Splitco Starz Common Stock other than the Series B Splitco Starz Common Stock consist of different classes or series of securities, with each such class or series of securities (or the securities into which such class or series is convertible or for which such class or series is exercisable or exchangeable) differing only with respect to the relative voting rights of such class or series (and any related differences in designation, conversion, redemption and share distribution provisions such as those set forth in this Section A.2.), then such classes or series of securities will be distributed to the holders of each series of Splitco Starz Common Stock (other than the Series B Splitco Starz Common Stock) (i) as the Board of Directors determines or (ii) such that the relative voting rights (and any related differences in designation, conversion, redemption and share distribution provisions such as those set forth in this Section A.2.) of the class or series of securities (or the securities into which such class or series is convertible or for which such class or series is exercisable or exchangeable) to be received by the holders of each series of Splitco Starz Common Stock (other than the Series B Splitco Starz Common Stock) corresponds to the extent practicable to the relative voting rights (and any related differences in designation, conversion, redemption and share distribution provisions such as those set forth in this Section A.2.) of such series of Splitco Starz Common Stock, as compared to the other series of Splitco Starz Common Stock (other than the Series B Splitco Starz Common Stock).

Notwithstanding the foregoing, so long as the Series B Starz Group Minimum Share Condition is satisfied, unless a Series B Starz Group Consent has been received approving the terms of such Share Distribution, (i) no Share Distribution may be declared, paid or made on Splitco Starz Common Stock if the securities to be received by the holders of the Series C Splitco Starz Common Stock in such Share Distribution (and, if the distribution consists of Convertible Securities, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) are entitled to vote with respect to matters upon which security holders of the issuer thereof are generally entitled to vote (other than to an extent no greater than the holders of Series C Splitco Starz Common Stock are entitled to vote upon matters as provided in this Certificate); and (ii) no Share Distribution of securities entitled to vote generally upon matters that may be submitted to a vote of security holders of the issuer thereof, whether consisting of any class or series of securities of the Corporation or any other Person (or Convertible Securities that are convertible into, exchangeable for or evidence the right to purchase such securities), may be declared, paid or made on Splitco Starz Common Stock unless the securities to be received by the holders of Series B Splitco Starz Common Stock in such Share Distribution (and, if the distribution consists of Convertible Securities, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) at all times have Per Share Voting Power of not less than ten times the Per Share Voting Power of the securities (and, if the distribution consists of Convertible Securities, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) to be received in such Share Distribution by the holders of each other series of Splitco Starz Common Stock receiving securities entitled to such voting power, if any.

(e) *Redemption and Other Provisions Relating to the Splitco Capital Common Stock.*

(i) *Redemption for Securities of one or more Capital Group Subsidiaries.* At any time at which a Subsidiary of the Corporation holds, directly or indirectly, assets and liabilities attributed to the Capital Group, the Corporation may, at its option and subject to assets of the Corporation being legally available therefor, but subject (in addition to any other approval of the Corporation's stockholders (or any series thereof) required under the DGCL in respect of such redemption, if any) to the Corporation having received the Capital Group Redemption Stockholder Approval (and, to the extent applicable, the Starz Group Redemption Stockholder Approval), redeem outstanding shares of Splitco Capital Common Stock (such shares of Splitco Capital Common Stock to be redeemed, the "**Capital Group Redemption Shares**") for securities of such Subsidiary (a "**Distributed Capital Group Subsidiary**"), as provided herein. The number of Capital Group Redemption Shares will be determined, by the Board of Directors, by multiplying (A) the number of outstanding shares of Splitco Capital Common Stock as of the Capital Group Redemption Selection Date, by (B) the percentage of the Fair Value of the Capital Group that is represented by the Fair Value of the Corporation's equity interest in the Distributed Capital Group Subsidiary which is attributable to the Capital Group, in each case, as determined by the Board of Directors as of a date selected by the Board of Directors, as such percentage may be adjusted by the Board of Directors in its discretion to reflect the effects of a Capital Group Inter-Group Redemption Election and to take into account other things deemed relevant by the Board of Directors. The aggregate number of securities of the Distributed Capital Group Subsidiary to be delivered (the "**Capital Group Distribution Subsidiary Securities**") in redemption of the Capital Group Redemption Shares will be equal to: (A) if the Board of Directors makes a Capital Group Inter-Group Redemption Election as described below, the amount (rounded, if necessary, to the nearest whole number) obtained by multiplying (x) the product of (I) the number of securities of the Distributed Capital Group Subsidiary owned by the Corporation and (II) the percentage of the Fair Value of the Corporation's equity interest in the Distributed Capital Group Subsidiary that is represented by the Fair Value of the Corporation's equity interest in the Distributed Capital Group Subsidiary which is attributable to the Capital Group (subject to adjustment to reflect the effects of a Capital Group Inter-Group Redemption Election) (such product, the "**Distributable Capital Group Subsidiary Securities**"), by (y) the Capital Group Outstanding Interest Fraction, in each case, as of the Capital Group Redemption Selection Date, or (B) if the Board of Directors does not make a Capital Group Inter-Group Redemption Election, all of the Distributable Capital Group Subsidiary Securities, in each case, subject to adjustment as provided below. The number of securities of the Distributed Capital Group Subsidiary to be delivered in redemption of each Capital Group Redemption Share will be equal to the amount (rounded, if necessary, to the nearest five decimal places) obtained by dividing (x) the number of Capital Group Distribution Subsidiary Securities, by (y) the number of Capital Group Redemption Shares.

If the Capital Group Outstanding Interest Fraction is less than one (1) on the Capital Group Redemption Selection Date for any redemption pursuant to this paragraph (e)(i) and if (but only if) the Board of Directors so determines in its discretion (a "**Capital Group Inter-Group Redemption Election**"), then concurrently with the distribution of the Capital Group Distribution Subsidiary Securities in redemption of Capital Group Redemption Shares, the Corporation will attribute to the Starz Group an aggregate number of Distributable Capital Group Subsidiary Securities (the "**Capital Group Inter-Group Interest Subsidiary Securities**") equal to the difference between the total number of Distributable Capital Group Subsidiary Securities and the number of Capital Group Distribution Subsidiary Securities, subject to adjustment as provided below. If a Capital Group Inter-Group Redemption Election is made, then: (I) the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest will be decreased as described in subparagraph (ii)(D) of the definition of "Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest" in paragraph (i) of this Section A.2.; (II) the attribution of Capital Group Inter-Group Interest Subsidiary Securities to be made to the Starz Group may, at the discretion of the Board of Directors, be reflected by an allocation or by a direct transfer of Capital Group Inter-Group Interest Subsidiary Securities to the Starz Group; and (III) the Board of Directors may determine that the Capital Group Inter-Group Interest Subsidiary Securities so allocated or transferred to the Starz Group will be distributed to holders of shares of Splitco Starz Common Stock as a Share Distribution pursuant to paragraph (d)(ii)(C) of this Section A.2. (subject to the receipt of any Series B Starz Group Consent required pursuant to paragraph (d)(ii) of this Section A.2.). To the extent that any Share Distribution contemplated by clause (III) of the immediately preceding sentence would require a Series B Starz Group Consent, the Board of Directors will make the Capital Group Inter-Group Redemption Election contingent upon the Corporation's receipt of the Series B Starz Group Consent.

If at the time of a redemption of Splitco Capital Common Stock pursuant to this paragraph (e)(i), there are outstanding any Convertible Securities convertible into or exercisable or exchangeable for shares of Splitco Capital Common Stock that would become convertible into or exercisable or exchangeable for Distributable Capital Group Subsidiary Securities as a result of such redemption, and the obligation to deliver securities of such Distributed Capital Group Subsidiary upon exercise, exchange or conversion of such Convertible Securities is not assumed or otherwise provided for by the Distributed Capital Group Subsidiary, then the Board of Directors may make such adjustments as it determines to be appropriate to the number of Capital Group Redemption Shares, the number of Capital Group Distribution Subsidiary Securities and the number of Capital Group Inter-Group Interest Subsidiary Securities (and any related adjustment to the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest) to take into account the securities of the Distributed Capital Group Subsidiary into which such Convertible Securities are convertible or for which such Convertible Securities are exercisable or exchangeable.

In the event that not all outstanding shares of Splitco Capital Common Stock are to be redeemed in accordance with this paragraph (e)(i) for Capital Group Distribution Subsidiary Securities, then (1) the number of shares of each series of Splitco Capital Common Stock to be redeemed in accordance with this paragraph (e)(i) will be determined by multiplying the aggregate number of Capital Group Redemption Shares by a fraction, the numerator of which is the aggregate number of shares of such series and the denominator of which is the aggregate number of shares of all series of Splitco Capital Common Stock, in each case, outstanding as of the Capital Group Redemption Selection Date, and (2) the outstanding shares of each series of Splitco Capital Common Stock to be redeemed in accordance with this paragraph (e)(i) will be redeemed by the Corporation pro rata among the holders of each series of Splitco Capital Common Stock or by such other method as may be determined by the Board of Directors to be equitable.

To the extent that a Distributed Capital Group Subsidiary to be distributed pursuant to this paragraph (e)(i) also holds, directly or indirectly, assets and liabilities attributed to the Starz Group, then (x) such Distributed Capital Group Subsidiary will also be deemed a Distributed Starz Group Subsidiary for purposes of paragraph (f)(i) and (y) in connection with the redemption of Capital Group Redemption Shares pursuant to this paragraph (e)(i) the Corporation will also redeem shares of Splitco Starz Common Stock pursuant to the provisions of paragraph (f)(i), subject to the Corporation obtaining the Capital Group Redemption Stockholder Approval and the Starz Group Redemption Stockholder Approval. In connection with any such redemption of Splitco Capital Common Stock and Splitco Starz Common Stock, the Board of Directors will effect such redemption in accordance with the terms of paragraphs (e)(i) and (f)(i), as determined by the Board of Directors in good faith, with such changes and adjustments as the Board of Directors determines are reasonably necessary in order to effect such redemption in exchange for securities of a single Subsidiary holding the assets and liabilities of more than one Group. In effecting such redemption, the Board of Directors may determine to redeem the Capital Group Redemption Shares and the Starz Group Redemption Shares in exchange for one or more classes or series of securities of such Subsidiary, including, without limitation, for separate classes or series of securities of such Subsidiary, (I) with the holders of Capital Group Redemption Shares to receive Capital Group Distribution Subsidiary Securities intended to track the performance of the former assets and liabilities attributed to the Capital Group held by such Subsidiary and (II) with holders of Starz Group Redemption Shares to receive Starz Group Distribution Subsidiary Securities intended to track the performance of the former assets and liabilities attributed to the Starz Group held by such Subsidiary, subject, in each case, to the applicable limitations on the class and series of securities of the Distributed Capital Group Subsidiary set forth in the last paragraph of paragraphs (e)(i) and (f)(i).

Any redemption pursuant to this paragraph (e)(i) will occur on a Capital Group Redemption Date set forth in a notice to holders of Splitco Capital Common Stock (and Convertible Securities convertible into or exercisable or exchangeable for shares of any series of Splitco Capital Common Stock (unless provision for notice is otherwise made pursuant to the terms of such Convertible Securities)) pursuant to paragraph (e)(iv)(C).

In effecting a redemption of Splitco Capital Common Stock pursuant to this paragraph (e)(i), the Board of Directors may, subject to the provisions of the last paragraph of this paragraph (e)(i), determine either to (x) redeem shares of each series of Splitco Capital Common Stock in exchange for a single class or series of securities of the Distributed Capital Group Subsidiary without distinction among series of Splitco Capital Common Stock, on an equal per share basis, (y) redeem shares of each series of Splitco Capital Common Stock in exchange for separate classes or series of securities of the Distributed Capital Group Subsidiary, on an equal per share basis, or (z) redeem shares of one or more series of Splitco Capital Common Stock in exchange for a separate class or series of securities of the Distributed Capital Group Subsidiary and, on an equal per share basis, redeem shares of all other series of Splitco Capital Common Stock in exchange for a different class or series of securities of the Distributed Capital Group Subsidiary; *provided*, *that*, in the case of clauses (y) and (z), (1) such separate classes or series do not differ in any respect other than their relative voting rights (and any related differences in designation, conversion, redemption and share distribution provisions such as those set forth in this Section A.2.), with holders of shares of Series B Splitco Capital Common Stock receiving securities of a class or series having the highest relative voting rights and the holders of shares of each other series of Splitco Capital Common Stock receiving securities of a class or series having lesser relative voting rights, in each case, without regard to whether such rights differ to a greater or lesser extent than the corresponding differences in voting rights (and any related differences in designation, conversion, redemption and share distribution provisions such as those set forth in this Section A.2.) among the Series A Splitco Capital Common Stock, the Series B Splitco Capital Common Stock and the Series C

Splitco Capital Common Stock, and (2) in the event the securities to be received by the holders of shares of Splitco Capital Common Stock other than the Series B Splitco Capital Common Stock in such redemption consist of different classes or series of securities, with each such class or series differing only with respect to the relative voting rights of such class or series (and any related differences in designation, conversion, redemption and share distribution provisions such as those set forth in this Section A.2.), then such classes or series of securities will be distributed to the holders of each series of Splitco Capital Common Stock (other than the Series B Splitco Capital Common Stock) (i) as the Board of Directors determines or (ii) such that the relative voting rights of the class or series of securities to be received by the holders of each series of Splitco Capital Common Stock corresponds to the extent practicable to the relative voting rights (as compared to the other series of Splitco Capital Common Stock, other than the Series B Splitco Capital Common Stock) of such series of Splitco Capital Common Stock. If the Board of Directors has made a Capital Group Inter-Group Redemption Election, then the determination as to the classes or series of securities of the Distributed Capital Group Subsidiary comprising the Capital Group Inter-Group Interest Subsidiary Securities to be so transferred or allocated to the Starz Group will be made by the Board of Directors in its discretion.

In addition to the foregoing, so long as the Series B Capital Group Minimum Share Condition is satisfied, unless a Series B Capital Group Consent has been received approving the class or series of Capital Group Distribution Subsidiary Securities to be delivered in exchange for Splitco Capital Common Stock, the Corporation will not effect any such redemption (i) if the securities to be received by the holders of the Series C Splitco Capital Common Stock in such redemption (including, in the case of Convertible Securities delivered in such redemption, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) are entitled to vote with respect to matters upon which security holders of the issuer thereof are generally entitled to vote (other than to an extent no greater than the holders of Series C Splitco Capital Common Stock are entitled to vote upon matters as provided in this Certificate) and (ii) unless the Capital Group Distribution Subsidiary Securities to be received by the holders of Series B Splitco Capital Common Stock in such redemption (including, in the case of Convertible Securities delivered in such redemption, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) at all times have Per Share Voting Power of not less than ten times the Per Share Voting Power of the Capital Group Distribution Subsidiary Securities to be received in such redemption by the holders of each other series of Splitco Capital Common Stock receiving securities entitled to such voting power, if any.

(ii) *Mandatory Dividend, Redemption or Conversion in Case of Capital Group Disposition.* In the event of a Capital Group Disposition (other than an Exempt Capital Group Disposition), the Corporation will, on or prior to the 120th Trading Day following the consummation of such Capital Group Disposition and in accordance with the applicable provisions of this Section A.2., take the actions referred to in one of clauses (A), (B), (C) or (D) below, as elected by the Board of Directors:

(A) Subject to the first sentence of paragraph (c)(i) of this Section A.2. the Corporation may declare and pay a dividend payable in cash, securities (other than shares of Common Stock) or other assets, or any combination thereof, to the holders of outstanding shares of Splitco Capital Common Stock, with an aggregate Fair Value (subject to adjustment as provided below) equal to the Capital Group Allocable Net Proceeds of such Capital Group Disposition as of the record date for determining the holders entitled to receive such dividend, as the same may be determined by the Board of Directors, with such dividend to be paid in accordance with the applicable provisions of paragraphs (c)(i) and (d)(i) of this Section A.2.; or

(B) Provided that there are assets of the Corporation legally available therefor and the Capital Group Available Dividend Amount would have been sufficient to pay a dividend pursuant to clause (A) of this paragraph (e)(ii) in lieu of effecting the redemption provided for in this clause (B), then:

(I) if such Capital Group Disposition involves all (not merely substantially all) of the assets of the Capital Group, the Corporation may redeem all outstanding shares of each series of Splitco Capital Common Stock for cash, securities (other than shares of Common Stock) or other assets, or any combination thereof, with an aggregate Fair Value (subject to adjustment as provided below) equal to the Capital Group Allocable Net Proceeds of such Capital Group Disposition as of the Capital Group Redemption Date, as determined by the Board of Directors, such aggregate amount to be allocated among the shares of all series of Splitco Capital Common Stock outstanding as of the Capital Group Redemption Date on an equal per share basis (subject to the provisions of this paragraph (e)(ii)); or

(II) if such Capital Group Disposition involves substantially all (but not all) of the assets of the Capital Group, the Corporation may apply an aggregate amount (subject to adjustment as provided below) of cash, securities (other than shares of Common Stock) or other assets, or any combination thereof, with a Fair Value equal to the Capital Group Allocable Net Proceeds of such Capital Group Disposition as of the Capital Group Redemption Selection Date (the "**Capital Group Redemption Amount**") to the redemption of outstanding shares of each series of Splitco Capital Common Stock, such Capital Group Redemption Amount to be allocated (subject to the provisions of this paragraph (e)(ii)) to the redemption of shares of each series of Splitco Capital Common Stock in the ratio of (x) the number of shares of such series outstanding as of the Capital Group Redemption Selection Date to (y) the aggregate number of shares of all series of Splitco Capital Common Stock outstanding as of such date, and the number of shares of each such series to be redeemed will equal the lesser of (1) the number of shares of such series outstanding as of the Capital Group Redemption Selection Date and (2) the whole number nearest the number obtained by dividing the aggregate amount so allocated to the redemption of such series by the Average Market Value of the Splitco Capital Reference Share over the period of 10 consecutive Trading Days beginning on the 2nd Trading Day following the consummation of such Capital Group Disposition; *provided that,* if following the foregoing allocation there remains any amount of the Capital Group Redemption Amount which is not being applied to the redemption of shares of a series of Splitco Capital Common Stock, then such excess amount will be allocated to the redemption of shares of each series of Splitco Capital Common Stock that, following the initial allocation referred to above, would have shares outstanding and not redeemed, with the number of outstanding and not redeemed shares to be redeemed from each such series to be calculated in accordance with clauses (1) and (2) of the immediately preceding sentence based upon such excess amount of the Capital Group Redemption Amount. The outstanding shares of a series of Splitco Capital Common Stock to be redeemed will be selected on a pro rata basis among the holders of such series or by such other method as the Board of Directors may determine to be equitable; or

(C) The Corporation may convert each outstanding share of Series A Splitco Capital Common Stock into a number (or fraction) of fully paid and non-assessable shares of Series A Splitco Starz Common Stock, each outstanding share of Series B Splitco Capital Common Stock into a number (or fraction) of fully paid and non-assessable shares of Series B Splitco Starz Common Stock, and each outstanding share of Series C Splitco Capital Common Stock into a number (or fraction) of fully paid and non-assessable shares of Series C Splitco Starz

Common Stock, in each case, equal to 110% of the average daily ratio (calculated to the nearest five decimal places) of (I) the Average Market Value of the Splitco Capital Reference Share over the period of 10 consecutive Trading Days beginning on the 2nd Trading Day following the consummation of such Capital Group Disposition, to (II) the Average Market Value of the Splitco Starz Reference Share over the same 10-Trading Day period; or

(D) The Corporation may combine the conversion of a portion of the outstanding shares of Splitco Capital Common Stock into Splitco Starz Common Stock as contemplated by clause (C) of this paragraph (e)(ii) with the payment of a dividend on or the redemption of shares of Splitco Capital Common Stock as described below, subject to the limitations specified in clause (A) (in the case of a dividend) or clause (B) (in the case of a redemption) of this paragraph (e)(ii) (including the limitations specified in other paragraphs of this Certificate referred to therein). In the event the Board of Directors elects the option described in this clause (D), the portion of the outstanding shares of Splitco Capital Common Stock to be converted into fully paid and non-assessable shares of Splitco Starz Common Stock will be determined by the Board of Directors and will be so converted at the conversion rate determined in accordance with clause (C) above and the Corporation will either (x) pay a dividend to the holders of record of all of the remaining shares of Splitco Capital Common Stock outstanding, with such dividend to be paid in accordance with the applicable provisions of paragraphs (c)(i) and (d)(i) of this Section A.2., or (y) redeem all or a portion of such remaining shares of Splitco Capital Common Stock. The aggregate amount of such dividend, in the case of a dividend, or the portion of the Capital Group Allocable Net Proceeds to be applied to such redemption, in the case of a redemption, will be equal to the amount (rounded, if necessary, to the nearest whole number) obtained by multiplying (I) an amount equal to the Capital Group Allocable Net Proceeds of such Capital Group Disposition as of, in the case of a dividend, the record date for determining the holders of Splitco Capital Common Stock entitled to receive such dividend and, in the case of a redemption, the Capital Group Redemption Selection Date (in the case of a partial redemption) or the Capital Group Redemption Date (in the case of a full redemption), in each case, before giving effect to the conversion of shares of Splitco Capital Common Stock in connection with such Capital Group Disposition in accordance with this clause (D) and any related adjustment to the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest, by (II) one minus a fraction, the numerator of which will be the number of shares of Splitco Capital Common Stock to be converted into shares of Splitco Starz Common Stock in accordance with this clause (D) and the denominator of which will be the aggregate number of shares of Splitco Capital Common Stock outstanding as of the record date, Capital Group Redemption Selection Date or Capital Group Redemption Date used for purposes of clause (I) of this sentence. In the event of a redemption concurrently with or following any such partial conversion of shares of Splitco Capital Common Stock, if the Capital Group Disposition was of all (not merely substantially all) of the assets of the Capital Group, then all remaining outstanding shares of Splitco Capital Common Stock will be redeemed for cash, securities (other than shares of Common Stock) or other assets, or any combination thereof, with an aggregate Fair Value equal to the portion of the Capital Group Allocable Net Proceeds to be applied to such redemption determined in accordance with this clause (D), such aggregate amount to be allocated among all such shares to be redeemed on an equal per share basis (subject to the provisions of this paragraph (e)(ii)). In the event of a redemption concurrently with or following any such partial conversion of shares of Splitco Capital Common Stock, if the Capital Group Disposition was of substantially all (but not all) of the assets of the Capital Group, then the number of shares of each series of Splitco Capital Common Stock to be redeemed will be determined in accordance with clause (B)(II) of this paragraph (e)(ii), substituting for the Capital Group Redemption Amount referred to therein the portion of the Capital Group Allocable Net Proceeds to be applied to such redemption as determined in accordance with this clause (D), and such shares will be redeemed for cash, securities (other than Common Stock) or other assets, or any combination thereof, with an aggregate Fair Value equal to such portion of the Capital Group Allocable Net Proceeds and allocated among all such shares to be redeemed on an equal per share basis (subject to the provisions of this paragraph (e)(ii)). The aggregate number of shares of Splitco Capital Common Stock to be converted in any partial conversion in accordance with this clause (D) will be allocated among the series of Splitco Capital Common Stock in the ratio of the number of shares of each such series outstanding to the aggregate number of shares of all series of Splitco Capital Common Stock outstanding as of the Capital Group Conversion Selection Date, and the shares of each such series to be converted will be selected on a pro rata basis or by such other method as the Board of Directors may determine to be equitable. In the case of a redemption, the allocation of the cash, securities (other than shares of Common Stock) and/or other assets to be paid in redemption and, in the case of a partial redemption, the selection of shares to be redeemed will be made in the manner contemplated by clause (B) of this paragraph (e)(ii).

For purposes of this paragraph (e)(ii):

(1) as of any date, "**substantially all of the assets of the Capital Group**" means a portion of such assets that represents at least 80% of the then-Fair Value of the assets of the Capital Group as of such date;

(2) in the case of a Capital Group Disposition of assets in a series of related transactions, such Capital Group Disposition will not be deemed to have been consummated until the consummation of the last of such transactions;

(3) if the Board of Directors seeks the approval of the holders of Splitco Capital Voting Securities entitled to vote thereon to qualify a Capital Group Disposition as an Exempt Capital Group Disposition and such approval is not obtained, the date on which such approval fails to be obtained will be treated as the date on which such Capital Group Disposition was consummated for purposes of making the determinations and taking the actions prescribed by this paragraph (e)(ii) and paragraph (e)(iv), and no subsequent vote may be taken to qualify such Capital Group Disposition as an Exempt Capital Group Disposition;

(4) in the event of a redemption of a portion of the outstanding shares of Splitco Capital Common Stock pursuant to clause (B)(II) or (D) of this paragraph (e)(ii) at a time when the Capital Group Outstanding Interest Fraction is less than one, if the Board of Directors so elects (a "**Capital Group Inter-Group Partial Redemption Election**"), in its discretion, the Corporation will attribute to the Starz Group concurrently with such redemption an aggregate amount (the "**Capital Group Inter-Group Redemption Amount**") of cash, securities (other than shares of Common Stock) or other assets, or any combination thereof, subject to adjustment as described below, with an aggregate Fair Value equal to the difference between (x) the Capital Group Net Proceeds and (y) the portion of the Capital Group Allocable Net Proceeds applied to such redemption as determined in accordance with clause (B)(II) or clause (D) of this paragraph (e)(ii). If the Board of Directors makes such election, the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest will be decreased in the manner described in subparagraph (ii)(E) of the definition of "Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest" in paragraph (i) of this Section A.2. The Capital Group Inter-Group Redemption Amount may, at the discretion of the Board of Directors, be reflected by an allocation to the Starz Group or by a direct transfer to the Starz Group of cash, securities and/or other assets;

(5) if at the time of a Capital Group Disposition subject to this paragraph (e)(ii), there are outstanding any Convertible Securities convertible into or exercisable or exchangeable for shares of Splitco Capital Common Stock that would give the holders thereof the right to receive any consideration related to such Capital Group Disposition upon conversion, exercise or exchange or otherwise, or would adjust to give the holders equivalent economic rights, as a result of any dividend, redemption or other action taken by the Corporation with respect to the Splitco Capital Common Stock pursuant to this paragraph (e)(ii), then the Board of Directors may make such adjustments to (x) the amount of consideration to be issued or delivered as contemplated by this paragraph (e)(ii) as a dividend on or in redemption or conversion of shares of Splitco Capital Common Stock and/or, if applicable, (y) the Capital Group Inter-Group Redemption Amount and the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest as it deems appropriate to take into account the Splitco Capital Common Stock into which such Convertible Securities are convertible or for which such Convertible Securities are exercisable or exchangeable;

(6) the Corporation may pay the dividend or redemption price referred to in clause (A), (B) or (D) of this paragraph (e)(ii) payable to the holders of Splitco Capital Common Stock in cash, securities (other than shares of Common Stock) or other assets, or any combination thereof, that the Board of Directors determines and which has an aggregate Fair Value of not less than the amount allocated to such dividend or redemption pursuant to the applicable of clauses (A), (B) or (D) of this paragraph (e)(ii), regardless of the form or nature of the proceeds received by the Corporation from the Capital Group Disposition;

(7) if all or any portion of the redemption price referred to in clause (B) or (D) of this paragraph (e)(ii) payable to the holders of Splitco Capital Common Stock is paid in the form of securities of an issuer other than the Corporation, the Board of Directors may, subject to the provisions of clause (8) below, determine to pay the redemption price, so payable in securities, in the form of (x) identical securities, on an equal per share basis, to holders of each series of Splitco Capital Common Stock, (y) separate classes or series of securities, on an equal per share basis, to the holders of each series of Splitco Capital Common Stock or (z) a separate class or series of securities to the holders of one or more series of Splitco Capital Common Stock and, on an equal per share basis, a different class or series of securities to the holders of all other series of Splitco Capital Common Stock; *provided*, *that*, in the case of clauses (y) and (z), (1) such separate classes or series do not differ in any respect other than their relative voting rights (and any related differences in designation, conversion, redemption and share distribution provisions such as those set forth in this Section A.2.), with holders of shares of Series B Splitco Capital Common Stock receiving securities of a class or series having the highest relative voting rights and the holders of shares of each other series of Splitco Capital Common Stock receiving securities of a class or series having lesser relative voting rights, in each case, without regard to whether such rights differ to a greater or lesser extent than the corresponding differences in voting rights (and any related differences in designation, conversion, redemption and share distribution provisions such as those set forth in this Section A.2.) among the Series A Splitco Capital Common Stock, the Series B Splitco Capital Common Stock and the Series C Splitco Capital Common Stock and (2) in the event the securities to be received by the holders of shares of Splitco Capital Common Stock other than the Series B Splitco Capital Common Stock consist of different classes or series of securities, with each such class or series differing only with respect to the relative voting rights of such class or series (and any related differences in designation, conversion, redemption and share distribution provisions such as those set forth in this Section A.2.), then such classes or series of securities will be distributed to the holders of each series of Splitco Capital Common Stock (other than the Series B Splitco Capital Common Stock) (i) as the Board of Directors determines or (ii) such that the relative voting rights of the class or series of securities to be

received by the holders of each series of Splitco Capital Common Stock corresponds to the extent practicable to the relative voting rights (as compared to the other series of Splitco Capital Common Stock, other than the Series B Splitco Capital Common Stock) of such series of Splitco Capital Common Stock; and

(8) in the event of any redemption referred to in clause (7) above, so long as the Series B Capital Group Minimum Share Condition is satisfied, unless a Series B Capital Group Consent has been received approving the class or series of securities to be delivered in exchange for Splitco Capital Common Stock, the Corporation will not effect any such redemption (i) if the securities to be received by the holders of the Series C Splitco Capital Common Stock in such redemption (including, in the case of Convertible Securities delivered in such redemption, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) are entitled to vote with respect to matters upon which security holders of the issuer thereof are generally entitled to vote (other than to an extent no greater than the holders of Series C Splitco Capital Common Stock are entitled to vote upon matters as provided in this Certificate) and (ii) unless the securities to be received by the holders of Series B Splitco Capital Common Stock in such redemption (including, in the case of Convertible Securities delivered in such redemption, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) at all times have Per Share Voting Power of not less than ten times the Per Share Voting Power of the securities to be received in such redemption by the holders of each other series of Splitco Capital Common Stock receiving securities entitled to such voting power, if any.

(iii) *Certain Provisions Respecting Convertible Securities.* Unless the provisions of any Convertible Securities that are or become convertible into or exercisable or exchangeable for shares of any series of Splitco Capital Common Stock provide specifically to the contrary, or the instrument, plan or agreement evidencing such Convertible Securities or pursuant to which the same were issued grants to the Board of Directors the discretion to approve or authorize any adjustment or adjustments to the conversion, exercise or exchange provisions of such Convertible Securities so as to obtain a result different from that which would otherwise occur pursuant to this paragraph (e)(iii), and the Board of Directors so approves or authorizes such adjustment or adjustments, after any Capital Group Conversion Date or Capital Group Redemption Date on which all outstanding shares of Splitco Capital Common Stock were converted or redeemed, any share of Splitco Capital Common Stock that is issued on conversion, exercise or exchange of any such Convertible Security will, immediately upon issuance and without any notice or any other action on the part of the Corporation or its Board of Directors or the holder of such share of Splitco Capital Common Stock, be redeemed in exchange for, to the extent assets of the Corporation are legally available therefor, the amount of $.01 per share in cash.

(iv) *General.*

(A) Not later than the 10th Trading Day following the consummation of a Capital Group Disposition referred to in paragraph (e)(ii) of this Section A.2., the Corporation will announce publicly by press release (x) the Capital Group Net Proceeds of such Capital Group Disposition, (y) whether the Capital Group Disposition qualifies as an Exempt Capital Group Disposition, and (z) if it does not so qualify at the time of such announcement (including in the event the Board of Directors had not sought stockholder approval to qualify such Capital Group Disposition as an Exempt Capital Group Disposition in connection with any required stockholder approval obtained by the Corporation, if applicable), whether the Board of Directors will seek the approval of the holders of Splitco Capital Voting Securities entitled to vote thereon to qualify such Capital Group Disposition as an Exempt Capital Group Disposition. Not later than the 30th Trading Day (and in the event a 10 Trading Day valuation period is required in connection with the action selected by the Board of Directors pursuant to clause (I) of this paragraph (e)(iv)(A), not earlier than the 11th Trading Day) following the later of (x) the consummation of such Capital Group Disposition and (y), if applicable, the date of the stockholder meeting at which a vote is taken to qualify such Capital Group Disposition as an Exempt Capital Group Disposition, the Corporation will announce publicly by press release (to the extent applicable):

(I) which of the actions specified in clauses (A), (B), (C) or (D) of paragraph (e)(ii) of this Section A.2. the Corporation has irrevocably determined to take;

(II) as applicable, the record date for determining holders entitled to receive any dividend to be paid pursuant to clause (A) or (D) of paragraph (e)(ii), the Capital Group Redemption Selection Date for the redemption of shares of Splitco Capital Common Stock pursuant to clause (B)(II) or (D) of paragraph (e)(ii) or the Capital Group Conversion Selection Date for the partial conversion of shares of Splitco Capital Common Stock pursuant to clause (D) of paragraph (e)(ii), which record date, Capital Group Redemption Selection Date or Capital Group Conversion Selection Date will not be earlier than the 10th day following the date of such public announcement;

(III) the anticipated dividend payment date, Capital Group Redemption Date and/or Capital Group Conversion Date, which in each case, will not be more than 85 Trading Days following such Capital Group Disposition; and

(IV) unless the Board of Directors otherwise determines, that the Corporation will not be required to register a transfer of any shares of Splitco Capital Common Stock for a period of 10 Trading Days (or such shorter period as such announcement may specify) next preceding the specified Capital Group Redemption Selection Date or Capital Group Conversion Selection Date.

If the Corporation determines to undertake a redemption of shares of Splitco Capital Common Stock, in whole or in part, pursuant to clause (B) or (D) of paragraph (e)(ii) of this Section A.2., or a conversion of shares of Splitco Capital Common Stock, in whole or in part, pursuant to clause (C) or (D) of paragraph (e)(ii), the Corporation will announce such redemption or conversion (which, for the avoidance of doubt, may remain subject to the satisfaction or waiver of any applicable condition precedent at the time of such announcement) publicly by press release, not less than 10 days prior to the Capital Group Redemption Date or Capital Group Conversion Date, as applicable:

(1) the Capital Group Redemption Date or Capital Group Conversion Date;

(2) the number of shares of Splitco Capital Common Stock to be redeemed or converted or, if applicable, stating that all outstanding shares of Splitco Capital Common Stock will be redeemed or converted and the series of Splitco Starz Common Stock issuable to the holders of each series of Splitco Capital Common Stock upon such redemption or conversion;

(3) in the case of a redemption or a conversion, in each case, in whole or in part, of outstanding shares of Splitco Capital Common Stock, the kind and amount of per share consideration to be received with respect to each share of Splitco Capital Common Stock to be redeemed or converted and the Capital Group Outstanding Interest Fraction as of the date of such notice;

(4) with respect to a partial redemption under clause (B)(II) or (D) of paragraph (e)(ii), if the Board of Directors has made a Capital Group Inter-Group Partial Redemption Election, the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest as of the Capital Group Redemption Selection Date;

(5) with respect to a dividend under clause (A) or (D) of paragraph (e)(ii), the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest as of the record date for the dividend and the Capital Group Inter-Group Dividend Amount attributable to the Starz Group; and

(6) instructions as to how shares of Splitco Capital Common Stock may be surrendered for redemption or conversion.

(B) In the event of any conversion of shares of Splitco Capital Common Stock pursuant to paragraph (b)(iii) of this Section A.2., not less than 10 days prior to the Capital Group Conversion Date, the Corporation will announce publicly by press release:

(1) that all outstanding shares of Splitco Capital Common Stock will be converted pursuant to paragraph (b)(iii) of this Section A.2. on the Capital Group Conversion Date;

(2) the Capital Group Conversion Date, which will not be more than 45 days following the Determination Date;

(3) a statement that all outstanding shares of Splitco Capital Common Stock will be converted;

(4) the per share number and series of shares of Splitco Starz Common Stock to be received with respect to each share of each series of Splitco Capital Common Stock; and

(5) instructions as to how shares of Splitco Capital Common Stock may be surrendered for conversion.

(C) If the Corporation determines to obtain the Capital Group Redemption Stockholder Approval and, subject to the receipt of such approval, to redeem shares of Splitco Capital Common Stock pursuant to paragraph (e)(i), the Corporation will announce publicly by press release:

(I) that the Corporation intends to redeem shares of Splitco Capital Common Stock for securities of a Distributed Capital Group Subsidiary pursuant to paragraph (e)(i) of this Section A.2., subject to any applicable conditions, including the receipt of the Capital Group Redemption Stockholder Approval if such approval has not been obtained at the time of the press release;

(II) the number of shares of Splitco Capital Common Stock to be redeemed or, if applicable, stating that all outstanding shares of Splitco Capital Common Stock will be redeemed;

(III) the class or series of securities of the Distributed Capital Group Subsidiary to be received with respect to each share of each series of Splitco Capital Common Stock to be redeemed and the Capital Group Outstanding Interest Fraction as of the date of such notice, if any;

(IV) if applicable, the Capital Group Redemption Selection Date, which will not be earlier than the 10th day following the date of the press release;

(V) the Capital Group Redemption Date, which will not be earlier than the 10th day following the date of the press release and will not be later than the 120th Trading Day following the date of the press release;

(VI) if the Board of Directors has made a Capital Group Inter-Group Redemption Election, the number of Capital Group Inter-Group Interest Subsidiary Securities attributable to the Starz Group, and the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest used in determining such number and attribution of Capital Group Inter-Group Interest Subsidiary Securities;

(VII) instructions as to how shares of Splitco Capital Common Stock may be surrendered for redemption; and

(VIII) if the Board of Directors so determines, that the Corporation will not be required to register a transfer of any shares of Splitco Capital Common Stock for a period of 10 Trading Days (or such shorter period as such announcement may specify) next preceding the specified Capital Group Redemption Selection Date.

If, at the time of the issuance of the press release required by this paragraph (C), the Capital Group Redemption Stockholder Approval has not yet been obtained, such press release shall include as much of the information set forth in subparagraphs (I) to (VIII) as is then available, and the Corporation will issue a second press release once the Capital Group Redemption Stockholder Approval is obtained setting forth any such required information not included in the first press release.

(D) The Corporation will give such notice to holders of Convertible Securities convertible into or exercisable or exchangeable for Splitco Capital Common Stock as may be required by the terms of such Convertible Securities or as the Board of Directors may otherwise deem appropriate in connection with a dividend, redemption or conversion of shares of Splitco Capital Common Stock pursuant to this Section A.2., as applicable.

(E) All public announcements (including any proxy materials to the extent approval of the stockholders of the Corporation is sought or required) made pursuant to clauses (A), (B) or (C) of this paragraph (e)(iv) will include such further statements, and the Corporation reserves the right to make such further public announcements, as may be required by law or the rules of the principal national securities exchange on which the Splitco Capital Common Stock is listed or as the Board of Directors may, in its discretion, deem appropriate.

(F) No adjustments in respect of dividends will be made upon the conversion or redemption of any shares of Splitco Capital Common Stock; *provided*, *however*, that, except as otherwise contemplated by paragraph (e)(ii)(D), if the Capital Group Conversion Date or the Capital Group Redemption Date with respect to any shares of Splitco Capital Common Stock will be subsequent to the record date for the payment of a dividend or other distribution thereon or with respect thereto, but prior to the payment of such dividend or distribution, the holders of record of such shares of Splitco Capital Common Stock at the close of business on such record date will be entitled to receive the dividend or other distribution payable on or with respect to such shares on the date set for payment of such dividend or other distribution, notwithstanding the prior conversion or redemption of such shares.

(G) Before any holder of shares of Splitco Capital Common Stock will be entitled to receive a certificate or certificates representing shares of any kind of capital stock or cash, securities or other assets to be received by such holder with respect to shares of Splitco Capital Common Stock pursuant to paragraph (b) of this Section A.2. or this paragraph (e), such holder will surrender at such place as the Corporation will specify certificates representing such shares of Splitco Capital Common Stock, properly endorsed or assigned for transfer (unless the Corporation will waive such requirement). The Corporation will as soon as practicable after such surrender of a certificate or certificates representing shares of Splitco Capital Common Stock, deliver, or cause to be delivered, at the office of the transfer agent for the shares or other securities to be delivered, to the holder for whose account shares of Splitco Capital Common Stock were so surrendered, or to the nominee or nominees of such holder, a certificate or certificates representing the number of whole shares of the kind of capital stock or cash, securities or other assets to which such Person will be entitled as aforesaid, together with any payment for fractional securities contemplated by paragraph (e)(iv)(I). If less than all of the shares of Splitco Capital Common Stock represented by any one certificate are to be redeemed or converted, the Corporation will issue and deliver a new certificate for the shares of Splitco Capital Common Stock not redeemed or converted. Shares selected for redemption may not thereafter be converted pursuant to paragraph (b)(i)(A) of this Section A.2.

(H) From and after any applicable Capital Group Conversion Date or Capital Group Redemption Date, all rights of a holder of shares of Splitco Capital Common Stock that were converted or redeemed on such Capital Group Conversion Date or Capital Group Redemption Date, as applicable, will cease except for the right, upon surrender of a certificate or certificates representing such shares of Splitco Capital Common Stock, to receive a certificate or certificates representing shares of the kind and amount of capital stock or cash, securities (other than capital stock) or other assets for which such shares were converted or redeemed, as applicable, together with any payment for fractional securities contemplated by paragraph (e)(iv)(I) of this Section A.2. and such holder will have no other or further rights in respect of the shares of Splitco Capital Common Stock so converted or redeemed, including, but not limited to, any rights with respect to any cash, securities or other assets which are reserved or otherwise designated by the Corporation as being held for the satisfaction of the Corporation's obligations to pay or deliver any cash, securities or other assets upon the conversion, exercise or exchange of any Convertible Securities outstanding as of the date of such conversion or redemption. No holder of a certificate which immediately prior to the applicable Capital Group Conversion Date or Capital Group Redemption Date represented shares of Splitco Capital Common Stock will be entitled to receive any dividend or other distribution with respect to shares of any kind of capital stock into or in exchange for which the Splitco Capital Common Stock was converted or redeemed until surrender of such holder's certificate for a certificate or certificates representing shares of such kind of capital stock. Upon such surrender, there will be paid to the holder the amount of any dividends or other distributions (without interest) which theretofore became payable with respect to a record date after the Capital Group Conversion Date or Capital Group Redemption Date, as the case may be, but that were not paid by reason of the foregoing, with respect to the number of whole shares of the kind of capital stock represented by the certificate or certificates issued upon such surrender. From and after a Capital Group Conversion Date or Capital Group Redemption Date, as the case may be, the Corporation will, however, be entitled to treat certificates representing shares of Splitco Capital Common Stock that have not yet been surrendered for conversion or redemption in accordance with clause (G) above as evidencing the ownership of the number of whole shares of the kind or kinds of capital stock for which the shares of Splitco Capital Common Stock represented by such certificates will have been converted or redeemed in accordance with paragraph (b) of this Section A.2 or this paragraph (e), notwithstanding the failure of the holder thereof to surrender such certificates.

(I) The Corporation will not be required to issue or deliver fractional shares of any class or series of capital stock or any other securities in a smaller than authorized denomination to any holder of Splitco Capital Common Stock upon any conversion, redemption, dividend or other distribution pursuant to paragraph (b) of this Section A.2 or this paragraph (e). In connection with the determination of the number of shares of any class or series of capital stock that will be issuable or the amount of other securities that will be deliverable to any holder of record of Splitco Capital Common Stock upon any such conversion, redemption, dividend or other distribution (including any fractions of shares or securities), the Corporation may aggregate the shares of Splitco Capital Common Stock held at the relevant time by such holder of record. If the aggregate number of shares of capital stock or other securities to be issued or delivered to any holder of Splitco Capital Common Stock includes a fraction, the Corporation will pay a cash adjustment in lieu of such fraction in an amount equal to the "*value*" of such fraction, as the Board of Directors shall in good faith determine to be appropriate, as of the Trading Day specified by the Board of Directors for such purpose (without interest).

(J) Any deadline for effecting a dividend, redemption or conversion prescribed by this paragraph (e) may be extended if deemed necessary or appropriate, in the discretion of the Board of Directors, to enable the Corporation to comply with the U.S. federal securities laws, including the rules and regulations promulgated thereunder.

(f) *Redemption and Other Provisions Relating to the Splitco Starz Common Stock*.

(i) *Redemption for Securities of one or more Starz Group Subsidiaries*. At any time at which a Subsidiary of the Corporation holds, directly or indirectly, assets and liabilities attributed to the Starz Group, the Corporation may, at its option and subject to assets of the Corporation being legally available therefor but subject (in addition to any other approval of the Corporation's stockholders (or any series thereof) required under the DGCL in respect of such redemption, if any) to the Corporation having received the Starz Group Redemption Stockholder Approval (and, to the extent applicable, the Capital Group Redemption Stockholder Approval), redeem outstanding shares of Splitco Starz Common Stock (such shares of Splitco Starz Common Stock to be redeemed, the "**Starz Group Redemption Shares**") for securities of such Subsidiary (a "**Distributed Starz Group Subsidiary**"), as provided herein. The number of Starz Group Redemption Shares will be determined, by the Board of Directors, by multiplying (A) the number of outstanding shares of Splitco Starz Common Stock as of the Starz Group Redemption Selection Date, by (B) the percentage of the Fair Value of the Starz Group that is represented by the Fair Value of the Corporation's equity interest in the Distributed Starz Group Subsidiary which is attributable to the Starz Group, in each case, as determined by the Board of Directors as of a date selected by the Board of Directors, as such percentage may be adjusted by the Board of Directors in its discretion to reflect the effects of a Starz Group Inter-Group Redemption Election and to take into account other things deemed relevant by the Board of Directors. The aggregate number of securities of the Distributed Starz Group Subsidiary to be delivered (the "**Starz Group Distribution Subsidiary Securities**") in redemption of the Starz Group Redemption Shares will be equal to: (A) if the Board of Directors makes a Starz Group Inter-Group Redemption Election as described below, the amount (rounded, if necessary, to the nearest whole number) obtained by multiplying (x) the product of (I) the number of securities of the Distributed Starz Group Subsidiary owned by the Corporation and (II) the percentage of the Fair Value of the Corporation's equity interest in the Distributed Starz Group Subsidiary that is represented by the Fair Value of the Corporation's equity interest in the Distributed Starz Group Subsidiary which is attributable to the Starz Group (subject to adjustment to reflect the effects of a Starz Group Inter-Group Redemption Election) (such product, the "**Distributable Starz Group Subsidiary Securities**"), by (y) the Starz Group Outstanding Interest Fraction, in each case, as of the Starz Group Redemption Selection Date, or (B) if the Board of Directors does not make a Starz Group Inter-Group Redemption Election, all of the Distributable Starz Group Subsidiary Securities, in each case, subject to adjustment as provided below. The number of securities of the Distributed Starz Group Subsidiary to be delivered in redemption of each Starz Group Redemption Share will be equal to the amount (rounded, if necessary, to the nearest five decimal places) obtained by dividing (x) the number of Starz Group Distribution Subsidiary Securities, by (y) the number of Starz Group Redemption Shares.

If the Starz Group Outstanding Interest Fraction is less than one (1) on the Starz Group Redemption Selection Date for any redemption pursuant to this paragraph (f)(i) and if (but only if) the Board of Directors so determines in its discretion (a "**Starz Group Inter-Group Redemption Election**"), then concurrently with the distribution of the Starz Group Distribution Subsidiary Securities in redemption of Starz Group Redemption Shares, the Corporation will attribute to the Capital Group an aggregate number of Distributable Starz Group Subsidiary Securities (the "**Starz Group Inter-Group Interest Subsidiary Securities**") equal to the difference between the total number of Distributable Starz Group Subsidiary Securities and the number of Starz Group Distribution Subsidiary Securities, subject to adjustment as provided below. If a Starz Group Inter-Group Redemption Election is made, then: (I) the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest will be decreased as described in subparagraph (ii)(D) of the definition of "Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest" in paragraph (i) of this Section A.2.; (II) the attribution of Starz Group Inter-Group Interest Subsidiary Securities to be made to the Capital Group may, at the discretion of the Board of Directors, be reflected by an allocation or by a direct transfer of Starz Group Inter-Group Interest Subsidiary Securities to such Group; and (III) the Board of Directors may determine that the Starz Group Inter-Group Interest Subsidiary Securities so allocated or transferred to the Capital Group will be distributed to holders of shares of Splitco Capital Common Stock as a Share Distribution pursuant to paragraph (d)(i)(C) of this Section A.2. (subject to the receipt of any Series B Starz Group Consent required pursuant to paragraph (d)(i) of this Section A.2.). To the extent that any Share Distribution contemplated by clause (III) of the immediately preceding sentence would require a Series B Capital Group Consent, the Board of Directors will make the Starz Group Inter-Group Redemption Election contingent upon the Corporation's receipt of the Series B Capital Group Consent.

If at the time of a redemption of Splitco Starz Common Stock pursuant to this paragraph (f)(i), there are outstanding any Convertible Securities convertible into or exercisable or exchangeable for shares of Splitco Starz Common Stock that would become convertible into or exercisable or exchangeable for Distributable Starz Group Subsidiary Securities as a result of such redemption, and the obligation to deliver securities of such Distributed Starz Group Subsidiary upon exercise, exchange or conversion of such Convertible Securities is not assumed or otherwise provided for by the Distributed Starz Group Subsidiary, then the Board of Directors may make such adjustments as it determines to be appropriate to the number of Starz Group Redemption Shares, the number of Starz Group Distribution Subsidiary Securities and the number of Starz Group Inter-Group Interest Subsidiary Securities (and any related adjustment to the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest), to take into account the securities of the Distributed Starz Group Subsidiary into which such Convertible Securities are convertible or for which such Convertible Securities are exercisable or exchangeable.

In the event that not all outstanding shares of Splitco Starz Common Stock are to be redeemed in accordance with this paragraph (f)(i) for Starz Group Distribution Subsidiary Securities, then (1) the number of shares of each series of Splitco Starz Common Stock to be redeemed in accordance with this paragraph (f)(i) will be determined by multiplying the aggregate number of Starz Group Redemption Shares by a fraction, the numerator of which is the aggregate number of shares of such series and the denominator of which is the aggregate number of shares of all series of Splitco Starz Common Stock, in each case, outstanding as of the Starz Group Redemption Selection Date, and (2) the outstanding shares of each series of Splitco Starz Common Stock to be redeemed in accordance with this paragraph (f)(i) will be redeemed by the Corporation pro rata among the holders of each series of Splitco Starz Common Stock or by such other method as may be determined by the Board of Directors to be equitable.

To the extent that a Distributed Starz Group Subsidiary to be distributed pursuant to this paragraph (f)(i) also holds, directly or indirectly, assets and liabilities attributed to the Capital Group, then (x) such Distributed Starz Group Subsidiary will also be deemed a Distributed Capital Group Subsidiary for purposes of paragraph (e)(i) and (y) in connection with the redemption of Starz Group Redemption Shares pursuant to this paragraph (f)(i) the Corporation will also redeem shares of Splitco Capital Common Stock pursuant to the provisions of paragraph (e)(i), subject to the Corporation obtaining the Starz Group Redemption Stockholder Approval and the Capital Group Redemption Stockholder Approval. In connection with any such redemption of Splitco Capital Common Stock and Splitco Starz Common Stock, the Board of Directors will effect such redemption in accordance with the terms of paragraphs (e)(i) and (f)(i), as determined by the Board of Directors in good faith, with such changes and adjustments as the Board of Directors determines are reasonably necessary in order to effect such redemption in exchange for securities of a single Subsidiary holding the assets and liabilities of more than one Group. In effecting such redemption, the Board of Directors may determine to redeem the Capital Group Redemption Shares and the Starz Group Redemption Shares, in exchange for one or more classes or series of securities of such Subsidiary, including, without limitation, for separate classes or series of securities of such Subsidiary, (I) with the holders of Capital Group Redemption Shares to receive Capital Group Distribution Subsidiary Securities intended to track the performance of the former assets and liabilities attributed to the Capital Group held by such Subsidiary and (II) with holders of Starz Group Redemption Shares to receive Starz Group Distribution Subsidiary Securities intended to track the performance of the former assets and liabilities attributed to the Starz Group held by such Subsidiary, subject, in each case, to the applicable limitations on the class and series of securities of the Distributed Starz Group Subsidiary set forth in the last paragraph of paragraphs (e)(i) and (f)(i).

Any redemption pursuant to this paragraph (f)(i) will occur on a Starz Group Redemption Date set forth in a notice to holders of Splitco Starz Common Stock (and Convertible Securities convertible into or exercisable or exchangeable for shares of any series of Splitco Starz Common Stock (unless provision for notice is otherwise made pursuant to the terms of such Convertible Securities)) pursuant to paragraph (f)(iv)(C).

In effecting a redemption of Splitco Starz Common Stock pursuant to this paragraph (f)(i), the Board of Directors may, subject to the provisions of the last paragraph of this paragraph (f)(i), determine either to (x) redeem shares of each series of Splitco Starz Common Stock in exchange for a single class or series of securities of the Distributed Starz Group Subsidiary without distinction among series of Splitco Starz Common Stock, on an equal per share basis, (y) redeem shares of each series of Splitco Starz Common Stock in exchange for separate classes or series of securities of the Distributed Starz Group Subsidiary, on an equal per share basis, or (z) redeem shares of one or more series of Splitco Starz Common Stock in exchange for a separate class or series of securities of the Distributed Starz Group Subsidiary and, on an equal per share basis, redeem shares of all other series of Splitco Starz Common Stock in exchange for a different class or series of securities of the Distributed Starz Group Subsidiary; *provided*, *that*, in the case of clauses (y) and (z), (1) such separate classes or series do not differ in any respect other than their relative voting rights (and any related differences in designation, conversion, redemption and share distribution provisions such as those set forth in this Section A.2.), with holders of shares of Series B Splitco Starz Common Stock receiving securities of a class or series having the highest relative voting rights and the holders of shares of each other series of Splitco Starz Common Stock receiving securities of a class or series having lesser relative voting rights, in each case, without regard to whether such rights differ to a greater or lesser extent than the corresponding differences in voting rights (and any related differences in designation, conversion, redemption and share distribution provisions such as those set forth in this Section A.2.) among the Series A Splitco Starz Common Stock, the Series B Splitco Starz Common Stock and the Series C Splitco Starz

Common Stock, and (2) in the event the securities to be received by the holders of shares of Splitco Starz Common Stock other than the Series B Splitco Starz Common Stock in such redemption consist of different classes or series of securities, with each such class or series differing only with respect to the relative voting rights of such class or series (and any related differences in designation, conversion, redemption and share distribution provisions such as those set forth in this Section A.2.), then such classes or series of securities will be distributed to the holders of each series of Splitco Starz Common Stock (other than the Series B Splitco Starz Common Stock) (i) as the Board of Directors determines or (ii) such that the relative voting rights of the class or series of securities to be received by the holders of each series of Splitco Starz Common Stock corresponds to the extent practicable to the relative voting rights (as compared to the other series of Splitco Starz Common Stock, other than the Series B Splitco Starz Common Stock) of such series of Splitco Starz Common Stock. If the Board of Directors has made a Starz Group Inter-Group Redemption Election, then the determination as to the classes or series of securities of the Distributed Starz Group Subsidiary comprising the Starz Group Inter-Group Interest Subsidiary Securities to be so transferred or allocated to the Capital Group will be made by the Board of Directors in its discretion.

In addition to the foregoing, so long as the Series B Starz Group Minimum Share Condition is satisfied, unless a Series B Starz Group Consent has been received approving the class or series of Starz Group Distribution Subsidiary Securities to be delivered in exchange for Splitco Starz Common Stock, the Corporation will not effect any such redemption (i) if the securities to be received by the holders of the Series C Splitco Starz Common Stock in such redemption (including, in the case of Convertible Securities delivered in such redemption, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) are entitled to vote with respect to matters upon which security holders of the issuer thereof are generally entitled to vote (other than to an extent no greater than the holders of Series C Splitco Starz Common Stock are entitled to vote upon matters as provided in this Certificate) and (ii) unless the Starz Group Distribution Subsidiary Securities to be received by the holders of Series B Splitco Starz Common Stock in such redemption (including, in the case of Convertible Securities delivered in such redemption, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) at all times have Per Share Voting Power of not less than ten times the Per Share Voting Power of the Starz Group Distribution Subsidiary Securities to be received in such redemption by the holders of each other series of Splitco Starz Common Stock receiving securities entitled to such voting power, if any.

(ii) *Mandatory Dividend, Redemption or Conversion in Case of Starz Group Disposition.* In the event of a Starz Group Disposition (other than an Exempt Starz Group Disposition), the Corporation will, on or prior to the 120th Trading Day following the consummation of such Starz Group Disposition and in accordance with the applicable provisions of this Section A.2., take the actions referred to in one of clauses (A), (B), (C) or (D) below, as elected by the Board of Directors:

(A) Subject to the first sentence of paragraph (c)(ii) of this Section A.2. the Corporation may declare and pay a dividend payable in cash, securities (other than shares of Common Stock) or other assets, or any combination thereof, to the holders of outstanding shares of Splitco Starz Common Stock, with an aggregate Fair Value (subject to adjustment as provided below) equal to the Starz Group Allocable Net Proceeds of such Starz Group Disposition as of the record date for determining the holders entitled to receive such dividend, as the same may be determined by the Board of Directors, with such dividend to be paid in accordance with the applicable provisions of paragraphs (c)(ii) and (d)(ii) of this Section A.2.; or

(B) Provided that there are assets of the Corporation legally available therefor and the Starz Group Available Dividend Amount would have been sufficient to pay a dividend pursuant to clause (A) of this paragraph (f)(ii) in lieu of effecting the redemption provided for in this clause (B), then:

(I) if such Starz Group Disposition involves all (not merely substantially all) of the assets of the Starz Group, the Corporation may redeem all outstanding shares of each series of Splitco Starz Common Stock for cash, securities (other than shares of Common Stock) or other assets, or any combination thereof, with an aggregate Fair Value (subject to adjustment as provided below) equal to the Starz Group Allocable Net Proceeds of such Starz Group Disposition as of the Starz Group Redemption Date, as determined by the Board of Directors, such aggregate amount to be allocated among the shares of all series of Splitco Starz Common Stock outstanding as of the Starz Group Redemption Date on an equal per share basis (subject to the provisions of this paragraph (f)(ii)); or

(II) if such Starz Group Disposition involves substantially all (but not all) of the assets of the Starz Group, the Corporation may apply an aggregate amount (subject to adjustment as provided below) of cash, securities (other than shares of Common Stock) or other assets, or any combination thereof, with a Fair Value equal to the Starz Group Allocable Net Proceeds of such Starz Group Disposition as of the Starz Group Redemption Selection Date (the "**Starz Group Redemption Amount**") to the redemption of outstanding shares of each series of Splitco Starz Common Stock, such Starz Group Redemption Amount to be allocated (subject to the provisions of this paragraph (f)(ii)) to the redemption of shares of each series of Splitco Starz Common Stock in the ratio of (x) the number of shares of such series outstanding as of the Starz Group Redemption Selection Date to (y) the aggregate number of shares of all series of Splitco Starz Common Stock outstanding as of such date, and the number of shares of each such series to be redeemed will equal the lesser of (1) the number of shares of such series outstanding as of the Starz Group Redemption Selection Date and (2) the whole number nearest the number obtained by dividing the aggregate amount so allocated to the redemption of such series by the Average Market Value of the Splitco Starz Reference Share over the period of 10 consecutive Trading Days beginning on the 2nd Trading Day following the consummation of such Starz Group Disposition; *provided that,* if following the foregoing allocation there remains any amount of the Starz Group Redemption Amount which is not being applied to the redemption of shares of a series of Splitco Starz Common Stock, then such excess amount will be allocated to the redemption of shares of each series of Splitco Starz Common Stock that, following the initial allocation referred to above, would have shares outstanding and not redeemed, with the number of outstanding and not redeemed shares to be redeemed from each such series to be calculated in accordance with clauses (1) and (2) of the immediately preceding sentence based upon such excess amount of the Starz Group Redemption Amount. The outstanding shares of a series of Splitco Starz Common Stock to be redeemed will be selected on a pro rata basis among the holders of such series or by such other method as the Board of Directors may determine to be equitable; or

(C) The Corporation may convert each outstanding share of Series A Splitco Starz Common Stock into a number (or fraction) of fully paid and non-assessable shares of Series A Splitco Capital Common Stock, each outstanding share of Series B Splitco Starz Common Stock into a number (or fraction) of fully paid and non-assessable shares of Series B Splitco Capital Common Stock, and each outstanding share of Series C Splitco Starz Common Stock into a number (or fraction) of fully paid and non-assessable shares of Series C Splitco Capital Common Stock, in each case, equal to 110% of the average daily ratio (calculated to the nearest five decimal places) of (I) the Average Market Value of the Splitco Starz Reference Share over the period of 10 consecutive Trading Days beginning on the 2nd Trading Day following the consummation of such Starz Group Disposition, to (II) the Average Market Value of the Splitco Capital Reference Share over the same 10-Trading Day period; or

(D) The Corporation may combine the conversion of a portion of the outstanding shares of Splitco Starz Common Stock into Splitco Capital Common Stock as contemplated by clause (C) of this paragraph (f)(ii) with the payment of a dividend on or the redemption of shares of Splitco Starz Common Stock as described below, subject to the limitations specified in clause (A) (in the case of a dividend) or clause (B) (in the case of a redemption) of this paragraph (f)(ii) (including the limitations specified in other paragraphs of this Certificate referred to therein). In the event the Board of Directors elects the option described in this clause (D), the portion of the outstanding shares of Splitco Starz Common Stock to be converted into fully paid and non-assessable shares of Splitco Capital Common Stock will be determined by the Board of Directors and will be so converted at the conversion rate determined in accordance with clause (C) above and the Corporation will either (x) pay a dividend to the holders of record of all of the remaining shares of Splitco Starz Common Stock outstanding, with such dividend to be paid in accordance with the applicable provisions of paragraphs (c)(ii) and (d)(ii) of this Section A.2., or (y) redeem all or a portion of such remaining shares of Splitco Starz Common Stock. The aggregate amount of such dividend, in the case of a dividend, or the portion of the Starz Group Allocable Net Proceeds to be applied to such redemption, in the case of a redemption, will be equal to the amount (rounded, if necessary, to the nearest whole number) obtained by multiplying (I) an amount equal to the Starz Group Allocable Net Proceeds of such Starz Group Disposition as of, in the case of a dividend, the record date for determining the holders of Splitco Starz Common Stock entitled to receive such dividend and, in the case of a redemption, the Starz Group Redemption Selection Date (in the case of a partial redemption) or the Starz Group Redemption Date (in the case of a full redemption), in each case, before giving effect to the conversion of shares of Splitco Starz Common Stock in connection with such Starz Group Disposition in accordance with this clause (D) and any related adjustment to the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest, by (II) one minus a fraction, the numerator of which will be the number of shares of Splitco Starz Common Stock to be converted into shares of Splitco Capital Common Stock in accordance with this clause (D) and the denominator of which will be the aggregate number of shares of Splitco Starz Common Stock outstanding as of the record date, Starz Group Redemption Selection Date or Starz Group Redemption Date used for purposes of clause (I) of this sentence. In the event of a redemption concurrently with or following any such partial conversion of shares of Splitco Starz Common Stock, if the Starz Group Disposition was of all (not merely substantially all) of the assets of the Starz Group, then all remaining outstanding shares of Splitco Starz Common Stock will be redeemed for cash, securities (other than shares of Common Stock) or other assets, or any combination thereof, with an aggregate Fair Value equal to the portion of the Starz Group Allocable Net Proceeds to be applied to such redemption determined in accordance with this clause (D), such aggregate amount to be allocated among all such shares to be redeemed on an equal per share basis (subject to the provisions of this paragraph (f)(ii)). In the event of a redemption concurrently with or following any such partial conversion of shares of Splitco Starz Common Stock, if the Starz Group Disposition was of substantially all (but not all) of the assets of the Starz Group, then the number of shares of each series of Splitco Starz Common Stock to be redeemed will be determined in accordance with clause (B)(II) of this paragraph (f)(ii), substituting for the Starz Group Redemption Amount referred to therein the portion of the Starz Group Allocable Net Proceeds to be applied to such redemption as determined in accordance with this clause (D), and such shares will be redeemed for cash, securities (other than Common Stock) or other assets, or any combination thereof, with an aggregate Fair Value equal to such portion of the Starz Group Allocable Net Proceeds and allocated among all such shares to be redeemed on an equal per share basis (subject to the provisions of this paragraph (f)(ii)). The aggregate number of shares of Splitco Starz Common Stock to be converted in any partial conversion in accordance with this clause (D) will be allocated among the series of Splitco Starz Common Stock in the ratio of the number of shares of each such series outstanding to the aggregate number of shares of all series of Splitco Starz Common Stock outstanding as of the Starz Group Conversion Selection Date, and the shares of each such series to be converted will be selected on a pro rata basis or by such other method as the Board of Directors may determine to be equitable. In the case of a redemption, the allocation of the cash, securities (other than shares of Common Stock) and/or other assets to be paid in redemption and, in the case of a partial redemption, the selection of shares to be redeemed will be made in the manner contemplated by clause (B) of this paragraph (f)(ii).

For purposes of this paragraph (f)(ii):

(1) as of any date, "**substantially all of the assets of the Starz Group**" means a portion of such assets that represents at least 80% of the then-Fair Value of the assets of the Starz Group as of such date;

(2) in the case of a Starz Group Disposition of assets in a series of related transactions, such Starz Group Disposition will not be deemed to have been consummated until the consummation of the last of such transactions;

(3) if the Board of Directors seeks the approval of the holders of Splitco Starz Voting Securities entitled to vote thereon to qualify a Starz Group Disposition as an Exempt Starz Group Disposition and such approval is not obtained, the date on which such approval fails to be obtained will be treated as the date on which such Starz Group Disposition was consummated for purposes of making the determinations and taking the actions prescribed by this paragraph (f)(ii) and paragraph (f)(iv), and no subsequent vote may be taken to qualify such Starz Group Disposition as an Exempt Starz Group Disposition;

(4) in the event of a redemption of a portion of the outstanding shares of Splitco Starz Common Stock pursuant to clause (B)(II) or (D) of this paragraph (f)(ii) at a time when the Starz Group Outstanding Interest Fraction is less than one, if the Board of Directors so elects (a "**Starz Group Inter-Group Partial Redemption Election**"), in its discretion, the Corporation will attribute to the Capital Group concurrently with such redemption an aggregate amount (the **Starz Group Inter-Group Redemption Amount**") of cash, securities (other than shares of Common Stock) or other assets, or any combination thereof, subject to adjustment as described below, with an aggregate Fair Value equal to the difference between (x) the Starz Group Net Proceeds and (y) the portion of the Starz Group Allocable Net Proceeds applied to such redemption as determined in accordance with clause (B)(II) or clause (D) of this paragraph (f)(ii). If the Board of Directors makes such election, the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest will be decreased in the manner described in subparagraph (ii)(E) of the definition of "Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest" in paragraph (i) of this Section A.2. The Starz Group Inter-Group Redemption Amount may, at the discretion of the Board of Directors, be reflected by an allocation to the Capital Group or by a direct transfer to the Capital Group of cash, securities and/or other assets;

(5) if at the time of a Starz Group Disposition subject to this paragraph (f)(ii), there are outstanding any Convertible Securities convertible into or exercisable or exchangeable for shares of Splitco Starz Common Stock that would give the holders thereof the right to receive any consideration related to such Starz Group Disposition upon conversion, exercise or exchange or otherwise, or would adjust to give the holders equivalent economic rights, as a

result of any dividend, redemption or other action taken by the Corporation with respect to the Splitco Starz Common Stock pursuant to this paragraph (f)(ii), then the Board of Directors may make such adjustments to (x) the amount of consideration to be issued or delivered as contemplated by this paragraph (f)(ii) as a dividend on or in redemption or conversion of shares of Splitco Starz Common Stock and/or, if applicable, (y) the Starz Group Inter-Group Redemption Amount and the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest as it deems appropriate to take into account the Splitco Starz Common Stock into which such Convertible Securities are convertible or for which such Convertible Securities are exercisable or exchangeable;

(6) the Corporation may pay the dividend or redemption price referred to in clause (A), (B) or (D) of this paragraph (f)(ii) payable to the holders of Splitco Starz Common Stock in cash, securities (other than shares of Common Stock) or other assets, or any combination thereof, that the Board of Directors determines and which has an aggregate Fair Value of not less than the amount allocated to such dividend or redemption pursuant to the applicable of clauses (A), (B) or (D) of this paragraph (f)(ii), regardless of the form or nature of the proceeds received by the Corporation from the Starz Group Disposition;

(7) if all or any portion of the redemption price referred to in clause (B) or (D) of this paragraph (f)(ii) payable to the holders of Splitco Starz Common Stock is paid in the form of securities of an issuer other than the Corporation, the Board of Directors may, subject to the provisions of clause (8) below, determine to pay the redemption price, so payable in securities, in the form of (x) identical securities, on an equal per share basis, to holders of each series of Splitco Starz Common Stock, (y) separate classes or series of securities, on an equal per share basis, to the holders of each series of Splitco Starz Common Stock or (z) a separate class or series of securities to the holders of one or more series of Splitco Starz Common Stock and, on an equal per share basis, a different class or series of securities to the holders of all other series of Splitco Starz Common Stock; *provided*, *that*, in the case of clauses (y) and (z), (1) such separate classes or series do not differ in any respect other than their relative voting rights (and any related differences in designation, conversion, redemption and share distribution provisions such as those set forth in this Section A.2.), with holders of shares of Series B Splitco Starz Common Stock receiving securities of a class or series having the highest relative voting rights and the holders of shares of each other series of Splitco Starz Common Stock receiving securities of a class or series having lesser relative voting rights, in each case, without regard to whether such rights differ to a greater or lesser extent than the corresponding differences in voting rights (and any related differences in designation, conversion, redemption and share distribution provisions such as those set forth in this Section A.2.) among the Series A Splitco Starz Common Stock, the Series B Splitco Starz Common Stock and the Series C Splitco Starz Common Stock and (2) in the event the securities to be received by the holders of shares of Splitco Starz Common Stock other than the Series B Splitco Starz Common Stock consist of different classes or series of securities, with each such class or series differing only with respect to the relative voting rights of such class or series (and any related differences in designation, conversion, redemption and share distribution provisions such as those set forth in this Section A.2.), then such classes or series of securities will be distributed to the holders of each series of Splitco Starz Common Stock (other than the Series B Splitco Starz Common Stock) (i) as the Board of Directors determines or (ii) such that the relative voting rights of the class or series of securities to be received by the holders of each series of Splitco Starz Common Stock corresponds to the extent practicable to the relative voting rights (as compared to the other series of Splitco Starz Common Stock, other than the Series B Splitco Starz Common Stock) of such series of Splitco Starz Common Stock; and

(8) in the event of any redemption referred to in clause (7) above, so long as the Series B Starz Group Minimum Share Condition is satisfied, unless a Series B Starz Group Consent has been received approving the class or series of securities to be delivered in exchange for Splitco Starz Common Stock, the Corporation will not effect any such redemption (i) if the securities to be received by the holders of the Series C Splitco Starz Common Stock in such redemption (including, in the case of Convertible Securities delivered in such redemption, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) are entitled to vote with respect to matters upon which security holders of the issuer thereof are generally entitled to vote (other than to an extent no greater than the holders of Series C Splitco Starz Common Stock are entitled to vote upon matters as provided in this Certificate) and (ii) unless the securities to be received by the holders of Series B Splitco Starz Common Stock in such redemption (including, in the case of Convertible Securities delivered in such redemption, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) at all times have Per Share Voting Power of not less than ten times the Per Share Voting Power of the securities to be received in such redemption by the holders of each other series of Splitco Starz Common Stock receiving securities entitled to such voting power, if any.

(iii) *Certain Provisions Respecting Convertible Securities.* Unless the provisions of any Convertible Securities that are or become convertible into or exercisable or exchangeable for shares of any series of Splitco Starz Common Stock provide specifically to the contrary, or the instrument, plan or agreement evidencing such Convertible Securities or pursuant to which the same were issued grants to the Board of Directors the discretion to approve or authorize any adjustment or adjustments to the conversion, exercise or exchange provisions of such Convertible Securities so as to obtain a result different from that which would otherwise occur pursuant to this paragraph (f)(iii), and the Board of Directors so approves or authorizes such adjustment or adjustments, after any Starz Group Conversion Date or Starz Group Redemption Date on which all outstanding shares of Splitco Starz Common Stock were converted or redeemed, any share of Splitco Starz Common Stock that is issued on conversion, exercise or exchange of any such Convertible Security will, immediately upon issuance and without any notice or any other action on the part of the Corporation or its Board of Directors or the holder of such share of Splitco Starz Common Stock, be redeemed in exchange for, to the extent assets of the Corporation are legally available therefor, the amount of $.01 per share in cash.

(iv) *General.*

(A) Not later than the 10th Trading Day following the consummation of a Starz Group Disposition referred to in paragraph (f)(ii) of this Section A.2., the Corporation will announce publicly by press release (x) the Starz Group Net Proceeds of such Starz Group Disposition, (y) whether the Starz Group Disposition qualifies as an Exempt Starz Group Disposition, and (z) if it does not so qualify at the time of such announcement (including in the event the Board of Directors had not sought stockholder approval to qualify such Starz Group Disposition as an Exempt Starz Group Disposition in connection with any required stockholder approval obtained by the Corporation, if applicable), whether the Board of Directors will seek the approval of the holders of Splitco Starz Voting Securities entitled to vote thereon to qualify such Starz Group Disposition as an Exempt Starz Group Disposition. Not later than the 30th Trading Day (and in the event a 10 Trading Day valuation period is required in connection with the action selected by the Board of Directors pursuant to clause (I) of this paragraph (f)(iv)(A), not earlier than the 11th Trading Day) following the later of (x) the consummation of such Starz Group Disposition and (y), if applicable, the date of the stockholder meeting at which a vote is taken to qualify such Starz Group Disposition as an Exempt Starz Group Disposition, the Corporation will announce publicly by press release (to the extent applicable):

(I) which of the actions specified in clauses (A), (B), (C) or (D) of paragraph (f)(ii) of this Section A.2. the Corporation has irrevocably determined to take;

(II) as applicable, the record date for determining holders entitled to receive any dividend to be paid pursuant to clause (A) or (D) of paragraph (f)(ii), the Starz Group Redemption Selection Date for the redemption of shares of Splitco Starz Common Stock pursuant to clause (B)(II) or (D) of paragraph (f)(ii) or the Starz Group Conversion Selection Date for the partial conversion of shares of Splitco Starz Common Stock pursuant to clause (D) of paragraph (f)(ii), which record date, Starz Group Redemption Selection Date or Starz Group Conversion Selection Date will not be earlier than the 10th day following the date of such public announcement;

(III) the anticipated dividend payment date, Starz Group Redemption Date and/or Starz Group Conversion Date, which in each case, will not be more than 85 Trading Days following such Starz Group Disposition; and

(IV) unless the Board of Directors otherwise determines, that the Corporation will not be required to register a transfer of any shares of Splitco Starz Common Stock for a period of 10 Trading Days (or such shorter period as such announcement may specify) next preceding the specified Starz Group Redemption Selection Date or Starz Group Conversion Selection Date.

If the Corporation determines to undertake a redemption of shares of Splitco Starz Common Stock, in whole or in part, pursuant to clause (B) or (D) of paragraph (f)(ii) of this Section A.2., or a conversion of shares of Splitco Starz Common Stock, in whole or in part, pursuant to clause (C) or (D) of paragraph (f)(ii), the Corporation will announce such redemption or conversion (which, for the avoidance of doubt, may remain subject to the satisfaction or waiver of any applicable condition precedent at the time of such announcement) publicly by press release, not less than 10 days prior to the Starz Group Redemption Date or Starz Group Conversion Date, as applicable:

(1) the Starz Group Redemption Date or Starz Group Conversion Date;

(2) the number of shares of Splitco Starz Common Stock to be redeemed or converted or, if applicable, stating that all outstanding shares of Splitco Starz Common Stock will be redeemed or converted and the series of Splitco Capital Common Stock issuable to the holders of each series of Splitco Starz Common Stock upon such redemption or conversion;

(3) in the case of a redemption or a conversion, in each case, in whole or in part, of outstanding shares of Splitco Starz Common Stock, the kind and amount of per share consideration to be received with respect to each share of Splitco Starz Common Stock to be redeemed or converted and the Starz Group Outstanding Interest Fraction as of the date of such notice;

(4) with respect to a partial redemption under clause (B)(II) or (D) of paragraph (f)(ii), if the Board of Directors has made a Starz Group Inter-Group Partial Redemption Election, the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest as of the Starz Group Redemption Selection Date;

(5) with respect to a dividend under clause (A) or (D) of paragraph (f)(ii), the Number of Shares Issuable to the Capital Group with Respect to the Starz Group

Inter-Group Interest as of the record date for the dividend and the portion of the Starz Group Inter-Group Dividend Amount attributable to the Capital Group; and

(6) instructions as to how shares of Splitco Starz Common Stock may be surrendered for redemption or conversion.

(B) In the event of any conversion of shares of Splitco Starz Common Stock pursuant to paragraph (b)(ii) of this Section A.2., not less than 10 days prior to the Starz Group Conversion Date, the Corporation will announce publicly by press release:

(1) that all outstanding shares of Splitco Starz Common Stock will be converted pursuant to paragraph (b)(ii) of this Section A.2. on the Starz Group Conversion Date;

(2) the Starz Group Conversion Date, which will not be more than 45 days following the Determination Date;

(3) a statement that all outstanding shares of Splitco Starz Common Stock will be converted;

(4) the per share number and series of shares of Splitco Capital Common Stock to be received with respect to each share of each series of Splitco Starz Common Stock; and

(5) instructions as to how shares of Splitco Starz Common Stock may be surrendered for conversion.

(C) If the Corporation determines to obtain the Starz Group Redemption Stockholder Approval and, subject to the receipt of such approval, to redeem shares of Splitco Starz Common Stock pursuant to paragraph (f)(i), the Corporation will announce publicly by press release:

(I) that the Corporation intends to redeem shares of Splitco Starz Common Stock for securities of a Distributed Starz Group Subsidiary pursuant to paragraph (f)(i) of this Section A.2, subject to any applicable conditions, including the receipt of the Starz Group Redemption Stockholder Approval if such approval has not been obtained at the time of the press release;

(II) the number of shares of Splitco Starz Common Stock to be redeemed or, if applicable, stating that all outstanding shares of Splitco Starz Common Stock will be redeemed;

(III) the class or series of securities of the Distributed Starz Group Subsidiary to be received with respect to each share of each series of Splitco Starz Common Stock to be redeemed and the Starz Group Outstanding Interest Fraction as of the date of such notice, if any;

(IV) if applicable, the Starz Group Redemption Selection Date, which will not be earlier than the 10th day following the date of the press release;

(V) the Starz Group Redemption Date, which will not be earlier then the 10th day following the date of the press release and will not be later than the 120th Trading Day following the date of the press release;

(VI) if the Board of Directors has made a Starz Group Inter-Group Redemption Election, the number of Starz Group Inter-Group Interest Subsidiary Securities attributable to the Capital Group, and the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest used in determining such number and attribution of Starz Group Inter-Group Interest Subsidiary Securities; and

(VII) instructions as to how shares of Splitco Starz Common Stock may be surrendered for redemption; and

(VIII) if the Board of Directors so determines, that the Corporation will not be required to register a transfer of any shares of Splitco Starz Common Stock for a period of 10 Trading Days (or such shorter period as such announcement may specify) next preceding the specified Starz Group Redemption Selection Date.

If, at the time of the issuance of the press release required by this paragraph (C), the Starz Group Redemption Stockholder Approval has not yet been obtained, such press release shall include as much of the information set forth in subparagraphs (I) to (VIII) as is then available, and the Corporation will issue a second press release once the Starz Group Redemption Stockholder Approval is obtained setting forth any such required information not included in the first press release.

(D) The Corporation will give such notice to holders of Convertible Securities convertible into or exercisable or exchangeable for Splitco Starz Common Stock as may be required by the terms of such Convertible Securities or as the Board of Directors may otherwise deem appropriate in connection with a dividend, redemption or conversion of shares of Splitco Starz Common Stock pursuant to this Section A.2., as applicable.

(E) All public announcements (including any proxy materials to the extent approval of the stockholders of the Corporation is sought or required) made pursuant to clauses (A), (B) or (C) of this paragraph (f)(iv) will include such further statements, and the Corporation reserves the right to make such further public announcements, as may be required by law or the rules of the principal national securities exchange on which the Splitco Starz Common Stock is listed or as the Board of Directors may, in its discretion, deem appropriate.

(F) No adjustments in respect of dividends will be made upon the conversion or redemption of any shares of Splitco Starz Common Stock; *provided*, *however*, that, except as otherwise contemplated by paragraph (f)(ii)(D), if the Starz Group Conversion Date or the Starz Group Redemption Date with respect to any shares of Splitco Starz Common Stock will be subsequent to the record date for the payment of a dividend or other distribution thereon or with respect thereto, but prior to the payment of such dividend or distribution, the holders of record of such shares of Splitco Starz Common Stock at the close of business on such record date will be entitled to receive the dividend or other distribution payable on or with respect to such shares on the date set for payment of such dividend or other distribution, notwithstanding the prior conversion or redemption of such shares.

(G) Before any holder of shares of Splitco Starz Common Stock will be entitled to receive a certificate or certificates representing shares of any kind of capital stock or cash, securities or other assets to be received by such holder with respect to shares of Splitco Starz Common Stock pursuant to paragraph (b) of this Section A.2. or this paragraph (f), such holder will surrender at such place as the Corporation will specify certificates representing such shares of Splitco Starz Common Stock, properly endorsed or assigned for transfer (unless the Corporation will waive such requirement). The Corporation will as soon as practicable after such surrender of a certificate or certificates representing shares of Splitco Starz Common Stock, deliver, or cause to be delivered, at the office of the transfer agent for the shares or other securities to be delivered, to the holder for whose account shares of Splitco Starz Common Stock were so surrendered, or to the nominee or nominees of such holder, a certificate or certificates representing the number of whole shares of the kind of capital stock or cash, securities or other assets to which such Person will be entitled as aforesaid, together with any payment for fractional securities contemplated by paragraph (f)(iv)(I). If less than all of the shares of Splitco Starz Common Stock represented by any one certificate are to be redeemed or converted, the Corporation will issue and deliver a new certificate for the shares of Splitco Starz Common Stock not redeemed or converted. Shares selected for redemption may not thereafter be converted pursuant to paragraph (b)(i)(B) of this Section A.2.

(H) From and after any applicable Starz Group Conversion Date or Starz Group Redemption Date, all rights of a holder of shares of Splitco Starz Common Stock that were converted or redeemed on such Starz Group Conversion Date or Starz Group Redemption Date, as applicable, will cease except for the right, upon surrender of a certificate or certificates representing such shares of Splitco Starz Common Stock, to receive a certificate or certificates representing shares of the kind and amount of capital stock or cash, securities (other than capital stock) or other assets for which such shares were converted or redeemed, as applicable, together with any payment for fractional securities contemplated by paragraph (f)(iv)(I) of this Section A.2. and such holder will have no other or further rights in respect of the shares of Splitco Starz Common Stock so converted or redeemed, including, but not limited to, any rights with respect to any cash, securities or other assets which are reserved or otherwise designated by the Corporation as being held for the satisfaction of the Corporation's obligations to pay or deliver any cash, securities or other assets upon the conversion, exercise or exchange of any Convertible Securities outstanding as of the date of such conversion or redemption. No holder of a certificate which immediately prior to the applicable Starz Group Conversion Date or Starz Group Redemption Date represented shares of Splitco Starz Common Stock will be entitled to receive any dividend or other distribution with respect to shares of any kind of capital stock into or in exchange for which the Splitco Starz Common Stock was converted or redeemed until surrender of such holder's certificate for a certificate or certificates representing shares of such kind of capital stock. Upon such surrender, there will be paid to the holder the amount of any dividends or other distributions (without interest) which theretofore became payable with respect to a record date after the Starz Group Conversion Date or Starz Group Redemption Date, as the case may be, but that were not paid by reason of the foregoing, with respect to the number of whole shares of the kind of capital stock represented by the certificate or certificates issued upon such surrender. From and after a Starz Group Conversion Date or Starz Group Redemption Date, as the case may be, the Corporation will, however, be entitled to treat certificates representing shares of Splitco Starz Common Stock that have not yet been surrendered for conversion or redemption in accordance with clause (G) above as evidencing the ownership of the number of whole shares of the kind or kinds of capital stock for which the shares of Splitco Starz Common Stock represented by such certificates will have been converted or redeemed in accordance with paragraph (b) of this Section A.2 or this paragraph (f), notwithstanding the failure of the holder thereof to surrender such certificates.

(I) The Corporation will not be required to issue or deliver fractional shares of any class or series of capital stock or any other securities in a smaller than authorized denomination to any holder of Splitco Starz Common Stock upon any conversion, redemption, dividend or other distribution pursuant to paragraph (b) of this Section A.2. or this paragraph (f). In connection with the determination of the number of shares of any class or series of capital stock that will be issuable or the amount of other securities that will be deliverable to any holder of record of Splitco Starz Common Stock upon any such conversion, redemption, dividend or other distribution (including any fractions of shares or securities), the Corporation may aggregate the shares of Splitco Starz Common Stock held at the relevant time by such holder of record. If the aggregate number of shares of capital stock or other securities to be issued or delivered to any holder of Splitco Starz Common Stock includes a fraction, the Corporation will pay a cash adjustment in lieu of such fraction in an amount equal to the "*value*" of such fraction, as the Board of Directors shall in good faith determine to be appropriate, as of the Trading Day specified by the Board of Directors for such purpose (without interest).

(J) Any deadline for effecting a dividend, redemption or conversion prescribed by this paragraph (f) may be extended if deemed necessary or appropriate, in the discretion of the Board of Directors, to enable the Corporation to comply with the U.S. federal securities laws, including the rules and regulations promulgated thereunder.

(g) *Liquidation and Dissolution.*

(i) *General.* In the event of a liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, after payment or provision for payment of the debts and liabilities of the Corporation and subject to the prior payment in full of the preferential amounts to which any series of Preferred Stock is entitled, the holders of shares of Splitco Capital Common Stock and the holders of shares of Splitco Starz Common Stock will be entitled to receive their proportionate interests in the assets of the Corporation remaining for distribution to holders of Common Stock (regardless of the Group to which such assets are then attributed) in proportion to the respective number of liquidation units per share of Splitco Capital Common Stock and Splitco Starz Common Stock.

Neither the consolidation or merger of the Corporation with or into any other Person or Persons nor the sale, transfer or lease of all or substantially all of the assets of the Corporation will itself be deemed to be a liquidation, dissolution or winding up of the Corporation within the meaning of this paragraph (g).

(ii) *Liquidation Units.* The liquidation units per share of each series of Common Stock will be as follows:

(A) each share of Splitco Capital Common Stock will have one liquidation unit; and

(B) each share of Splitco Starz Common Stock will have a number of liquidation units (including a fraction of one liquidation unit) equal to the amount (calculated to the nearest five decimal places) obtained by dividing (x) the average of the daily volume weighted average prices of the Series A Splitco Starz Common Stock over the 20-Trading Day period commencing on (and including) the first Trading Day on which the Series A Splitco Starz Common Stock trades in the "regular way" market, by (y) the average of the daily volume weighted average prices of the Series A Splitco Capital Common Stock over the 20-Trading Day period commencing on (and including) the first Trading Day on which the Series A Splitco Capital Common Stock trades in the "regular way" market;

provided, *that*, if, after the Effective Date, the Corporation, at any time or from time to time, subdivides (by stock split, reclassification or otherwise) or combines (by reverse stock split, reclassification or otherwise) the outstanding shares of Splitco Capital Common Stock or Splitco Starz Common Stock, or declares and pays a dividend or distribution in shares of Splitco Capital Common Stock or Splitco Starz Common Stock to holders of Splitco Capital Common Stock or Splitco Starz Common Stock, as applicable, the per share liquidation units of the Splitco Capital Common Stock or Splitco Starz Common Stock, as applicable, will be appropriately adjusted as determined by the Board of Directors, so as to avoid any dilution in the aggregate, relative liquidation rights of the shares of Splitco Capital Common Stock and Splitco Starz Common Stock.

Whenever an adjustment is made to liquidation units under this paragraph (g), the Corporation will promptly thereafter prepare and file a statement of such adjustment with the Secretary of the Corporation. Neither the failure to prepare nor the failure to file any such statement will affect the validity of such adjustment.

(h) *Determinations by the Board of Directors.* Any determinations made by the Board of Directors under any provision in this Section A.2. will be final and binding on all stockholders of the Corporation, except as may otherwise be required by law. In addition, if different consideration is distributed to different series of Common Stock in a Share Distribution, the determination of the Board of Directors that such Share Distribution was made on an equal per share basis will be final and binding on all stockholders of the Corporation, except as may otherwise be required by law.

(i) *Certain Definitions.* Unless the context otherwise requires, the terms defined in this paragraph (i) will have, for all purposes of this Certificate, the meanings herein specified:

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with such Person.

"**Approval Date**" means the date upon which the Corporation has received each of the Capital Group Redemption Stockholder Approval and/or the Starz Group Redemption Stockholder Approval, to the extent required pursuant to this Section A.2.

"**Average Market Value**" of a share of any series of Common Stock or other Publicly Traded capital stock means the average of the daily Market Values of one share of such series of Common Stock or such other capital stock over the applicable period prescribed in this Certificate.

"**Board of Directors**" means (i) the Board of Directors of the Corporation and (ii) any duly authorized committee thereof acting at the direction of the Board of Directors (including, without limitation, the Executive Committee).

"**Capital Group**" means, as of any date:

(i) the direct and indirect interest of the Corporation as of the Effective Date (x) in all of the businesses in which the Corporation is or has been engaged, directly or indirectly (either itself or through direct or indirect Subsidiaries, Affiliates, joint ventures or other investments or any of the predecessors or successors of any of the foregoing), and (y) in the respective assets and liabilities of the Corporation and its Subsidiaries, in each case, other than any businesses, assets or liabilities attributable to the Starz Group as of the Effective Date;

(ii) all assets, liabilities and businesses acquired or assumed by the Corporation or any of its Subsidiaries for the account of the Capital Group, or contributed, allocated or transferred to the Capital Group (including the net proceeds of any issuances, sales or incurrences for the account of the Capital Group of shares of Splitco Capital Common Stock, Convertible Securities convertible into or exercisable or exchangeable for shares of Splitco Capital Common Stock, or indebtedness or Preferred Stock attributed to the Capital Group), in each case, after the Effective Date and as determined by the Board of Directors;

(iii) the proceeds of any Disposition of any of the foregoing; and

(iv) an Inter-Group Interest in the Starz Group equal to one (1) minus the Starz Group Outstanding Interest Fraction as of such date;

provided that the Capital Group will not include (A) any assets, liabilities or businesses disposed of after the Effective Date, including, without limitation, by dividend, to holders of Splitco Capital Common Stock or in redemption of shares of Splitco Capital Common Stock, from and after the date of such Disposition or (B) any assets, liabilities or businesses transferred or allocated after the Effective Date from the Capital Group to the Starz Group (other than through the Capital Group's Inter-Group Interest in the Starz Group, if any, pursuant to clause (iv) above), including, without limitation, any Capital Group Inter-Group Dividend Amount or Capital Group Inter-Group Redemption Amount, from and after the date of such transfer or allocation.

"**Capital Group Allocable Net Proceeds**" means, with respect to any Capital Group Disposition, (i) if at the time of such Capital Group Disposition, the Capital Group Outstanding Interest Fraction is one (1), the Capital Group Net Proceeds of such Capital Group Disposition, or (ii) if at the time of such Capital Group Disposition the Capital Group Outstanding Interest Fraction is less than one (1), the amount (rounded, if necessary, to the nearest whole number) obtained by multiplying (x) the Capital Group Net Proceeds of such Capital Group Disposition, by (y) the Capital Group Outstanding Interest Fraction as of such date.

"**Capital Group Available Dividend Amount,**" as of any date, means an amount equal to the amount (rounded, if necessary, to the nearest whole number) obtained by multiplying (x) the Capital Group Outstanding Interest Fraction, by (y) either: (i) the excess of (A) an amount equal to the total assets of the Capital Group less the total liabilities (not including Preferred Stock attributed to the Capital Group) of the Capital Group as of such date over (B) the aggregate par value of, or any greater amount determined to be capital in respect of, all outstanding shares of Splitco Capital Common Stock and each series of Preferred Stock attributed to the Capital Group or (ii) in case there is no such excess, an amount equal to the Corporation Earnings (Loss) Attributable to the Capital Group (if positive) for the fiscal year in which such date occurs and/or the preceding fiscal year.

"**Capital Group Conversion Date**" means any date and time fixed by the Board of Directors for a conversion of shares of Splitco Capital Common Stock pursuant to this Section A.2.

"**Capital Group Conversion Selection Date**" means any date and time fixed by the Board of Directors as the date and time upon which shares to be converted of each series of Splitco Capital Common Stock will be selected for conversion pursuant to this Section A.2. (which, for the avoidance of doubt, may be the same date and time as the Capital Group Conversion Date).

"**Capital Group Disposition**" means the Disposition, in one transaction or a series of related transactions, by the Corporation and its Subsidiaries of all or substantially all of the assets of the Capital Group to one or more Persons.

"**Capital Group Net Proceeds**" means, as of any date, with respect to any Capital Group Disposition, an amount, if any, equal to the Fair Value of what remains of the gross proceeds of such Disposition to the Corporation after any payment of, or reasonable provision for, (i) any taxes payable by the Corporation or any of its Subsidiaries in respect of such Disposition or in respect of any resulting dividend or redemption pursuant to clause (A), (B) or (D) of paragraph (e)(ii) of this Section A.2. (or that would have been payable but for the utilization of tax benefits attributable to the Starz Group), (ii) any transaction costs, including, without limitation, any legal, investment banking and accounting fees and expenses and (iii) any liabilities and other obligations (contingent or otherwise) of, or attributed to, the Capital Group, including, without limitation, any liabilities for deferred taxes, any indemnity or guarantee obligations incurred in connection with the Disposition or any liabilities for future purchase price adjustments and any preferential amounts plus any accumulated and unpaid dividends and other obligations in respect of Preferred Stock attributed to the Capital Group. For purposes of this definition, any assets of the Capital Group remaining after such Disposition will constitute "reasonable provision" for such amount of taxes, costs, liabilities and other obligations (contingent or otherwise) as can be supported by such assets.

"**Capital Group Outstanding Interest Fraction,**" as of any date, means a fraction the numerator of which is the aggregate number of shares of Splitco Capital Common Stock outstanding on such date and the denominator of which is the amount obtained by adding (i) such aggregate number of shares of Splitco Capital Common Stock outstanding on such date, plus (ii) the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest as of such date**,** *provided that* such fraction will in no event be greater than one. If the holders of any Convertible Securities that are convertible into or exercisable or exchangeable for shares of Splitco Capital Common Stock are entitled to participate in any dividend (for purposes of paragraphs (c)(i), (d)(i) or (e)(ii) of this Section A.2.) or redemption (for purposes of paragraph (e) of this Section A.2.) with respect to the Splitco Capital Common Stock (other than by means of an antidilution adjustment), such shares so issuable upon conversion, exercise or exchange will be taken into account in calculating the Capital Group Outstanding Interest Fraction and any related calculations under the applicable provisions of this Section A.2. in such manner as the Board of Directors determines to be appropriate.

"**Capital Group Redemption Date**" means any date and time fixed by the Board of Directors for a redemption of shares of Splitco Capital Common Stock pursuant to this Section A.2.

"**Capital Group Redemption Selection Date**" means the date and time fixed by the Board of Directors on which shares of Splitco Capital Common Stock are to be selected for redemption pursuant to this Section A.2. (which, for the avoidance of doubt, may be the same date and time as the Capital Group Redemption Date).

"**Capital Group Related Business Transaction**" means any Disposition of all or substantially all of the assets of the Capital Group in which the Corporation receives as proceeds of such Disposition primarily equity securities (including, without limitation, capital stock, securities convertible into capital stock or other equity securities, partnership, limited partnership or limited liability company interests and other types of equity securities, without regard to the voting power or contractual or other management or governance rights related to such equity securities) of the purchaser or acquiror of such assets of the Capital Group, any entity which succeeds (by merger, formation of a joint venture enterprise or otherwise) to such assets of the Capital Group, or a third party issuer, if a significant portion of the business or businesses in which such purchaser, acquiror or third party issuer is engaged or proposes to engage consists of one or more businesses similar or complementary to the businesses attributable to the Capital Group prior to such Disposition, as determined in good faith by the Board of Directors.

"**Capital Group Share Distribution Ratio**" means, as to any Share Distribution consisting of shares of Capital Group Common Stock, the number of shares (including any fraction of a share), of Capital Group Common Stock issuable to a holder for each outstanding share of the applicable series of Common Stock owned by such holder as of the record date for such Share Distribution (rounded, if necessary, to the nearest five decimal places).

"**Certificate**" means this Restated Certificate of Incorporation, as it may be amended from time to time, including any amendments effected pursuant to the filing of any Preferred Stock Designation.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Control**" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person whether through the ownership of voting securities, by contract or otherwise; *provided*, *however*, that for purposes of clause (iii) of the definition of "Exempt Capital Group Disposition" or "Exempt Starz Group Disposition" set forth in this paragraph (i), the Corporation will, without limitation of the foregoing, in any event be deemed to Control any Person in which the Corporation beneficially owns (after giving effect to the applicable Disposition) (i) voting securities having 25% or more of the total voting power of the voting securities of such Person then outstanding, *provided that*, immediately after giving effect to such Disposition, no other Person that is not Controlled by the Corporation beneficially owns voting securities of such Person having voting power greater than the voting power of the voting securities beneficially owned by the Corporation or (ii) equity securities representing 50% or more of the common equity interest or economic equity interest in such Person.

"**Convertible Securities**" means (x) any securities of the Corporation (other than any series of Common Stock) or any Subsidiary thereof that are convertible into or exercisable or exchangeable for any shares of any series of Common Stock, whether upon conversion, exercise, exchange, pursuant to antidilution provisions of such securities or otherwise, and (y) any securities of any other Person that are convertible into or exercisable or exchangeable for, securities of such Person or any other Person, whether upon conversion, exercise, exchange, pursuant to antidilution provisions of such securities or otherwise.

"**Corporation Earnings (Loss) Attributable to the Capital Group**" for any period, means the net earnings or loss of the Capital Group for such period determined on a basis consistent with the determination of the net earnings or loss of the Capital Group for such period as presented in the reconciling schedules to the consolidated financial statements of the Corporation for such period, including income and expenses of the Corporation attributed to the operations of the Capital Group on a substantially consistent basis, including, without limitation, corporate administrative costs, net interest and income taxes.

"**Corporation Earnings (Loss) Attributable to the Starz Group**" for any period, means the net earnings or loss of the Starz Group for such period determined on a basis consistent with the determination of the net earnings or loss of the Starz Group for such period **as** presented in the reconciling schedules to the consolidated financial statements of the Corporation for such period, including income and expenses of the Corporation attributed to the operations of the Starz Group on a substantially consistent basis, including, without limitation, corporate administrative costs, net interest and income taxes.

"**Determination Date**" means the date designated by the Board of Directors for determination of any applicable Optional Conversion Ratio.

"**Disposition**" means the sale, transfer, exchange, assignment or other disposition (whether by merger, consolidation, sale or contribution of assets or stock or otherwise) of assets. The term "Disposition" does not include the consolidation or merger of the Corporation with or into any other Person or Persons or any other business combination involving the Corporation as a whole.

"**Effective Date**" means the date on which this Restated Certificate of Incorporation is filed with the Secretary of State of Delaware.

"**Exempt Capital Group Disposition**" means any of the following: (i) the Disposition of all or substantially all of the Corporation's assets in one transaction or a series of related transactions in connection with the liquidation, dissolution or winding up of the Corporation within the meaning of paragraph (g) of this Section A.2., (ii) a dividend, other distribution or redemption in accordance with any provision of paragraph (c), (d) or (e) of this Section A.2., (iii) a Capital Group Disposition to any Person that the Corporation, directly or indirectly, after giving effect to the Disposition, Controls, (iv) a Capital Group Disposition in connection with a Capital Group Related Business Transaction, or (v) a Capital Group Disposition as to which the Board of Directors obtains the requisite approval of the holders of Splitco Capital Voting Securities to classify such Capital Group Disposition as an Exempt Capital Group Disposition in accordance with paragraph (a)(iv).

"**Exempt Starz Group Disposition**" means any of the following: (i) the Disposition of all or substantially all of the Corporation's assets in one transaction or a series of related transactions in connection with the liquidation, dissolution or winding up of the Corporation within the meaning of paragraph (g) of this Section A.2., (ii) a dividend, other distribution or redemption in accordance with any provision of paragraph (c), (d) or (f) of this Section A.2., (iii) a Starz Group Disposition to any Person that the Corporation, directly or indirectly, after giving effect to the Disposition, Controls, (iv) a Starz Group Disposition in connection with a Starz Group Related

Business Transaction, or (v) a Starz Group Disposition as to which the Board of Directors obtains the requisite approval of the holders of Splitco Starz Voting Securities to classify such Starz Group Disposition as an Exempt Starz Group Disposition in accordance with paragraph (a)(iv).

"**Fair Value**" means, as of any date:

(i) in the case of any equity security or debt security that is Publicly Traded, the Market Value thereof, as of such date;

(ii) in the case of any equity security or debt security that is not Publicly Traded, the fair value per share of stock or per other unit of such security, on a fully distributed basis, as determined by an independent investment banking firm experienced in the valuation of securities selected in good faith by the Board of Directors, or, if no such investment banking firm is selected, as determined in the good faith judgment of the Board of Directors;

(iii) in the case of cash denominated in U.S. dollars, the face amount thereof and in the case of cash denominated in other than U.S. dollars, the face amount thereof converted into U.S. dollars at the rate published in The Wall Street Journal on such date or, if not so published, at such rate as shall be determined in good faith by the Board of Directors based upon such information as the Board of Directors shall in good faith determine to be appropriate; and

(iv) in the case of assets or property other than securities or cash, the "Fair Value" thereof shall be determined in good faith by the Board of Directors based upon such information (including, if deemed desirable by the Board of Directors, appraisals, valuation reports or opinions of experts) as the Board of Directors shall in good faith determine to be appropriate.

"**Group**" means the Capital Group or the Starz Group.

"**Inter-Group Interest**" means, as of any date and with respect to either Group, the proportionate undivided interest, if any, that such Group may be deemed to hold as of such date in the assets, liabilities and businesses of the other Group in accordance with this Certificate. An Inter-Group Interest in the Capital Group held by the Starz Group is expressed in terms of the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest. An Inter-Group Interest in the Starz Group held by the Capital Group is expressed in terms of the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest.

"**Market Value**" of a share of any Publicly Traded stock on any Trading Day means the average of the high and low reported sales prices regular way of a share of such stock on such Trading Day, or in case no such reported sale takes place on such Trading Day the average of the reported closing bid and asked prices regular way of a share of such stock on such Trading Day, in either case on the New York Stock Exchange, or if the shares of such stock are not listed on the New York Stock Exchange on such Trading Day, on any tier of the Nasdaq Stock Market, or if the shares of such stock are not listed on any tier of the Nasdaq Stock Market on such Trading Day, the average of the closing bid and asked prices of a share of such stock in the over-the-counter market on such Trading Day as furnished by any New York Stock Exchange member firm selected from time to time by the Corporation, or if such closing bid and asked prices are not made available by any such New York Stock Exchange member firm on such Trading Day, the market value of a share of such stock as determined by the Board of Directors, *provided that*, for purposes of determining the Average Market Value for any period, (i) the "Market Value" of a share of stock on any day during such period prior to the "ex" date or any similar date for any dividend paid or to be paid with respect to such stock will be reduced by the fair market value of the per share amount of such dividend as determined by the Board of Directors and (ii) the "Market

Value" of a share of stock on any day during such period prior to (A) the effective date of any subdivision (by stock split or otherwise) or combination (by reverse stock split or otherwise) of outstanding shares of such stock or (B) the "ex" date or any similar date for any dividend with respect to any such stock in shares of such stock will be appropriately adjusted to reflect such subdivision, combination, dividend or distribution.

"**Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest**" will initially be zero, and will from time to time thereafter be (without duplication):

(i) adjusted, if before such adjustment such number is greater than zero, as determined by the Board of Directors to be appropriate to reflect subdivisions (by stock split or otherwise) and combinations (by reverse stock split or otherwise) of the Splitco Capital Common Stock and dividends of shares of Splitco Capital Common Stock to holders of Splitco Capital Common Stock (and, to the extent the Capital Group Outstanding Interest Fraction is less than one (1) as of the record date for such dividend, the applicable treatment of such dividend, as determined by the Board of Directors, with respect to the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest) and other reclassifications of Splitco Capital Common Stock;

(ii) decreased (but not below zero), if before such adjustment such number is greater than zero, by action of the Board of Directors (without duplication): (A) by a number equal to the aggregate number of shares of Splitco Capital Common Stock issued or sold by the Corporation, the proceeds of which are attributed to the Starz Group; (B) by a number equal to the aggregate number of shares of Splitco Capital Common Stock issued or delivered upon conversion, exercise or exchange of any Convertible Securities that the Board of Directors has determined are attributable to the Starz Group; (C) in accordance with the applicable provisions of paragraph (c) of this Section A.2.; (D) in the event the Board of Directors makes a Capital Group Inter-Group Redemption Election, by a number equal to the amount (rounded, if necessary, to the nearest whole number) obtained by multiplying (x) the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest, as of the Capital Group Redemption Selection Date, by (y) the percentage of the Fair Value of the Capital Group that is represented by the Fair Value of the Corporation's equity interest in the applicable Distributed Capital Group Subsidiary which is attributable to the Capital Group, as determined by the Board of Directors under paragraph (e)(i) for purposes of such redemption; (E) in the event the Board of Directors makes a Capital Group Inter-Group Partial Redemption Election, by a number equal to the amount (rounded, if necessary, to the nearest whole number) obtained by multiplying the Capital Group Inter-Group Redemption Amount by the amount (rounded, if necessary, to the nearest whole number) obtained by dividing the aggregate number of shares of Splitco Capital Common Stock redeemed pursuant to paragraph (e)(ii)(B)(II) or (e)(ii)(D), as applicable, of this Section A.2., by the applicable Capital Group Redemption Amount or the applicable portion of the Capital Group Allocable Net Proceeds, respectively; and (F) by a number equal to the amount (rounded, if necessary, to the nearest whole number) obtained by dividing (x) the aggregate Fair Value, as of a date within 90 days of the determination to be made pursuant to this clause (F), of assets attributed to the Capital Group that are transferred or allocated from the Capital Group to the Starz Group in consideration of a reduction in the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest, by (y) the Fair Value of the Splitco Capital Reference Share as of the date of such transfer or allocation;

(iii) increased, by action of the Board of Directors, (A) by a number equal to the aggregate number of shares of Splitco Capital Common Stock that are retired, redeemed or otherwise cease to be outstanding (x) following their purchase or redemption with funds or other assets attributed to the Starz Group, (y) following their retirement or redemption for no consideration if immediately prior thereto they were owned by an asset or business attributed to the Starz Group, or (z) following their conversion into shares of Splitco Starz Common Stock pursuant to clause (C) or (D) of paragraph (e)(ii) of this Section A.2.; (B) in accordance with the applicable provisions of paragraph (c) of this Section A.2.; and (C) by a number equal to, as applicable, the amount (rounded, if necessary, to the nearest whole number) obtained by dividing (I) the Fair Value, as of a date within 90 days of the determination to be made pursuant to this clause (C), of assets theretofore attributed to the Starz Group that are contributed to the Capital Group in consideration of an increase in the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest, by (II) the Fair Value of the Splitco Capital Reference Share as of the date of such contribution; and

(iv) increased or decreased under such other circumstances as the Board of Directors determines to be appropriate or required by the other terms of this Section A.2. to reflect the economic substance of any other event or circumstance, *provided that* in each case, the adjustment will be made in a manner that is fair and equitable to holders of all series of Common Stock and intended to reflect the relative economic interest of the Starz Group in the Capital Group.

Whenever a change in the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest occurs, the Corporation will promptly thereafter prepare and file a statement of such change, and the amount to be allocated to the Starz Group with the Secretary of the Corporation. Neither the failure to prepare nor the failure to file any such statement will affect the validity of such change.

"**Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest**" will initially be zero, and will from time to time thereafter be (without duplication):

(i) adjusted, if before such adjustment such number is greater than zero, as determined by the Board of Directors to be appropriate to reflect subdivisions (by stock split or otherwise) and combinations (by reverse stock split or otherwise) of the Splitco Starz Common Stock and dividends of shares of Splitco Starz Common Stock to holders of Splitco Starz Common Stock (and, to the extent the Starz Group Outstanding Interest Fraction is less than one (1) as of the record date for such dividend, the applicable treatment of such dividend, as determined by the Board of Directors, with respect to the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest) and other reclassifications of Splitco Starz Common Stock;

(ii) decreased (but not below zero), if before such adjustment such number is greater than zero, by action of the Board of Directors (without duplication): (A) by a number equal to the aggregate number of shares of Splitco Starz Common Stock issued or sold by the Corporation, the proceeds of which are attributed to the Capital Group; (B) by a number equal to the aggregate number of shares of Splitco Starz Common Stock issued or delivered upon conversion, exercise or exchange of any Convertible Securities that the Board of Directors has determined are attributable to the Capital Group; (C) in accordance with the applicable provisions of paragraph (c) of this Section A.2.; (D) in the event the Board of Directors makes a Starz Group Inter-Group Redemption Election, by a number equal to the amount (rounded, if necessary, to the nearest whole number) obtained by multiplying (x) the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest, as of the Starz Group Redemption Selection Date, by (y) the percentage of the Fair Value of the Starz Group that is represented by the Fair Value of the Corporation's equity interest in the applicable Distributed Starz Group Subsidiary which is attributable to the Starz Group, as determined by the Board of Directors under paragraph (f)(i) for purposes of such redemption; (E) in the event the Board of Directors makes a Starz Group Inter-Group Partial Redemption Election, by a number equal to the amount (rounded, if necessary, to the nearest whole number) obtained by multiplying the Starz Group Inter-Group Redemption Amount by the amount (rounded, if necessary, to the nearest whole number) obtained by dividing the aggregate number of shares of Splitco Starz Common Stock redeemed pursuant to paragraph (f)(ii)(B)(II) or (f)(ii)(D), as applicable, of this Section A.2., by the applicable Starz Group Redemption Amount or the applicable portion of the Starz Group Allocable Net Proceeds, respectively; and (F) by a number equal to the amount (rounded, if necessary, to the nearest whole number) obtained by dividing (x) the aggregate Fair Value, as of a date within 90 days of the determination to be made pursuant to this clause (F), of assets attributed to the Starz Group that are transferred or allocated from the Starz Group to the Capital Group in consideration of a reduction in the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest, by (y) the Fair Value of the Splitco Starz Reference Share as of the date of such transfer or allocation;

(iii) increased, by action of the Board of Directors, (A) by a number equal to the aggregate number of shares of Splitco Starz Common Stock that are retired, redeemed or otherwise cease to be outstanding (x) following their purchase or redemption with funds or other assets attributed to the Capital Group, (y) following their retirement or redemption for no consideration if immediately prior thereto, they were owned by an asset or business attributed to the Capital Group, or (z) following their conversion into shares of Splitco Capital Common Stock pursuant to clause (C) or (D) of paragraph (f)(ii) of this Section A.2.; (B) in accordance with the applicable provisions of paragraph (c) of this Section A.2.; and (C) by a number equal to, as applicable, the amount (rounded, if necessary, to the nearest whole number) obtained by dividing (I) the Fair Value, as of a date within 90 days of the determination to be made pursuant to this clause (C), of assets theretofore attributed to the Capital Group that are contributed to the Starz Group in consideration of an increase in the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest, by (II) the Fair Value of the Splitco Starz Reference Share as of the date of such contribution; and

(iv) increased or decreased under such other circumstances as the Board of Directors determines to be appropriate or required by the other terms of this Section A.2. to reflect the economic substance of any other event or circumstance, provided that in each case, the adjustment will be made in a manner that is fair and equitable to holders of all series of Common Stock and intended to reflect the relative economic interest of the Capital Group in the Starz Group.

Whenever a change in the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest occurs, the Corporation will promptly thereafter prepare and file a statement of such change and the amount to be allocated to the Capital Group with the Secretary of the Corporation. Neither the failure to prepare nor the failure to file any such statement will affect the validity of such change.

"**Optional Conversion Ratio**" means the applicable of the Starz/Capital Group Optional Conversion Ratio and the Capital/Starz Group Optional Conversion Ratio.

"**outstanding**", when used with respect to the shares of any series of Common Stock, will include, without limitation, the shares of such series, if any, held by any Subsidiary of the

Corporation, except as otherwise provided by applicable law with respect to the exercise of voting rights. No shares of any series of Common Stock (or Convertible Securities that are convertible into or exercisable or exchangeable for Common Stock) held by the Corporation in its treasury will be deemed outstanding, nor will any shares be deemed outstanding which are attributable to the Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest or the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest.

"**Person**" means a natural person, corporation, limited liability company, partnership, joint venture, trust, unincorporated association or other legal entity.

"**Publicly Traded**" means, with respect to shares of capital stock or other securities, that such shares or other securities are traded on a U.S. securities exchange or quoted on the over-the-counter market.

"Series B Capital Group Base Amount" means the sum of (x) the number of shares of Series B Splitco Capital Common Stock issued to the holders of LMC Series B Capital Common Stock on the Effective Date, (y) the number of shares of Series B Splitco Capital Common Stock issuable upon the conversion, exercise or exchange of any Convertible Securities outstanding on the Effective Date and (z) the number of shares of Series B Splitco Capital Common Stock issued upon the conversion of shares of Series B Splitco Starz Common Stock pursuant to Article IV, Section A.2(b)(ii) of this Certificate, in each case appropriately adjusted to reflect the effects of any stock split, reverse split, Share Distribution, reclassification or similar transaction occurring subsequent to the Effective Date.

"**Series B Capital Group Consent**" means the prior consent of the holders of at least 75% of the outstanding shares of Series B Splitco Capital Common Stock, voting as a separate class, which consent may be obtained at a meeting of the holders of Series B Splitco Capital Common Stock or by written consent pursuant to this Certificate.

"Series B Starz Group Base Amount" means the sum of (x) the number of shares of Series B Splitco Starz Common Stock issued to the holders of LMC Series B Starz Common Stock on the Effective Date, (y) the number of shares of Series B Splitco Starz Common Stock issuable upon the conversion, exercise or exchange of any Convertible Securities outstanding on the Effective Date and (z) the number of shares of Series B Splitco Starz Common Stock issued upon the conversion of shares of Series B Splitco Capital Common Stock pursuant to Article IV, Section A.2(b)(iii) of this Certificate, in each case appropriately adjusted to reflect the effects of any stock split, reverse split, Share Distribution, reclassification or similar transaction occurring subsequent to the Effective Date.

"**Series B Starz Group Consent**" means the prior consent of the holders of at least 75% of the outstanding shares of Series B Splitco Starz Common Stock, voting as a separate class, which consent may be obtained at a meeting of the holders of Series B Splitco Starz Common Stock or by written consent pursuant to this Certificate.

"**Share Distribution**" means a dividend payable in shares of any class or series of capital stock, Convertible Securities or other equity securities of the Corporation or any other Person.

"**Splitco Capital Reference Share**" means one share of Series A Splitco Capital Common Stock,*unless* (i) on any single Trading Day as of which a valuation determination is being made or on the first Trading Day of any Trading Day period with respect to which a valuation determination is being made, in each case, under this Section A.2., the number of shares outstanding of any other Publicly Traded series of Splitco Capital Common Stock exceeds the number of shares outstanding of the Series A Splitco Capital Common Stock, and (ii) the Board of Directors determines to base such valuation determination on such other Publicly Traded series of

Splitco Capital Common Stock in lieu of basing it on one share of Series A Splitco Capital Common Stock, in which case the term "**Splitco Capital Reference Share**" will mean one share of such other Publicly Traded series of Splitco Capital Common Stock.

"**Splitco Capital Voting Securities**" means the Series A Splitco Capital Common Stock, the Series B Splitco Capital Common Stock and any series of Preferred Stock which by the terms of its Preferred Stock Designation is designated as a Splitco Capital Voting Security, *provided*, *that* each such series of Preferred Stock will be treated as a Splitco Capital Voting Security and will be entitled to vote together with the other Splitco Capital Voting Securities only as and to the extent expressly provided for in the applicable Preferred Stock Designation.

"**Splitco Starz Reference Share**" means one share of Series A Splitco Starz Common Stock, *unless* (i) on any single Trading Day as of which a valuation determination is being made or on the first Trading Day of any Trading Day period with respect to which a valuation determination is being made, in each case, under this Section A.2., the number of shares outstanding of any other Publicly Traded series of Splitco Starz Common Stock exceeds the number of shares outstanding of the Series A Splitco Starz Common Stock, and (ii) the Board of Directors determines to base such valuation determination on such other Publicly Traded series of Splitco Starz Common Stock in lieu of basing it on one share of Series A Splitco Starz Common Stock, in which case the term "**Splitco Starz Reference Share**" will mean one share of such other Publicly Traded series of Splitco Starz Common Stock.

"**Splitco Starz Voting Securities**" means the Series A Splitco Starz Common Stock, the Series B Splitco Starz Common Stock and any series of Preferred Stock which by the terms of its Preferred Stock Designation is designated as a Splitco Starz Voting Security, *provided*, *that* each such series of Preferred Stock will be treated as a Splitco Starz Voting Security and will be entitled to vote together with the other Splitco Starz Voting Securities only as and to the extent expressly provided for in the applicable Preferred Stock Designation.

"**Starz Group**" means, as of any date:

(i) the direct and indirect interest of the Corporation, as of the Effective Date, in Starz Entertainment, LLC, Liberty Sports Interactive, Inc. and each of their Subsidiaries (including any successor to Starz Entertainment, LLC, Liberty Sports Interactive, Inc. or any such Subsidiary by merger, consolidation or sale of all or substantially all of its assets, whether or not in connection with a Starz Group Related Business Transaction) and their respective assets, liabilities and businesses;

(ii) all other assets, liabilities and businesses of the Corporation or any of its Subsidiaries to the extent attributed to the Starz Group as of the Effective Date;

(iii) all assets, liabilities and businesses acquired or assumed by the Corporation or any of its Subsidiaries for the account of the Starz Group, or contributed, allocated or transferred to the Starz Group (including the net proceeds of any issuances, sales or incurrences for the account of the Starz Group of shares of Splitco Starz Common Stock, Convertible Securities convertible into or exercisable or exchangeable for shares of Splitco Starz Common Stock, or indebtedness or Preferred Stock attributed to the Starz Group), in each case, after the Effective Date and as determined by the Board of Directors;

(iv) the proceeds of any Disposition of any of the foregoing; and

(v) an Inter-Group Interest in the Capital Group equal to one (1) minus the Capital Group Outstanding Interest Fraction as of such date;

provided that the Starz Group will not include (A) any assets, liabilities or businesses disposed of after the Effective Date, including, without limitation, by dividend, to holders of Splitco Starz

Common Stock or in redemption of shares of Splitco Starz Common Stock, from and after the date of such Disposition or (B) any assets, liabilities or businesses transferred or allocated after the Effective Date from the Starz Group to the Capital Group (other than through the Starz Group's Inter-Group Interest in the Capital Group, if any, pursuant to clause (v) above), including, without limitation, any Starz Group Inter-Group Dividend Amount or Starz Group Inter-Group Redemption Amount, from and after the date of such transfer or allocation.

"**Starz Group Allocable Net Proceeds**" means, with respect to any Starz Group Disposition, (i) if at the time of such Starz Group Disposition, the Starz Group Outstanding Interest Fraction is one (1), the Starz Group Net Proceeds of such Starz Group Disposition, or (ii) if at the time of such Starz Group Disposition the Starz Group Outstanding Interest Fraction is less than one (1), the amount (rounded, if necessary, to the nearest whole number) obtained by multiplying (x) the Starz Group Net Proceeds of such Starz Group Disposition, by (y) the Starz Group Outstanding Interest Fraction as of such date.

"**Starz Group Available Dividend Amount,**" as of any date, means an amount equal to the amount (rounded, if necessary, to the nearest whole number) obtained by multiplying (x) the Starz Group Outstanding Interest Fraction, by (y) either: (i) the excess of (A) an amount equal to the total assets of the Starz Group less the total liabilities (not including Preferred Stock attributed to the Starz Group) of the Starz Group as of such date over (B) the aggregate par value of, or any greater amount determined to be capital in respect of, all outstanding shares of Splitco Starz Common Stock and each series of Preferred Stock attributed to the Starz Group or (ii) in case there is no such excess, an amount equal to the Corporation Earnings (Loss) Attributable to the Starz Group (if positive) for the fiscal year in which such date occurs and/or the preceding fiscal year.

"**Starz Group Conversion Date**" means any date and time fixed by the Board of Directors for a conversion of shares of Splitco Starz Common Stock pursuant to this Section A.2.

"**Starz Group Conversion Selection Date**" means any date and time fixed by the Board of Directors as the date and time upon which shares to be converted of each series of Splitco Starz Common Stock will be selected for conversion pursuant to this Section A.2. (which, for the avoidance of doubt, may be the same date and time as the Starz Group Conversion Date).

"**Starz Group Disposition**" means the Disposition, in one transaction or a series of related transactions, by the Corporation and its Subsidiaries of all or substantially all of the assets of the Starz Group to one or more Persons.

"**Starz Group Net Proceeds**" means, as of any date, with respect to any Starz Group Disposition, an amount, if any, equal to the Fair Value of what remains of the gross proceeds of such Disposition to the Corporation after any payment of, or reasonable provision for, (i) any taxes payable by the Corporation or any of its Subsidiaries in respect of such Disposition or in respect of any resulting dividend or redemption pursuant to clause (A), (B) or (D) of paragraph (f)(ii) of this Section A.2. (or that would have been payable but for the utilization of tax benefits attributable to the Capital Group), (ii) any transaction costs, including, without limitation, any legal, investment banking and accounting fees and expenses and (iii) any liabilities and other obligations (contingent or otherwise) of, or attributed to, the Starz Group, including, without limitation, any liabilities for deferred taxes, any indemnity or guarantee obligations incurred in connection with the Disposition or any liabilities for future purchase price adjustments and any preferential amounts plus any accumulated and unpaid dividends and other obligations in respect of Preferred Stock attributed to the Starz Group. For purposes of this definition, any assets of the Starz Group remaining after such Disposition will constitute "reasonable provision" for such amount of taxes, costs, liabilities and other obligations (contingent or otherwise) as can be supported by such assets.

"**Starz Group Outstanding Interest Fraction,**" as of any date, means a fraction the numerator of which is the aggregate number of shares of Splitco Starz Common Stock outstanding on such date and the denominator of which is the amount obtained by adding (i) such aggregate number of shares of Splitco Starz Common Stock outstanding on such date, plus (ii) the Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest as of such date**,** *provided that* such fraction will in no event be greater than one. If the holders of any Convertible Securities that are convertible into or exercisable or exchangeable for shares of Splitco Starz Common Stock are entitled to participate in any dividend (for purposes of paragraphs (c)(ii), (d)(ii) or (f)(ii) of this Section A.2.) or redemption (for purposes of paragraph (f) of this Section A.2.) with respect to the Splitco Starz Common Stock (other than by means of an antidilution adjustment), such shares so issuable upon conversion, exercise or exchange will be taken into account in calculating the Starz Group Outstanding Interest Fraction and any related calculations under the applicable provisions of this Section A.2. in such manner as the Board of Directors determines to be appropriate.

"**Starz Group Redemption Date**" means any date and time fixed by the Board of Directors for a redemption of shares of Splitco Starz Common Stock pursuant to this Section A.2.

"**Starz Group Redemption Selection Date**" means the date and time fixed by the Board of Directors on which shares of Splitco Starz Common Stock are to be selected for redemption pursuant to this Section A.2. (which, for the avoidance of doubt, may be the same date and time as the Starz Group Redemption Date).

"**Starz Group Related Business Transaction**" means any Disposition of all or substantially all of the assets of the Starz Group in which the Corporation receives as proceeds of such Disposition primarily equity securities (including, without limitation, capital stock, securities convertible into capital stock or other equity securities, partnership, limited partnership or limited liability company interests and other types of equity securities, without regard to the voting power or contractual or other management or governance rights related to such equity securities) of the purchaser or acquiror of such assets of the Starz Group, any entity which succeeds (by merger, formation of a joint venture enterprise or otherwise) to such assets of the Starz Group, or a third party issuer, if a significant portion of the business or businesses in which such purchaser, acquiror or third party issuer is engaged or proposes to engage consists of one or more businesses similar or complementary to the businesses attributable to the Starz Group prior to such Disposition, as determined in good faith by the Board of Directors.

"**Starz Group Share Distribution Ratio**" means, as to any Share Distribution consisting of shares of Starz Group Common Stock, the number of shares (including any fraction of a share) of Starz Group Common Stock issuable to a holder for each outstanding share of the applicable series of Common Stock owned by such holder as of the record date for such Share Distribution (rounded, if necessary, to the nearest five decimal places).

"**Subsidiary**," when used with respect to any Person, means (i)(A) a corporation of which a majority in voting power of its share capital or capital stock with voting power, under ordinary circumstances, to elect directors is at the time, directly or indirectly, owned by such Person, by a Subsidiary of such Person, or by such Person and one or more Subsidiaries of such Person, whether or not such power is subject to a voting agreement or similar encumbrance, (B) a partnership or limited liability company in which such Person or a Subsidiary of such Person is, at the date of determination, (1) in the case of a partnership, a general partner of such partnership with the power affirmatively to direct the policies and management of such partnership or (2) in the case of a limited liability company, the managing member or, in the absence of a managing member, a member with the power affirmatively to direct the policies and management of such limited liability company, or (C) any other Person (other than a corporation) in which such Person, a Subsidiary of such Person or such Person and one or more Subsidiaries of such Person, directly or indirectly, at the date of determination thereof, has (1) the power to elect or direct the election of a majority of the members of the governing body of such Person, whether or not such power is subject to a voting agreement or similar Encumbrance, or (2) in the absence of such a governing body, at least a majority ownership interest or (ii) any other Person of which an aggregate of more than 50% of the equity interests are, at the time, directly or indirectly, owned by such Person and/or one or more Subsidiaries of such Person.

"**Trading Day**" means each day on which the relevant share or security is traded on the New York Stock Exchange or the Nasdaq Stock Market or quoted on the over-the-counter market.

"**Voting Securities**" means the Splitco Capital Voting Securities, the Splitco Starz Voting Securities and any series of Preferred Stock which by the terms of its Preferred Stock Designation is designated as a Voting Security, *provided that* each such series of Preferred Stock will be entitled to vote together with the other Voting Securities only as and to the extent expressly provided for in the applicable Preferred Stock Designation.

The following terms have the meanings ascribed thereto in the sections set forth opposite such terms:

Additional Defined Terms	Section
Amendment Time	Article XI
Capital Group Distribution Subsidiary Securities	Article IV, Section A.2(e)(i)
Capital Group Inter-Group Dividend	Article IV, Section A.2(c)(i)(A)
Capital Group Inter-Group Dividend Amount	Article IV, Section A.2(c)(i)(A)
Capital Group Inter-Group Interest Subsidiary Securities	Article IV, Section A.2(e)(i)
Capital Group Inter-Group Partial Redemption Election	Article IV, Section A.2(e)(ii)
Capital Group Inter-Group Redemption Amount	Article IV, Section A.2(e)(ii)
Capital Group Inter-Group Redemption Election	Article IV, Section A.2(e)(i)
Capital Group Redemption Amount	Article IV, Section A.2(e)(ii)(B)(II)
Capital Group Redemption Shares	Article IV, Section A.2(e)(i)
Capital Group Redemption Stockholder Approval	Article IV, Section A.2(a)(v)(A)
Capital/Starz Group Optional Conversion Ratio	Article IV, Section A.2(b)(iii)(B)
Common Stock	Article IV(a)
Corporation	Article I
DGCL	Article III
Distributable Capital Group Subsidiary Securities	Article IV, Section A.2(e)(i)
Distributed Capital Group Subsidiary	Article IV, Section A.2(e)(i)
Distributed Starz Group Subsidiary	Article IV, Section A.2(f)(i)
Distributable Starz Group Subsidiary Securities	Article IV, Section A.2(f)(i)
Effective Time	Article IV
Other Entity	Article XI
LMC Series B Capital Common Stock	Article IV
LMC Series B Starz Common Stock	Article IV
Per Share Voting Power	Article IV, Section A.2(d)(i)(C)
Permitted Series B Capital Group Share Issuance	Article IV, Section A.2 (a)(vi)(A)
Permitted Series B Issuance	Article IV, Section A.2 (a)(vi)(B)
Permitted Series B Starz Group Share Issuance	Article IV, Section A.2 (a)(vi)(B)
Potential Business Opportunity	Article XI
Preferred Stock	Article IV(b)
Preferred Stock Designation	Article IV, Section B
proceeding	Article V, Section E.2(a)

Additional Defined Terms	Section
Series A Splitco Capital Common Stock	Article IV, Section A.1
Series A Splitco Starz Common Stock	Article IV, Section A.1
Series B Splitco Capital Common Stock	Article IV, Section A.1
Series B Capital Group Minimum Share Condition	Article IV, Section A.2 (a)(vi)(A)
Series B Splitco Starz Common Stock	Article IV, Section A.1
Series B Starz Group Minimum Share Condition	Article IV, Section A.2 (a)(vi)(B)
Series C Splitco Capital Common Stock	Article IV, Section A.1
Series C Splitco Starz Common Stock	Article IV, Section A.1
Splitco Capital Common Stock	Article IV, Section A.1
Splitco Starz Common Stock	Article IV, Section A.1
Starz Group Distribution Subsidiary Securities	Article IV, Section A.2(f)(i)
Starz Group Inter-Group Dividend	Article IV, Section A.2(c)(ii)(A)
Starz Group Inter-Group Dividend Amount	Article IV, Section A.2(c)(ii)(A)
Starz Group Inter-Group Redemption Election	Article IV, Section A.2(f)(i)
Starz Group Inter-Group Interest Subsidiary Securities	Article IV, Section A.2(f)(i)
Starz/Capital Group Optional Conversion Ratio	Article IV, Section A.2(b)(iii)(B)
Starz Group Inter-Group Partial Redemption Election	Article IV, Section A.2(f)(ii)
Starz Group Inter-Group Redemption Amount	Article IV, Section A.2(f)(ii)
Starz Group Redemption Amount	Article IV, Section A.2(f)(ii)(B)(II)
Starz Group Redemption Shares	Article IV, Section A.2(f)(i)
Starz Group Redemption Stockholder Approval	Article IV, Section A.2(a)(v)(B)
substantially all of the assets of the Capital Group	Article IV, Section A.2(e)(ii)
substantially all of the assets of the Starz Group	Article IV, Section A.2(f)(ii)

(j) *Reclassification.* The Corporation will not reclassify, subdivide or combine one series of Splitco Capital Common Stock without reclassifying, subdividing or combining each other series of Splitco Capital Common Stock on an equal per share basis. The Corporation will not reclassify, subdivide or combine one series of Splitco Starz Common Stock without reclassifying, subdividing or combining each other series of Splitco Starz Common Stock on an equal per share basis.

(k) *Transfer Taxes.* The Corporation will pay any and all documentary, stamp or similar issue or transfer taxes that may be payable in respect of the issue or delivery of a certificate or certificates representing any shares of capital stock and/or other securities on conversion or redemption of shares of Common Stock pursuant to this Section A.2. The Corporation will not, however, be required to pay any tax that may be payable in respect of any issue or delivery of a certificate or certificates representing any shares of capital stock in a name other than that in which the shares of Common Stock so converted or redeemed were registered and no such issue or delivery will be made unless and until the Person requesting the same has paid to the Corporation or its transfer agent the amount of any such tax, or has established to the satisfaction of the Corporation or its transfer agent that such tax has been paid.

SECTION B

PREFERRED STOCK

The Preferred Stock may be divided and issued in one or more series from time to time, with such powers, designations, preferences and relative, participating, optional or other rights and qualifications, limitations or restrictions thereof, as will be stated and expressed in a resolution or resolutions providing for the issue of each such series adopted by the Board of Directors (a "**Preferred Stock Designation**"). The Board of Directors, in the Preferred Stock Designation with respect to a series of

Preferred Stock (a copy of which will be filed as required by law), will, without limitation of the foregoing, fix the following with respect to such series of Preferred Stock:

(i) the distinctive serial designations and the number of authorized shares of such series, which may be increased or decreased, but not below the number of shares thereof then outstanding, by a certificate made, signed and filed as required by law (except where otherwise provided in a Preferred Stock Designation);

(ii) the dividend rate or amounts, if any, for such series, the date or dates from which dividends on all shares of such series will be cumulative, if dividends on stock of such series will be cumulative, and the relative preferences or rights of priority, if any, or participation, if any, with respect to payment of dividends on shares of such series;

(iii) the rights of the shares of such series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, if any, and the relative preferences or rights of priority, if any, of payment of shares of such series;

(iv) the right, if any, of the holders of such series to convert or exchange such stock into or for other classes or series of a class of stock or indebtedness of the Corporation or of another Person, and the terms and conditions of such conversion or exchange, including provision for the adjustment of the conversion or exchange rate in such events as the Board of Directors may determine;

(v) the voting powers, if any, of the holders of such series, including whether such series will be designated as a Capital Group Voting Security, a Starz Group Voting Security and/or a Voting Security and, if so designated, the terms and conditions on which such series may vote together with the holders of any other class or series of capital stock of the Corporation;

(vi) the terms and conditions, if any, for the Corporation to purchase or redeem shares of such series; and

(vii) any other relative rights, powers, preferences and limitations, if any, of such series.

The Board of Directors is hereby expressly authorized to exercise its authority with respect to fixing and designating various series of the Preferred Stock and determining the relative rights, powers and preferences, if any, thereof to the full extent permitted by applicable law, subject to any stockholder vote that may be required by this Certificate. All shares of any one series of the Preferred Stock will be alike in every particular. Except to the extent otherwise expressly provided in the Preferred Stock Designation for a series of Preferred Stock, the holders of shares of such series will have no voting rights except as may be required by the laws of the State of Delaware. Further, unless otherwise expressly provided in the Preferred Stock Designation for a series of Preferred Stock, no consent or vote of the holders of shares of Preferred Stock or any series thereof will be required for any amendment to this Certificate that would increase the number of authorized shares of Preferred Stock or the number of authorized shares of any series thereof or decrease the number of authorized shares of Preferred Stock or the number of authorized shares of any series thereof (but not below the number of authorized shares of Preferred Stock or such series, as the case may be, then outstanding).

Except as may be provided by the Board of Directors in a Preferred Stock Designation or by law, shares of any series of Preferred Stock that have been redeemed (whether through the operation of a sinking fund or otherwise) or purchased by the Corporation, or which, if convertible or exchangeable, have been converted into or exchanged for shares of stock of any other class or classes will have the status of authorized and unissued shares of Preferred Stock and may be reissued as a part of the series of which they were originally a part or may be reissued as part of a new series of Preferred Stock to be created by a Preferred Stock Designation or as part of any other series of Preferred Stock.

ARTICLE V

DIRECTORS

SECTION A

NUMBER OF DIRECTORS

The governing body of the Corporation will be a Board of Directors. Subject to any rights of the holders of any series of Preferred Stock to elect additional directors, the number of directors will not be less than three (3) and the exact number of directors will be fixed by the Board of Directors by resolution. Election of directors need not be by written ballot.

SECTION B

CLASSIFICATION OF THE BOARD

Except as otherwise fixed by or pursuant to the provisions of Article IV hereof relating to the rights of the holders of any series of Preferred Stock to separately elect additional directors, which additional directors are not required to be classified pursuant to the terms of such series of Preferred Stock, the Board of Directors will be divided into three classes: Class I, Class II and Class III. Each class will consist, as nearly as possible, of a number of directors equal to one-third ($^{1}/_{3}$) of the number of members of the Board of Directors authorized as provided in Section A of this Article V. The term of office of the initial Class I directors will expire at the annual meeting of stockholders in 2014; the term of office of the initial Class II directors will expire at the annual meeting of stockholders in 2012; and the term of office of the initial Class III directors will expire at the annual meeting of stockholders in 2013. At each annual meeting of stockholders of the Corporation the successors of that class of directors whose term expires at that meeting will be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election. The directors of each class will hold office until their respective successors are elected and qualified or until such director's earlier death, resignation or removal.

SECTION C

REMOVAL OF DIRECTORS

Subject to the rights of the holders of any series of Preferred Stock, directors may be removed from office only for cause upon the affirmative vote of the holders of at least a majority of the total voting power of the then outstanding Voting Securities entitled to vote thereon, voting together as a single class.

SECTION D

NEWLY CREATED DIRECTORSHIPS AND VACANCIES

Subject to the rights of holders of any series of Preferred Stock, vacancies on the Board of Directors resulting from death, resignation, removal, disqualification or other cause, and newly created directorships resulting from any increase in the number of directors on the Board of Directors, will be filled only by the affirmative vote of a majority of the remaining directors then in office (even though less than a quorum) or by the sole remaining director. Any director elected in accordance with the preceding sentence will hold office for the remainder of the full term of the class of directors in which the vacancy occurred or to which the new directorship is apportioned, and until such director's successor will have been elected and qualified or until such director's earlier death, resignation or removal. No decrease in the number of directors constituting the Board of Directors will shorten the term of any incumbent director, except as may be provided with respect to any additional director elected by the holders of the applicable series of Preferred Stock.

SECTION E

LIMITATION ON LIABILITY AND INDEMNIFICATION

1. Limitation On Liability. To the fullest extent permitted by the DGCL as the same exists or may hereafter be amended, a director of the Corporation will not be liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director. Any repeal or modification of this paragraph 1 will be prospective only and will not adversely affect any limitation, right or protection of a director of the Corporation existing at the time of such repeal or modification.

2. Indemnification.

(a) *Right to Indemnification.* The Corporation will indemnify, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**proceeding**") by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) incurred by such person. Such right of indemnification will inure whether or not the claim asserted is based on matters which antedate the adoption of this Section E. The Corporation will be required to indemnify or make advances to a person in connection with a proceeding (or part thereof) initiated by such person only if the proceeding (or part thereof) was authorized by the Board of Directors.

(b) *Prepayment of Expenses.* The Corporation will pay the expenses (including attorneys' fees) incurred by a director or officer in defending any proceeding in advance of its final disposition, *provided*, *however*, that the payment of expenses incurred by a director or officer in advance of the final disposition of the proceeding will be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that the director or officer is not entitled to be indemnified under this paragraph or otherwise.

(c) *Claims.* If a claim for indemnification or payment of expenses under this paragraph is not paid in full within 60 days after a written claim therefor has been received by the Corporation, the claimant may file suit to recover the unpaid amount of such claim and, if successful, will be entitled to be paid the expense (including attorney's fees) of prosecuting such claim to the fullest extent permitted by Delaware law. In any such action the Corporation will have the burden of proving that the claimant was not entitled to the requested indemnification or payment of expenses under applicable law.

(d) *Non-Exclusivity of Rights.* The rights conferred on any person by this paragraph will not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of this Certificate, the Bylaws, agreement, vote of stockholders or resolution of disinterested directors or otherwise.

(e) *Other Indemnification.* The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity will be reduced by any amount such person may collect as indemnification from such other corporation, partnership, joint venture, trust, enterprise or nonprofit entity.

3. Amendment or Repeal. Any amendment, modification or repeal of the foregoing provisions of this Section E will not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

SECTION F

AMENDMENT OF BYLAWS

In furtherance and not in limitation of the powers conferred by the DGCL, the Board of Directors, by action taken by the affirmative vote of not less than 75% of the members of the Board of Directors then in office, is hereby expressly authorized and empowered to adopt, amend or repeal any provision of the Bylaws of this Corporation.

SECTION G

FORUM SELECTION

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, office or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, or (iv) any action asserting a claim governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article V, Section G.

ARTICLE VI

TERM

The term of existence of this Corporation shall be perpetual.

ARTICLE VII

STOCK NOT ASSESSABLE

The capital stock of this Corporation shall not be assessable. It shall be issued as fully paid, and the private property of the stockholders shall not be liable for the debts, obligations or liabilities of this Corporation. This Certificate shall not be subject to amendment in this respect.

ARTICLE VIII

MEETINGS OF STOCKHOLDERS

SECTION A

ANNUAL AND SPECIAL MEETINGS

Subject to the rights of the holders of any series of Preferred Stock and except as provided in Article VIII, Section B, stockholder action may be taken only at an annual or special meeting. Except as otherwise provided in a Preferred Stock Designation with respect to any series of Preferred Stock or unless otherwise prescribed by law or by another provision of this Certificate, special meetings of the stockholders of the Corporation, for any purpose or purposes, will be called by the Secretary of the Corporation (i) upon the written request of the holders of not less than 80% of the total voting power of the then outstanding Voting Securities entitled to vote thereon or (ii) at the request of at least 75% of the members of the Board of Directors then in office.

SECTION B

ACTION WITHOUT A MEETING

No action required to be taken or which may be taken at any annual meeting or special meeting of stockholders may be taken without a meeting, and the power of stockholders to consent in writing, without a meeting, to the taking of any action is specifically denied; *provided*, *however*, that notwithstanding the foregoing, (i) the holders of the Series B Splitco Capital Common Stock may take action by written consent for purposes of providing a Series B Capital Group Consent as provided in this Certificate, (ii) the holders of the Series B Splitco Starz Common Stock may take action by written consent for purposes of providing a Series B Starz Group Consent as provided in this Certificate, and (iii) holders of any series of Preferred Stock may take action by written consent to the extent provided in a Preferred Stock Designation with respect to such series.

ARTICLE IX

ACTIONS REQUIRING SUPERMAJORITY STOCKHOLDER VOTE

Subject to the rights of the holders of any series of Preferred Stock, the affirmative vote of the holders of at least 80% of the total voting power of the then outstanding Voting Securities entitled to vote thereon, voting together as a single class at a meeting specifically called for such purpose, will be required in order for the Corporation to take any action to authorize:

(i) the amendment, alteration or repeal of any provision of this Certificate or the addition or insertion of other provisions herein;*provided*, *however*, that this clause (i) will not apply to any such amendment, alteration, repeal, addition or insertion (A) as to which the laws of the State of Delaware, as then in effect, do not require the consent of this Corporation's stockholders, or (B) that at least 75% of the members of the Board of Directors then in office have approved; *provided*, *further* that, notwithstanding the foregoing, (I) so long as the Series B Capital Group Minimum Share Condition is satisfied, unless the Corporation has obtained a Series B Capital Group Consent with respect to such amendment, alteration, repeal, addition or insertion, (x) the Corporation will not amend, alter or repeal the provisions of this clause (i) or any provision of Article IV, Section A of this Certificate and (y) the Corporation will not amend, alter or repeal any provision of this Certificate or add to or insert any provision in this Certificate if (1) such amendment, alteration, repeal, addition or insertion would result, directly or indirectly, in the reclassification or recapitalization of the then outstanding shares of Splitco Capital Common Stock into securities of the Corporation or any other Person (or securities convertible into or exchangeable for, or which evidence the right to purchase, securities of the Corporation or any other Person) and (2) (A) the securities to be held or received by the holders of Series B Splitco Capital Common Stock as a result of such reclassification or recapitalization (and, if such securities are Convertible Securities, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) would have no voting power, or would have Per Share Voting Power of less than ten times the Per Share Voting Power of the securities (and, if such securities are Convertible Securities, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) to be held or received as a result of such reclassification or recapitalization by the holders of shares of Series A Splitco Capital Common Stock (or, if there are two or more other series of Splitco Capital Common Stock then outstanding (in addition to the Series B Splitco Starz Common Stock) that series of Splitco Capital Common Stock holding or receiving, as a result of such reclassification or recapitalization, securities (and, if such securities are Convertible Securities, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) having the next highest Per Share Voting Power relative to the securities (and, if such securities are Convertible Securities, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) to be held or received by the holders of Series B Splitco Capital Common Stock), or (B) the securities to be held or received by the holders of Series C Splitco Capital Common Stock as a result of such reclassification or recapitalization (and, if such securities are Convertible Securities, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) would be entitled to vote with respect to matters upon which security holders of the issuer thereof are generally entitled to vote (other than to an extent no greater than the holders of Series C Splitco Capital Common Stock are entitled to vote upon matters as provided in this Certificate), and (II) so long as the Series B Starz Group Minimum Share Condition is satisfied, unless the Corporation will have obtained a Series B Starz Group Consent with respect to such amendment, alteration, repeal, addition or insertion, (x) the Corporation will not amend, alter or repeal the provisions of this clause (i) or any provision of Article IV, Section A of this Certificate and (y) the Corporation will not amend, alter or repeal any provision of this Certificate or add to or insert any provision in this Certificate if (1) such amendment, alteration, repeal, addition or insertion would result, directly or indirectly, in the reclassification or recapitalization of the then outstanding shares of Splitco Starz Common Stock into securities of the Corporation or any other Person (or securities convertible into or exchangeable for, or which evidence the right to purchase, securities of the Corporation or any other Person) and (2) (A) the securities to be held or received by the holders of Series B Splitco Starz Common Stock as a result of such reclassification or recapitalization (and, if such securities are Convertible Securities, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) would have no voting power, or would have Per Share Voting Power of less than ten times the Per Share Voting Power of the securities (and, if such securities are Convertible Securities, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) to be held or received as a result of such reclassification or recapitalization by the holders of shares of Series A Splitco Starz Common Stock (or, if there are two or more other series of Splitco Starz Common Stock then outstanding (in addition to the Series B Splitco Starz Common Stock), that series of Splitco Starz Common Stock holding or receiving, as a result of such reclassification or recapitalization, securities (and, if such securities are Convertible Securities, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) having the next highest Per Share Voting Power relative to the securities (and, if such securities are Convertible Securities, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) to be held or received by the holders of Series B Splitco Starz Common Stock), or (B) the securities to be held or received by the holders of Series C Splitco Starz Common Stock as a result of such reclassification or recapitalization (and, if such securities are Convertible Securities, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) would be entitled to vote with respect to matters upon which security holders of the issuer thereof are generally entitled to vote (other than to an extent no greater than the holders of Series C Splitco Starz Common Stock are entitled to vote upon matters as provided in this Certificate);

(ii) the adoption, amendment or repeal of any provision of the Bylaws of the Corporation; *provided*, *however*, that this clause (ii) will not apply to, and no vote of the stockholders of the Corporation will be required to authorize, the adoption, amendment or repeal of any provision of the Bylaws of the Corporation by the Board of Directors in accordance with the power conferred upon it pursuant to Section F of Article V of this Certificate;

(iii) the merger or consolidation of this Corporation with or into any other corporation; *provided*, *however*, that this clause (iii) will not apply to any such merger or consolidation (A) as to which the laws of the State of Delaware, as then in effect, do not require the consent of this Corporation's stockholders, or (B) that at least 75% of the members of the Board of Directors then in office have approved;

(iv) the sale, lease or exchange of all, or substantially all, of the property or assets of the Corporation; *provided*, *however*, that this clause (iv) will not apply to any such sale, lease or exchange that at least 75% of the members of the Board of Directors then in office have approved; or

(v) the dissolution of the Corporation; *provided*, *however*, that this clause (v) will not apply to such dissolution if at least 75% of the members of the Board of Directors then in office have approved such dissolution.

Nothing contained in Section A.2 of this Certificate shall in any way limit, modify or otherwise affect any voting requirement set forth in this Article IX. Any stockholder approval required pursuant to this Article IX or the DGCL will be in addition to, and not in lieu of, any approval of the holders of Splitco Capital Common Stock or Splitco Starz Common Stock required pursuant to Section A.2. of this Certificate (including, without limitation, any Series B Capital Group Consent or Series B Starz Group Consent, as applicable).

All rights at any time conferred upon the stockholders of the Corporation, pursuant to this Certificate are granted subject to the provisions of this Article IX.

ARTICLE X

SECTION 203 OF THE DGCL

The Corporation expressly elects not to be governed by Section 203 of the DGCL.

ARTICLE XI

CERTAIN BUSINESS OPPORTUNITIES

1. Duties of Directors and Officers Regarding Potential Business Opportunities; No Liability for Certain Acts or Omissions

If a director or officer of the Corporation is offered, or otherwise acquires knowledge of, a potential transaction or matter that may constitute or present a business opportunity for the Corporation or any of its Subsidiaries, in which the Corporation could, but for the provisions of this Article XI, have an interest or expectancy (any such transaction or matter, and any such actual or potential business opportunity, a "**Potential Business Opportunity**"), (i) such director or officer will, to the fullest extent permitted by law, have no duty or obligation to refer such Potential Business Opportunity to the Corporation, or to refrain from referring such Potential Business Opportunity to any other corporation, company, partnership, association, firm or other entity, including, without limitation, Subsidiaries and Affiliates of the Corporation ("**Other Entity**"), or to give any notice to the Corporation regarding such Potential Business Opportunity (or any matter related thereto), (ii) such director or officer will not be liable to the Corporation or any of its Subsidiaries, as a director, officer, stockholder or otherwise, for any failure to refer such Potential Business Opportunity to the Corporation or any of its Subsidiaries, or for referring such Potential Business Opportunity to any Other Entity, or for any failure to give any notice to the Corporation or any of its Subsidiaries regarding such Potential Business Opportunity or any matter relating thereto, (iii) any Other Entity may engage or invest in, independently or with others, any such Potential Business Opportunity, (iv) the Corporation shall not have any right in or to such Potential Business Opportunity or to receive any income or proceeds derived therefrom, and (v) the Corporation shall have no interest or expectancy, and hereby specifically renounces any interest or expectancy, in any such Potential Business Opportunity, unless, in each case, such Potential Business Opportunity was expressly offered to a director or officer of the Corporation solely in his or her capacity as a director or officer of the Corporation or as a director or officer of any Subsidiary of the Corporation.

2. Amendment of Article XI

No alteration, amendment or repeal, or adoption of any provision inconsistent with, any provision of this Article XI will have any effect upon (a) any agreement between the Corporation or an Affiliate thereof and any Other Entity or an Affiliate thereof, that was entered into before the time of such alteration, amendment or repeal or adoption of any such inconsistent provision (the "**Amendment Time**"), or any transaction entered into in connection with the performance of any such agreement, whether such transaction is entered into before or after the Amendment Time, (b) any transaction entered into between the Corporation or an Affiliate thereof and any Other Entity or an Affiliate thereof, before the Amendment Time, (c) the allocation of any business opportunity between the Corporation or any Subsidiary or Affiliate thereof and any Other Entity before the Amendment Time, or (d) any duty or obligation owed by any director or officer of the Corporation or any Subsidiary of the Corporation (or the absence of any such duty or obligation) with respect to any Potential Business Opportunity which such director or officer was offered, or of which such director or officer otherwise became aware, before the Amendment Time (regardless of whether any proceeding relating to any of the above is commenced before or after the Amendment Time).

3. Deemed Notice

Any Person purchasing or otherwise acquiring any shares of capital stock of the Corporation, or any interest therein, will be deemed to have notice of and to have consented to the provisions of this Article XI. References in this Article XI to "directors," "officers" or "employees" of any Person will be deemed to include those Persons who hold similar positions or exercise similar powers and authority with respect to any Other Entity that is a limited liability company, partnership, joint venture or other non-corporate entity.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Incorporation this day of , **[2012]**.

LIBERTY SPLITCO, INC.

By: ______________________________

Name: Charles Y. Tanabe
Title: Executive Vice President and General Counsel

QuickLinks

Exhibit 3.2

LIBERTY SPLITCO, INC.

A Delaware Corporation

FORM OF BYLAWS

ARTICLE I

STOCKHOLDERS

Section 1.1 *Annual Meeting.*

An annual meeting of stockholders for the purpose of electing directors and of transacting any other business properly brought before the meeting pursuant to these Bylaws shall be held each year at such date, time and place, either within or without the State of Delaware or, if so determined by the Board of Directors in its sole discretion, at no place (but rather by means of remote communication), as may be specified by the Board of Directors in the notice of meeting.

Section 1.2 *Special Meetings.*

Except as otherwise provided in the terms of any series of preferred stock or unless otherwise provided by law or by the Certificate of Incorporation, special meetings of stockholders of the Corporation, for the transaction of such business as may properly come before the meeting, may be called by the Secretary of the Corporation only (i) upon written request made in compliance with the advance notice requirements of these Bylaws of the holders of not less than 80% of the total voting power of the outstanding capital stock of the Corporation entitled to vote at such meeting or (ii) at the request of not less than 75% of the members of the Board of Directors then in office. Only such business may be transacted as is specified in the notice of the special meeting. The Board of Directors shall have the sole power to determine the time, date and place, either within or without the State of Delaware, for any special meeting of stockholders. Following such determination, it shall be the duty of the Secretary to cause notice to be given to the stockholders entitled to vote at such meeting that a meeting will be held at the time, date and place and in accordance with the record date determined by the Board of Directors.

Section 1.3 *Record Date.*

In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (i) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by the laws of the State of Delaware, not be more than sixty (60) nor less than ten (10) days before the date of such meeting, and (ii) in the case of any other lawful action, shall not be more than sixty (60) days prior to such other action. If no record date is fixed by the Board of Directors: (i) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, and (ii) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided*, *however*, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 1.4 *Notice of Meetings.*

Notice of all stockholders meetings, stating the place, if any, date and hour thereof; the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting; the place within the city, other municipality or community or electronic network at which the list of stockholders may be examined; and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered in accordance with applicable law and applicable stock exchange rules and regulations by the Chairman of the Board, the President, any Vice President, the Secretary or an Assistant Secretary, to each stockholder entitled to vote thereat at least ten (10) days but not more than sixty (60) days before the date of the meeting, unless a different period is prescribed by law, or the lapse of the prescribed period of time shall have been waived.

Section 1.5 *Notice of Stockholder Business.*

(a) *Annual Meetings of Stockholders.*

(1) At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, nominations for persons for election to the Board of Directors and the proposal of business to be considered by the stockholders must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof), or (iii) otherwise properly be requested to be brought before the meeting by a stockholder in compliance with the procedures set forth in this Section 1.5.

(2) In addition to any other requirements under applicable law and the Corporation's Certificate of Incorporation, for a nomination for election to the Board of Directors or the proposal of business to be properly requested to be brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation and any such proposed business, other than the nominations of persons for election to the Board of Directors, must constitute a proper matter for stockholder action. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation (x) in the case of an annual meeting that is called for a date that is within thirty (30) days before or after the anniversary date of the immediately preceding annual meeting of stockholders, not less than sixty (60) days nor more than ninety (90) days prior to the meeting, and (y) in the case of an annual meeting that is called for a date that is not within thirty (30) days before or after the anniversary date of the immediately preceding annual meeting, not later than the close of business on the tenth day following the day on which notice of the date of the meeting was communicated to stockholders or public disclosure of the date of the meeting was made, whichever occurs first. For purposes of the first annual meeting of stockholders of the Corporation, the first anniversary date shall be **[ ]**. In no event shall the public announcement of an adjournment or postponement of a meeting of stockholders commence a new time period (or extend any time period) for the giving of a stockholder notice as described herein. To be in proper written form, such stockholder's notice to the Secretary shall set forth in writing (x) as to each person whom the stockholder proposes to nominate for election as a director (i) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to and in accordance with Regulation 14A under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), and (ii) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (y) as to any other business that the stockholder proposes to bring before the annual meeting, (i) a brief description of the business

desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the text of the proposal or business (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend the Bylaws of the Corporation, the language of the proposed amendment), and (iii) any material interest of the stockholder and beneficial owner, if any, on whose behalf the proposal is made, in such business; and (z) as to such stockholder giving notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address, as they appear on the Corporation's books, of such stockholder and of such beneficial owner, (ii) the class or series and number of shares of the capital stock of the Corporation that are owned beneficially and of record by such stockholder and such beneficial owner, (iii) a description of all arrangements or understandings between such stockholder and/or beneficial owner and any other person or persons (including their names) pursuant to which the proposals are to be made by such stockholder, (iv) a representation that such stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination set forth in its notice, (v) a representation (A) whether any such person or such stockholder has received any financial assistance, funding or other consideration from any other person in respect of the nomination (and the details thereof) (a "*Stockholder Associated Person*") and (B) whether and the extent to which any hedging, derivative or other transaction has been entered into with respect to the Corporation within the past six months by, or is in effect with respect to, such stockholder, any person to be nominated by such stockholder or any Stockholder Associated Person, the effect or intent of which transaction is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such stockholder, nominee or any such Stockholder Associated Person, and (vi) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group that intends to (1) deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (2) otherwise solicit proxies from stockholders in support of such proposal, and (vii) any other information relating to such stockholder or beneficial owner that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies in support of such proposal pursuant to Section 14 of the Exchange Act, and any rules and regulations promulgated thereunder. The foregoing notice requirements of this Section 1.5 shall not apply to any proposal made pursuant to Rule 14a-8 (or any successor thereof) promulgated under the Exchange Act. A proposal to be made pursuant to Rule 14a-8 (or any successor thereof) promulgated under the Exchange Act shall be deemed satisfied if the stockholder making such proposal complies with the provisions of Rule 14a-8 and has notified the Corporation of his or her intention to present a proposal at an annual meeting in compliance with Rule 14a-8 and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting. The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine (x) the eligibility of such proposed nominee to serve as a director of the Corporation and (y) whether the nominee would be considered "independent" under the independence requirements set forth in the Corporate Governance Rules of NASDAQ (or the rules and regulations of the principal securities exchange on which the Corporation's equity securities are then listed) in effect from time to time.

(3) Notwithstanding anything in paragraph (a)(2) of this Section 1.5 to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation at an annual meeting is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least one hundred (100) days prior to the anniversary date of the immediately preceding annual meeting, a stockholder's notice required by this Section 1.5 shall also be considered timely, but

only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(b) *Special Meetings of Stockholders.* Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder entitled to vote at such meeting may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice meeting the requirements of paragraph (a)(2) of this Section 1.5 (substituting special meeting for annual meeting as applicable) shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the ninetieth (90th) day prior to such special meeting and not later than the close of business on the later of the sixtieth (60th) day prior to such special meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(c) *General.* (1) Only such persons who are nominated in accordance with the procedures set forth in this Section 1.5 shall be eligible to be elected at an annual or special meeting of stockholders of the Corporation to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 1.5. Except as otherwise provided by law, the chairman of the meeting shall have the power and duty (i) to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 1.5 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee or proposal in compliance with such stockholder's representation as required by clause (a)(2)(z)(vi) of this Section 1.5) and (ii) if any proposed nomination or proposed business was not made or proposed in compliance with this Section 1.5, to declare that such nomination shall be disregarded or that such proposed business shall not be transacted.. Notwithstanding the foregoing provisions of this Section 1.5, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present the nomination to the Board of Directors or to present the proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 1.5, to be considered a qualified representative of the stockholder, a person must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(2) For purposes of this Section 1.5, "public announcement" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to the Exchange Act.

(3) Notwithstanding the foregoing provisions of this Section 1.5, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 1.5. Nothing in this Section 1.5

shall be deemed to affect any rights (i) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) of the holders of any series of preferred stock to elect directors pursuant to any applicable provisions of the Corporation's Certificate of Incorporation.

Section 1.6 *Quorum.*

Subject to the rights of the holders of any series of preferred stock and except as otherwise provided by law or in the Certificate of Incorporation or these Bylaws, at any meeting of stockholders, the holders of a majority in total voting power of the outstanding shares of stock entitled to vote at the meeting shall be present or represented by proxy in order to constitute a quorum for the transaction of any business. The chairman of the meeting shall have the power and duty to determine whether a quorum is present at any meeting of the stockholders. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; *provided*, *however*, that the foregoing shall not limit the right of the Corporation or any subsidiary of the Corporation to vote stock, including, but not limited to, its own stock, held by it in a fiduciary capacity. In the absence of a quorum, the chairman of the meeting may adjourn the meeting from time to time in the manner provided in Section 1.7 hereof until a quorum shall be present.

Section 1.7 *Adjournment.*

Any meeting of stockholders, annual or special, may be adjourned from time to time solely by the chairman of the meeting because of the absence of a quorum or for any other reason and to reconvene at the same or some other time, date and place, if any. Notice need not be given of any such adjourned meeting if the time, date and place thereof are announced at the meeting at which the adjournment is taken. The chairman of the meeting shall have full power and authority to adjourn a stockholder meeting in his sole discretion even over stockholder opposition to such adjournment. The stockholders present at a meeting shall not have the authority to adjourn the meeting. If the time, date and place, if any, thereof, and the means of remote communication, if any, by which the stockholders and the proxy holders may be deemed to be present and in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken and the adjournment is for less than thirty (30) days, no notice need be given of any such adjourned meeting. If the adjournment is for more than thirty (30) days and the time, date and place, if any, and the means of remote communication, if any, by which the stockholders and the proxy holders may be deemed to be present and in person are not announced at the meeting at which the adjournment is taken, or if after the adjournment a new record date is fixed for the adjourned meeting, then notice shall be given by the Secretary as required for the original meeting. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting.

Section 1.8 *Organization.*

The Chairman of the Board, or in his absence the President, or in their absence any Vice President, shall call to order meetings of stockholders and preside over and act as chairman of such meetings. The Board of Directors or, if the Board fails to act, the stockholders, may appoint any stockholder, director or officer of the Corporation to act as chairman of any meeting in the absence of the Chairman of the Board, the President and all Vice Presidents. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at a meeting shall be determined by the chairman of the meeting and announced at the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Unless otherwise determined by the Board of Directors, the chairman of the meeting shall have the exclusive right to determine the order of business and to prescribe other such rules, regulations and procedures and shall have the authority in his discretion to regulate the conduct of any such meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) rules and procedures for maintaining order at the meeting and the safety of those present; (ii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iii) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (iv) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

The Secretary shall act as secretary of all meetings of stockholders, but, in the absence of the Secretary, the chairman of the meeting may appoint any other person to act as secretary of the meeting.

Section 1.9 *Postponement or Cancellation of Meeting.*

Any previously scheduled annual or special meeting of the stockholders may be postponed or canceled by resolution of the Board of Directors upon public notice given prior to the time previously scheduled for such meeting of stockholders.

Section 1.10 *Voting.*

Subject to the rights of the holders of any series of preferred stock and except as otherwise provided by law, the Certificate of Incorporation or these Bylaws and except for the election of directors, at any meeting duly called and held at which a quorum is present, the affirmative vote of a majority of the combined voting power of the outstanding shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Subject to the rights of the holders of any series of preferred stock, at any meeting duly called and held for the election of directors at which a quorum is present, directors shall be elected by a plurality of the combined voting power of the outstanding shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

ARTICLE II

BOARD OF DIRECTORS

Section 2.1 *Number and Term of Office.*

(a) The governing body of this Corporation shall be a Board of Directors. Subject to any rights of the holders of any series of preferred stock to elect additional directors, the Board of Directors shall be comprised of not less than three (3) members, or such other number as may be fixed from time to time by the Board of Directors by resolution adopted by the affirmative vote of 75% of the members of the Board of Directors then in office. Directors need not be stockholders of the Corporation. The Corporation shall nominate the persons holding the offices of Chairman of the Board and President for election as directors at any meeting at which such persons are subject to election as directors.

(b) Except as otherwise fixed by the Certificate of Incorporation relating to the rights of the holders of any series of preferred stock to separately elect additional directors, which additional directors are not required to be classified pursuant to the terms of such series of preferred stock, the Board of Directors shall be divided into three classes: Class I, Class II and Class III. Each class shall consist, as nearly as possible, of a number of directors equal to one-third ($33^{1}/3$%) of the then authorized number of members of the Board of Directors. The term of office of the initial Class I directors shall expire at the annual meeting of stockholders in 2014; the term of office of the initial Class II directors shall expire at the annual meeting of stockholders in 2012; and the term of office of the initial Class III directors shall expire at the annual meeting of stockholders in 2013. At each annual meeting of stockholders of the Corporation the successors of that class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election. The directors of each class will serve until the earliest to occur of their death, resignation, removal or disqualification or the election and qualification of their respective successors.

Section 2.2 *Resignations.*

Any director of the Corporation, or any member of any committee, may resign at any time by giving written notice to the Board of Directors, the Chairman of the Board or the President or Secretary of the Corporation. Any such resignation shall take effect at the time specified therein or, if the time be not specified therein, then upon receipt thereof. The acceptance of such resignation shall not be necessary to make it effective unless otherwise stated therein.

Section 2.3 *Removal of Directors.*

Subject to the rights of the holders of any series of preferred stock, directors may be removed from office only for cause upon the affirmative vote of the holders of not less than a majority of the total voting power of the then outstanding shares entitled to vote at an election of directors voting together as a single class.

Section 2.4 *Newly Created Directorships and Vacancies.*

Subject to the rights of the holders of any series of preferred stock, vacancies on the Board of Directors resulting from death, resignation, removal, disqualification or other cause, and newly created directorships resulting from any increase in the number of directors on the Board of Directors, shall be filled by the affirmative vote of a majority of the remaining directors then in office (even though less than a quorum) or by the sole remaining director at any regular or special meeting of the Board of Directors. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the vacancy occurred or to which the new directorship is apportioned, and until such director's successor shall have been elected and qualified. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director, except as may be provided in the terms of any series of preferred stock with respect to any additional director elected by the holders of such series of preferred stock. Notwithstanding Article 1 of these Bylaws, in case the entire Board of Directors shall die or resign, the President or Secretary of the Corporation, or any ten (10) stockholders may call and cause notice to be given for a special meeting of stockholders in the same manner that the Chairman of the Board may call such a meeting, and directors for the unexpired terms may be elected at such special meeting.

Section 2.5 *Meetings.*

The annual meeting of each newly elected Board of Directors may be held on such date and at such time and place as the Board of Directors determines. The annual meeting may be held immediately following the annual meeting of stockholders, and if so held, no notice of such meeting shall be necessary to the newly elected directors in order to hold the meeting legally, provided that a quorum shall be present thereat.

Notice of each regular meeting shall be furnished in writing to each member of the Board of Directors not less than five (5) days in advance of said meeting, unless such notice requirement is waived in writing by each member. No notice need be given of the meeting immediately following an annual meeting of stockholders.

Special meetings of the Board of Directors shall be held at such time and place as shall be designated in the notice of the meeting. Special meetings of the Board of Directors may be called by the Chairman of the Board, and shall be called by the President or Secretary of the Corporation upon the written request of not less than 75% of the members of the Board of Directors then in office.

Section 2.6 *Notice of Special Meetings.*

The Secretary, or in his absence any other officer of the Corporation, shall give each director notice of the time and place of holding of special meetings of the Board of Directors by mail at least ten (10) days before the meeting, or by facsimile transmission, electronic mail or personal service at least twenty-four (24) hours before the meeting unless such notice requirement is waived in writing by each member. Unless otherwise stated in the notice thereof, any and all business may be transacted at any meeting without specification of such business in the notice.

Section 2.7 *Conference Telephone Meeting.*

Members of the Board of Directors, or any committee thereof, may participate in a meeting of the Board of Directors or such committee by means of telephone conference or other similar communications equipment by means of which all persons participating in the meeting can hear each other and communicate with each other, and such participation in a meeting shall constitute presence in person at such meeting.

Section 2.8 *Quorum and Organization of Meetings.*

A majority of the total number of members of the Board of Directors as constituted from time to time shall constitute a quorum for the transaction of business, but, if at any meeting of the Board of Directors (whether or not adjourned from a previous meeting) there shall be less than a quorum present, a majority of those present may adjourn the meeting to another time, date and place, and the meeting may be held as adjourned without further notice or waiver. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, a majority of the directors present at any meeting at which a quorum is present may decide any question brought before such meeting. Meetings shall be presided over by the Chairman of the Board or in his absence by such other person as the directors may select. The Board of Directors shall keep written minutes of its meetings. The Secretary of the Corporation shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

The Board may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more Directors as alternate members of any committee to replace absent or disqualified members at any meeting of such committee. If a member of a committee shall be absent from any meeting, or disqualified from voting thereat, the remaining member or members present and not disqualified from voting, whether or not such member or members constitute a quorum, may, by a unanimous vote, appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent provided in a resolution of the Board of Directors passed as aforesaid, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be impressed on all papers that may require it, but no such committee shall have the power or authority of the Board of Directors in reference to (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the laws of the State of Delaware to be submitted to the stockholders for approval or (ii) adopting, amending or repealing any Bylaw of the Corporation. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. Unless otherwise specified in the resolution of the Board of Directors designating a committee, at all meetings of such committee a majority of the total number of members of the committee shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the committee present at any meeting at which there is a quorum shall be the act of the committee. Each committee shall keep regular minutes of its meetings. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article 2 of these Bylaws.

Section 2.9 *Indemnification.*

The Corporation shall indemnify members of the Board of Directors and officers of the Corporation and their respective heirs, personal representatives and successors in interest for or on account of any action performed on behalf of the Corporation, to the fullest extent permitted by the laws of the State of Delaware and the Corporation's Certificate of Incorporation, as now or hereafter in effect.

Section 2.10 *Indemnity Undertaking.*

To the extent not prohibited by law, the Corporation shall indemnify any person who is or was made, or threatened to be made, a party to any threatened, pending or completed action, suit or proceeding (a "Proceeding"), whether civil, criminal, administrative or investigative, including, without limitation, an action by or in the right of the Corporation to procure a judgment in its favor, by reason of the fact that such person, or a person of whom such person is the legal representative, is or was a director or officer of the Corporation, or is or was serving in any capacity at the request of the Corporation for any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprises (an "Other Entity"), against judgments, fines, penalties, excise taxes, amounts paid in settlement and costs, charges and expenses (including attorneys' fees and disbursements). Persons who are not directors or officers of the Corporation may be similarly indemnified in respect of service to the Corporation or to an Other Entity at the request of the Corporation to the extent the Board of Directors at any time specifies that such persons are entitled to the benefits of this Section 2.10. Except as otherwise provided in Section 2.12 hereof, the Corporation shall be required to indemnify a person in connection with a proceeding (or part thereof) commenced by such person only if the commencement of such proceeding (or part thereof) by the person was authorized by the Board of Directors.

Section 2.11 *Advancement of Expenses.*

The Corporation shall, from time to time, reimburse or advance to any director or officer or other person entitled to indemnification hereunder the funds necessary for payment of expenses, including attorneys' fees and disbursements, incurred in connection with any Proceeding in advance of the final disposition of such Proceeding; *provided*, *however*, that, if required by the laws of the State of Delaware, such expenses incurred by or on behalf of any director or officer or other person may be paid in advance of the final disposition of a Proceeding only upon receipt by the Corporation of an undertaking, by or on behalf of such director or officer (or other person indemnified hereunder), to repay any such amount so advanced if it shall ultimately be determined by final judicial decision from which there is no further right of appeal that such director, officer or other person is not entitled to be indemnified for such expenses. Except as otherwise provided in Section 2.12 hereof, the Corporation shall be required to reimburse or advance expenses incurred by a person in connection with a proceeding (or part thereof) commenced by such person only if the commencement of such proceeding (or part thereof) by the person was authorized by the Board of Directors.

Section 2.12 *Claims.*

If a claim for indemnification or advancement of expenses under this Article 2 is not paid in full within thirty (30) days after a written claim therefor by the person seeking indemnification or reimbursement or advancement of expenses has been received by the Corporation, the person may file suit to recover the unpaid amount of such claim and, if successful, in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the person seeking indemnification or reimbursement or advancement of expenses is not entitled to the requested indemnification, reimbursement or advancement of expenses under applicable law.

Section 2.13 *Amendment, Modification or Repeal.*

Any amendment, modification or repeal of the foregoing provisions of this Article 2 shall not adversely affect any right or protection hereunder of any person entitled to indemnification under Section 2.9 hereof in respect of any act or omission occurring prior to the time of such repeal or modification.

Section 2.14 *Executive Committee of the Board of Directors.*

The Board of Directors, by the affirmative vote of not less than 75% of the members of the Board of Directors then in office, may designate an executive committee, all of whose members shall be directors, to manage and operate the affairs of the Corporation or particular properties or enterprises of the Corporation. Subject to the limitations of the law of the State of Delaware and the Certificate of Incorporation, such executive committee shall exercise all powers and authority of the Board of Directors in the management of the business and affairs of the Corporation including, but not limited to, the power and authority to authorize the issuance of shares of common or preferred stock. The executive committee shall keep minutes of its meetings and report to the Board of Directors not less often than quarterly on its activities and shall be responsible to the Board of Directors for the conduct of the enterprises and affairs entrusted to it. Regular meetings of the executive committee, of which no notice shall be necessary, shall be held at such time, dates and places as shall be fixed by resolution adopted by the executive committee. Special meetings of the executive committee shall be called at the request of the President or of any member of the executive committee, and shall be held upon such notice as is required by these Bylaws for special meetings of the Board of Directors, provided that oral notice by telephone or otherwise shall be sufficient if received not later than the day immediately preceding the day of the meeting.

Section 2.15 *Other Committees of the Board of Directors.*

The Board of Directors may by resolution establish committees other than an executive committee and shall specify with particularity the powers and duties of any such committee. Subject to the limitations of the laws of the State of Delaware and the Certificate of Incorporation, any such committee shall exercise all powers and authority specifically granted to it by the Board of Directors, which powers may include the authority to authorize the issuance of shares of common or preferred stock. Such committees shall serve at the pleasure of the Board of Directors, keep minutes of their meetings and have such names as the Board of Directors by resolution may determine and shall be responsible to the Board of Directors for the conduct of the enterprises and affairs entrusted to them.

Section 2.16 *Directors' Compensation.*

Directors shall receive such compensation for attendance at any meetings of the Board and any expenses incidental to the performance of their duties as the Board of Directors shall determine by resolution. Such compensation may be in addition to any compensation received by the members of the Board of Directors in any other capacity.

Section 2.17 *Action Without Meeting.*

Nothing contained in these Bylaws shall be deemed to restrict the power of members of the Board of Directors or any committee designated by the Board of Directors to take any action required or permitted to be taken by them without a meeting.

ARTICLE III

OFFICERS

Section 3.1 *Executive Officers.*

The Board of Directors shall elect from its own number, at its first meeting after each annual meeting of stockholders, a Chairman of the Board and a President. The Board of Directors may also elect such Vice Presidents as in the opinion of the Board of Directors the business of the Corporation requires, a Treasurer and a Secretary, any of whom may or may not be directors. The Board of Directors may also elect, from time to time, such other or additional officers as in its opinion are desirable for the conduct of business of the Corporation. Each officer shall hold office until the first meeting of the Board of Directors following the next annual meeting of stockholders following their respective election. Any person may hold at one time two or more offices; *provided*, *however*, that the President shall not hold any other office except that of Chairman of the Board.

Section 3.2 *Powers and Duties of Officers.*

The Chairman of the Board shall have overall responsibility for the management and direction of the business and affairs of the Corporation and shall exercise such duties as customarily pertain to the office of Chairman of the Board and such other duties as may be prescribed from time to time by the Board of Directors. He shall be the senior officer of the Corporation and in case of the inability or failure of the President to perform his duties, he shall perform the duties of the President. He may appoint and terminate the appointment or election of officers, agents or employees other than those appointed or elected by the Board of Directors. He may sign, execute and deliver, in the name of the Corporation, powers of attorney, contracts, bonds and other obligations. The Chairman shall preside at all meetings of stockholders and of the Board of Directors at which he is present, and shall perform such other duties as may be prescribed from time to time by the Board of Directors or these Bylaws.

The President of the Corporation shall have such powers and perform such duties as customarily pertain to a chief executive officer and the office of a president, including, without limitation, being responsible for the active direction of the daily business of the Corporation, and shall exercise such other duties as may be prescribed from time to time by the Board of Directors. The President may sign, execute and deliver, in the name of the Corporation, powers of attorney, contracts, bonds and other obligations. In the absence or disability of the Chairman of the Board, the President shall perform the duties and exercise the powers of the Chairman of the Board.

Vice Presidents shall have such powers and perform such duties as may be assigned to them by the Chairman of the Board, the President, the executive committee, if any, or the Board of Directors. A Vice President may sign and execute contracts and other obligations pertaining to the regular course of his duties which implement policies established by the Board of Directors.

The Treasurer shall be the chief financial officer of the Corporation. Unless the Board of Directors otherwise declares by resolution, the Treasurer shall have general custody of all the funds and securities of the Corporation and general supervision of the collection and disbursement of funds of the Corporation. He shall endorse for collection on behalf of the Corporation checks, notes and other obligations, and shall deposit the same to the credit of the Corporation in such bank or banks or depository as the Board of Directors may designate. He may sign, with the Chairman of the Board, President or such other person or persons as may be designated for the purpose by the Board of Directors, all bills of exchange or promissory notes of the Corporation. He shall enter or cause to be entered regularly in the books of the Corporation a full and accurate account of all moneys received and paid by him on account of the Corporation, shall at all reasonable times exhibit his books and accounts to any director of the Corporation upon application at the office of the Corporation during business hours and, whenever required by the Board of Directors or the President, shall render a statement of his accounts. He shall perform such other duties as may be prescribed from time to time by the Board of Directors or by these Bylaws. He may be required to give bond for the faithful performance of his duties in such sum and with such surety as shall be approved by the Board of Directors. Any Assistant Treasurer shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

The Secretary shall keep the minutes of all meetings of the stockholders and of the Board of Directors. The Secretary shall cause notice to be given of meetings of stockholders, of the Board of Directors, and of any committee appointed by the Board of Directors. He shall have custody of the corporate seal, minutes and records relating to the conduct and acts of the stockholders and Board of Directors, which shall, at all reasonable times, be open to the examination of any director. The Secretary or any Assistant Secretary may certify the record of proceedings of the meetings of the stockholders or of the Board of Directors or resolutions adopted at such meetings, may sign or attest certificates, statements or reports required to be filed with governmental bodies or officials, may sign acknowledgments of instruments, may give notices of meetings and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Section 3.3 *Bank Accounts.*

In addition to such bank accounts as may be authorized in the usual manner by resolution of the Board of Directors, the Treasurer, with approval of the Chairman of the Board or the President, may authorize such bank accounts to be opened or maintained in the name and on behalf of the Corporation as he may deem necessary or appropriate, provided payments from such bank accounts are to be made upon and according to the check of the Corporation, which may be signed jointly or singularly by either the manual or facsimile signature or signatures of such officers or bonded employees of the Corporation as shall be specified in the written instructions of the Treasurer or Assistant Treasurer of the Corporation with the approval of the Chairman of the Board or the President of the Corporation.

Section 3.4 *Proxies; Stock Transfers.*

Unless otherwise provided in the Certificate of Incorporation or directed by the Board of Directors, the Chairman of the Board or the President or any Vice President or their designees shall have full power and authority on behalf of the Corporation to attend and to vote upon all matters and resolutions at any meeting of stockholders of any corporation in which this Corporation may hold stock, and may exercise on behalf of this Corporation any and all of the rights and powers incident to the ownership of such stock at any such meeting, whether regular or special, and at all adjournments thereof, and shall have power and authority to execute and deliver proxies and consents on behalf of this Corporation in connection with the exercise by this Corporation of the rights and powers incident to the ownership of such stock, with full power of substitution or revocation. Unless otherwise provided in the Certificate of Incorporation or directed by the Board of Directors, the Chairman of the Board or the President or any Vice President or their designees shall have full power and authority on behalf of the Corporation to transfer, sell or dispose of stock of any corporation in which this Corporation may hold stock.

ARTICLE IV

CAPITAL STOCK

Section 4.1 *Shares.*

The shares of the corporation shall be represented by a certificate or shall be uncertificated. Certificates shall be signed by the Chairman of the Board of Directors or the President and by the Secretary or the Treasurer, and sealed with the seal of the Corporation. Such seal may be a facsimile, engraved or printed. Within a reasonable time after the issuance or transfer of uncertificated shares, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to Sections 151, 156, 202(a) or 218(a) of the Delaware General Corporation Law or a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualification, limitations or restrictions of such preferences and/or rights.

Any of or all the signatures on a certificate may be facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such an officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such officer, transfer agent or registrar had not ceased to hold such position at the time of its issuance.

Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated shares and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

Section 4.2 *Transfer of Shares.*

(a) Upon surrender to the Corporation or the transfer agent of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books. Upon receipt of proper transfer instructions from the registered owner of uncertificated shares such uncertificated shares shall be cancelled, and the issuance of new equivalent uncertificated shares or certificated shares shall be made to the person entitled thereto and the transaction shall be recorded upon the books of the Corporation.

(b) The person in whose name shares of stock stand on the books of the Corporation shall be deemed by the Corporation to be the owner thereof for all purposes, and the Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Delaware.

Section 4.3 *Lost Certificates.*

The Board of Directors or any transfer agent of the Corporation may direct a new certificate or certificates or uncertificated shares representing stock of the Corporation to be issued in place of any certificate or certificates theretofore issued by the Corporation, alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates or uncertificated shares, the Board of Directors (or any transfer agent of the Corporation authorized to do so by a resolution of the Board of Directors) may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to give the Corporation a bond in such sum as the Board of Directors (or any transfer agent so authorized) shall direct to indemnify the Corporation and the transfer agent against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed or the issuance of such new certificates or uncertificated shares, and such requirement may be general or confined to specific instances.

Section 4.4 *Transfer Agent and Registrar.*

The Board of Directors may appoint one or more transfer agents and one or more registrars, and may require all certificates for shares to bear the manual or facsimile signature or signatures of any of them.

Section 4.5 *Regulations.*

The Board of Directors shall have power and authority to make all such rules and regulations as it may deem expedient concerning the issue, transfer, registration, cancellation and replacement of certificates representing stock of the Corporation or uncertificated shares, which rules and regulations shall comply in all respects with the rules and regulations of the transfer agent.

ARTICLE V

GENERAL PROVISIONS

Section 5.1 *Offices.*

The Corporation shall maintain a registered office in the State of Delaware as required by the laws of the State of Delaware. The Corporation may also have offices in such other places, either within or without the State of Delaware, as the Board of Directors may from time to time designate or as the business of the Corporation may require.

Section 5.2 *Corporate Seal.*

The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization, and the words "Corporate Seal" and "Delaware."

Section 5.3 *Fiscal Year.*

The fiscal year of the Corporation shall be determined by resolution of the Board of Directors.

Section 5.4 *Notices and Waivers Thereof.*

Whenever any notice is required by the laws of the State of Delaware, the Certificate of Incorporation or these Bylaws to be given to any stockholder, director or officer, such notice, except as otherwise provided by law, may be given personally, or by mail, or, in the case of directors or officers, by electronic mail or facsimile transmission, addressed to such address as appears on the books of the Corporation. Any notice given by electronic mail or facsimile transmission shall be deemed to have been given when it shall have been transmitted and any notice given by mail shall be deemed to have been given three (3) business days after it shall have been deposited in the United States mail with postage thereon prepaid.

Whenever any notice is required to be given by law, the Certificate of Incorporation, or these Bylaws, a written waiver thereof, signed by the person entitled to such notice, whether before or after the meeting or the time stated therein, shall be deemed equivalent in all respects to such notice to the full extent permitted by law.

Section 5.5 *Saving Clause.*

These Bylaws are subject to the provisions of the Certificate of Incorporation and applicable law. In the event any provision of these Bylaws is inconsistent with the Certificate of Incorporation or the corporate laws of the State of Delaware, such provision shall be invalid to the extent only of such conflict, and such conflict shall not affect the validity of any other provision of these Bylaws.

Section 5.6 *Amendments.*

In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors, by action taken by the affirmative vote of not less than 75% of the members of the Board of Directors then in office, is hereby expressly authorized and empowered to adopt, amend or repeal any provision of the Bylaws of this Corporation.

Subject to the rights of the holders of any series of preferred stock, these Bylaws may be adopted, amended or repealed by the affirmative vote of the holders of not less than 80% of the total voting power of the then outstanding capital stock of the Corporation entitled to vote thereon; *provided*, *however*, that this paragraph shall not apply to, and no vote of the stockholders of the Corporation shall be required to authorize, the adoption, amendment or repeal of any provision of the Bylaws by the Board of Directors in accordance with the preceding paragraph.

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EXHIBIT 4.1

Number A-	Incorporated Under the Laws of the State of Delaware	Shares - -0- Cusip No.

LIBERTY SPLITCO, INC.

Series A Splitco Capital Common Stock, par value $.01 per share

Specimen Certificate

This Certifies that ________________________________ is the owner of ________________________________ FULLY PAID AND NON-ASSESSABLE SHARES OF SERIES A SPLITCO CAPITAL COMMON STOCK, PAR VALUE $0.01 PER SHARE, OF LIBERTY SPLITCO, INC. (hereinafter called the "Corporation") transferable on the books of the Corporation by the holder hereof in person or by duly authorized attorney upon surrender of the Certificate properly endorsed. This Certificate is not valid unless countersigned by the Transfer Agent and registered by the Registrar.

Witness, the seal of the Corporation and the signatures of its duly authorized officers.

Dated:

Liberty Splitco, Inc.
[Corporate Seal]

President	Secretary

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EXHIBIT 4.2

Number B-	Incorporated Under the Laws of the State of Delaware	Shares - -0- Cusip No.

LIBERTY SPLITCO, INC.

Series B Splitco Capital Common Stock, par value $.01 per share

Specimen Certificate

This Certifies that ______________________________________ is the owner of ______________________________________ FULLY PAID AND NON-ASSESSABLE SHARES OF SERIES B SPLITCO CAPITAL COMMON STOCK, PAR VALUE $0.01 PER SHARE, OF LIBERTY SPLITCO, INC. (hereinafter called the "Corporation") transferable on the books of the Corporation by the holder hereof in person or by duly authorized attorney upon surrender of the Certificate properly endorsed. This Certificate is not valid unless countersigned by the Transfer Agent and registered by the Registrar.

Witness, the seal of the Corporation and the signatures of its duly authorized officers.

Dated:

Liberty Splitco, Inc.
[Corporate Seal]

President	Secretary

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EXHIBIT 4.2

LIBERTY SPLITCO, INC. Series B Splitco Capital Common Stock, par value $.01 per share Specimen Certificate

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EXHIBIT 4.3

Number A-	Incorporated Under the Laws of the State of Delaware	Shares - -0- Cusip No.

LIBERTY SPLITCO, INC.

Series A Splitco Starz Common Stock, par value $.01 per share

Specimen Certificate

This Certifies that ____ is the owner of ____ FULLY PAID AND NON-ASSESSABLE SHARES OF SERIES A SPLITCO STARZ COMMON STOCK, PAR VALUE $0.01 PER SHARE, OF LIBERTY SPLITCO, INC. (hereinafter called the "Corporation") transferable on the books of the Corporation by the holder hereof in person or by duly authorized attorney upon surrender of the Certificate properly endorsed. This Certificate is not valid unless countersigned by the Transfer Agent and registered by the Registrar.

Witness, the seal of the Corporation and the signatures of its duly authorized officers.

Dated:

Liberty Splitco, Inc.
[Corporate Seal]

President	Secretary

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EXHIBIT 4.4

Number B-	Incorporated Under the Laws of the State of Delaware	Shares - -0- Cusip No.

LIBERTY SPLITCO, INC.

Series B Splitco Starz Common Stock, par value $.01 per share

Specimen Certificate

This Certifies that ____ is the owner of ____ FULLY PAID AND NON-ASSESSABLE SHARES OF SERIES B SPLITCO STARZ COMMON STOCK, PAR VALUE $0.01 PER SHARE, OF LIBERTY SPLITCO, INC. (hereinafter called the "Corporation") transferable on the books of the Corporation by the holder hereof in person or by duly authorized attorney upon surrender of the Certificate properly endorsed. This Certificate is not valid unless countersigned by the Transfer Agent and registered by the Registrar.

Witness, the seal of the Corporation and the signatures of its duly authorized officers.

Dated:

Liberty Splitco, Inc.
[Corporate Seal]

President	Secretary

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Exhibit 8.1

BAKER BOTTS L.L.P.

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[Date]

Liberty Media Corporation
12300 Liberty Boulevard
Englewood, CO 80112

Ladies and Gentlemen:

As counsel for Liberty Media Corporation, a Delaware corporation ("**Liberty**"), we have examined and are familiar with the Registration Statement on Form S-4 (File No. 333-171201) (the "**Registration Statement**"), which was filed by Liberty Splitco, Inc. ("**Splitco**") on the date hereof with the Securities and Exchange Commission (the "**SEC**") for the purpose of registering the distribution, under the Securities Act of 1933, as amended (the "**Securities Act**"), of shares of Series A Splitco Capital common stock, par value $.01 per share ("**Splitco CAPA**"), Series B Splitco Capital common stock, par value $.01 per share ("**Splitco CAPB**," and together with shares of Splitco CAPA, the "**Splitco Capital Common Stock**"), Series A Splitco Starz common stock, par value $.01 per share ("**Splitco STZA**"), and Series B Splitco Starz common stock, par value $.01 per share ("**Splitco STZB**," and together with shares of Splitco STZA, the "**Splitco Starz Common Stock**"), by Liberty in exchange for its outstanding shares of Liberty Capital common stock and Liberty Starz common stock in connection with the split-off of Splitco (the "**Split-Off**").

The terms of the Split-Off, the Splitco Capital Common Stock and the Splitco Starz Common Stock are described in the proxy statement/prospectus (the "**Proxy Statement**") which forms a part of the Registration Statement. We have participated in the preparation of the discussion set forth in the Proxy Statement under the heading "Material U.S. Federal Income Tax Consequences of the Split-Off" (the "**Discussion**"). Unless otherwise specified, capitalized terms shall have the meaning assigned to such terms in the Proxy Statement.

In providing this opinion, we have examined and relied upon the facts, information, statements, covenants, representations, and warranties contained in the originals or copies, certified or otherwise identified to our satisfaction, of (i) the representation letters dated as of the date hereof that were provided to us by Liberty, Splitco, and a shareholder of Liberty, (ii) the Ruling, (iii) the Proxy Statement, (iv) the Registration Statement, including all exhibits and attachments thereto (including, without limitation, the form of the Reorganization Agreement, by and between Liberty and Splitco, including all exhibits and attachments thereto, and the form of the Restated Certificate of Incorporation of Splitco), (v) such other documents and records as we deem necessary or appropriate as a basis for this opinion, and (vi) certain other information provided to us by Liberty. We have also examined and relied upon the facts, information, statements, covenants, representations, and warranties contained in the originals or copies, certified or otherwise identified to our satisfaction, of the request by Liberty for the Ruling from the Internal Revenue Service (the "**IRS**"), as subsequently supplemented from time to time, including all exhibits and attachments thereto (the "**Ruling Request**").

This opinion assumes and is conditioned on, among other things, the initial and continuing accuracy and completeness, which we have neither investigated nor verified, of the facts, information, statements, covenants, representations, and warranties set forth in each of the documents referred to above. We note that this opinion is, as described in the Discussion, premised upon the provision by us of the Closing Opinions and upon the accuracy of the statements, representations, covenants, and assumptions upon which such Closing Opinions will be based, including the receipt and continued validity of the Ruling.

In our examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, photostatic, electronic or facsimile copies and the authenticity of the originals of such documents. We also have assumed that the Split-Off will be consummated in the manner described in the Proxy Statement, the Registration Statement, and the Ruling, and that none of the terms and conditions of the Split-Off will have been waived or modified in any respect. Any inaccuracy in any of the aforementioned facts, information, statements, representations, warranties, or assumptions or any breach of any of the aforementioned covenants could adversely affect this opinion.

Subject to the foregoing and subject to the conditions, limitations, and qualifications described herein and in the Discussion, the Discussion is our opinion, insofar as it relates to matters of U.S. federal income tax law and legal conclusions with respect to those matters, with respect to the material U.S. federal income tax consequences of the Split-Off to holders of Liberty Capital common stock and Liberty Starz common stock and to Liberty.

This opinion is based on our interpretation of the Internal Revenue Code of 1986, as amended, applicable Treasury regulations, judicial authority, and administrative rulings and practice, all as of the date hereof. There can be no assurance that future legislative, judicial, or administrative changes or interpretations will not adversely affect the accuracy of the conclusions set forth herein. We do not undertake to advise you as to any such future changes or interpretations unless we are specifically retained to do so. This opinion is not binding upon the IRS or any court and will not preclude the IRS or such court from adopting a contrary position. We express no other opinion as to the U.S. federal income tax consequences of the Split-Off, and we express no opinion as to the state, local, foreign, or other tax consequences, of the Split-Off.

This opinion is delivered to you solely in connection with and for purposes of the transactions contemplated by the Proxy Statement and is not to be relied upon by any other person, quoted in whole or in part, or otherwise referred to (except in a list of closing documents), nor is it to be provided to any other person without our prior written consent. Notwithstanding the foregoing sentence, we consent to the filing of this letter with the SEC as an exhibit to the Registration Statement and to the references to our firm name in the Proxy Statement. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules of the SEC thereunder.

Sincerely,

BAKER BOTTS L.L.P.

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Exhibit 10.1

FORM OF LIBERTY SPLITCO, INC. 2011 INCENTIVE PLAN

ARTICLE I

PURPOSE OF PLAN; EFFECTIVE DATE

1.1 *Purpose.* The purpose of the Plan is to promote the success of the Company by providing a method whereby (i) eligible employees of the Company and its Subsidiaries and (ii) independent contractors providing services to the Company and its Subsidiaries may be awarded additional remuneration for services rendered and may be encouraged to invest in capital stock of the Company, thereby increasing their proprietary interest in the Company's businesses, encouraging them to remain in the employ or service of the Company or its Subsidiaries, and increasing their personal interest in the continued success and progress of the Company and its Subsidiaries. The Plan is also intended to aid in (i) attracting Persons of exceptional ability to become officers and employees of the Company and its Subsidiaries and (ii) inducing independent contractors to agree to provide services to the Company and its Subsidiaries.

1.2 *Effective Date.* The Plan shall be effective as of the Redemption Date (the "Effective Date").

ARTICLE II

DEFINITIONS

2.1 *Certain Defined Terms.* Capitalized terms not defined elsewhere in the Plan shall have the following meanings (whether used in the singular or plural):

"Account" has the meaning ascribed thereto in Section 8.2.

"Affiliate" of the Company means any corporation, partnership or other business association that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the Company.

"Agreement" means a stock option agreement, stock appreciation rights agreement, restricted shares agreement, restricted stock units agreement, cash award agreement or an agreement evidencing more than one type of Award, specified in Section 10.5, as any such Agreement may be supplemented or amended from time to time.

"Approved Transaction" means any transaction in which the Board (or, if approval of the Board is not required as a matter of law, the stockholders of the Company) shall approve (i) any consolidation or merger of the Company, or binding share exchange, pursuant to which shares of Common Stock of the Company would be changed or converted into or exchanged for cash, securities, or other property, other than any such transaction in which the common stockholders of the Company immediately prior to such transaction have the same proportionate ownership of the Common Stock of, and voting power with respect to, the surviving corporation immediately after such transaction, (ii) any merger, consolidation or binding share exchange to which the Company is a party as a result of which the Persons who are common stockholders of the Company immediately prior thereto have less than a majority of the combined voting power of the outstanding capital stock of the Company ordinarily (and apart from the rights accruing under special circumstances) having the right to vote in the election of directors immediately following such merger, consolidation or binding share exchange, (iii) the adoption of any plan or proposal for the liquidation or dissolution of the Company, or (iv) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Company.

"Award" means a grant of Options, SARs, Restricted Shares, Restricted Stock Units, Performance Awards, Cash Awards and/or cash amounts under the Plan.

"Board" means the Board of Directors of the Company.

"Board Change" means, during any period of two consecutive years, individuals who at the beginning of such period constituted the entire Board cease for any reason to constitute a majority thereof unless the election, or the nomination for election, of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period.

"Cash Award" means an Award made pursuant to Section 9.1 of the Plan to a Holder that is paid solely on account of the attainment of one or more Performance Objectives that have been preestablished by the Committee.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute or statutes thereto. Reference to any specific Code section shall include any successor section.

"Committee" means the committee of the Board appointed pursuant to Section 3.1 to administer the Plan.

"Common Stock" means each or any (as the context may require) series of the Company's common stock.

"Company" means Liberty Splitco, Inc., a Delaware corporation.

"Control Purchase" means any transaction (or series of related transactions) in which any person (as such term is defined in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), corporation or other entity (other than the Company, any Subsidiary of the Company or any employee benefit plan sponsored by the Company or any Subsidiary of the Company or any Exempt Person (as defined below)) shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the then outstanding securities of the Company ordinarily (and apart from the rights accruing under special circumstances) having the right to vote in the election of directors (calculated as provided in Rule 13d-3(d) under the Exchange Act in the case of rights to acquire the Company's securities), other than in a transaction (or series of related transactions) approved by the Board. For purposes of this definition, "Exempt Person" means each of (a) the Chairman of the Board, the President and each of the directors of the Company as of the Redemption Date, and (b) the respective family members, estates and heirs of each of the Persons referred to in clause (a) above and any trust or other investment vehicle for the primary benefit of any of such Persons or their respective family members or heirs. As used with respect to any Person, the term "family member" means the spouse, siblings and lineal descendants of such Person.

"Disability" means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

"Dividend Equivalents" means, with respect to Restricted Stock Units, to the extent specified by the Committee only, an amount equal to all dividends and other distributions (or the economic equivalent thereof) which are payable to stockholders of record during the Restriction Period on a like number and kind of shares of Common Stock. Notwithstanding any provision of the Plan to the contrary, Dividend Equivalents with respect to a Performance Award may only be paid to the extent the Performance Award is actually paid to the Holder.

"Domestic Relations Order" means a domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act of 1974, or the rules thereunder.

"Equity Security" shall have the meaning ascribed to such term in Section 3(a)(11) of the Exchange Act, and an equity security of an issuer shall have the meaning ascribed thereto in Rule 16a-1 promulgated under the Exchange Act, or any successor Rule.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, or any successor statute or statutes thereto. Reference to any specific Exchange Act section shall include any successor section.

"Fair Market Value" of a share of any series of Common Stock on any day means (i) for Option and SAR exercise transactions effected on any third-party incentive award administration system provided by the Company, the current high bid price of a share of any series of Common Stock as reported on the consolidated transaction reporting system on the principal national securities exchange on which shares of such series of Common Stock are listed on such day or if such shares are not then listed on a national securities exchange, then as quoted by Pink OTC Markets Inc., or (ii) for all other purposes under this Plan, the last sale price (or, if no last sale price is reported, the average of the high bid and low asked prices) for a share of such series of Common Stock on such day (or, if such day is not a trading day, on the next preceding trading day) as reported on the consolidated transaction reporting system for the principal national securities exchange on which shares of such series of Common Stock are listed on such day or if such shares are not then listed on a national securities exchange, then as quoted by Pink OTC Markets Inc. If for any day the Fair Market Value of a share of the applicable series of Common Stock is not determinable by any of the foregoing means, then the Fair Market Value for such day shall be determined in good faith by the Committee on the basis of such quotations and other considerations as the Committee deems appropriate.

"Free Standing SAR" has the meaning ascribed thereto in Section 7.1.

"Holder" means a Person who has received an Award under the Plan.

"Option" means a stock option granted under Article VI.

"Performance Award" means an Award made pursuant to Article IX of the Plan to a Holder that is subject to the attainment of one or more Performance Objectives.

"Performance Objective" means a standard established by the Committee to determine in whole or in part whether a Performance Award shall be earned.

"Person" means an individual, corporation, limited liability company, partnership, trust, incorporated or unincorporated association, joint venture or other entity of any kind.

"Plan" means this Liberty Splitco, Inc. 2011 Incentive Plan.

"Redemption" means the redemption by Liberty Media Corporation of all of the outstanding shares of each series of its Liberty Capital Common Stock and Liberty Starz Common Stock for shares of the Company's Capital Common Stock and Starz Common Stock, respectively.

"Redemption Date" means 5:00 p.m., New York City time, on the date on which the Redemption occurs.

"Restricted Shares" means shares of any series of Common Stock awarded pursuant to Section 8.1.

"Restricted Stock Unit" means a unit evidencing the right to receive in specified circumstances one share of the specified series of Common Stock or the equivalent value in cash, which right is subject to a Restriction Period or forfeiture provisions.

"Restriction Period" means a period of time beginning on the date of each Award of Restricted Shares or Restricted Stock Units and ending on the Vesting Date with respect to such Award.

"Retained Distribution" has the meaning ascribed thereto in Section 8.3.

"SARs" means stock appreciation rights, awarded pursuant to Article VII, with respect to shares of any specified series of Common Stock.

"Subsidiary" of a Person means any present or future subsidiary (as defined in Section 424(f) of the Code) of such Person or any business entity in which such Person owns, directly or indirectly, 50% or more of the voting, capital or profits interests. An entity shall be deemed a subsidiary of a Person for purposes of this definition only for such periods as the requisite ownership or control relationship is maintained.

"Tandem SARs" has the meaning ascribed thereto in Section 7.1.

"Vesting Date," with respect to any Restricted Shares or Restricted Stock Units awarded hereunder, means the date on which such Restricted Shares or Restricted Stock Units cease to be subject to a risk of forfeiture, as designated in or determined in accordance with the Agreement with respect to such Award of Restricted Shares or Restricted Stock Units pursuant to Article VIII. If more than one Vesting Date is designated for an Award of Restricted Shares or Restricted Stock Units, reference in the Plan to a Vesting Date in respect of such Award shall be deemed to refer to each part of such Award and the Vesting Date for such part.

ARTICLE III

ADMINISTRATION

3.1 *Committee.* The Plan shall be administered by the Compensation Committee of the Board unless a different committee is appointed by the Board. The Committee shall be comprised of not less than two Persons. The Board may from time to time appoint members of the Committee in substitution for or in addition to members previously appointed, may fill vacancies in the Committee and may remove members of the Committee. The Committee shall select one of its members as its chairman and shall hold its meetings at such times and places as it shall deem advisable. A majority of its members shall constitute a quorum and all determinations shall be made by a majority of such quorum. Any determination reduced to writing and signed by all of the members shall be as fully effective as if it had been made by a majority vote at a meeting duly called and held.

3.2 *Powers.* The Committee shall have full power and authority to grant to eligible Persons Options under Article VI of the Plan, SARs under Article VII of the Plan, Restricted Shares under Article VIII of the Plan, Restricted Stock Units under Article VIII of the Plan, Cash Awards under Article IX of the Plan and/or Performance Awards under Article IX of the Plan, to determine the terms and conditions (which need not be identical) of all Awards so granted, to interpret the provisions of the Plan and any Agreements relating to Awards granted under the Plan and to supervise the administration of the Plan. The Committee in making an Award may provide for the granting or issuance of additional, replacement or alternative Awards upon the occurrence of specified events, including the exercise of the original Award. The Committee shall have sole authority in the selection of Persons to whom Awards may be granted under the Plan and in the determination of the timing, pricing and amount of any such Award, subject only to the express provisions of the Plan. In making determinations hereunder, the Committee may take into account the nature of the services rendered by the respective employees and independent contractors, their present and potential contributions to the success of the Company and its Subsidiaries, and such other factors as the Committee in its discretion deems relevant.

3.3 *Interpretation.* The Committee is authorized, subject to the provisions of the Plan, to establish, amend and rescind such rules and regulations as it deems necessary or advisable for the proper administration of the Plan and to take such other action in connection with or in relation to the Plan as it deems necessary or advisable. Each action and determination made or taken pursuant to the Plan by the Committee, including any interpretation or construction of the Plan, shall be final and conclusive for all purposes and upon all Persons. No member of the Committee shall be liable for any action or determination made or taken by such member or the Committee in good faith with respect to the Plan.

ARTICLE IV

SHARES SUBJECT TO THE PLAN

4.1 *Number of Shares.* Subject to the provisions of this Article IV, the maximum number of shares of Common Stock with respect to which Awards may be granted during the term of the Plan shall be 25,000,000 shares. Shares of Common Stock will be made available from the authorized but unissued shares of the Company or from shares reacquired by the Company, including shares purchased in the open market. The shares of Common Stock subject to (i) any Award granted under the Plan that shall expire, terminate or be cancelled or annulled for any reason without having been exercised (or considered to have been exercised as provided in Section 7.2), (ii) any Award of any SARs granted under the Plan the terms of which provide for settlement in cash, and (iii) any Award of Restricted Shares or Restricted Stock Units that shall be forfeited prior to becoming vested (provided that the Holder received no benefits of ownership of such Restricted Shares or Restricted Stock Units other than voting rights and the accumulation of Retained Distributions and unpaid Dividend Equivalents that are likewise forfeited) shall again be available for purposes of the Plan. Notwithstanding the foregoing, the following shares of Common Stock may not again be made available for issuance as Awards under the Plan: (a) shares of Common Stock not issued or delivered as a result of the net settlement of an outstanding Option or SAR, (b) shares of Common Stock used to pay the purchase price or withholding taxes related to an outstanding Award, or (c) shares of Common Stock repurchased on the open market with the proceeds of an Option purchase price. Except for Awards described in Section 10.1, no Person may be granted in any calendar year Awards covering more than 8 million shares of Common Stock (as such amount may be adjusted from time to time as provided in Section 4.2). No Person shall receive payment for Cash Awards during any calendar year aggregating in excess of $10 million.

4.2 *Adjustments*.

(a) If the Company subdivides its outstanding shares of any series of Common Stock into a greater number of shares of such series of Common Stock (by stock dividend, stock split, reclassification, or otherwise) or combines its outstanding shares of any series of Common Stock into a smaller number of shares of such series of Common Stock (by reverse stock split, reclassification, or otherwise) or if the Committee determines that any stock dividend, extraordinary cash dividend, reclassification, recapitalization, reorganization, stock redemption, split-up, spin-off, combination, exchange of shares, warrants or rights offering to purchase such series of Common Stock or other similar corporate event (including mergers or consolidations other than those which constitute Approved Transactions, adjustments with respect to which shall be governed by Section 10.1(b)) affects any series of Common Stock so that an adjustment is required to preserve the benefits or potential benefits intended to be made available under the Plan, then the Committee, in such manner as the Committee, in its sole discretion, deems equitable and appropriate, shall make such adjustments to any or all of (i) the number and kind of shares of stock which thereafter may be awarded, optioned or otherwise made subject to the benefits contemplated by the Plan, (ii) the number and kind of shares of stock subject to outstanding Awards, and (iii) the purchase or exercise price and the relevant appreciation base with respect to any of the foregoing, *provided, however,* that the number of shares subject to any Award shall always be a whole number. The Committee may, if deemed appropriate, provide for a cash payment to any Holder of an Award in connection with any adjustment made pursuant to this Section 4.2.

(b) Notwithstanding any provision of the Plan to the contrary, in the event of a corporate merger, consolidation, acquisition of property or stock, separation, reorganization or liquidation, the Committee shall be authorized, in its discretion, (i) to provide, prior to the transaction, for the acceleration of the vesting and exercisability of, or lapse of restrictions with respect to, the Award and, if the transaction is a cash merger, provide for the termination of any portion of the Award that remains unexercised at the time of such transaction, or (ii) to cancel any such Awards and to deliver to the Holders cash in an amount that the Committee shall determine in its sole discretion is equal to the fair market value of such Awards on the date of such event, which in the case of Options or SARs shall be the excess of the Fair Market Value (as determined in sub-section (ii) of the definition of such term) of Common Stock on such date over the purchase price of the Options or the base price of the SARs, as applicable.

(c) No adjustment or substitution pursuant to this Section 4.2 shall be made in a manner that results in noncompliance with the requirements of Section 409A of the Code, to the extent applicable.

ARTICLE V

ELIGIBILITY

5.1 *General.* The Persons who shall be eligible to participate in the Plan and to receive Awards under the Plan shall, subject to Section 5.2, be such Persons who are employees (including officers and directors) of or independent contractors providing services to the Company or its Subsidiaries as the Committee shall select. Awards may be made to employees or independent contractors who hold or have held Awards under the Plan or any similar or other awards under any other plan of the Company or any of its Affiliates.

5.2 *Ineligibility.* No member of the Committee, while serving as such, shall be eligible to receive an Award.

ARTICLE VI

STOCK OPTIONS

6.1 *Grant of Options.* Subject to the limitations of the Plan, the Committee shall designate from time to time those eligible Persons to be granted Options, the time when each Option shall be granted to such eligible Persons, the series and number of shares of Common Stock subject to such Option, and, subject to Section 6.2, the purchase price of the shares of Common Stock subject to such Option.

6.2 *Option Price.* The price at which shares may be purchased upon exercise of an Option shall be fixed by the Committee and may be no less than the Fair Market Value of the shares of the applicable series of Common Stock subject to the Option as of the date the Option is granted.

6.3 *Term of Options.* Subject to the provisions of the Plan with respect to death, retirement and termination of employment, the term of each Option shall be for such period as the Committee shall determine as set forth in the applicable Agreement; provided that such term may not exceed ten years.

6.4 *Exercise of Options.* An Option granted under the Plan shall become (and remain) exercisable during the term of the Option to the extent provided in the applicable Agreement and the Plan and, unless the Agreement otherwise provides, may be exercised to the extent exercisable, in whole or in part, at any time and from time to time during such term; *provided, however,* that subsequent to the grant of an Option, the Committee, at any time before complete termination of such Option, may accelerate the time or times at which such Option may be exercised in whole or in part (without reducing the term of such Option).

6.5 *Manner of Exercise.*

(a) *Form of Payment.* An Option shall be exercised by written notice to the Company upon such terms and conditions as the Agreement may provide and in accordance with such other procedures for the exercise of Options as the Committee may establish from time to time. The method or methods of payment of the purchase price for the shares to be purchased upon exercise of an Option and of any amounts required by Section 10.9 shall be determined by the Committee and may consist of (i) cash, (ii) check, (iii) promissory note (subject to applicable law), (iv) whole shares of any series of Common Stock, (v) the withholding of shares of the applicable series of Common Stock issuable upon such exercise of the Option, (vi) the delivery, together with a properly executed exercise notice, of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds required to pay the purchase price, or (vii) any combination of the foregoing methods of payment, or such other consideration and method of payment as may be permitted for the issuance of shares under the Delaware General Corporation Law. The permitted method or methods of payment of the amounts payable upon exercise of an Option, if other than in cash, shall be set forth in the applicable Agreement and may be subject to such conditions as the Committee deems appropriate.

(b) *Value of Shares.* Unless otherwise determined by the Committee and provided in the applicable Agreement, shares of any series of Common Stock delivered in payment of all or any part of the amounts payable in connection with the exercise of an Option, and shares of any series of Common Stock withheld for such payment, shall be valued for such purpose at their Fair Market Value as of the exercise date.

(c) *Issuance of Shares.* The Company shall effect the transfer of the shares of Common Stock purchased under the Option as soon as practicable after the exercise thereof and payment in full of the purchase price therefor and of any amounts required by Section 10.9, and within a reasonable time thereafter, such transfer shall be evidenced on the books of the Company. Unless otherwise determined by the Committee and provided in the applicable Agreement, (i) no Holder or other Person exercising an Option shall have any of the rights of a stockholder of the Company with respect to shares of Common Stock subject to an Option granted under the Plan until due exercise and full payment has been made, and (ii) no adjustment shall be made for cash dividends or other rights for which the record date is prior to the date of such due exercise and full payment.

6.6 *Nontransferability.* Unless otherwise determined by the Committee and provided in the applicable Agreement, Options shall not be transferable other than by will or the laws of descent and distribution or pursuant to a Domestic Relations Order, and, except as otherwise required pursuant to a Domestic Relations Order, Options may be exercised during the lifetime of the Holder thereof only by such Holder (or his or her court-appointed legal representative).

ARTICLE VII

SARS

7.1 *Grant of SARs.* Subject to the limitations of the Plan, SARs may be granted by the Committee to such eligible Persons in such numbers, with respect to any specified series of Common Stock, and at such times during the term of the Plan as the Committee shall determine. A SAR may be granted to a Holder of an Option (hereinafter called a "related Option") with respect to all or a portion of the shares of Common Stock subject to the related Option (a "Tandem SAR") or may be granted separately to an eligible employee (a "Free Standing SAR"). Subject to the limitations of the Plan, SARs shall be exercisable in whole or in part upon notice to the Company upon such terms and conditions as are provided in the Agreement.

7.2 *Tandem SARs.* A Tandem SAR may be granted either concurrently with the grant of the related Option or at any time thereafter prior to the complete exercise, termination, expiration or cancellation of such related Option. Tandem SARs shall be exercisable only at the time and to the extent that the related Option is exercisable (and may be subject to such additional limitations on exercisability as the Agreement may provide) and in no event after the complete termination or full exercise of the related Option. Upon the exercise or termination of the related Option, the Tandem SARs with respect thereto shall be canceled automatically to the extent of the number of shares of Common Stock with respect to which the related Option was so exercised or terminated. Subject to the limitations of the Plan, upon the exercise of a Tandem SAR and unless otherwise determined by the Committee and provided in the applicable Agreement, (i) the Holder thereof shall be entitled to receive from the Company, for each share of the applicable series of Common Stock with respect to which the Tandem SAR is being exercised, consideration (in the form determined as provided in Section 7.4) equal in value to the excess of the Fair Market Value of a share of the applicable series of Common Stock with respect to which the Tandem SAR was granted on the date of exercise over the related Option purchase price per share, and (ii) the related Option with respect thereto shall be canceled automatically to the extent of the number of shares of Common Stock with respect to which the Tandem SAR was so exercised.

7.3 *Free Standing SARs.* Free Standing SARs shall be exercisable at the time, to the extent and upon the terms and conditions set forth in the applicable Agreement. The base price of a Free Standing SAR may be no less than the Fair Market Value of the applicable series of Common Stock with respect to which the Free Standing SAR was granted as of the date the Free Standing SAR is granted. Subject to the limitations of the Plan, upon the exercise of a Free Standing SAR and unless otherwise determined by the Committee and provided in the applicable Agreement, the Holder thereof shall be entitled to receive from the Company, for each share of the applicable series of Common Stock with respect to which the Free Standing SAR is being exercised, consideration (in the form determined as provided in Section 7.4) equal in value to the excess of the Fair Market Value of a share of the applicable series of Common Stock with respect to which the Free Standing SAR was granted on the date of exercise over the base price per share of such Free Standing SAR. The term of a Free Standing SAR may not exceed ten years.

7.4 *Consideration.* The consideration to be received upon the exercise of a SAR by the Holder shall be paid in cash, shares of the applicable series of Common Stock with respect to which the SAR was granted (valued at Fair Market Value on the date of exercise of such SAR), a combination of cash and such shares of the applicable series of Common Stock or such other consideration, in each case, as provided in the Agreement. No fractional shares of Common Stock shall be issuable upon exercise of a SAR, and unless otherwise provided in the applicable Agreement, the Holder will receive cash in lieu of fractional shares. Unless the Committee shall otherwise determine, to the extent a Free Standing SAR is exercisable, it will be exercised automatically for cash on its expiration date.

7.5 *Limitations.* The applicable Agreement may provide for a limit on the amount payable to a Holder upon exercise of SARs at any time or in the aggregate, for a limit on the number of SARs that may be exercised by the Holder in whole or in part for cash during any specified period, for a limit on the time periods during which a Holder may exercise SARs, and for such other limits on the rights of the Holder and such other terms and conditions of the SAR, including a condition that the SAR may be exercised only in accordance with rules and regulations adopted from time to time, as the Committee may determine. Unless otherwise so provided in the applicable Agreement, any such limit relating to a Tandem SAR shall not restrict the exercisability of the related Option. Such rules and regulations may govern the right to exercise SARs granted prior to the adoption or amendment of such rules and regulations as well as SARs granted thereafter.

7.6 *Exercise.* For purposes of this Article VII, the date of exercise of a SAR shall mean the date on which the Company shall have received notice from the Holder of the SAR of the exercise of such SAR (unless otherwise determined by the Committee and provided in the applicable Agreement).

7.7 *Nontransferability.* Unless otherwise determined by the Committee and provided in the applicable Agreement, (i) SARs shall not be transferable other than by will or the laws of descent and distribution or pursuant to a Domestic Relations Order, and (ii) except as otherwise required pursuant to a Domestic Relations Order, SARs may be exercised during the lifetime of the Holder thereof only by such Holder (or his or her court-appointed legal representative).

ARTICLE VIII

RESTRICTED SHARES AND RESTRICTED STOCK UNITS

8.1 *Grant of Restricted Shares.* Subject to the limitations of the Plan, the Committee shall designate those eligible Persons to be granted Awards of Restricted Shares, shall determine the time when each such Award shall be granted, and shall designate (or set forth the basis for determining) the Vesting Date or Vesting Dates for each Award of Restricted Shares, and may prescribe other restrictions, terms and conditions applicable to the vesting of such Restricted Shares in addition to those provided in the Plan. The Committee shall determine the price, if any, to be paid by the Holder for the Restricted Shares; *provided, however,* that the issuance of Restricted Shares shall be made for at least the minimum consideration necessary to permit such Restricted Shares to be deemed fully paid and nonassessable. All determinations made by the Committee pursuant to this Section 8.1 shall be specified in the Agreement.

8.2 *Issuance of Restricted Shares.* An Award of Restricted Shares shall be registered in a book entry account (the "Account") in the name of the Holder to whom such Restricted Shares shall have been awarded. During the Restriction Period, the Account, any certificates representing the Restricted Shares that may be issued during the Restriction Period and any securities constituting Retained Distributions shall bear a restrictive legend to the effect that ownership of the Restricted Shares (and such Retained Distributions), and the enjoyment of all rights appurtenant thereto, are subject to the restrictions, terms and conditions provided in the Plan and the applicable Agreement. Any such certificates shall remain in the custody of the Company or its designee, and the Holder shall deposit with the custodian stock powers or other instruments of assignment, each endorsed in blank, so as to permit retransfer to the Company of all or any portion of the Restricted Shares and any securities constituting Retained Distributions that shall be forfeited or otherwise not become vested in accordance with the Plan and the applicable Agreement.

8.3 *Restrictions with Respect to Restricted Shares.* During the Restriction Period, Restricted Shares shall constitute issued and outstanding shares of the applicable series of Common Stock for all corporate purposes. The Holder will have the right to vote such Restricted Shares, to receive and retain such dividends and distributions, as the Committee may designate, paid or distributed on such Restricted Shares, and to exercise all other rights, powers and privileges of a Holder of shares of the applicable series of Common Stock with respect to such Restricted Shares; *except, that*, unless otherwise determined by the Committee and provided in the applicable Agreement, (i) the Holder will not be entitled to delivery of the stock certificate or certificates representing such Restricted Shares until the Restriction Period shall have expired and unless all other vesting requirements with respect thereto shall have been fulfilled or waived; (ii) the Company or its designee will retain custody of the stock certificate or certificates representing the Restricted Shares during the Restriction Period as provided in Section 8.2; (iii) other than such dividends and distributions as the Committee may designate, the Company or its designee will retain custody of all distributions ("Retained Distributions") made or declared with respect to the Restricted Shares (and such Retained Distributions will be subject to the same restrictions, terms and vesting, and other conditions as are applicable to the Restricted Shares) until such time, if ever, as the Restricted Shares with respect to which such Retained Distributions shall have been made, paid or declared shall have become vested, and such Retained Distributions shall not bear interest or be segregated in a separate account; (iv) the Holder may not sell, assign, transfer, pledge, exchange, encumber or dispose of the Restricted Shares or any Retained Distributions or such Holder's interest in any of them during the Restriction Period; and (v) a breach of any restrictions, terms or conditions provided in the Plan or established by the Committee with respect to any Restricted Shares or Retained Distributions will cause a forfeiture of such Restricted Shares and any Retained Distributions with respect thereto.

8.4 *Grant of Restricted Stock Units.* Subject to the limitations of the Plan, the Committee shall designate those eligible Persons to be granted Awards of Restricted Stock Units, the value of which is based, in whole or in part, on the Fair Market Value of the shares of any specified series of Common Stock. Subject to the provisions of the Plan, including any rules established pursuant to Section 8.5, Awards of Restricted Stock Units shall be subject to such terms, restrictions, conditions, vesting requirements and payment rules as the Committee may determine in its discretion, which need not be identical for each Award. Such Awards may provide for the payment of cash consideration by the Person to whom such Award is granted or provide that the Award, and any shares of Common Stock to be issued in connection therewith, if applicable, shall be delivered without the payment of cash consideration; provided, however, that the issuance of any shares of Common Stock in connection with an Award of Restricted Stock Units shall be for at least the minimum consideration necessary to permit such shares to be deemed fully paid and nonassessable. The determinations made by the Committee pursuant to this Section 8.4 shall be specified in the applicable Agreement.

8.5 *Restrictions with Respect to Restricted Stock Units.* Any Award of Restricted Stock Units, including any shares of Common Stock which are part of an Award of Restricted Stock Units, may not be assigned, sold, transferred, pledged or otherwise encumbered prior to the date on which the shares are issued or, if later, the date provided by the Committee at the time of the Award. A breach of any restrictions, terms or conditions provided in the Plan or established by the Committee with respect to any Award of Restricted Stock Units will cause a forfeiture of such Restricted Stock Units and any Dividend Equivalents with respect thereto.

8.6 *Issuance of Restricted Stock Units.* Restricted Stock Units shall be issued at the beginning of the Restriction Period, shall not constitute issued and outstanding shares of the applicable series of Common Stock, and the Holder shall not have any of the rights of a stockholder with respect to the shares of Common Stock covered by such an Award of Restricted Stock Units, in each case until such shares shall have been issued to the Holder at the end of the Restriction Period. If and to the extent that shares of Common Stock are to be issued at the end of the Restriction Period, the Holder shall be entitled to receive Dividend Equivalents with respect to the shares of Common Stock covered thereby either (i) during the Restriction Period or (ii) in accordance with the rules applicable to Retained Distributions, as the Committee may specify in the Agreement.

8.7 *Cash Payments.* In connection with any Award of Restricted Shares or Restricted Stock Units, an Agreement may provide for the payment of a cash amount to the Holder of such Awards at any time after such Awards shall have become vested. Such cash amounts shall be payable in accordance with such additional restrictions, terms and conditions as shall be prescribed by the Committee in the Agreement and shall be in addition to any other salary, incentive, bonus or other compensation payments which such Holder shall be otherwise entitled or eligible to receive from the Company.

8.8 *Completion of Restriction Period.* On the Vesting Date with respect to each Award of Restricted Shares or Restricted Stock Units and the satisfaction of any other applicable restrictions, terms and conditions, (i) all or the applicable portion of such Restricted Shares or Restricted Stock Units shall become vested, (ii) any Retained Distributions with respect to such Restricted Shares and any unpaid Dividend Equivalents with respect to such Restricted Stock Units shall become vested to the extent that the Award related thereto shall have become vested, and (iii) any cash amount to be received by the Holder with respect to such Restricted Shares or Restricted Stock Units shall become payable, all in accordance with the terms of the applicable Agreement. Any such Restricted Shares, Restricted Stock Units, Retained Distributions and any unpaid Dividend Equivalents that shall not become vested shall be forfeited to the Company, and the Holder shall not thereafter have any rights (including dividend and voting rights) with respect to such Restricted Shares, Restricted Stock Units, Retained Distributions and any unpaid Dividend Equivalents that shall have been so forfeited. The Committee may, in its discretion, provide that the delivery of any Restricted Shares, Restricted Stock Units, Retained Distributions and unpaid Dividend Equivalents that shall have become vested, and payment of any related cash amounts that shall have become payable under this Article VIII, shall be deferred until such date or dates as the recipient may elect. Any election of a recipient pursuant to the preceding sentence shall be filed in writing with the Committee in accordance with such rules and regulations, including any deadline for the making of such an election, as the Committee may provide, and shall be made in compliance with Section 409A of the Code.

ARTICLE IX

CASH AWARDS AND PERFORMANCE AWARDS

9.1 *Cash Awards.* In addition to granting Options, SARs, Restricted Shares and Restricted Stock Units, the Committee shall, subject to the limitations of the Plan, have authority to grant to eligible Persons Cash Awards. Each Cash Award shall be subject to such terms and conditions, restrictions and contingencies, if any, as the Committee shall determine. Restrictions and contingencies limiting the right to receive a cash payment pursuant to a Cash Award shall be based upon the achievement of single or multiple Performance Objectives over a performance period established by the Committee. The determinations made by the Committee pursuant to this Section 9.1 shall be specified in the applicable Agreement.

9.2 *Designation as a Performance Award.* The Committee shall have the right to designate any Award of Options, SARs, Restricted Shares or Restricted Stock Units as a Performance Award. All Cash Awards shall be designated as Performance Awards.

9.3 *Performance Objectives.* The grant or vesting of a Performance Award shall be subject to the achievement of Performance Objectives over a performance period established by the Committee based upon one or more of the following business criteria that apply to the Holder, one or more business units, divisions or Subsidiaries of the Company or the applicable sector of the Company, or the Company as a whole, and if so desired by the Committee, by comparison with a peer group of companies: increased revenue; net income measures (including income after capital costs and income before or after taxes); stock price measures (including growth measures and total stockholder return); price per share of Common Stock; market share; earnings per share (actual or targeted growth); earnings before interest, taxes, depreciation and amortization (EBITDA); operating income before depreciation and amortization (OIBDA); economic value added (or an equivalent metric); market value added; debt to equity ratio; cash flow measures (including cash flow return on capital, cash flow return on tangible capital, net cash flow and net cash flow before financing activities); return measures (including return on equity, return on average assets, return on capital, risk-adjusted return on capital, return on investors' capital and return on average equity); operating measures (including operating income, funds from operations, cash from operations, after-tax operating income, sales volumes, production volumes and production efficiency); expense measures (including overhead cost and general and administrative expense); margins; stockholder value; total stockholder return; proceeds from dispositions; total market value and corporate values measures (including ethics compliance, environmental and safety). Unless otherwise stated, such a Performance Objective need not be based upon an increase or positive result under a particular business criterion and could include, for example, maintaining the status quo or limiting economic losses (measured, in each case, by reference to specific business criteria). The Committee shall have the authority to determine whether the Performance Objectives and other terms and conditions of the Award are satisfied, and the Committee's determination as to the achievement of Performance Objectives relating to a Performance Award shall be made in writing.

9.4 *Section 162(m) of the Code.* Notwithstanding the foregoing provisions, if the Committee intends for a Performance Award to be granted and administered in a manner designed to preserve the deductibility of the compensation resulting from such Award in accordance with Section 162(m) of the Code, then the Performance Objectives for such particular Performance Award relative to the particular period of service to which the Performance Objectives relate shall be established by the Committee in writing (i) no later than 90 days after the beginning of such period and (ii) prior to the completion of 25% of such period.

9.5 *Waiver of Performance Objectives.* The Committee shall have no discretion to modify or waive the Performance Objectives or conditions to the grant or vesting of a Performance Award unless such Award is not intended to qualify as qualified performance-based compensation under Section 162(m) of the Code and the relevant Agreement provides for such discretion.

ARTICLE X

GENERAL PROVISIONS

10.1 *Acceleration of Awards.*

(a) *Death or Disability.* If a Holder's employment shall terminate by reason of death or Disability, notwithstanding any contrary waiting period, installment period, vesting schedule or Restriction Period in any Agreement or in the Plan, unless the applicable Agreement provides otherwise: (i) in the case of an Option or SAR, each outstanding Option or SAR granted under the Plan shall immediately become exercisable in full in respect of the aggregate number of shares covered thereby; (ii) in the case of Restricted Shares, the Restriction Period applicable to each such Award of Restricted Shares shall be deemed to have expired and all such Restricted Shares and any related Retained Distributions shall become vested and any related cash amounts payable pursuant to the applicable Agreement shall be adjusted in such manner as may be provided in the Agreement; and (iii) in the case of Restricted Stock Units, the Restriction Period applicable to each such Award of Restricted Stock Units shall be deemed to have expired and all such Restricted Stock Units and any unpaid Dividend Equivalents shall become vested and any related cash amounts payable pursuant to the applicable Agreement shall be adjusted in such manner as may be provided in the Agreement.

(b) *Approved Transactions; Board Change; Control Purchase.* In the event of any Approved Transaction, Board Change or Control Purchase, notwithstanding any contrary waiting period, installment period, vesting schedule or Restriction Period in any Agreement or in the Plan, unless the applicable Agreement provides otherwise: (i) in the case of an Option or SAR, each such outstanding Option or SAR granted under the Plan shall become exercisable in full in respect of the aggregate number of shares covered thereby; (ii) in the case of Restricted Shares, the Restriction Period applicable to each such Award of Restricted Shares shall be deemed to have expired and all such Restricted Shares and any related Retained Distributions shall become vested and any related cash amounts payable pursuant to the applicable Agreement shall be adjusted in such manner as may be provided in the Agreement; and (iii) in the case of Restricted Stock Units, the Restriction Period applicable to each such Award of Restricted Stock Units shall be deemed to have expired and all such Restricted Stock Units and any unpaid Dividend Equivalents shall become vested and any related cash amounts payable pursuant to the applicable Agreement shall be adjusted in such manner as may be provided in the Agreement, in each case effective upon the Board Change or Control Purchase or immediately prior to consummation of the Approved Transaction. The effect, if any, on a Cash Award of an Approved Transaction, Board Change or Control Purchase shall be prescribed in the applicable Agreement. Notwithstanding the foregoing, unless otherwise provided in the applicable Agreement, the Committee may, in its discretion, determine that any or all outstanding Awards of any or all types granted pursuant to the Plan will not vest or become exercisable on an accelerated basis in connection with an Approved Transaction if effective provision has been made for the taking of such action which, in the opinion of the Committee, is equitable and appropriate to substitute a new Award for such Award or to assume such Award and to make such new or assumed Award, as nearly as may be practicable, equivalent to the old Award (before giving effect to any acceleration of the vesting or exercisability thereof), taking into account, to the extent applicable, the kind and amount of securities, cash or other assets into or for which the applicable series of Common Stock may be changed, converted or exchanged in connection with the Approved Transaction.

10.2 *Termination of Employment.*

(a) *General.* If a Holder's employment shall terminate prior to an Option or SAR becoming exercisable or being exercised (or deemed exercised, as provided in Section 7.2) in full, or during the Restriction Period with respect to any Restricted Shares or any Restricted Stock Units, then such Option or SAR shall thereafter become or be exercisable, and the Holder's rights to any unvested Restricted Shares, Retained Distributions and related cash amounts and any unvested Restricted Stock Units, unpaid Dividend Equivalents and related cash amounts shall thereafter vest, in each case solely to the extent provided in the applicable Agreement; *provided, however,* that, unless otherwise determined by the Committee and provided in the applicable Agreement, (i) no Option or SAR may be exercised after the scheduled expiration date thereof; (ii) if the Holder's employment terminates by reason of death or Disability, the Option or SAR shall remain exercisable for a period of at least one year following such termination (but not later than the scheduled expiration of such Option or SAR); and (iii) any termination of the Holder's employment for cause will be treated in accordance with the provisions of Section 10.2(b). The effect on a Cash Award of the termination of a Holder's employment for any reason, other than for cause, shall be prescribed in the applicable Agreement.

(b) *Termination for Cause.* If a Holder's employment with the Company or a Subsidiary of the Company shall be terminated by the Company or such Subsidiary for "cause" during the Restriction Period with respect to any Restricted Shares or Restricted Stock Units or prior to any Option or SAR becoming exercisable or being exercised in full or prior to the payment in full of any Cash Award (for these purposes, "cause" shall have the meaning ascribed thereto in any employment agreement to which such Holder is a party or, in the absence thereof, shall include insubordination, dishonesty, incompetence, moral turpitude, other misconduct of any kind and the refusal to perform such Holder's duties and responsibilities for any reason other than illness or incapacity; *provided, however,* that if such termination occurs within 12 months after an Approved Transaction or Control Purchase or Board Change, termination for "cause" shall mean only a felony conviction for fraud, misappropriation, or embezzlement), then, unless otherwise determined by the Committee and provided in the applicable Agreement, (i) all Options and SARs and all unpaid Cash Awards held by such Holder shall immediately terminate, and (ii) such Holder's rights to all Restricted Shares, Restricted Stock Units, Retained Distributions, any unpaid Dividend Equivalents and any related cash amounts shall be forfeited immediately.

(c) *Miscellaneous.* The Committee may determine whether any given leave of absence constitutes a termination of employment;*provided, however,* that for purposes of the Plan, (i) a leave of absence, duly authorized in writing by the Company for military service or sickness, or for any other purpose approved by the Company if the period of such leave does not exceed 90 days, and (ii) a leave of absence in excess of 90 days, duly authorized in writing by the Company provided the employee's right to reemployment is guaranteed either by statute or contract, shall not be deemed a termination of employment. Unless otherwise determined by the Committee and provided in the applicable Agreement, Awards made under the Plan shall not be affected by any change of employment so long as the Holder continues to be an employee of the Company.

10.3 *Right of Company to Terminate Employment.* Nothing contained in the Plan or in any Award, and no action of the Company or the Committee with respect thereto, shall confer or be construed to confer on any Holder any right to continue in the employ of the Company or any of its Subsidiaries or interfere in any way with the right of the Company or any Subsidiary of the Company to terminate the employment of the Holder at any time, with or without cause, subject, however, to the provisions of any employment agreement between the Holder and the Company or any Subsidiary of the Company.

10.4 *Nonalienation of Benefits.* Except as set forth herein, no right or benefit under the Plan shall be subject to anticipation, alienation, sale, assignment, hypothecation, pledge, exchange, transfer, garnishment, encumbrance or charge, and any attempt to anticipate, alienate, sell, assign, hypothecate, pledge, exchange, transfer, garnish, encumber or charge the same shall be void. No right or benefit hereunder shall in any manner be liable for or subject to the debts, contracts, liabilities or torts of the Person entitled to such benefits.

10.5 *Written Agreement.* Each Award under the Plan shall be evidenced by a written agreement, in such form as the Committee shall approve from time to time in its discretion, specifying the terms and provisions of such Award which may not be inconsistent with the provisions of the Plan; *provided, however*, that if more than one type of Award is made to the same Holder, such Awards may be evidenced by a single Agreement with such Holder. Each grantee of an Option, SAR, Restricted Shares, Restricted Stock Units or Performance Award (including a Cash Award) shall be notified promptly of such grant, and a written Agreement shall be promptly delivered by the Company. Any such written Agreement may contain (but shall not be required to contain) such provisions as the Committee deems appropriate (i) to insure that the penalty provisions of Section 4999 of the Code will not apply to any stock or cash received by the Holder from the Company or (ii) to provide cash payments to the Holder to mitigate the impact of such penalty provisions upon the Holder. Any such Agreement may be supplemented or amended from time to time as approved by the Committee as contemplated by Section 10.7(b).

10.6 *Designation of Beneficiaries.* Each Person who shall be granted an Award under the Plan may designate a beneficiary or beneficiaries and may change such designation from time to time by filing a written designation of beneficiary or beneficiaries with the Committee on a form to be prescribed by it, provided that no such designation shall be effective unless so filed prior to the death of such Person.

10.7 *Termination and Amendment.*

(a) *General.* Unless the Plan shall theretofore have been terminated as hereinafter provided, no Awards may be made under the Plan on or after the **[fifth]** anniversary of the Effective Date. The Plan may be terminated at any time prior to such date and may, from time to time, be suspended or discontinued or modified or amended if such action is deemed advisable by the Committee.

(b) *Modification.* No termination, modification or amendment of the Plan may, without the consent of the Person to whom any Award shall theretofore have been granted, adversely affect the rights of such Person with respect to such Award. No modification, extension, renewal or other change in any Award granted under the Plan shall be made after the grant of such Award, unless the same is consistent with the provisions of the Plan. With the consent of the Holder and subject to the terms and conditions of the Plan (including Section 10.7(a)), the Committee may amend outstanding Agreements with any Holder, including any amendment which would (i) accelerate the time or times at which the Award may be exercised and/or (ii) extend the scheduled expiration date of the Award. Without limiting the generality of the foregoing, the Committee may, but solely with the Holder's consent unless otherwise provided in the Agreement, agree to cancel any Award under the Plan and grant a new Award in substitution therefor, provided that the Award so substituted shall satisfy all of the requirements of the Plan as of the date such new Award is made. Nothing contained in the foregoing provisions of this Section 10.7(b) shall be construed to prevent the Committee from providing in any Agreement that the rights of the Holder with respect to the Award evidenced thereby shall be subject to such rules and regulations as the Committee may, subject to the express provisions of the Plan, adopt from time to time or impair the enforceability of any such provision.

10.8 *Government and Other Regulations.* The obligation of the Company with respect to Awards shall be subject to all applicable laws, rules and regulations and such approvals by any governmental agencies as may be required, including the effectiveness of any registration statement required under the Securities Act of 1933, and the rules and regulations of any securities exchange or association on which the Common Stock may be listed or quoted. For so long as any series of Common Stock are registered under the Exchange Act, the Company shall use its reasonable efforts to comply with any legal requirements (i) to maintain a registration statement in effect under the Securities Act of 1933 with respect to all shares of the applicable series of Common Stock that may be issuable, from time to time, to Holders under the Plan and (ii) to file in a timely manner all reports required to be filed by it under the Exchange Act.

10.9 *Withholding.* The Company's obligation to deliver shares of Common Stock or pay cash in respect of any Award under the Plan shall be subject to applicable federal, state and local tax withholding requirements. Federal, state and local withholding tax due at the time of an Award, upon the exercise of any Option or SAR or upon the vesting of, or expiration of restrictions with respect to, Restricted Shares or Restricted Stock Units or the satisfaction of the Performance Objectives applicable to a Performance Award, as appropriate, may, in the discretion of the Committee, be paid in shares of Common Stock already owned by the Holder or through the withholding of shares otherwise issuable to such Holder, upon such terms and conditions (including the conditions referenced in Section 6.5) as the Committee shall determine. If the Holder shall fail to pay, or make arrangements satisfactory to the Committee for the payment to the Company of, all such federal, state and local taxes required to be withheld by the Company, then the Company shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to such Holder an amount equal to any federal, state or local taxes of any kind required to be withheld by the Company with respect to such Award.

10.10 *Nonexclusivity of the Plan.* The adoption of the Plan by the Board shall not be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including the granting of stock options and the awarding of stock and cash otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

10.11 *Exclusion from Pension and Profit-Sharing Computation.* By acceptance of an Award, unless otherwise provided in the applicable Agreement, each Holder shall be deemed to have agreed that such Award is special incentive compensation that will not be taken into account, in any manner, as salary, compensation or bonus in determining the amount of any payment under any pension, retirement or other employee benefit plan, program or policy of the Company or any Subsidiary of the Company. In addition, each beneficiary of a deceased Holder shall be deemed to have agreed that such Award will not affect the amount of any life insurance coverage, if any, provided by the Company on the life of the Holder which is payable to such beneficiary under any life insurance plan covering employees of the Company or any Subsidiary of the Company.

10.12 *Unfunded Plan.* Neither the Company nor any Subsidiary of the Company shall be required to segregate any cash or any shares of Common Stock which may at any time be represented by Awards, and the Plan shall constitute an "unfunded" plan of the Company. Except as provided in Article VIII with respect to Awards of Restricted Shares and except as expressly set forth in an Agreement, no employee shall have voting or other rights with respect to the shares of Common Stock covered by an Award prior to the delivery of such shares. Neither the Company nor any Subsidiary of the Company shall, by any provisions of the Plan, be deemed to be a trustee of any shares of Common Stock or any other property, and the liabilities of the Company and any Subsidiary of the Company to any employee pursuant to the Plan shall be those of a debtor pursuant to such contract obligations as are created by or pursuant to the Plan, and the rights of any employee, former employee or beneficiary under the Plan shall be limited to those of a general creditor of the Company or the applicable Subsidiary of the Company, as the case may be. In its sole discretion, the Board may authorize the creation of trusts or other arrangements to meet the obligations of the Company under the Plan, *provided, however*, that the existence of such trusts or other arrangements is consistent with the unfunded status of the Plan.

10.13 *Governing Law.* The Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware.

10.14 *Accounts.* The delivery of any shares of Common Stock and the payment of any amount in respect of an Award shall be for the account of the Company or the applicable Subsidiary of the Company, as the case may be, and any such delivery or payment shall not be made until the recipient shall have paid or made satisfactory arrangements for the payment of any applicable withholding taxes as provided in Section 10.9.

10.15 *Legends.* Any certificate evidencing shares of Common Stock subject to an Award shall bear such legends as the Committee deems necessary or appropriate to reflect or refer to any terms, conditions or restrictions of the Award applicable to such shares, including any to the effect that the shares represented thereby may not be disposed of unless the Company has received an opinion of counsel, acceptable to the Company, that such disposition will not violate any federal or state securities laws.

10.16 *Company's Rights.* The grant of Awards pursuant to the Plan shall not affect in any way the right or power of the Company to make reclassifications, reorganizations or other changes of or to its capital or business structure or to merge, consolidate, liquidate, sell or otherwise dispose of all or any part of its business or assets.

10.17 *Section 409A.* It is the intent of the Company that Awards under this Plan comply with the requirements of, or be exempt from the application of, Section 409A of the Code and related regulations and United States Department of the Treasury pronouncements ("Section 409A"), and the provisions of this Plan will be administered, interpreted and construed accordingly. Notwithstanding anything in this Plan to the contrary, if any Plan provision or Award under the Plan would result in the imposition of an additional tax under Section 409A, that Plan provision or Award will be construed or reformed to avoid imposition of the applicable tax and no action taken to comply with Section 409A shall be deemed to adversely affect the Holder's rights to an Award.

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Exhibit 10.2

FORM OF LIBERTY SPLITCO, INC.
2011 NONEMPLOYEE DIRECTOR INCENTIVE PLAN

ARTICLE I

PURPOSE OF PLAN

1.1 *Purpose.* The purpose of the Plan is to provide a method whereby eligible Nonemployee Directors of the Company may be awarded additional remuneration for services rendered and encouraged to invest in capital stock of the Company, thereby increasing their proprietary interest in the Company's businesses and increasing their personal interest in the continued success and progress of the Company. The Plan is also intended to aid in attracting Persons of exceptional ability to become Nonemployee Directors of the Company.

ARTICLE II

DEFINITIONS

2.1 *Certain Defined Terms.* Capitalized terms not defined elsewhere in the Plan shall have the following meanings (whether used in the singular or plural):

"Affiliate" of the Company means any corporation, partnership, or other business association that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the Company.

"Agreement" means a stock option agreement, stock appreciation rights agreement, restricted shares agreement, stock units agreement, or an agreement evidencing more than one type of Award, specified in Section 11.4, as any such Agreement may be supplemented or amended from time to time.

"Approved Transaction" means any transaction in which the Board (or, if approval of the Board is not required as a matter of law, the stockholders of the Company) shall approve (i) any consolidation or merger of the Company, or binding share exchange, pursuant to which shares of Common Stock of the Company would be changed or converted into or exchanged for cash, securities, or other property, other than any such transaction in which the common stockholders of the Company immediately prior to such transaction have the same proportionate ownership of the Common Stock of, and voting power with respect to, the surviving corporation immediately after such transaction, (ii) any merger, consolidation, or binding share exchange to which the Company is a party as a result of which the Persons who are common stockholders of the Company immediately prior thereto have less than a majority of the combined voting power of the outstanding capital stock of the Company ordinarily (and apart from the rights accruing under special circumstances) having the right to vote in the election of directors immediately following such merger, consolidation, or binding share exchange, (iii) the adoption of any plan or proposal for the liquidation or dissolution of the Company, or (iv) any sale, lease, exchange, or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Company.

"Award" means a grant of Options, SARs, Restricted Shares, Stock Units and/or cash under this Plan.

"Board" means the Board of Directors of the Company.

"Board Change" means, during any period of two consecutive years, individuals who at the beginning of such period constituted the entire Board cease for any reason to constitute a majority thereof unless the election, or the nomination for election, of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute or statutes thereto. Reference to any specific Code section shall include any successor section.

"Common Stock" means each or any (as the context may require) series of the Company's common stock.

"Company" means Liberty Splitco, Inc., a Delaware corporation.

"Control Purchase" means any transaction (or series of related transactions) in which (i) any person (as such term is defined in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), corporation, or other entity (other than the Company, any Subsidiary of the Company, or any employee benefit plan sponsored by the Company or any Subsidiary of the Company) shall purchase any Common Stock of the Company (or securities convertible into Common Stock of the Company) for cash, securities, or any other consideration pursuant to a tender offer or exchange offer, without the prior consent of the Board, or (ii) any person (as such term is so defined), corporation, or other entity (other than the Company, any Subsidiary of the Company, any employee benefit plan sponsored by the Company, or any Subsidiary of the Company or any Exempt Person (as defined below)) shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the then outstanding securities of the Company ordinarily (and apart from the rights accruing under special circumstances) having the right to vote in the election of directors (calculated as provided in Rule 13d-3(d) under the Exchange Act in the case of rights to acquire the Company's securities), other than in a transaction (or series of related transactions) approved by the Board. For purposes of this definition, "Exempt Person" means each of (a) the Chairman of the Board, the President and each of the directors of the Company as of the Redemption Date, and (b) the respective family members, estates, and heirs of each of the Persons referred to in clause (a) above and any trust or other investment vehicle for the primary benefit of any of such Persons or their respective family members or heirs. As used with respect to any Person, the term "family member" means the spouse, siblings and lineal descendants of such Person.

"Director Compensation" means the annual retainer and meeting fees, and any other regular cash compensation payable by the Company to a Nonemployee Director for service on the Board.

"Disability" means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

"Dividend Equivalents" means, with respect to Restricted Shares to be issued at the end of the Restriction Period, to the extent specified by the Board only, an amount equal to all dividends and other distributions (or the economic equivalent thereof) which are payable to stockholders of record during the Restriction Period on a like number and kind of shares of Common Stock.

"Domestic Relations Order" means a domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act of 1974, or the rules thereunder.

"Effective Date" means the date on which the Redemption Date.

"Equity Security" shall have the meaning ascribed to such term in Section 3(a)(11) of the Exchange Act, and an equity security of an issuer shall have the meaning ascribed thereto in Rule 16a-1 promulgated under the Exchange Act, or any successor Rule.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, or any successor statute or statutes thereto. Reference to any specific Exchange Act section shall include any successor section.

"Fair Market Value" of a share of any series of Common Stock on any day means the last sale price (or, if no last sale price is reported, the average of the high bid and low asked prices) for a share of such series of Common Stock on such day (or, if such day is not a trading day, on the next preceding trading day) as reported on the consolidated transaction reporting system for the principal national securities exchange on which shares of such series of Common Stock are listed on such day or if such shares are not then listed on a national securities exchange, then as reported on Nasdaq **[**or, if such shares are not then listed or quoted on Nasdaq, then as quoted by Pink OTC Markets Inc**]**. If for any day the Fair Market Value of a share of the applicable series of Common Stock is not determinable by any of the foregoing means, then the Fair Market Value for such day shall be determined in good faith by the Board on the basis of such quotations and other considerations as the Board deems appropriate.

"Free Standing SAR" has the meaning ascribed thereto in Section 7.1.

"Holder" means a Person who has received an Award under this Plan.

"Nasdaq" means The Nasdaq Stock Market.

"Nonemployee Director" means an individual who is a member of the Board and who is not an employee of the Company or any Subsidiary.

"Nonqualified Stock Option" means a stock option granted under Article VI.

"Option" means a Nonqualified Stock Option.

"Person" means an individual, corporation, limited liability company, partnership, trust, incorporated or unincorporated association, joint venture or other entity of any kind.

"Plan" means this Liberty Splitco, Inc. 2011 Nonemployee Director Incentive Plan.

"Redemption" means the redemption by Liberty Media Corporation of all of the outstanding shares of each series of Liberty Capital common stock and Liberty Starz common stock for all of the outstanding shares of the Company's Capital common stock and Starz common stock, respectively.

"Redemption Date" means 5:00 p.m., New York City time, on the date on which the Redemption occurs.

"Restricted Shares" means shares of any series of Common Stock or the right to receive shares of any specified series of Common Stock, as the case may be, awarded pursuant to Article VIII.

"Restriction Period" means a period of time beginning on the date of each Award of Restricted Shares and ending on the Vesting Date with respect to such Award.

"Retained Distributions" has the meaning ascribed thereto in Section 8.3.

"SARs" means stock appreciation rights, awarded pursuant to Article VII, with respect to shares of any specified series of Common Stock.

"Stock Unit Awards" has the meaning ascribed thereto in Section 9.1.

"Subsidiary" of a Person means any present or future subsidiary (as defined in Section 424(f) of the Code) of such Person or any business entity in which such Person owns, directly or indirectly, 50% or more of the voting, capital, or profits interests. An entity shall be deemed a subsidiary of a Person for purposes of this definition only for such periods as the requisite ownership or control relationship is maintained.

"Tandem SARs" has the meaning ascribed thereto in Section 7.1.

"Vesting Date," with respect to any Restricted Shares awarded hereunder, means the date on which such Restricted Shares cease to be subject to a risk of forfeiture, as designated in or determined in accordance with the Agreement with respect to such award of Restricted Shares pursuant to Article VIII. If more than one Vesting Date is designated for an award of Restricted Shares, reference in the Plan to a Vesting Date in respect of such Award shall be deemed to refer to each part of such Award and the Vesting Date for such part.

ARTICLE III

ADMINISTRATION

3.1 *Administration.* The Plan shall be administered by the Board, provided that it may delegate to employees of the Company certain administrative or ministerial duties in carrying out the purposes of the Plan.

3.2 *Powers.* The Board shall have full power and authority to grant to eligible Persons Options under Article VI of the Plan, SARs under Article VII of the Plan, Restricted Shares under Article VIII of the Plan, and/or Stock Units under Article IX of the Plan, to determine the terms and conditions (which need not be identical) of all Awards so granted, to interpret the provisions of the Plan and any Agreements relating to Awards granted under the Plan, and to supervise the administration of the Plan. The Board in making an Award may provide for the granting or issuance of additional, replacement, or alternative Awards upon the occurrence of specified events, including the exercise of the original Award. The Board shall have sole authority in the selection of Persons to whom Awards may be granted under the Plan and in the determination of the timing, pricing, and amount of any such Award, subject only to the express provisions of the Plan. In making determinations hereunder, the Board may take into account such factors as the Board in its discretion deems relevant.

3.3 *Interpretation.* The Board is authorized, subject to the provisions of the Plan, to establish, amend, and rescind such rules and regulations as it deems necessary or advisable for the proper administration of the Plan and to take such other action in connection with or in relation to the Plan as it deems necessary or advisable. Each action and determination made or taken pursuant to the Plan by the Board, including any interpretation or construction of the Plan, shall be final and conclusive for all purposes and upon all Persons. No member of the Board shall be liable for any action or determination made or taken by him or the Board in good faith with respect to the Plan.

ARTICLE IV

SHARES SUBJECT TO THE PLAN

4.1 *Number of Shares.* Subject to the provisions of this Article IV, the maximum number of shares of Common Stock (i) which may be issued in lieu of Director Compensation pursuant to Section 10.1 and (ii) with respect to which Awards may be granted during the term of the Plan shall be 1,500,000 shares. Shares of Common Stock will be made available from the authorized but unissued shares of the Company or from shares reacquired by the Company, including shares purchased in the open market. The shares of Common Stock subject to (i) any Award granted under the Plan that shall expire, terminate or be annulled for any reason without having been exercised (or considered to have been exercised as provided in Section 7.2), (ii) any Award of any SARs granted under the Plan that shall be exercised for cash, and (iii) any Award of Restricted Shares or Stock Units that shall be forfeited prior to becoming vested (provided that the Holder received no benefits of ownership of such Restricted Shares or Stock Units other than voting rights and the accumulation of Retained Distributions and unpaid Dividend Equivalents that are likewise forfeited) [and (iv) any Award to the extent that such shares of Common Stock are not delivered in satisfaction of such Award for any reason shall again be available for purposes of the Plan.]

4.2 *Adjustments.* If the Company subdivides its outstanding shares of any series of Common Stock into a greater number of shares of such series of Common Stock (by stock dividend, stock split, reclassification, or otherwise) or combines its outstanding shares of any series of Common Stock into a smaller number of shares of such series of Common Stock (by reverse stock split, reclassification, or otherwise) or if the Board determines that any stock dividend, extraordinary cash dividend, reclassification, recapitalization, reorganization, split-up, spin-off, combination, exchange of shares, warrants or rights offering to purchase such series of Common Stock, or other similar corporate event (including mergers or consolidations other than those which constitute Approved Transactions, adjustments with respect to which shall be governed by Section 11.1(b)) affects any series of Common Stock so that an adjustment is required to preserve the benefits or potential benefits intended to be made available under this Plan, then the Board, in such manner as the Board, in its sole discretion, deems equitable and appropriate, shall make such adjustments to any or all of (i) the number and kind of shares of stock which thereafter may be awarded, optioned, or otherwise made subject to the benefits contemplated by the Plan, (ii) the number and kind of shares of stock subject to outstanding Awards, and (iii) the purchase or exercise price and the relevant appreciation base with respect to any of the foregoing, *provided, however,* that the number of shares subject to any Award shall always be a whole number. Notwithstanding the foregoing, if all shares of any series of Common Stock are redeemed, then each outstanding Award shall be adjusted to substitute for the shares of such series of Common Stock subject thereto the kind and amount of cash, securities or other assets issued or paid in the redemption of the equivalent number of shares of such series of Common Stock and otherwise the terms of such Award, including, in the case of Options or similar rights, the total exercise price, and, in the case of Free Standing SARs, the base price, shall remain constant before and after the substitution (unless otherwise determined by the Board and provided in the applicable Agreement). The Board may, if deemed appropriate, provide for a cash payment to any Holder of an Award in connection with any adjustment made pursuant to this Section 4.2. No adjustment or substitution pursuant to this Section 4.2 shall be made in a manner that results in noncompliance with the requirements of Section 409A, to the extent applicable.

ARTICLE V

ELIGIBILITY

5.1 *General.* The Persons who shall be eligible to participate in the Plan and to receive Awards under the Plan shall, subject to Section 5.2, be such Persons who are Nonemployee Directors as the Board shall select. Awards may be made to Nonemployee Directors who hold or have held Awards under this Plan or any similar or other awards under any other plan of the Company or any of its Affiliates.

5.2 *Ineligibility.* No Person who is not a Nonemployee Director shall be eligible to receive an Award.

ARTICLE VI

STOCK OPTIONS

6.1 *Grant of Options.* Subject to the limitations of the Plan, the Board shall designate from time to time those eligible Persons to be granted Options, the time when each Option shall be granted to such eligible Persons, the series and number of shares of Common Stock subject to such Option, and, subject to Section 6.2, the purchase price of the shares of Common Stock subject to such Option.

6.2 *Option Price.* The price at which shares may be purchased upon exercise of an Option shall be fixed by the Board and may be no less than the Fair Market Value of the shares of the applicable series of Common Stock subject to the Option as of the date the Option is granted.

6.3 *Term of Options.* Subject to the provisions of the Plan with respect to death, retirement and termination of service, the term of each Option shall be for such period as the Board shall determine as set forth in the applicable Agreement.

6.4 *Exercise of Options.* An Option granted under the Plan shall become (and remain) exercisable during the term of the Option to the extent provided in the applicable Agreement and this Plan and, unless the Agreement otherwise provides, may be exercised to the extent exercisable, in whole or in part, at any time and from time to time during such term; *provided, however,* that subsequent to the grant of an Option, the Board, at any time before complete termination of such Option, may accelerate the time or times at which such Option may be exercised in whole or in part (without reducing the term of such Option).

6.5 *Manner of Exercise.*

(a) *Form of Payment.* An Option shall be exercised by written notice to the Company upon such terms and conditions as the Agreement may provide and in accordance with such other procedures for the exercise of Options as the Board may establish from time to time. The method or methods of payment of the purchase price for the shares to be purchased upon exercise of an Option and of any amounts required by Section 11.8 shall be determined by the Board and may consist of (i) cash, (ii) check, (iii) promissory note, (iv) whole shares of any series of Common Stock, (v) the withholding of shares of the applicable series of Common Stock issuable upon such exercise of the Option, (vi) the delivery, together with a properly executed exercise notice, of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds required to pay the purchase price, or (vii) any combination of the foregoing methods of payment, or such other consideration and method of payment as may be permitted for the issuance of shares under the Delaware General Corporation Law. The permitted method or methods of payment of the amounts payable upon exercise of an Option, if other than in cash, shall be set forth in the applicable Agreement and may be subject to such conditions as the Board deems appropriate.

(b) *Value of Shares.* Unless otherwise determined by the Board and provided in the applicable Agreement, shares of any series of Common Stock delivered in payment of all or any part of the amounts payable in connection with the exercise of an Option, and shares of any series of Common Stock withheld for such payment, shall be valued for such purpose at their Fair Market Value as of the exercise date.

(c) *Issuance of Shares.* The Company shall effect the transfer of the shares of Common Stock purchased under the Option as soon as practicable after the exercise thereof and payment in full of the purchase price therefor and of any amounts required by Section 11.8, and within a reasonable time thereafter, such transfer shall be evidenced on the books of the Company. Unless otherwise determined by the Board and provided in the applicable Agreement, (i) no Holder or other Person exercising an Option shall have any of the rights of a stockholder of the Company with respect to shares of Common Stock subject to an Option granted under the Plan until due exercise and full payment has been made, and (ii) no adjustment shall be made for cash dividends or other rights for which the record date is prior to the date of such due exercise and full payment.

6.6 *Nontransferability.* Unless otherwise determined by the Board and provided in the applicable Agreement, Options shall not be transferable other than by will or the laws of descent and distribution or pursuant to a Domestic Relations Order, and, except as otherwise required pursuant to a Domestic Relations Order, Options may be exercised during the lifetime of the Holder thereof only by such Holder (or his or her court-appointed legal representative).

ARTICLE VII

SARS

7.1 *Grant of SARs.* Subject to the limitations of the Plan, SARs may be granted by the Board to such eligible Persons in such numbers, with respect to any specified series of Common Stock, and at such times during the term of the Plan as the Board shall determine. A SAR may be granted to a Holder of an Option (hereinafter called a "related Option") with respect to all or a portion of the shares of Common Stock subject to the related Option (a "Tandem SAR") or may be granted separately to an eligible Nonemployee Director (a "Free Standing SAR"). Subject to the limitations of the Plan, SARs shall be exercisable in whole or in part upon notice to the Company upon such terms and conditions as are provided in the Agreement.

7.2 *Tandem SARs.* A Tandem SAR may be granted either concurrently with the grant of the related Option or at any time thereafter prior to the complete exercise, termination, expiration, or cancellation of such related Option. Tandem SARs shall be exercisable only at the time and to the extent that the related Option is exercisable (and may be subject to such additional limitations on exercisability as the Agreement may provide) and in no event after the complete termination or full exercise of the related Option. Upon the exercise or termination of the related Option, the Tandem SARs with respect thereto shall be canceled automatically to the extent of the number of shares of Common Stock with respect to which the related Option was so exercised or terminated. Subject to the limitations of the Plan, upon the exercise of a Tandem SAR and unless otherwise determined by the Board and provided in the applicable Agreement, (i) the Holder thereof shall be entitled to receive from the Company, for each share of the applicable series of Common Stock with respect to which the Tandem SAR is being exercised, consideration (in the form determined as provided in Section 7.4) equal in value to the excess of the Fair Market Value of a share of the applicable series of Common Stock with respect to which the Tandem SAR was granted on the date of exercise over the related Option purchase price per share, and (ii) the related Option with respect thereto shall be canceled automatically to the extent of the number of shares of Common Stock with respect to which the Tandem SAR was so exercised.

7.3 *Free Standing SARs.* Free Standing SARs shall be exercisable at the time, to the extent and upon the terms and conditions set forth in the applicable Agreement. The base price of a Free Standing SAR may be no less than the Fair Market Value of the applicable series of Common Stock with respect to which the Free Standing SAR was granted as of the date the Free Standing SAR is granted. Subject to the limitations of the Plan, upon the exercise of a Free Standing SAR and unless otherwise determined by the Board and provided in the applicable Agreement, the Holder thereof shall be entitled to receive from the Company, for each share of the applicable series of Common Stock with respect to which the Free Standing SAR is being exercised, consideration (in the form determined as provided in Section 7.4) equal in value to the excess of the Fair Market Value of a share of the applicable series of Common Stock with respect to which the Free Standing SAR was granted on the date of exercise over the base price per share of such Free Standing SAR.

7.4 *Consideration.* The consideration to be received upon the exercise of a SAR by the Holder shall be paid in cash, shares of the applicable series of Common Stock with respect to which the SAR was granted (valued at Fair Market Value on the date of exercise of such SAR), a combination of cash and such shares of the applicable series of Common Stock or such other consideration, in each case, as provided in the Agreement. No fractional shares of Common Stock shall be issuable upon exercise of a SAR, and unless otherwise provided in the applicable Agreement, the Holder will receive cash in lieu of fractional shares. Unless the Board shall otherwise determine, to the extent a Free Standing SAR is exercisable, it will be exercised automatically for cash on its expiration date.

7.5 *Limitations.* The applicable Agreement may provide for a limit on the amount payable to a Holder upon exercise of SARs at any time or in the aggregate, for a limit on the number of SARs that may be exercised by the Holder in whole or in part for cash during any specified period, for a limit on the time periods during which a Holder may exercise SARs, and for such other limits on the rights of the Holder and such other terms and conditions of the SAR, including, without limitation, a condition that the SAR may be exercised only in accordance with rules and regulations adopted from time to time, as the Board may determine. Unless otherwise so provided in the applicable Agreement, any such limit relating to a Tandem SAR shall not restrict the exercisability of the related Option. Such rules and regulations may govern the right to exercise SARs granted prior to the adoption or amendment of such rules and regulations as well as SARs granted thereafter.

7.6 *Exercise.* For purposes of this Article VII, the date of exercise of a SAR shall mean the date on which the Company shall have received notice from the Holder of the SAR of the exercise of such SAR (unless otherwise determined by the Board and provided in the applicable Agreement).

7.7 *Nontransferability.* Unless otherwise determined by the Board and provided in the applicable Agreement, (i) SARs shall not be transferable other than by will or the laws of descent and distribution or pursuant to a Domestic Relations Order, and (ii) except as otherwise required pursuant to a Domestic Relations Order, SARs may be exercised during the lifetime of the Holder thereof only by such Holder (or his or her court-appointed legal representative).

ARTICLE VIII

RESTRICTED SHARES

8.1 *Grant.* Subject to the limitations of the Plan, the Board shall designate those eligible Persons to be granted awards of Restricted Shares, shall determine the time when each such Award shall be granted, shall determine whether shares of Common Stock covered by awards of Restricted Shares will be issued at the beginning or the end of the Restriction Period and whether Dividend Equivalents will be paid during the Restriction Period in the event shares of the applicable series of Common Stock are to be issued at the end of the Restriction Period, and shall designate (or set forth the basis for determining) the Vesting Date or Vesting Dates for each award of Restricted Shares, and may prescribe other restrictions, terms, and conditions applicable to the vesting of such Restricted Shares in addition to those provided in the Plan. The Board shall determine the price, if any, to be paid by the Holder for the Restricted Shares; *provided, however,* that the issuance of Restricted Shares shall be made for at least the minimum consideration necessary to permit such Restricted Shares to be deemed fully paid and nonassessable. All determinations made by the Board pursuant to this Section 8.1 shall be specified in the Agreement.

8.2 *Issuance of Restricted Shares at Beginning of the Restriction Period.* If shares of the applicable series of Common Stock are issued at the beginning of the Restriction Period, the stock certificate or certificates representing such Restricted Shares shall be registered in the name of the Holder to whom such Restricted Shares shall have been awarded. During the Restriction Period, certificates representing the Restricted Shares and any securities constituting Retained Distributions shall bear a restrictive legend to the effect that ownership of the Restricted Shares (and such Retained Distributions), and the enjoyment of all rights appurtenant thereto, are subject to the restrictions, terms, and conditions provided in the Plan and the applicable Agreement. Such certificates shall remain in the custody of the Company or its designee, and the Holder shall deposit with the custodian stock powers or other instruments of assignment, each endorsed in blank, so as to permit retransfer to the Company of all or any portion of the Restricted Shares and any securities constituting Retained Distributions that shall be forfeited or otherwise not become vested in accordance with the Plan and the applicable Agreement.

8.3 *Restrictions.* Restricted Shares issued at the beginning of the Restriction Period shall constitute issued and outstanding shares of the applicable series of Common Stock for all corporate purposes. The Holder will have the right to vote such Restricted Shares, to receive and retain such dividends and distributions, as the Board may designate, paid or distributed on such Restricted Shares, and to exercise all other rights, powers, and privileges of a Holder of shares of the applicable series of Common Stock with respect to such Restricted Shares; *except, that*, unless otherwise determined by the Board and provided in the applicable Agreement, (a) the Holder will not be entitled to delivery of the stock certificate or certificates representing such Restricted Shares until the Restriction Period shall have expired and unless all other vesting requirements with respect thereto shall have been fulfilled or waived; (b) the Company or its designee will retain custody of the stock certificate or certificates representing the Restricted Shares during the Restriction Period as provided in Section 8.2; (c) other than such dividends and distributions as the Board may designate, the Company or its designee will retain custody of all distributions ("Retained Distributions") made or declared with respect to the Restricted Shares (and such Retained Distributions will be subject to the same restrictions, terms and vesting, and other conditions as are applicable to the Restricted Shares) until such time, if ever, as the Restricted Shares with respect to which such Retained Distributions shall have been made, paid, or declared shall have become vested, and such Retained Distributions shall not bear interest or be segregated in a separate account; (d) the Holder may not sell, assign, transfer, pledge, exchange, encumber, or dispose of the Restricted Shares or any Retained Distributions or his or her interest in any of them during the Restriction Period; and (e) a breach of any restrictions, terms, or conditions provided in the Plan or established by the Board with respect to any Restricted Shares or Retained Distributions will cause a forfeiture of such Restricted Shares and any Retained Distributions with respect thereto.

8.4 *Issuance of Stock at End of the Restriction Period.* Restricted Shares issued at the end of the Restriction Period shall not constitute issued and outstanding shares of the applicable series of Common Stock, and the Holder shall not have any of the rights of a stockholder with respect to the shares of Common Stock covered by such an award of Restricted Shares, in each case until such shares shall have been transferred to the Holder at the end of the Restriction Period. If and to the extent that shares of Common Stock are to be issued at the end of the Restriction Period, the Holder shall be entitled to receive Dividend Equivalents with respect to the shares of Common Stock covered thereby either (i) during the Restriction Period or (ii) in accordance with the rules applicable to Retained Distributions, as the Board may specify in the Agreement.

8.5 *Cash Awards.* In connection with any award of Restricted Shares, an Agreement may provide for the payment of a cash amount to the Holder of such Restricted Shares at any time after such Restricted Shares shall have become vested. Such cash awards shall be payable in accordance with such additional restrictions, terms, and conditions as shall be prescribed by the Board in the Agreement and shall be in addition to any other compensation payments which such Holder shall be otherwise entitled or eligible to receive from the Company.

8.6 *Completion of Restriction Period.* On the Vesting Date with respect to each award of Restricted Shares and the satisfaction of any other applicable restrictions, terms, and conditions, (a) all or the applicable portion of such Restricted Shares shall become vested, (b) any Retained Distributions and any unpaid Dividend Equivalents with respect to such Restricted Shares shall become vested to the extent that the Restricted Shares related thereto shall have become vested, and (c) any cash award to be received by the Holder with respect to such Restricted Shares shall become payable, all in accordance with the terms of the applicable Agreement. Any such Restricted Shares, Retained Distributions, and any unpaid Dividend Equivalents that shall not become vested shall be forfeited to the Company, and the Holder shall not thereafter have any rights (including dividend and voting rights) with respect to such Restricted Shares, Retained Distributions, and any unpaid Dividend Equivalents that shall have been so forfeited. The Board may, in its discretion, provide that the delivery of any

Restricted Shares, Retained Distributions, and unpaid Dividend Equivalents that shall have become vested, and payment of any cash awards that shall have become payable, shall be deferred until such date or dates as the recipient may elect. Any election of a recipient pursuant to the preceding sentence shall be filed in writing with the Board in accordance with such rules and regulations, including any deadline for the making of such an election, as the Board may provide.

ARTICLE IX

STOCK UNITS

9.1 *Grant.* In addition to granting awards of Options, SARs, and Restricted Shares, the Board shall, subject to the limitations of the Plan, have authority to grant to eligible Persons awards of Stock Units which may be in the form of shares of any specified series of Common Stock or units, the value of which is based, in whole or in part, on the Fair Market Value of the shares of any specified series of Common Stock. Subject to the provisions of the Plan, including any rules established pursuant to Section 9.2, awards of Stock Units shall be subject to such terms, restrictions, conditions, vesting requirements, and payment rules as the Board may determine in its discretion, which need not be identical for each Award. The determinations made by the Board pursuant to this Section 9.1 shall be specified in the applicable Agreement.

9.2 *Rules.* The Board may, in its discretion, establish any or all of the following rules for application to an Award of Stock Units:

(a) Any shares of Common Stock which are part of an award of Stock Units may not be assigned, sold, transferred, pledged, or otherwise encumbered prior to the date on which the shares are issued or, if later, the date provided by the Board at the time of the Award.

(b) Such Awards may provide for the payment of cash consideration by the Person to whom such Award is granted or provide that the Award, and any shares of Common Stock to be issued in connection therewith, if applicable, shall be delivered without the payment of cash consideration; *provided, however,* that the issuance of any shares of Common Stock in connection with an Award of Stock Units shall be for at least the minimum consideration necessary to permit such shares to be deemed fully paid and nonassessable.

(c) Awards of Stock Units may relate in whole or in part to performance or other criteria established by the Board at the time of grant.

(d) Awards of Stock Units may provide for deferred payment schedules, vesting over a specified period of service, the payment (on a current or deferred basis) of dividend equivalent amounts with respect to the number of shares of Common Stock covered by the Award, and elections by the Holder to defer payment of the Award or the lifting of restrictions on the Award, if any.

(e) In such circumstances as the Board may deem advisable, the Board may waive or otherwise remove, in whole or in part, any restrictions or limitations to which a Stock Unit Award was made subject at the time of grant.

ARTICLE X

STOCK AWARDS IN LIEU OF CASH DIRECTOR FEES

10.1 *General.* Each Nonemployee Director shall have the option to elect to receive shares of one or more series of Common Stock, as prescribed by the Board, in lieu of all or part of the Director Compensation otherwise payable by the Company during each calendar quarter. Subject to any applicable Purchase Restriction as described in Section 10.3, to the extent a Nonemployee Director has elected in writing to receive stock in lieu of Director Compensation, such Nonemployee Director will receive shares of Common Stock on the last day of the calendar quarter for which the Director Compensation was earned. The Director Compensation shall be converted to a number of shares of Common Stock equal in value to such Director Compensation based on the Fair Market Value of such shares on the last day of the calendar quarter for which the Director Compensation would otherwise be payable to the Nonemployee Director, with any fractional shares paid in cash. For this purpose, if the last day of the calendar quarter is not a trading day, then Fair Market Value shall be determined as of the next succeeding trading day. Any shares issued in lieu of Director Compensation shall be issued free of all restrictions except as required by law.

10.2 *Timing of Election.* A Nonemployee Director's election pursuant to Section 10.1 must be made no later than the 30th calendar day (or such other day as the Board may prescribe) prior to the end of the calendar quarter to which the election applies in accordance with the procedures established by the Board. Once an election is made with respect to a particular calendar quarter, it may not be withdrawn or substituted unless the Board determines, in its sole discretion, that the withdrawal or substitution is occasioned by an extraordinary or unanticipated event.

10.3 *Election Void During Restricted Period.* If, on the date shares would be purchased pursuant to an election under Section 10.1, there is in place any restriction under applicable law (including, without limitation, a blackout period under the Sarbanes-Oxley Act of 2002) or the rules of the principal national securities exchange on which shares of the applicable series of Common Stock are traded (a "Purchase Restriction") which would prohibit the Nonemployee Director from making such a purchase, then such shares shall be purchased on the first trading day following the lapse or removal of the Purchase Restriction based on the Fair Market Value of the shares on such trading day.

10.4 *Conditions.* Nothing contained herein shall preclude the Board, in its sole discretion, from imposing conditions on any election made under Section 10.1, including, without limitation, the conditions described in Section 10.3.

ARTICLE XI

GENERAL PROVISIONS

11.1 *Acceleration of Options, SARs, Restricted Shares and Stock Units.*

(a) *Death or Disability.* If a Holder's service shall terminate by reason of death or Disability, notwithstanding any contrary waiting period, installment period, vesting schedule, or Restriction Period in any Agreement or in the Plan, unless the applicable Agreement provides otherwise: (i) in the case of an Option or SAR, each outstanding Option or SAR granted under the Plan shall immediately become exercisable in full in respect of the aggregate number of shares covered thereby; (ii) in the case of Restricted Shares, the Restriction Period applicable to each such Award of Restricted Shares shall be deemed to have expired and all such Restricted Shares, any related Retained Distributions and any unpaid Dividend Equivalents shall become vested and any cash amounts payable pursuant to the applicable Agreement shall be adjusted in such manner as may be provided in the Agreement; and (iii) in the case of Stock Units, each such award of Stock Units shall become vested in full.

(b) *Approved Transactions; Board Change; Control Purchase.* In the event of any Approved Transaction, Board Change or Control Purchase, notwithstanding any contrary waiting period, installment period, vesting schedule, or Restriction Period in any Agreement or in the Plan, unless the applicable Agreement provides otherwise: (i) in the case of an Option or SAR, each such outstanding Option or SAR granted under the Plan shall become exercisable in full in respect of the aggregate number of shares covered thereby; (ii) in the case of Restricted Shares, the Restriction Period applicable to each such Award of Restricted Shares shall be deemed to have expired and all such Restricted Shares, any related Retained Distributions, and any unpaid Dividend Equivalents shall become vested and any cash amounts payable pursuant to the applicable Agreement shall be adjusted in such manner as may be provided in the Agreement; and (iii) in the case of Stock Units, each such award of Stock Units shall become vested in full, in each case effective upon the Board Change or Control Purchase or immediately prior to consummation of the Approved Transaction. Notwithstanding the foregoing, unless otherwise provided in the applicable Agreement, the Board may, in its discretion, determine that any or all outstanding Awards of any or all types granted pursuant to the Plan will not vest or become exercisable on an accelerated basis in connection with an Approved Transaction if effective provision has been made for the taking of such action which, in the opinion of the Board, is equitable and appropriate to substitute a new Award for such Award or to assume such Award and to make such new or assumed Award, as nearly as may be practicable, equivalent to the old Award (before giving effect to any acceleration of the vesting or exercisability thereof), taking into account, to the extent applicable, the kind and amount of securities, cash, or other assets into or for which the applicable series of Common Stock may be changed, converted, or exchanged in connection with the Approved Transaction.

11.2 *Termination of Service.*

(a) *General.* If a Holder's service shall terminate prior to the complete exercise of an Option or SAR (or deemed exercise thereof, as provided in Section 7.2) or during the Restriction Period with respect to any Restricted Shares or prior to the vesting or complete exercise of any Stock Units, then such Option, SAR, or Stock Unit shall thereafter be exercisable, and the Holder's rights to any unvested Restricted Shares, Retained Distributions, unpaid Dividend Equivalents, and cash amounts and any such unvested Stock Units shall thereafter vest, in each case solely to the extent provided in the applicable Agreement; *provided, however,* that, unless otherwise determined by the Board and provided in the applicable Agreement, (i) no Option or SAR may be exercised after the scheduled expiration date thereof; (ii) if the Holder's service terminates by reason of death or Disability, the Option or SAR shall remain exercisable for a period of at least one year following such termination (but not later than the scheduled expiration of such Option or SAR); and (iii) any termination of the Holder's service for cause will be treated in accordance with the provisions of Section 11.2(b).

(b) *Termination for Cause.* If a Holder's service on the Board shall be terminated by the Company during the Restriction Period with respect to any Restricted Shares, or prior to the exercise of any Option or SAR, or prior to the vesting or complete exercise of any Stock Unit for cause (for these purposes, cause shall include, but not be limited to, insubordination, dishonesty, incompetence, moral turpitude, other misconduct of any kind, and the refusal to perform his or her duties and responsibilities for any reason other than illness or incapacity; *provided, however,* that if such termination occurs within 12 months after an Approved Transaction or Control Purchase or Board Change, termination for cause shall mean only a felony conviction for fraud, misappropriation, or embezzlement), then, unless otherwise determined by the Board and provided in the applicable Agreement, (i) all Options and SARs and all unvested or unexercised Stock Units held by such Holder shall immediately terminate and (ii) such Holder's rights to all Restricted Shares, Retained Distributions, any unpaid Dividend Equivalents, and any cash awards shall be forfeited immediately.

11.3 *Nonalienation of Benefits.* Except as set forth herein, no right or benefit under the Plan shall be subject to anticipation, alienation, sale, assignment, hypothecation, pledge, exchange, transfer, encumbrance, or charge, and any attempt to anticipate, alienate, sell, assign, hypothecate, pledge, exchange, transfer, encumber or charge the same shall be void. No right or benefit hereunder shall in any manner be liable for or subject to the debts, contracts, liabilities, or torts of the Person entitled to such benefits.

11.4 *Written Agreement.* Each grant of an Option under the Plan shall be evidenced by a stock option agreement; each SAR shall be evidenced by a stock appreciation rights agreement; each award of Restricted Shares shall be evidenced by a restricted shares agreement; and each award of Stock Units shall be evidenced by a stock units agreement, each in such form and containing such terms and provisions not inconsistent with the provisions of the Plan as the Board from time to time shall approve; *provided*, *however*, that if more than one type of Award is made to the same Holder, such Awards may be evidenced by a single Agreement with such Holder. Each grantee of an Option, SAR, Restricted Shares, or Stock Units shall be notified promptly of such grant, and a written Agreement shall be promptly executed and delivered by the Company. Any such written Agreement may contain (but shall not be required to contain) such provisions as the Board deems appropriate (i) to insure that the penalty provisions of Section 4999 of the Code will not apply to any stock or cash received by the Holder from the Company or (ii) to provide cash payments to the Holder to mitigate the impact of such penalty provisions upon the Holder. Any such Agreement may be supplemented or amended from time to time as approved by the Board as contemplated by Section 11.6(b).

11.5 *Designation of Beneficiaries.* Each Person who shall be granted an Award under the Plan may designate a beneficiary or beneficiaries and may change such designation from time to time by filing a written designation of beneficiary or beneficiaries with the Board on a form to be prescribed by it, provided that no such designation shall be effective unless so filed prior to the death of such Person.

11.6 *Termination and Amendment.*

(a) *General.* Unless the Plan shall theretofore have been terminated as hereinafter provided, no Awards may be made under the Plan on or after the tenth anniversary of the Effective Date. The Plan may be terminated at any time prior to the tenth anniversary of the Effective Date and may, from time to time, be suspended or discontinued or modified or amended if such action is deemed advisable by the Board.

(b) *Modification.* No termination, modification or amendment of the Plan may, without the consent of the Person to whom any Award shall theretofore have been granted, adversely affect the rights of such Person with respect to such Award. No modification, extension, renewal, or other change in any Award granted under the Plan shall be made after the grant of such Award, unless the same is consistent with the provisions of the Plan. With the consent of the Holder and subject to the terms and conditions of the Plan (including Section 11.6(a)), the Board may amend outstanding Agreements with any Holder, including, without limitation, any amendment which would (i) accelerate the time or times at which the Award may be exercised and/or (ii) extend the scheduled expiration date of the Award. Without limiting the generality of the foregoing, the Board may, but solely with the Holder's consent unless otherwise provided in the Agreement, agree to cancel any Award under the Plan and grant a new Award in substitution therefor, provided that the Award so substituted shall satisfy all of the requirements of the Plan as of the date such new Award is made. Nothing contained in the foregoing provisions of this Section 11.6(b) shall be construed to prevent the Board from providing in any Agreement that the rights of the Holder with respect to the Award evidenced thereby shall be subject to such rules and regulations as the Board may, subject to the express provisions of the Plan, adopt from time to time or impair the enforceability of any such provision.

11.7 *Government and Other Regulations.* The obligation of the Company with respect to Awards shall be subject to all applicable laws, rules, and regulations and such approvals by any governmental agencies as may be required, including, without limitation, the effectiveness of any registration statement required under the Securities Act of 1933, and the rules and regulations of any securities exchange or association on which the Common Stock may be listed or quoted. For so long as any series of Common Stock are registered under the Exchange Act, the Company shall use its reasonable efforts to comply with any legal requirements (i) to maintain a registration statement in effect under the Securities Act of 1933 with respect to all shares of the applicable series of Common Stock that may be issued to Holders under the Plan and (ii) to file in a timely manner all reports required to be filed by it under the Exchange Act.

11.8 *Withholding.* The Company's obligation to deliver shares of Common Stock or pay cash in respect of any Award under the Plan shall be subject to applicable federal, state, and local tax withholding requirements. Federal, state, and local withholding tax due at the time of an Award, upon the exercise of any Option or SAR or upon the vesting of, or expiration of restrictions with respect to, Restricted Shares or Stock Units, as appropriate, may, in the discretion of the Board, be paid in shares of the applicable series of Common Stock already owned by the Holder or through the withholding of shares otherwise issuable to such Holder, upon such terms and conditions (including, without limitation, the conditions referenced in Section 6.5) as the Board shall determine. If the Holder shall fail to pay, or make arrangements satisfactory to the Board for the payment to the Company of, all such federal, state and local taxes required to be withheld by the Company, then the Company shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to such Holder an amount equal to any federal, state, or local taxes of any kind required to be withheld by the Company with respect to such Award.

11.9 *Nonexclusivity of the Plan.* The adoption of the Plan by the Board shall not be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options and the awarding of stock and cash otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

11.10 *Exclusion from Other Plans.* By acceptance of an Award, unless otherwise provided in the applicable Agreement, each Holder shall be deemed to have agreed that such Award is special incentive compensation that will not be taken into account, in any manner, as compensation or bonus in determining the amount of any payment under any pension, retirement or other benefit plan, program, or policy of the Company or any Subsidiary of the Company. In addition, each beneficiary of a deceased Holder shall be deemed to have agreed that such Award will not affect the amount of any life insurance coverage, if any, provided by the Company on the life of the Holder which is payable to such beneficiary under any life insurance plan of the Company or any Subsidiary of the Company. Director Compensation elected to be received in the form of stock in lieu of cash shall be treated as regular compensation for purposes of any Director retirement or life insurance plan.

11.11 *Unfunded Plan.* Neither the Company nor any Subsidiary of the Company shall be required to segregate any cash or any shares of Common Stock which may at any time be represented by Awards, and the Plan shall constitute an "unfunded" plan of the Company. Except as provided in Article VIII with respect to Awards of Restricted Shares and except as expressly set forth in an Agreement, no Holder shall have voting or other rights with respect to the shares of Common Stock covered by an Award prior to the delivery of such shares. Neither the Company nor any Subsidiary of the Company shall, by any provisions of the Plan, be deemed to be a trustee of any shares of Common Stock or any other property, and the liabilities of the Company to any Holder pursuant to the Plan shall be those of a debtor pursuant to such contract obligations as are created by or pursuant to the Plan, and shall be limited to those of a general creditor of the Company. In its sole discretion, the Board may authorize the creation of trusts or other arrangements to meet the obligations of the Company under the Plan, *provided, however*, that the existence of such trusts or other arrangements is consistent with the unfunded status of the Plan.

11.12 *Governing Law.* The Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware.

11.13 *Accounts.* The delivery of any shares of Common Stock and the payment of any amount in respect of an Award shall be for the account of the Company or the applicable Subsidiary of the Company, as the case may be, and any such delivery or payment shall not be made until the recipient shall have paid or made satisfactory arrangements for the payment of any applicable withholding taxes as provided in Section 11.8.

11.14 *Legends.* Each certificate evidencing shares of Common Stock subject to an Award shall bear such legends as the Board deems necessary or appropriate to reflect or refer to any terms, conditions, or restrictions of the Award applicable to such shares, including, without limitation, any to the effect that the shares represented thereby may not be disposed of unless the Company has received an opinion of counsel, acceptable to the Company, that such disposition will not violate any federal or state securities laws.

11.15 *Company's Rights.* The grant of Awards pursuant to the Plan shall not affect in any way the right or power of the Company to make reclassifications, reorganizations, or other changes of or to its capital or business structure or to merge, consolidate, liquidate, sell, or otherwise dispose of all or any part of its business or assets.

11.16 *Section 409A.* It is the intent of the Company that Awards under this Plan comply with the requirements of, or be exempt from the application of, Section 409A of the Code and related regulations and United States Department of the Treasury pronouncements ("Section 409A"), and the provisions of this Plan will be administered, interpreted and construed accordingly. Notwithstanding anything in this Plan to the contrary, if any Plan provisions or Award under the Plan would result in the imposition of an additional tax under Section 409A, that Plan provision or Award will be reformed to avoid imposition of the applicable tax and no action taken to comply with Section 409A shall be deemed to adversely affect the Holder's rights to an Award.

QuickLinks

Exhibit 10.2

FORM OF LIBERTY SPLITCO, INC. 2011 NONEMPLOYEE DIRECTOR INCENTIVE PLAN

Exhibit 10.3

FORM OF LIBERTY SPLITCO, INC.

TRANSITIONAL STOCK ADJUSTMENT PLAN

ARTICLE I

PURPOSE AND AMENDMENT OF PLAN

1.1 *Purpose.* The purpose of the Plan is to provide for the supplemental grant of stock options to purchase the common stock of Liberty Splitco, Inc. (the "Company"), stock appreciation rights related to the Company's common stock, and restricted shares of the Company's common stock to holders of certain outstanding options, stock appreciation rights and restricted shares issued under certain stock-based plans administered by Liberty Media Corporation ("LMC") in connection with adjustments made to outstanding stock incentive awards and restricted shares of LMC Capital Common Stock (as defined below) and LMC Starz Common Stock (as defined below) as a result of the split-off of the Company from LMC.

ARTICLE II

DEFINITIONS

2.1 *Certain Defined Terms.* For purposes of the Plan, the following terms shall have the meanings below stated.

"Approved Transaction" means any transaction in which the Board (or, if approval of the Board is not required as a matter of law, the stockholders of the Company) shall approve (i) any consolidation or merger of the Company, or binding share exchange, pursuant to which shares of Common Stock of the Company would be changed or converted into or exchanged for cash, securities, or other property, other than any such transaction in which the common stockholders of the Company immediately prior to such transaction have the same proportionate ownership of the Common Stock of, and voting power with respect to, the surviving corporation immediately after such transaction, (ii) any merger, consolidation or binding share exchange to which the Company is a party as a result of which the Persons who are common stockholders of the Company immediately prior thereto have less than a majority of the combined voting power of the outstanding capital stock of the Company ordinarily (and apart from the rights accruing under special circumstances) having the right to vote in the election of directors immediately following such merger, consolidation or binding share exchange, (iii) the adoption of any plan or proposal for the liquidation or dissolution of the Company, or (iv) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Company.

"Board" means the Board of Directors of the Company.

"Board Change" means, during any period of two consecutive years, individuals who at the beginning of such period constituted the entire Board cease for any reason to constitute a majority thereof unless the election, or the nomination for election, of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute or statutes thereto. Reference to any specific Code section shall include any successor section.

"Committee" means the committee of the Board appointed to administer this Plan pursuant to Article VIII.

"Common Stock" means each or any (as the context may require) series of the Company's common stock.

"Company" means Liberty Splitco, Inc., a Delaware corporation, and any successor thereto.

"Control Purchase" means any transaction (or series of related transactions) in which (1) any person (as such term is defined in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), corporation or other entity (other than the Company, any Subsidiary of the Company or any employee benefit plan sponsored by the Company or any Subsidiary of the Company) shall purchase any Common Stock of the Company (or securities convertible into Common Stock of the Company) for cash, securities or any other consideration pursuant to a tender offer or exchange offer, without the prior consent of the Board, or (2) any person (as such term is so defined), corporation or other entity (other than the Company, any Subsidiary of the Company, any employee benefit plan sponsored by the Company or any Subsidiary of the Company or any Exempt Person (as defined below)) shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the then outstanding securities of the Company ordinarily (and apart from the rights accruing under special circumstances) having the right to vote in the election of directors (calculated as provided in Rule 13d-3(d) under the Exchange Act in the case of rights to acquire the Company's securities), other than in a transaction (or series of related transactions) approved by the Board. For purposes of this definition, "Exempt Person" means each of (a) the Chairman of the Board, the President and each of the directors of the Company as of the Redemption Date, and (b) the respective family members, estates and heirs of each of the persons referred to in clause (a) above and any trust or other investment vehicle for the primary benefit of any of such persons or their respective family members or heirs. As used with respect to any person, the term "family member" means the spouse, siblings and lineal descendants of such person.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Fair Market Value" of a share of any series of Common Stock on any day means the last sale price (or, if no last sale price is reported, the average of the high bid and low asked prices) for a share of such series of Common Stock on such day (or, if such day is not a trading day, on the next preceding trading day) as reported on the consolidated transaction reporting system for the principal national securities exchange on which shares of such series of Common Stock are listed on such day. If for any day the Fair Market Value of a share of the applicable series of Common Stock is not determinable by any of the foregoing means, then the Fair Market Value for such day shall be determined in good faith by the Committee on the basis of such quotations and other considerations as the Committee deems appropriate.

"Incentive Plan" means the Liberty Media Corporation 2010 Incentive Plan, the Liberty Media Corporation 2007 Incentive Plan, Liberty Media Corporation 2000 Incentive Plan (As Amended and Restated Effective February 22, 2007), Liberty Media Corporation 2002 Nonemployee Director Incentive Plan (As Amended and Restated Effective August 15, 2007), and any other stock option or incentive plan assumed by LMC pursuant to which any Participant holds an outstanding LMC Award as of the Redemption Date. Depending on the context, "Incentive Plan" shall mean all of such plans or a particular one of such plans.

"LMC Award" means (1) an unexercised and unexpired option to purchase LMC Capital Common Stock, (2) an unexercised and unexpired option to purchase LMC Starz Common Stock, (3) an LMC Capital SAR, (4) an LMC Starz SAR, (5) an unvested award of restricted shares of LMC Capital Common Stock, or (6) an unvested award of restricted shares of LMC Starz Common Stock.

"LMC Corporate Holder" means an individual who, as of the Redemption Date, is (1) an LMC employee, (2) a member of the board of directors of LMC, (3) a holder of unvested restricted shares of LMC Capital Common Stock, or (4) a holder of unvested restricted shares of LMC Starz Common Stock. The Committee may, in its discretion, determine that (i) an individual who does not meet any of the foregoing criteria should be classified as an LMC Corporate Holder or (ii) an individual who otherwise would qualify as an LMC Corporate Holder, should not be classified as such.

"LMC Capital Common Stock" means each or any (as the context may require) series of Liberty Capital common stock, par value $.01 per share.

"LMC Starz Common Stock" means each or any (as the context may require) series of Liberty Starz common stock, par value $.01 per share.

"LMC Capital SAR" means a stock appreciation right with respect to any series of LMC Capital Common Stock.

"LMC Starz SAR" means a stock appreciation right with respect to any series of LMC Starz Common Stock

"Option" means an option to purchase Common Stock, granted by the Company to a Participant pursuant to Section 6.1 of the Plan.

"Participant" means a person who is an LMC Corporate Holder and who, as of the Redemption Date, holds an outstanding LMC Award.

"Person" means an individual, corporation, limited liability company, partnership, trust, incorporated or unincorporated association, joint venture or other entity of any kind.

"Plan" means the Liberty Splitco, Inc. Transitional Stock Adjustment Plan, as set forth herein and as from time to time amended.

"Redemption" means the redemption by LMC of (i) all of the outstanding shares of each series of LMC Capital Common Stock for all of the outstanding shares of Splitco Capital Common Stock and (ii) all of the outstanding shares of each series of LMC Starz Common Stock for all of the outstanding shares of Splitco Starz Common Stock.

"Redemption Date" means 5:00 p.m., New York City time, on the date on which the Redemption occurs.

"Restricted Stock Award" means an award of restricted shares of Common Stock, granted by the Company to a Participant pursuant to Section 5.1.

"SARs" means stock appreciation rights, awarded pursuant to Section 7.1, with respect to shares of any specified series of Common Stock.

"Splitco Capital Common Stock" means each or any (as the context may require) series of the Company's Splitco Capital common stock, par value $.01 per share.

"Splitco Starz Common Stock" means each or any (as the context may require) series of the Company's Splitco Starz common stock, par value $.01 per share.

"Splitco Capital Option" means an option to purchase Splitco Capital Common Stock, granted by the Company pursuant to Section 6.1.

"Splitco Starz Option" means an option to purchase Splitco Starz Common Stock, granted by the Company pursuant to Section 6.1.

"Splitco Capital Restricted Stock Award" means an award of restricted shares of Splitco Capital Common Stock, granted by the Company pursuant to Section 5.1.

"Splitco Starz Restricted Stock Award" means an award of restricted shares of Splitco Starz Common Stock, granted by the Company pursuant to Section 5.1.

"Splitco Capital SARs" means stock appreciation rights, awarded pursuant to Section 7.1, with respect to shares of any specified series of Splitco Capital Common Stock.

"Splitco Starz SARs" means stock appreciation rights, awarded pursuant to Section 7.1, with respect to shares of any specified series of Splitco Starz Common Stock.

"Stock Incentives" means collectively the Restricted Stock Awards, SARs and Options.

"Subsidiary" of a Person means any present or future subsidiary (as defined in Section 424(f) of the Code) of such Person or any business entity in which such Person owns, directly or indirectly, 50% or more of the voting, capital or profits interests. An entity shall be deemed a subsidiary of a Person for purposes of this definition only for such periods as the requisite ownership or control relationship is maintained.

ARTICLE III

RESERVATION OF SHARES

The aggregate number of shares of Splitco Capital Common Stock which may be issued under this Plan shall not exceed [ ] shares, subject to adjustment as hereinafter provided. The aggregate number of shares of Splitco Starz Common Stock which may be issued under this Plan shall not exceed [ ] shares, subject to adjustment as hereinafter provided. Any part of such [ ] shares of Splitco Capital Common Stock and such [ ] shares of Splitco Starz Common Stock may be issued pursuant to Splitco Capital Restricted Stock Awards and Splitco Starz Restricted Stock Awards, respectively. The shares of Common Stock which may be granted pursuant to Stock Incentives will consist of either authorized but unissued shares of Common Stock or shares of Common Stock which have been issued and reacquired by the Company, including shares purchased in the open market. The total number of shares authorized under this Plan shall be subject to increase or decrease in order to give effect to the adjustment provision of Section 10.3 and to give effect to any amendment adopted as provided in Section 10.1.

ARTICLE IV

PARTICIPATION IN PLAN

4.1 *Eligibility to Receive Stock Incentives.* Stock Incentives under this Plan may be granted only to persons who are Participants.

4.2 *Participation Not Guarantee of Employment.* Nothing in this Plan or in the instrument evidencing the grant of a Stock Incentive shall in any manner be construed to limit in any way the right of the Company, LMC or any of their respective Subsidiaries to terminate a Participant's employment at any time, without regard to the effect of such termination on any rights such Participant would otherwise have under the Plan or any Incentive Plan, or give any right to such a Participant to remain employed by the Company, LMC or any of their respective Subsidiaries in any particular position or at any particular rate of compensation.

ARTICLE V

STOCK AWARDS

5.1 *Grant of Restricted Stock Awards.*

(a) *Grant.* Splitco Capital Restricted Stock Award(s) or Splitco Starz Restricted Stock Award(s) shall be granted to each Participant who, as of the Redemption Date, holds an outstanding LMC Award(s) consisting of unvested restricted shares of LMC Capital Common Stock or LMC Starz Common Stock, respectively.

(b) *Award of Shares.* Each Splitco Capital Restricted Stock Award or Splitco Starz Restricted Stock Award shall be for the number and series of shares of Splitco Capital Common Stock or Splitco Starz Common Stock that such holder will receive in exchange for such holder's existing restricted shares of LMC Capital Common Stock or LMC Starz Common Stock, respectively, as a result of the application of the redemption ratio in the Redemption. Each Splitco Capital Restricted Stock Award or Splitco Starz Restricted Stock Award and the restricted shares of Splitco Capital Common Stock or Splitco Starz Common Stock issued thereunder shall continue to be subject to all the terms and conditions of the applicable Incentive Plan and associated instrument under which the corresponding award of restricted shares of LMC Capital Common Stock or LMC Starz Common Stock, respectively, was made and any such terms, conditions and restrictions as may be determined to be appropriate by the Committee.

(c) *Lapse of Restrictions.* The restrictions on each Splitco Capital Restricted Stock Award or Splitco Starz Restricted Stock Award shall lapse in accordance with the terms and conditions of the applicable Incentive Plan and associated instrument under which the corresponding award of restricted shares of LMC Capital Common Stock or LMC Starz Common Stock, respectively, was made; provided, however, that a Participant's employment or service with the Company, LMC, any of their respective Subsidiaries or any other Person that was a Subsidiary of LMC until the capital stock of such Person was distributed to the holders of one or more series of LMC common stock shall be deemed to be employment or service with the Company and LMC for all purposes under a Restricted Stock Award.

(d) *Award Documentation.* Splitco Capital Restricted Stock Awards and Splitco Starz Restricted Stock Awards shall be evidenced in such form as the Committee shall approve and contain such terms and conditions as shall be contained therein or incorporated by way of reference to the Incentive Plan or any associated instrument governing the corresponding award of restricted shares of LMC Capital Common Stock or LMC Starz Common Stock, respectively, which need not be the same for all Restricted Stock Awards.

(e) *Rights with Respect to Shares.* No Participant who is granted a Restricted Stock Award shall have any rights as a stockholder by virtue of such grant until shares are actually issued or delivered to the Participant.

ARTICLE VI

OPTIONS

6.1 *Grant of Options.*

(a) *Grant.* Splitco Capital Option(s) or Splitco Starz Option(s) shall be granted to each Participant who, as of the Redemption Date, holds an outstanding LMC Award(s) consisting of an option to purchase shares of LMC Capital Common Stock or LMC Starz Common Stock, respectively. Except as otherwise provided in this Plan, each Splitco Capital Option or Splitco Starz Option shall continue to be subject to all the terms and conditions of the applicable Incentive Plan and associated instrument under which the corresponding option to purchase LMC Capital Common Stock or LMC Starz Common Stock, respectively, was made and any such terms, conditions and restrictions as may be determined to be appropriate by the Committee.

(b) *Option Shares.* Each Splitco Capital Option or Splitco Starz Option shall be for the number and series of shares of Splitco Capital Common Stock or Splitco Starz Common Stock that a Participant would have received in the Redemption if the applicable option for LMC Capital Common Stock or LMC Starz Common Stock, respectively, had been exercised immediately prior to the Redemption Date.

(c) *Option Price.* The purchase price per share of Common Stock under each Option shall be established by the Committee. The Option price shall be subject to adjustment in accordance with the provisions of Section 10.3 hereof.

(d) *Option Documentation.* Splitco Capital Options and Splitco Starz Options shall be evidenced in such form as the Committee shall approve and contain such terms and conditions as shall be contained therein or incorporated by way of reference to the Incentive Plan or any associated instrument governing the corresponding option to purchase LMC Capital Common Stock or LMC Starz Common Stock, respectively, which need not be the same for all Options.

6.2 *Exercise and/or Termination of Options.*

(a) *Terms of Option.* Splitco Capital Options or Splitco Starz Options granted under this Plan may be exercised at the same time and in the same manner as the corresponding option to purchase LMC Capital Common Stock or LMC Starz Common Stock, respectively. Splitco Capital Options or Splitco Starz Options granted under this Plan shall expire at the same time and in the same manner as the corresponding option to purchase LMC Capital Common Stock or LMC Starz Common Stock, as provided in the applicable Incentive Plan and any associated instrument governing such option to purchase LMC Capital Common Stock or LMC Starz Common Stock, respectively; provided, however, that a Participant's employment or service with the Company, LMC, any of their respective Subsidiaries or any other Person that was a Subsidiary of LMC until the capital stock of such Person was distributed to the holders of one or more series of LMC common stock shall be deemed to be employment or service with the Company and LMC for all purposes under an Option.

(b) *Payment on Exercise.* No shares of Common Stock shall be issued on the exercise of an Option unless paid for in full at the time of purchase. Payment for shares of Common Stock purchased upon the exercise of an Option and any amounts required under Section 10.4 shall be determined by the Committee and may consist of (i) cash, (ii) check, (iii) promissory note (subject to applicable law), (iv) whole shares of any series of Common Stock, (v) the withholding of shares of the applicable series of Common Stock issuable upon such exercise of the Option, (vi) the delivery, together with a properly executed exercise notice, of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds required to pay the purchase price, or (vii) any combination of the foregoing methods of payment, or such other consideration and method of payment as may be permitted for the issuance of shares under the Delaware General Corporation Law. The permitted method or methods of payment of the amounts payable upon exercise of an Option, if other than in cash, shall be set forth in the applicable Option agreement and may be subject to such conditions as the Committee deems appropriate.

(c) *Value of Shares.* Unless otherwise determined by the Committee and provided in the applicable Option agreement, shares of any series of Common Stock delivered in payment of all or any part of the amounts payable in connection with the exercise of an Option, and shares of any series of Common Stock withheld for such payment, shall be valued for such purpose at their Fair Market Value as of the exercise date.

(d) *Issuance of Shares.* The Company shall effect the transfer of the shares of Common Stock purchased under the Option as soon as practicable after the exercise thereof and payment in full of the purchase price therefor and of any amounts required by Section 10.4, and within a reasonable time thereafter, such transfer shall be evidenced on the books of the Company. Unless otherwise determined by the Committee and provided in the applicable Option agreement, (i) no Participant or other person exercising an Option shall have any of the rights of a stockholder of the Company with respect to shares of Common Stock subject to an Option granted under the Plan until due exercise and full payment has been made, and (ii) no adjustment shall be made for cash dividends or other rights for which the record date is prior to the date of such due exercise and full payment.

(e) *Exercise.* For purposes of this Article VI, the date of exercise of an Option shall mean the date on which the Company shall have received notice from the holder of the Option of the exercise of such Option (unless otherwise determined by the Committee and provided in the applicable Option agreement).

ARTICLE VII

SARS

7.1 *Grant of SARs.*

(a) *Grant.* Splitco Capital SARs or Splitco Starz SARs shall be granted to each Participant who, as of the Redemption Date, holds an outstanding LMC Award(s) consisting of an LMC Capital SAR or LMC Starz SAR, respectively. Except as otherwise provided in this Plan, each Splitco Capital SAR or Splitco Starz SAR shall continue to be subject to all the terms and conditions of the applicable Incentive Plan and associated instrument under which the LMC Capital SAR or LMC Starz SAR, respectively, was made and any such terms, conditions and restrictions as may be determined to be appropriate by the Committee.

(b) *SAR Shares.* Each Splitco Capital SAR or Splitco Starz SAR shall be for the number and series of shares of Splitco Capital Common Stock or Splitco Starz Common Stock that a Participant would have received in the Redemption if the shares of LMC Capital Common Stock or LMC Starz Common Stock subject to such LMC Capital SAR or LMC Starz SAR, respectively, had been outstanding on the Redemption Date.

(c) *Base Price.* The base price per share of Common Stock under each SAR shall be established by the Committee. The base price shall be subject to adjustment in accordance with the provisions of Section 10.3 hereof.

(d) *SAR Documentation.* Splitco Capital SARs and Splitco Starz SARs shall be evidenced in such form as the Committee shall approve and contain such terms and conditions as shall be contained therein or incorporated by way of reference to the Incentive Plan or any associated instrument governing the corresponding LMC Capital SAR or LMC Starz SAR, respectively, which need not be the same for all SARs.

7.2 *Exercise and/or Termination of SARs.*

(a) *Terms of SARs.* Splitco Capital SARs or Splitco Starz SARs granted under this Plan may be exercised at the same time and in the same manner as the corresponding LMC Capital SAR or LMC Starz SAR, respectively. Splitco Capital SARs or Splitco Starz SARs granted under this Plan shall expire at the same time and in the same manner as the applicable LMC Capital SAR or LMC Starz SAR, as provided in the applicable Incentive Plan and any associated instrument governing the LMC Capital SAR or LMC Starz SAR, respectively; provided, however, that a Participant's employment or service with the Company, LMC, any of their respective Subsidiaries or any other Person that was a Subsidiary of LMC until the capital stock of such Person was distributed to the holders of one or more series of LMC common stock shall be deemed to be employment or service with the Company and LMC for all purposes under a SAR.

(b) *Consideration.* The consideration to be received upon the exercise of a SAR shall be paid in cash, shares of the applicable series of Common Stock with respect to which the SAR was granted (valued at Fair Market Value on the date of exercise of such SAR), a combination of cash and such shares of the applicable series of Common Stock or such other consideration, in each case, as provided in the SAR agreement. No fractional shares of Common Stock shall be issuable upon exercise of a SAR, and unless otherwise provided in the applicable SAR agreement, the holder will receive cash in lieu of fractional shares.

(c) *Exercise.* For purposes of this Article VII, the date of exercise of a SAR shall mean the date on which the Company shall have received notice from the holder of the SAR of the exercise of such SAR (unless otherwise determined by the Committee and provided in the applicable SAR agreement).

ARTICLE VIII

ADMINISTRATION OF PLAN

8.1 *The Committee.* This Plan shall be administered solely by the Compensation Committee of the Board or such other committee of the Board as the Board shall designate to administer the Plan. A majority of the Committee shall constitute a quorum thereof and the actions of a majority of the Committee at a meeting at which a quorum is present, or actions unanimously approved in writing by all members of the Committee, shall be the actions of the Committee. Vacancies occurring on the Committee shall be filled by the Board. The Committee shall have full and final authority to interpret this Plan and any instruments evidencing Stock Incentives granted hereunder, to prescribe, amend and rescind rules and regulations, if any, relating to this Plan and to make all determinations necessary or advisable for the administration of this Plan. The Committee's determination in all matters referred to herein shall be conclusive and binding for all purposes and upon all persons including, but without limitation, the Company, LMC, the shareholders of the Company, the shareholders of LMC, the Committee and each of the members thereof, and the Participants, and their respective successors in interest. The Committee may delegate any of its rights, powers and duties to any one or more of its members, or to any other person, by written action as provided herein, acknowledged in writing by the delegate or delegates, except that the Committee may not delegate to any person the authority to grant Stock Incentives to, or take other action with respect to, Participants who are subject to Section 16 of the Exchange Act. Such delegation may include, without limitation, the power to execute any documents on behalf of the Committee.

8.2 *Liability of Committee.* No member of the Committee shall be liable for any action or determination made or taken by him or the Committee in good faith with respect to the Plan. The Committee shall have the power to engage outside consultants, auditors or other professionals to assist in the fulfillment of the Committee's duties under this Plan at the Company's expense.

8.3 *Determinations of the Committee.* The Committee may, in its sole discretion, waive any provisions of any Stock Incentive, provided such waiver is not inconsistent with the terms of the applicable Incentive Plan, any associated instrument or this Plan as then in effect.

ARTICLE IX

AMENDMENT AND TERMINATION OF PLAN

9.1 *Amendment, Modification, Suspension or Termination.* The Board may from time to time amend, modify, suspend or terminate the Plan for the purpose of meeting or addressing any changes in legal requirements or for any other purpose permitted by law except that (i) subject to Section 10.6, no amendment or alteration that would impair the rights of any Participant under any Stock Incentive awarded to such Participant shall be made without such Participant's consent and (ii) no amendment or alteration shall be effective prior to approval by the Company's shareholders to the extent such approval is then required pursuant to applicable legal requirements or the applicable requirements of the securities exchange on which the Company's Common Stock is listed. With the consent of the Participant, or as otherwise permitted under Section 10.6, and subject to the terms and conditions of the Plan, the Committee may amend outstanding Stock Incentive agreements with any Participant, including any amendment which would (i) accelerate the time or times at which the Stock Incentive may be exercised and/or (ii) extend the scheduled expiration date of the Stock Incentive.

9.2 *Termination.* The Board may at any time terminate this Plan as of any date specified in a resolution adopted by the Board. If not earlier terminated, this Plan shall terminate on the last date that any Option or SAR granted hereunder may be exercised or any restriction applicable to a Restricted Stock Award granted hereunder has lapsed, whichever occurs later.

ARTICLE X

MISCELLANEOUS PROVISIONS

10.1 *Exclusion from Pension and Profit-Sharing Computation.* By acceptance of a Stock Incentive, unless otherwise provided in the applicable Stock Incentive agreement, each Participant shall be deemed to have agreed that such Stock Incentive is special incentive compensation that will not be taken into account, in any manner, as salary, compensation or bonus in determining the amount of any payment under any pension, retirement or other employee benefit plan, program or policy of the Company or any Subsidiary of the Company. In addition, each beneficiary of a deceased Participant shall be deemed to have agreed that such Stock Incentive will not affect the amount of any life insurance coverage, if any, provided by the Company on the life of the Participant which is payable to such beneficiary under any life insurance plan covering employees of the Company or any Subsidiary of the Company.

10.2 *Government and Other Regulations.* The obligation of the Company with respect to Stock Incentives shall be subject to all applicable laws, rules and regulations and such approvals by any governmental agencies as may be required, including the effectiveness of any registration statement required under the Securities Act of 1933, and the rules and regulations of any securities exchange or association on which the Common Stock may be listed or quoted. For so long as any series of Common Stock is registered under the Exchange Act, the Company shall use its reasonable efforts to comply with any legal requirements (i) to maintain a registration statement in effect under the Securities Act of 1933 with respect to all shares of the applicable series of Common Stock that may be issued to Participants under the Plan and (ii) to file in a timely manner all reports required to be filed by it under the Exchange Act.

10.3 *Adjustments.*

(a) If the Company subdivides its outstanding shares of any series of Common Stock into a greater number of shares of such series of Common Stock (by stock dividend, stock split, reclassification, or otherwise) or combines its outstanding shares of any series of Common Stock into a smaller number of shares of such series of Common Stock (by reverse stock split, reclassification, or otherwise) or if the Committee determines that any stock dividend, extraordinary cash dividend, reclassification, recapitalization, reorganization, split-up, spin-off, combination, exchange of shares, warrants or rights offering to purchase such series of Common Stock or other similar corporate event (including mergers or consolidations other than those which constitute Approved Transactions, adjustments with respect to which shall be governed by Section 10.3(b)) affects any series of Common Stock so that an adjustment is required to preserve the benefits or potential benefits intended to be made available under the Plan, then the Committee, in such manner as the Committee, in its sole discretion, deems equitable and appropriate, shall make such adjustments to any or all of (i) the number and kind of shares of stock subject to outstanding Stock Incentives, and (ii) the purchase or exercise price and the relevant appreciation base with respect to any of the foregoing, provided, however, that the number of shares subject to any Stock Incentive shall always be a whole number. Notwithstanding the foregoing, if all shares of any series of Common Stock are redeemed, then each outstanding Stock Incentive shall be adjusted to substitute for the shares of such series of Common Stock subject thereto the kind and amount of cash, securities or other assets issued or paid in the redemption of the equivalent number of shares of such series of Common Stock and otherwise the terms of such Stock Incentive, including, in the case of Options or similar rights, the aggregate exercise price, and, in case of SARs, the aggregate base price shall remain constant before and after the substitution (unless otherwise determined by the Committee and provided in the applicable Stock Incentive agreement). The Committee may, if deemed appropriate, provide for a cash payment of a Stock Incentive to a Participant in connection with any adjustment made pursuant to this Section 10.3(a).

(b) *Approved Transactions; Board Change; Control Purchase.* In the event of any Approved Transaction, Board Change or Control Purchase, notwithstanding any contrary waiting period, installment period, vesting schedule or restriction period in any Stock Incentive agreement or in the Plan, unless the applicable Stock Incentive agreement provides otherwise: (i) in the case of an Option or SAR, each such outstanding Option or SAR granted under the Plan shall become exercisable in full in respect of the aggregate number of shares covered thereby; and (ii) in the case of Common Stock awarded under a Restricted Stock Award, any restriction period applicable to each such Common Stock shall be deemed to have expired and all such Common Stock shall become vested. Notwithstanding the foregoing, unless otherwise provided in the applicable Stock Incentive agreement, the Committee may, in its discretion, determine that any or all outstanding Stock Incentives of any or all types granted pursuant to the Plan will not vest or become exercisable on an accelerated basis in connection with an Approved Transaction if effective provision has been made for the taking of such action which, in the opinion of the Committee, is equitable and appropriate to substitute a new Stock Incentive or to assume such Stock Incentive and to make such new or assumed Stock Incentive, as nearly as may be practicable, equivalent to the old Stock Incentive (before giving effect to any acceleration of the vesting or exercisability thereof), taking into account, to the extent applicable, the kind and amount of securities, cash or other assets into or for which the applicable series of Common Stock may be changed, converted or exchanged in connection with the Approved Transaction.

(c) *Compliance with Section 409A.* No adjustment or substitution pursuant to this Section 10.3 shall be made in a manner that results in noncompliance with the requirements of Section 409A, to the extent applicable.

10.4 *Withholding of Taxes.* The Company's obligation to deliver shares of Common Stock or pay cash in respect of any Stock Incentives under the Plan shall be subject to applicable federal, state and local tax withholding requirements. Federal, state and local withholding tax due upon the exercise of any Option or SAR or upon the vesting of, or expiration of restrictions with respect to Common Stock granted under Restricted Stock Awards, may, in the discretion of the Committee, be paid in shares of the applicable series of Common Stock already owned by the Participant or through the withholding of shares otherwise issuable to such Participant, upon such terms and conditions (including the conditions referenced in Section 6.2) as the Committee shall determine. If the Participant shall fail to pay, or make arrangements satisfactory to the Committee for the payment of, all such federal, state and local taxes required to be withheld with respect to a Stock Incentive, then the Company shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to such Participant an amount equal to any federal, state or local taxes of any kind required to be withheld with respect to such Stock Incentive.

10.5 *Restrictions on Benefit.* Notwithstanding any provision of this Plan to the contrary, the provisions of any Incentive Plan concerning restrictions on benefits (in order to avoid excise taxes on the Participant under Section 4999 of the Code or the disallowance of a deduction to the Company pursuant to Section 280G of the Code) are specifically incorporated by this reference.

10.6 *Section 409A.* It is the intent of the Company that Awards under this Plan comply with the requirements of, or be exempt from the application of, Section 409A of the Code and related regulations and United States Department of the Treasury pronouncements ("Section 409A"), and the provisions of this Plan will be administered, interpreted and construed accordingly. Notwithstanding any provision in this Plan or any Incentive Plan to the contrary, if any Plan or Incentive Plan provision or any Stock Incentive thereunder would result in the imposition of an additional tax under Section 409A, that Plan or Incentive Plan provision and/or that Stock Incentive will be reformed to avoid imposition of the applicable tax and no action taken to comply with Section 409A shall be deemed to adversely affect the Participant's right to a Stock Incentive or require the consent of the Participant.

QuickLinks

Exhibit 10.4

FORM OF

TAX SHARING AGREEMENT

BETWEEN

LIBERTY MEDIA CORPORATION,

LIBERTY MEDIA LLC

AND

LIBERTY SPLITCO, INC.

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TAX SHARING AGREEMENT

THIS TAX SHARING AGREEMENT (this "Agreement") is entered into as of [ ], 2011, between Liberty Media Corporation, a Delaware corporation ("Distributing"), Liberty Media LLC, a Delaware limited liability company ("Liberty LLC"), and Liberty Splitco, Inc., a Delaware corporation ("Controlled"). Unless otherwise indicated, all "Section" references in this Agreement are to sections of this Agreement.

RECITALS

WHEREAS, Controlled is a wholly owned subsidiary of Distributing;

WHEREAS, the Board of Directors of Distributing has determined that it would be appropriate and desirable for Distributing to separate the Controlled Business from the Distributing Business;

WHEREAS, the Board of Directors of Controlled has approved such transaction;

WHEREAS, following the Contribution, Distributing intends to distribute its entire interest in the stock of Controlled to the holders of Liberty Capital Common Stock and Liberty Starz Common Stock in exchange for their shares of Liberty Capital Common Stock and Liberty Starz Common Stock in what is intended to qualify as a tax-free transaction described under Sections 368(a), 355 and 361 of the Code (the "Distribution");

WHEREAS, the parties set forth in the Reorganization Agreement the principal arrangements between them regarding the separation of the Controlled Business from the Distributing Business; and

WHEREAS, the parties desire to provide for and agree upon the allocation between the parties of liabilities for Taxes and credits for Tax Benefits arising prior to, as a result of, and subsequent to the Distribution, and to provide for and agree upon other matters relating to Taxes.

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements set forth below, and intending to be legally bound hereby, Distributing, Liberty LLC and Controlled hereby agree as follows:

SECTION 1. Definition of Terms. For purposes of this Agreement (including the recitals hereof), the following terms have the following meanings:

"2029 Exchangeables" means the 4% Senior Exchangeable Debentures due 2029 issued by Liberty LLC.

"2030 Exchangeables" means the $3^{3}/4$% Senior Exchangeable Debentures due 2030 issued by Liberty LLC.

"2031 Exchangeables" means the $3^{1}/4$% Senior Exchangeable Debentures due 2031 issued by Liberty LLC.

"Affiliate" means with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such first Person. For the avoidance of doubt, (x) neither Expedia, Inc. nor any of its Subsidiaries will be treated as an Affiliate of any member of the Distributing Group during any period (or portion thereof) in which the voting stock of such corporation owned by any member of the Distributing Group is subject to a proxy in favor of Mr. Barry Diller to vote those shares during such period; (y) no member of the Controlled Group will be treated as an Affiliate of any member of the Distributing Group; and (z) no member of the Distributing Group will be treated as an Affiliate of any member of the Controlled Group.

"Agreement" has the meaning set forth in the preamble hereof.

"Ascent" means Ascent Media Corporation, a Delaware corporation.

"AT&T Tax Sharing Agreement" means the Tax Sharing Agreement dated as of March 9, 1999, as amended, by and among AT&T Corp., Liberty LLC, for itself and each member of the Liberty Group (as defined therein), Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc., each Covered Entity (as defined therein) listed on the signature pages thereof, and any entities which became parties thereto pursuant to Section 23 thereof.

"AT&T TSA Benefits" means any right to receive any payment (including any indemnification payment) from AT&T Corp. or any member of the Common Stock Group (as defined in the AT&T Tax Sharing Agreement).

"AT&T TSA Liabilities" means any obligation or liability to make any payment (including any indemnification payment) to AT&T Corp., any member of the Common Stock Group (as defined in the AT&T Tax Sharing Agreement), or any Common Stock Indemnitees (as defined in the AT&T Tax Sharing Agreement).

"business day" means any day other than a Saturday, Sunday or a day on which banking institutions in New York City, New York or London, England are authorized or required by law or executive order to close.

"Code" means the U.S. Internal Revenue Code of 1986, as amended from time to time, or any successor law.

"Combined Return" means (i) with respect to any Tax Return for a Tax Year beginning on or before the Distribution Date, any Tax Return that includes Tax Items of both the Distributing Business and the Controlled Business, determined in accordance with the allocation rules of Section 2.2, and (ii) with respect to any Tax Return for a Tax Year beginning after the Distribution Date, any Tax Return that includes one or more members of the Distributing Group and one or more members of the Controlled Group.

"Company" means Distributing or Controlled, as the context requires.

"Compensatory Equity Interests" means stock, equity interests, options, stock appreciation rights, or other similar rights with respect to the equity of any entity granted prior to the Distribution in connection with employee, independent contractor or director compensation (including, for the avoidance of doubt, stock, equity interests, options, stock appreciation rights, or other similar rights issued in substitution for any of the foregoing by reason of the Distribution or any subsequent transaction).

"Consolidated Group" means a group filing (or required to file) consolidated federal income Tax Returns for any Tax Year (or portion thereof), within the meaning of Treasury Regulations Section 1.1502-1(h).

"Contribution" has the meaning given to such term in the Reorganization Agreement.

"Control" means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through ownership of securities or partnership, membership, limited liability company, or other ownership interests, by contract or otherwise and the terms "Controlling" and "Controlled" have meanings correlative to the foregoing.

"Controlled" has the meaning set forth in the preamble hereof.

"Controlled Acquired Subsidiary" has the meaning set forth in Section 2.2(l).

"Controlled Business" means: (i) with respect to any Tax Year (or portion thereof) ending prior to the Issue Date, the assets, liabilities, and businesses of Distributing and its Subsidiaries other than any assets, liabilities, and businesses of, and any equity or debt interests in, QVC, Inc., Provide Commerce, Inc., and each of their respective Subsidiaries, (ii) with respect to any Tax Year (or portion thereof) beginning on the Issue Date and ending at or before the Effective Time, the assets, liabilities and businesses of Distributing and its Subsidiaries, other than the assets, liabilities and businesses that were tracked during such Tax Year (or portion thereof), and only for so long as so tracked, by the Liberty Interactive Common Stock (including any equity or debt interests in any entities so tracked); and (iii) with respect to any Tax Year (or portion thereof) beginning after the Effective Time, the assets, liabilities, and businesses of the Controlled Group during such Tax Year (or portion thereof).

"Controlled Claim" means any pending or threatened Tax Contest, claim, action, suit, investigation or proceeding brought by a third party relating to any AT&T TSA Liabilities, DHC TSA Liabilities, or LMI TSA Liabilities, in each case for which Distributing is or may be indemnified by Controlled under Section 7.

"Controlled Consolidated Group" means a Consolidated Group of which Controlled is the common parent, within the meaning of Section 1504(a)(1) of the Code.

"Controlled Group" means, with respect to any Tax Year (or portion thereof) beginning after the Effective Time, Controlled and each Subsidiary of Controlled (but only while such Subsidiary is a Subsidiary of Controlled).

"Controlled Indemnitees" has the meaning set forth in Section 7.2.

"Controlled Section 355(e) Event" means the application of Section 355(e) of the Code to the Distribution as a result of the Distribution being "part of a plan (or series of related transactions) pursuant to which 1 or more persons acquire directly or indirectly stock representing a 50-percent or greater interest" in Controlled or any successor corporation (within the meaning of Section 355(e) of the Code).

"Controlled Stock" means the Series A Controlled Capital common stock, par value $.01 per share, the Series B Controlled Capital common stock, par value $.01 per share, the Series A Controlled Starz common stock, par value $.01 per share, the Series B Controlled Starz common stock, par value $.01 per share, and if and when issued, the Series C Controlled Capital common stock, par value $.01 per share, and the Series C Controlled Starz common stock, par value $.01 per share, and any series or class of stock into which the Series A, Series B, or Series C Controlled Capital common stock or the Series A, Series B, or Series C Controlled Starz common stock is redesignated, reclassified, converted or exchanged following the Effective Time.

"Delaware Chancery Court" has the meaning set forth in Section 8.4.

"DHC" means Discovery Holding Company, a Delaware corporation.

"DHC Tax Sharing Agreement" means the Tax Sharing Agreement dated July 20, 2005, between Liberty LLC and DHC.

"DHC TSA Benefits" means any right to receive any payment (including any indemnification payment) from DHC or any member of the DHC Group (as defined in the DHC Tax Sharing Agreement) pursuant to the terms of the DHC Tax Sharing Agreement.

"DHC TSA Liabilities" means any obligation or liability to make any payment (including any indemnification payment) to DHC, any member of the DHC Group (as defined in the DHC Tax Sharing Agreement), or any DHC Indemnitee (as defined in the DHC Tax Sharing Agreement) pursuant to the terms of the DHC Tax Sharing Agreement.

"Disclosing Party" has the meaning set forth in Section 6.3.

"Discovery" means Discovery Communications, Inc., a Delaware corporation.

"Distributing" has the meaning set forth in the preamble hereof; *provided*, *however*, that with respect to any period (or portion thereof) ending prior to the Issue Effective Time, "Distributing" shall mean Liberty LLC (formerly known as, Liberty Media Corporation).

"Distributing Acquired Subsidiary" has the meaning set forth in Section 2.2(l).

"Distributing Business" means, (i) with respect to any Tax Year (or portion thereof) ending prior to the Issue Date, the assets, liabilities, and businesses of, and any equity or debt interests in, QVC, Inc., Provide Commerce, Inc., and each of their respective Subsidiaries; (ii) with respect to any Tax Year (or portion thereof) beginning on the Issue Date and ending at or before the Effective Time, the assets, liabilities and businesses that were tracked during such Tax Year (or portion thereof), and only for so long as so tracked, by the Liberty Interactive Common Stock (including any equity or debt interests in any entities so tracked); and (iii) with respect to any Tax Year (or portion thereof) beginning after the Effective Time, the assets, liabilities, and businesses of the Distributing Group during such Tax Year (or portion thereof).

"Distributing Consolidated Group" means a Consolidated Group of which Distributing is the common parent, within the meaning of Section 1504(a)(1) of the Code.

"Distributing Group" means, with respect to any Tax Year (or portion thereof) beginning after the Effective Time, Distributing and each Subsidiary of Distributing (but only while such Subsidiary is a Subsidiary of Distributing).

"Distributing Indemnitees" has the meaning set forth in Section 7.3.

"Distribution" has the meaning set forth in the recitals hereof.

"Distribution Date" means the date on which the Distribution occurs.

"DTV" means DIRECTV, a Delaware corporation.

"Due Date" has the meaning set forth in Section 4.4.

"Effective Time" means the time at which the Distribution is effected on the Distribution Date.

"Employing Party" means the Company whose Group includes any entity that is required under applicable Tax law to satisfy any Tax reporting obligations with respect to any employee, independent contractor or director compensation attributable to any Compensatory Equity Interests; *provided*, *however*, that if an entity in both Groups is permitted under applicable Tax Law to satisfy such Tax reporting obligations, then the Employing Party shall mean the Company to which the Taxes and Tax Items arising with respect to such employee, independent contractor or director compensation are allocated pursuant to Section 2.2(i).

"Final Determination" means a determination within the meaning of Section 1313 of the Code or any similar provision of state or local Tax Law.

"Group" means the Distributing Group or the Controlled Group, as the context requires.

"Interactive Entities" means any Person owned directly or indirectly by Distributing prior to the Distribution (other than Live Nation Entertainment, Inc.) that is or was tracked by the Liberty Interactive Common Stock at any time prior to the Distribution and any Person acquired directly or indirectly by Distributing following the Distribution.

"Interactive Pre-Distribution Acquired Subsidiaries" means BUYSEASONS, Inc., Backcountry.com, Inc., Bodybuilding.com, LLC, Celebrate Express, Inc., Celebrate Interactive, Inc., Lockerz, LLC, and each of their respective Subsidiaries.

"Interest Rate" means the Rate determined below, as adjusted as of each Interest Rate Determination Date. The "Rate," means, with respect to each period between two consecutive Interest Rate Determination Dates, a rate determined at approximately 11:00 a.m., London time, two London business days before the earlier Interest Rate Determination Date equal to the greater of: (x) the sum of (i) the six month dollar LIBOR rate as displayed on page "LR" of Bloomberg (or such other appropriate page as may replace such page), plus (ii) 2%, and (y) the interest rate that would be applicable at such time to a "large corporate underpayment" (within the meaning of Section 6621(c) of the Code) under Sections 6601 and 6621 of the Code. Interest will be calculated on the basis of a year of 365 days and the actual number of days for which due.

"Interest Rate Determination Date" means the Due Date and each March 31, June 30, September 30 and December 31 thereafter.

"IRS" means the Internal Revenue Service.

"IRS Submissions" means the Ruling Request, each supplemental submission and any other correspondence or supplemental materials submitted to the IRS in connection with obtaining the Ruling.

"Issue Date" means May 9, 2006.

"Issue Effective Time" means the time at which the Liberty Restructuring was effected on the Issue Date.

"issuing corporation" has the meaning set forth in Section 3.4(e).

"Joint Claim" means any pending or threatened Tax Contest, claim, action, suit, investigation or proceeding brought by a third party relating to (w) any Transaction Taxes or any Transaction Tax-Related Losses, (x) any LEI Transaction Taxes or any LEI Tax-Related Losses, (y) any News Transaction Taxes or any News Tax-Related Losses or (z) any Tracking Stock Taxes and Losses, in each case for which one Company is or may be indemnified by the other Company under Section 7.

"LEI" means Liberty Entertainment, Inc., a Delaware corporation.

"LEI IRS Submissions" means the LEI Ruling Request, each supplemental submission and any other correspondence or supplemental materials submitted to the IRS in connection with obtaining the LEI Ruling and any request, supplemental submission and any other correspondence or supplemental materials submitted to the IRS in connection with obtaining any private letter ruling which supplements or otherwise modifies the LEI Ruling.

"LEI Opinions" means (i) the opinion delivered by Skadden, Arps, Slate, Meagher & Flom LLP to Distributing in connection with the LEI Transaction to the effect that the LEI Transaction will qualify as a tax-free transaction described under Sections 368(a), 355 and 361 of the Code to Distributing and the holders of Liberty Starz Common Stock (except, in the case of the holders of Liberty Starz Common Stock, with respect to cash received in lieu of fractional shares) and (ii) the opinion delivered by Skadden, Arps, Slate, Meagher & Flom LLP to Distributing in connection with the Distribution to the effect that the Distribution will not affect the tax-free treatment under Sections 368(a), 355, and 361 of the Code of, and will not cause Section 355(e) of the Code to apply to, the LEI Transaction.

"LEI Ruling" means PLR 201004001 that was issued to Distributing on October 22, 2009.

"LEI Ruling Request" means the request for rulings, dated January 16, 2009, as amended on May 21, 2009, filed by Distributing with the IRS in connection with the LEI Transaction, as the same shall have been amended or supplemented.

"LEI Tax Materials" means (i) the LEI Ruling and any supplemental private letter ruling which supplements or otherwise modifies the LEI Ruling, (ii) each LEI IRS Submission, (iii) the representation letters delivered to Skadden, Arps, Slate, Meagher & Flom LLP in connection with the delivery of the LEI Opinions, and (iv) any other materials delivered by Distributing in connection with the rendering by Skadden, Arps, Slate, Meagher & Flom LLP of the LEI Opinions or the issuance by the IRS of the LEI Ruling.

"LEI Tax-Related Losses" mean any Losses resulting from the failure of the LEI Transaction to qualify (i) as a tax-free transaction described under Sections 368(a), 355 and 361 of the Code (except with respect to cash received in lieu of fractional shares), or (ii) in whole for nonrecognition of income, gain and loss for U.S. federal income tax purposes to Distributing, each of its Subsidiaries immediately prior to the LEI Transaction, and the holders of Liberty Starz Common Stock (except with respect to cash received in lieu of fractional shares).

"LEI Tax Sharing Agreement" means the Tax Sharing Agreement dated as of November 19, 2009, by and among Distributing and LEI, taken together with the Assumption and Joinder Agreement dated as of November 19, 2009, by and among Distributing, LEI and DTV.

"LEI Transaction" means the "Contribution" and the "Split-off," in each case as such terms are defined in the LEI Ruling.

"LEI Transaction Taxes" means any Taxes resulting from the LEI Transaction.

"LGI" means Liberty Global, Inc., a Delaware corporation.

"Liberty Capital Common Stock" means the Series A Liberty Capital common stock, par value $.01 per share, and the Series B Liberty Capital common stock, par value $.01 per share.

"Liberty Interactive Common Stock" means the Series A Liberty Interactive common stock, par value $.01 per share, the Series B Liberty Interactive common stock, par value $.01 per share, and if and when issued, the Series C Liberty Interactive common stock, par value $.01 per share, and any series or class of stock into which the Series A, Series B, or Series C Liberty Interactive common stock is redesignated, reclassified, converted or exchanged following the Effective Time.

"Liberty LLC" has the meaning set forth in the preamble hereof.

"Liberty Restructuring" means the transactions effected on the Issue Date pursuant to which Distributing became the publicly traded parent of Liberty LLC in a reorganization qualifying under Section 368(a)(l)(F) of the Code.

"Liberty Restructuring Opinion" means the tax opinion delivered by Baker Botts L.L.P. to Liberty LLC and Distributing in connection with the Liberty Restructuring.

"Liberty Starz Common Stock" means the Series A Liberty Starz common stock, par value $.01 per share, and the Series B Liberty Starz common stock, par value $.01 per share, and for any taxable periods (or portions thereof) prior to the Redesignation, the Series A Liberty Entertainment common stock, par value $.01 per share, and the Series B Liberty Entertainment common stock, par value $.01 per share.

"LMI" means Liberty Media International, Inc., a Delaware corporation.

"LMI Tax Sharing Agreement" means the Tax Sharing Agreement dated June 1, 2004, between Liberty LLC and LMI.

"LMI TSA Benefits" means any right to receive any payment (including any indemnification payment) from LMI or any member of the LMI Group (as defined in the LMI Tax Sharing Agreement) pursuant to the terms of the LMI Tax Sharing Agreement.

"LMI TSA Liabilities" means any obligation or liability to make any payment to LMI, any member of the LMI Group (as defined in the LMI Tax Sharing Agreement) or any LMI Indemnitee (as defined in the LMI Tax Sharing Agreement) pursuant to the terms of the LMI Tax Sharing Agreement.

"Losses" means any and all damages, losses, deficiencies, liabilities, obligations, penalties, judgments, settlements, claims, payments, fines, interest, costs and expenses (including, without limitation, the fees and expenses of any and all actions and demands, assessments, judgments, settlements and compromises relating thereto and the costs and expenses of attorneys', accountants', consultants' and other professionals' fees and expenses incurred in the investigation or defense thereof or the enforcement of rights hereunder); *provided, however*, that "Losses" shall exclude any special or punitive damages;*provided, further*, that the foregoing proviso will not be interpreted to limit indemnification for Losses incurred as a result of the assertion by a claimant (other than the parties hereto and their successors and assigns) in a third-party claim for special or punitive damages.

"News" means News Corporation, a Delaware corporation.

"News Distributions" means "Distribution 1," "Distribution 2," "Distribution 3," "Distribution 4," and "Distribution 5," in each case as defined in the News Rulings.

"News IRS Submissions" means the News Ruling Requests, each supplemental submission and any other correspondence or supplemental materials submitted to the IRS in connection with obtaining the News Rulings.

"News Opinions" means the tax opinion delivered by Baker Botts L.L.P. to Distributing, and the tax opinion delivered by Skadden, Arps, Slate, Meagher & Flom LLP to News, in connection with the News Transactions.

"News Ruling Requests" means the requests for rulings, dated February 26, 2007 and March 20, 2007, filed by News and Distributing with the IRS in connection with the News Transactions.

"News Rulings" means PLR 200812003 that was issued to News on September 25, 2007 and PLR 200812004 that was issued to Distributing on September 25, 2007.

"News Tax Materials" means (i) the News Rulings, (ii) each News IRS Submission, (iii) the representation letters delivered by Distributing to Baker Botts L.L.P. and Skadden, Arps, Slate, Meagher & Flom LLP in connection with the delivery of the News Opinions, and (iv) any other materials delivered by Distributing in connection with the rendering by Baker Botts L.L.P. and Skadden, Arps, Slate, Meagher & Flom LLP of the News Opinions or the issuance by the IRS of the News Rulings.

"News Tax-Related Losses" mean any Losses resulting from the failure of any of the News Transactions to qualify (i) as a tax-free transaction described under Sections 368(a), 355 and/or 361 of the Code, as applicable, or (ii) in whole for nonrecognition of income, gain and loss for U.S. federal income tax purposes to News and each of its Subsidiaries immediately prior to the News Transactions and to Distributing and each of its Subsidiaries on February 27, 2008.

"News Transactions" means "Contribution 1," "Contribution 2," and "Contribution 3," in each case as defined in the News Rulings, and each of the News Distributions.

"News Transaction Taxes" means any Taxes resulting from the News Transactions.

"Non-Preparer" means the Company that is not responsible for the preparation and filing of the Combined Return or Separate Return, as applicable, pursuant to Section 3.

"Payment Date" means (x) with respect to any U.S. federal income tax return, the due date for any required installment of estimated taxes determined under Section 6655 of the Code, the due date (determined without regard to extensions) for filing the return determined under Section 6072 of the Code, and the date the return is filed, and (y) with respect to any other Tax Return, the corresponding dates determined under the applicable Tax Law.

"Person" means any individual, corporation, company, partnership, trust, incorporated or unincorporated association, joint venture or other entity of any kind.

"Post-Distribution Period" means all taxable periods (or portions thereof) beginning after the Effective Time.

"Pre-Distribution Period" means all taxable periods (or portions thereof) ending before or at the Effective Time.

"Preparer" means the Company that is responsible for the preparation and filing of the Combined Return or Separate Return, as applicable, pursuant to Section 3.

"Receiving Party" has the meaning set forth in Section 6.3.

"Reclassification" means the reclassification of Distributing's outstanding stock that was effected on March 3, 2008.

"Reclassification Opinion" means the tax opinion delivered by Baker Botts L.L.P. to Distributing in connection with the Reclassification

"Redesignation" means the filing of Distributing's amended and restated certificate of incorporation on November 19, 2009 to, among other things, rename its "Entertainment Group" as the "Starz Group" and rename its "Series A Liberty Entertainment Common Stock" and "Series B Liberty Entertainment Common Stock" as its "Series A Liberty Starz Common Stock" and "Series B Liberty Starz Common Stock," respectively.

"Reorganization Agreement" means the Reorganization Agreement between Distributing and Controlled dated [ ].

"Requesting Party" has the meaning set forth in Section 5.2.

"Restructuring" has the meaning assigned to such term in the Reorganization Agreement.

"Ruling" means [PLR] that was issued to Distributing on [ ].

"Ruling Request" means the request for rulings, dated July 28, 2010, filed by Distributing with the IRS in connection with the Distribution, as the same shall have been amended or supplemented.

"Separate Return" means any Tax Return that is not a Combined Return.

"Subsidiary" when used with respect to any Person, means (i)(A) a corporation a majority in voting power of whose share capital or capital stock with voting power, under ordinary circumstances, to elect directors is at the time, directly or indirectly, owned by such Person, by one or more Subsidiaries of such Person, or by such Person and one or more Subsidiaries of such Person, whether or not such power is subject to a voting agreement or similar encumbrance, (B) a partnership or limited liability company in which such Person or a Subsidiary of such Person is, at the date of determination, (1) in the case of a partnership, a general partner of such partnership with the power affirmatively to direct the policies and management of such partnership or (2) in the case of a limited liability company, the managing member or, in the absence of a managing member, a member with the power affirmatively to direct the policies and management of such limited liability company, or (C) any other Person (other than a corporation) in which such Person, one or more Subsidiaries of such Person or such Person and one or more Subsidiaries of such Person, directly or indirectly, at the date of determination thereof, has or have (1) the power to elect or direct the election of a majority of the members of the governing body of such Person, whether or not such power is subject to a voting agreement or similar encumbrance, or (2) in the absence of such a governing body, at least a majority voting interest or (ii) any other Person of which an aggregate of 50% or more of the equity interests are, at the time, directly or indirectly, owned by such Person and/or one or more Subsidiaries of such Person. For purposes of the foregoing, neither IAC/InteractiveCorp nor Expedia, Inc. (nor any of their respective Subsidiaries) will be treated as Subsidiaries of Distributing or any member of the Distributing Group during any period (or portion thereof) if (i) such corporation would otherwise be a Subsidiary of Distributing solely as a result of Distributing and/or its Subsidiaries owning stock constituting a majority in voting power of the capital stock of such corporation, and (ii) the voting stock owned by Distributing and/or its Subsidiaries in such corporation is subject to a proxy in favor of Mr. Barry Diller to vote those shares during such period.

"Supplemental IRS Submissions" means any request for a Supplemental Ruling, each supplemental submission and any other correspondence or supplemental materials submitted to the IRS in connection with obtaining any Supplemental Ruling.

"Supplemental Ruling" means any private letter ruling obtained by Distributing or Controlled from the IRS which supplements or otherwise modifies the Ruling.

"Tax" or "Taxes" means any income, gross income, gross receipts, profits, capital stock, franchise, withholding, payroll, social security, workers compensation, employment, unemployment, Medicare, disability, property, ad valorem, stamp, excise, severance, occupation, service, sales, use, license, lease, transfer, import, export, value added, alternative minimum, estimated or other similar tax (including any fee, assessment, or other charge in the nature of or in lieu of any tax) imposed by any Tax Authority and any interest, penalties, additions to tax, or additional amounts in respect of the foregoing.

"Tax Authority" means, with respect to any Tax, the governmental entity or political subdivision, agency, commission or authority thereof that imposes such Tax, and the agency, commission or authority (if any) charged with the assessment, determination or collection of such Tax for such entity or subdivision.

"Tax Benefit" means a Tax Item which decreases the Tax liability of a taxpayer, including a Tax Refund.

"Tax Contest" means an audit, review, examination, or any other administrative or judicial proceeding with the purpose, potential or effect of redetermining Taxes of any member of either Group (including any administrative or judicial review of any claim for refund).

"Tax Counsel" means Baker Botts L.L.P.

"Tax Item" means, with respect to any Tax, any item of income, gain, loss, deduction, credit or other attribute that may have the effect of increasing or decreasing any Tax.

"Tax Law" means the law of any governmental entity or political subdivision thereof, and any controlling judicial or administrative interpretations of such law, relating to any Tax.

"Tax Materials" means (i) the Ruling and each Supplemental Ruling issued by the IRS in connection with the Distribution, (ii) each IRS Submission and Supplemental IRS Submission, (iii) the representation letters delivered to Tax Counsel in connection with the delivery of the Tax Opinion, and (iv) any other materials delivered or deliverable by Distributing, Controlled and others in connection with the rendering by Tax Counsel of the Tax Opinion or the issuance by the IRS of the Ruling and any Supplemental Ruling.

"Tax Matters Agreement" means the Tax Matters Agreement entered into as of December 22, 2006, by and among News and Distributing.

"Tax Opinion" means the opinion to be delivered by Tax Counsel to Distributing in connection with the Distribution, which will rely on the receipt and continued validity of the Ruling as to the matters covered by the Ruling, to the effect that (i) the Contribution and the Distribution will qualify as a tax-free transaction described under Sections 355 and 368(a)(1)(D) of the Code, (ii) for U.S. federal income tax purposes, (a) no gain or loss will be recognized by Distributing upon the distribution of Controlled Stock, and (b) no gain or loss will be recognized by, and no amount will be included in the income of, holders of Liberty Capital Common Stock and Liberty Starz Common Stock upon the receipt of Controlled Stock in the Distribution in exchange for their shares of Liberty Capital Common Stock and Liberty Starz Common Stock, (iii) the Controlled Stock issued in the Distribution will be treated as stock of Controlled for U.S. federal income tax purposes, and (iv) the Controlled stock issued in the Distribution will not constitute Section 306 stock within the meaning of Section 306(c) of the Code.

"Tax Records" means Tax Returns, Tax Return work papers, documentation relating to any Tax Contests, and any other books of account or records required to be maintained under applicable Tax Laws (including but not limited to Section 6001 of the Code) or under any record retention agreement with any Tax Authority.

"Tax Refund" means a refund of Taxes previously paid and any overpayment interest within the meaning of Section 6611 of the Code or any similar provision under applicable Tax Law (whether paid by way of a refund or credited against any liability for related Taxes).

"Tax Return" means any report of Taxes due, any claims for refund of Taxes paid, any information return with respect to Taxes, or any other similar report, statement, declaration, or document filed or required to be filed (by paper, electronically or otherwise) under any applicable Tax Law, including any attachments, exhibits, or other materials submitted with any of the foregoing, and including any amendments or supplements to any of the foregoing.

"Tax Year" means, with respect to any Tax, the year, or shorter period, if applicable, for which the Tax is reported as provided under applicable Tax Law.

"Tracking Stock Tax Materials" means (i) the representation letter delivered by Liberty LLC and Distributing to Baker Botts L.L.P. in connection with the Liberty Restructuring Opinion, (ii) the representation letter delivered by Distributing to Baker Botts L.L.P. in connection with the Reclassification Opinion, and (iii) any other materials delivered by Distributing or Liberty LLC in connection with the rendering by Baker Botts L.L.P. of the Liberty Restructuring Opinion or the Reclassification Opinion.

"Tracking Stock Taxes and Losses" means any Taxes and Losses resulting from (i) the treatment of the Liberty Interactive Common Stock, the Liberty Capital Common Stock, or the Liberty Starz Common Stock as other than stock of Distributing, or as Section 306 stock within the meaning of Section 306(c) of the Code, for any Pre-Distribution Period, (ii) the actual or deemed disposition of any assets caused by the issuance of the Liberty Interactive Common Stock, the Liberty Capital Common Stock, or the Liberty Starz Common Stock for any Pre-Distribution Period, (iii) the treatment of the Controlled Stock as other than stock of Controlled, or as Section 306 stock within the meaning of Section 306(c) of the Code, or (iv) the actual or deemed disposition of any assets caused by the issuance of the Controlled Stock.

"Transaction Taxes" means any Taxes resulting from the Contribution and the Distribution, other than (i) Transfer Taxes, and (ii) any Taxes attributable to "deferred intercompany transactions" or "excess loss accounts" (as those terms are defined by Treasury Regulations) that are triggered as a result of the Contribution and the Distribution.

"Transaction Tax-Related Losses" means any Losses resulting from the Contribution and the Distribution as a result of (i) the failure of the Contribution and Distribution to qualify as a tax-free transaction described under Sections 368(a), 355 and 361 of the Code; (ii) the failure of the Contribution and Distribution to qualify in whole for nonrecognition of income, gain and loss for U.S. federal income tax purposes to Distributing, Controlled, each of their respective Subsidiaries at the Effective Time, and the holders of Liberty Capital Common Stock and Liberty Starz Common Stock that receive stock of Controlled in the Distribution; (iii) the Controlled Stock not being treated as stock of Controlled, or being treated as Section 306 stock within the meaning of Section 306(c) of the Code, for U.S. federal income tax purposes, or (iv) the Liberty Interactive Common Stock, the Liberty Capital Common Stock or the Liberty Starz Common Stock not being treated as stock of Distributing, or being treated as Section 306 stock within the meaning of Section 306(c) of the Code, for U.S. federal income tax purposes. For the avoidance of doubt, "Transaction Tax-Related Losses" shall not include any (i) Transfer Taxes, or (ii) any Taxes attributable to "deferred intercompany transactions" or "excess loss accounts" (as those terms are defined by Treasury Regulations) that are triggered as a result of the Contribution and the Distribution.

"Transfer Taxes" means all U.S. federal, state, local or foreign sales, use, privilege, transfer, documentary, gains, stamp, duties, recording, and similar Taxes and fees (including any penalties, interest or additions thereto) imposed upon any party hereto or any of its Affiliates in connection with the Restructuring or the Distribution.

"Treasury Regulations" means the regulations promulgated from time to time under the Code as in effect for the relevant Tax Year.

SECTION 2. Allocation of Tax Liabilities, Tax Benefits and Certain Losses.

2.1 *Liability for and the Payment of Taxes.* Except as provided in Section 3.4(e) (Withholding and Reporting) and Section 7.5 (Notices) and in accordance with Section 4:

(a) *Distributing Liabilities and Payments.* For any Tax Year (or portion thereof), Distributing shall (i) be liable for the Taxes (determined without regard to Tax Benefits) allocated to it by this Section 2, reduced by any Tax Benefits allocated to Distributing or Controlled that are allowable under applicable Tax Law to reduce such Taxes, (ii) pay such Taxes, as so reduced, either to the applicable Tax Authority or to Controlled as required by Section 4, and (iii) pay Controlled for any Tax Benefits allocated to Controlled by this Section 2 that Distributing uses to reduce Taxes payable by it pursuant to clause (ii) of this Section 2.1(a).

(b) *Controlled Liabilities and Payments.* For any Tax Year (or portion thereof), Controlled shall (i) be liable for the Taxes (determined without regard to Tax Benefits) allocated to it by this Section 2, reduced by any Tax Benefits allocated to Distributing or Controlled that are allowable under applicable Tax Law to reduce such Taxes, (ii) pay such Taxes, as so reduced, either to the applicable Tax Authority or to Distributing as required by Section 4, and (iii) pay Distributing for any Tax Benefits allocated to Distributing by this Section 2 that Controlled uses to reduce Taxes payable by it pursuant to clause (ii) of this Section 2.1(b).

(c) *Use of Tax Benefits.* For purposes of Section 2.1(a)(i), (x) Distributing shall reduce Taxes allocated to it with any Tax Benefits allocated to Distributing that are allowable under applicable Tax Law in the same Tax Year prior to reducing such Taxes with any Tax Benefits allocated to Controlled, and (y) Distributing shall reduce Taxes allocated to it by Tax Benefits allocated to Controlled only to the extent such Tax Benefits are not taken into account by Controlled pursuant to Section 2.1(b)(i) in the same Tax Year. For purposes of Section 2.1(b)(i), (x) Controlled shall reduce Taxes allocated to it with any Tax Benefits allocated to Controlled that are allowable under applicable Tax Law in the same Tax Year prior to reducing such Taxes with any Tax Benefits allocated to Distributing, and (y) Controlled shall reduce Taxes allocated to it by Tax Benefits allocated to Distributing only to the extent such Tax Benefits are not taken into account by Distributing pursuant to Section 2.1(a)(i) in the same Tax Year.

2.2 *Allocation Rules.* For purposes of Section 2.1:

(a) *General Rule.* Except as otherwise provided in this Section 2.2, Taxes (determined without regard to Tax Benefits) for any Tax Year (or portion thereof) shall be allocated between Controlled and Distributing in proportion to the taxable income or other applicable items attributable to or arising from the respective Controlled Business and Distributing Business (as so defined for such Tax Year or portion thereof) that contribute to such Taxes, and Tax Benefits for any Tax Year (or portion thereof) shall be allocated between Controlled and Distributing in proportion to the losses, credits, or other applicable items attributable to or arising from the respective Controlled Business and Distributing Business (as so defined for such Tax Year or portion thereof) that contribute to such Tax Benefits.

(b) *Transaction Taxes and Transaction Tax-Related Losses.*

(i) Distributing shall be allocated all Transaction Taxes and Transaction Tax-Related Losses other than any Transaction Taxes and Transaction Tax-Related Losses allocated to Controlled pursuant to clause (ii) of this Section 2.2(b).

(ii) Controlled shall be allocated any Transaction Taxes and Transaction Tax-Related Losses that (w) result primarily from, individually or in the aggregate, any breach by Controlled of any of its covenants set forth in Section 7.1 hereof, (x) result from the Controlled Stock not being treated as stock of Controlled, or being treated as Section 306 stock within the meaning of Section 306(c) of the Code, for U.S. federal income tax purposes, (y) result from the Liberty Interactive Common Stock, the Liberty Capital Common Stock or the Liberty Starz Common Stock not being treated as stock of Distributing, or being treated as Section 306 stock within the meaning of Section 306(c) of the Code, for U.S. federal income tax purposes, or (z) result from a Controlled Section 355(e) Event; *provided*, *however*, that Controlled shall not be allocated any Transaction Taxes and Transaction Tax-Related Losses pursuant to clause (x) or (y) of this Section 2.2(b)(ii) to the extent that such Transaction Taxes or Transaction Tax-Related Losses result primarily from, individually or in the aggregate, any breach by Distributing of any of its covenants set forth in Section 7.1 hereof.

(c) *LEI Transaction Taxes and LEI Tax-Related Losses.*

(i) Controlled shall be allocated all LEI Transaction Taxes and LEI Tax-Related Losses other than any LEI Transaction Taxes and LEI Tax-Related Losses allocated to Distributing pursuant to clause (ii) of this Section 2.2(c).

(ii) Distributing shall be allocated any LEI Transaction Taxes and LEI Tax-Related Losses that result primarily from, individually or in the aggregate, any breach by Distributing of any of its covenants set forth in Section 7.1 hereof.

(d) *Taxes Resulting from the News Transactions.*

(i) Controlled shall be allocated all News Transaction Taxes and News Tax-Related Losses other than any News Transaction Taxes and News Tax-Related Losses allocated to Distributing pursuant to clause (ii) of this Section 2.2(d).

(ii) Distributing shall be allocated any News Transaction Taxes and News Tax-Related Losses that result primarily from, individually or in the aggregate, any breach by Distributing of any of its covenants set forth in Section 7.1 hereof.

(e) *Taxes and Losses with Respect to Tracking Stock.*

(i) Controlled shall be allocated all Tracking Stock Taxes and Losses other than any Tracking Stock Taxes and Losses allocated to Distributing pursuant to clause (ii) of this Section 2.2(e).

(ii) Distributing shall be allocated any Tracking Stock Taxes and Losses that (x) result primarily from, individually or in the aggregate, any breach by Distributing of any of its covenants set forth in Section 7.1 hereof, or (y) result from "deferred intercompany transactions" or "excess loss accounts" (as those terms are defined by Treasury Regulations) that are triggered by the actual or deemed disposition of any assets referred to in clause (ii) or (iv) of the definition of "Tracking Stock Taxes and Losses" and would otherwise be allocated to Distributing, but for clause (i) of this Section 2.2(e).

(f) *Carryovers or Carrybacks of Tax Benefits.* If any Tax Item allocable to the Controlled Business in a Tax Year is carried forward or back and utilized as a Tax Benefit in another Tax Year, then, except as provided in Section 2.2(g), the resulting Tax Benefit shall be allocated to Controlled. If any Tax Item allocable to the Distributing Business in a Tax Year is carried forward or back and utilized as a Tax Benefit in another Tax Year, the resulting Tax Benefit shall be allocated to Distributing.

(g) *Controlled Carrybacks from Post-Distribution Period.* If, pursuant to Section 3.4(d), any Tax Item allocable to Controlled in a Tax Year beginning in the Post-Distribution Period is carried back and generates a Tax Benefit on a Combined Return filed with respect to a Tax Year beginning in the Pre-Distribution Period, then, notwithstanding Section 2.2(f), any resulting Tax Benefit shall be allocated to Distributing to the extent, if any, that the carryback of such Tax Item increases the Taxes otherwise allocable to Distributing or reduces the amount of Tax Benefits allocable to Distributing that otherwise could be used with respect to such Tax Year.

(h) *COD Income.* Distributing shall be allocated all Taxes and Tax Items resulting from an aggregate of approximately $846.2 million in net taxable income to be recognized ratably in Tax Years 2014 through 2018 for U.S. federal income tax purposes as a result of the cancellation in April 2009 of $400 million in principal amount of the 2029 Exchangeables and $350 million in principal amount of the 2030 Exchangeables and the cancellation in March 2009 of $10 million in principal amount of the 2031 Exchangeables.

(i) *Employee Compensation and Employee Benefits.*

(i) *Pre-Distribution Period.* For any Pre-Distribution Period: (x) Taxes and Tax Items arising from the issuance, vesting, exercise or settlement of any Compensatory Equity Interests with respect to any series of Liberty Interactive Common Stock or in any Interactive Entity shall be allocated to Distributing; (y) Taxes and Tax Items arising from the issuance, vesting, exercise or settlement of any Compensatory Equity Interests with respect to any class or series of Distributing stock (other than any series of Liberty Interactive Common Stock) or in any Person (including DTV, Discovery, LGI, and Ascent) other than Distributing or any Interactive Entity shall be allocated to Controlled, and (z) any other Taxes or Tax Items related to employee, independent contractor or director compensation or employee benefits shall be allocated to Distributing to the extent that the Distributing Business is or was responsible for the underlying obligation and to Controlled to the extent that the Controlled Business is or was responsible for the underlying obligation.

(ii) *Post-Distribution Period.* For any Post-Distribution Period: (x) Taxes and Tax Items arising from the issuance, vesting, exercise or settlement of any Compensatory Equity Interests with respect to any class or series of Distributing stock or in any Interactive Entity shall be allocated to Distributing; (y) Taxes and Tax Items arising from the issuance, vesting, exercise or settlement of any Compensatory Equity Interests with respect to any class or series of Controlled stock or in any Person (including DTV, Discovery, LGI, and Ascent) other than Distributing or any Interactive Entity shall be allocated to Controlled, and (z) any other Taxes or Tax Items related to employee, independent contractor or director compensation or employee benefits shall be allocated to Distributing to the extent that the Distributing Business is or was responsible for the underlying obligation and to Controlled to the extent that the Controlled Business is or was responsible for the underlying obligation.

(j) *Alternative Minimum Tax Credit.* Any credit arising in any Tax Year (or portion thereof) from the payment of any alternative minimum consolidated federal tax liability on any Combined Return shall be allocated between Distributing and Controlled in a manner that offsets the excess of the net payment or payments previously made by each Company pursuant to this Agreement in respect of such Combined Return over the net payment or payments that would have been made by such Company pursuant to this Agreement in respect of such Combined Return if no alternative minimum consolidated federal tax liability had been owed with respect to such Combined Return. For purposes of this Section 2.2(j), net payments received shall be treated as a negative amount of net payments made.

(k) *Interactive Pre-Distribution Acquired Subsidiaries.* Taxes and Tax Items of each Interactive Pre-Distribution Acquired Subsidiary for any Tax Year (or portion thereof) ending on or prior to the date such entity was acquired, directly or indirectly, by Distributing shall be allocated to Distributing.

(l) *Acquired Subsidiaries.* If any Person becomes a Subsidiary of any member of the Controlled Group in any transaction after the Distribution (and such Person was not a member of the Controlled Group or the Distributing Group prior to such transaction) (a "Controlled Acquired Subsidiary"), then any Taxes and Tax Items of such Controlled Acquired Subsidiary for any Tax Year (or portion thereof) ending on or prior to the date of such transaction shall be allocated to Controlled. If any Person becomes a Subsidiary of any member of the Distributing Group in any transaction after the Distribution (and such Person was not a member of the Controlled Group or the Distributing Group prior to such transaction) (a "Distributing Acquired Subsidiary"), then any Taxes and Tax Items of such Distributing Acquired Subsidiary for any Tax Year (or portion thereof) ending on or prior to the date of such transaction shall be allocated to Distributing.

(m) *Transfer Taxes.* All Transfer Taxes shall be allocated 50% to Distributing and 50% to Controlled.

(n) *Certain Pre-Existing Tax Sharing Agreements.* Controlled shall be allocated all Taxes, Tax Items, Losses and payments attributable to any AT&T TSA Liabilities, DHC TSA Liabilities and LMI TSA Liabilities, and Controlled shall be allocated all AT&T TSA Benefits, DHC TSA Benefits and LMI TSA Benefits and any Taxes and Tax Items arising therefrom.

SECTION 3. Preparation and Filing of Tax Returns.

3.1 *Combined Returns.* Except as otherwise provided in this Section 3:

(a) *Preparation of Combined Returns.* Distributing shall be responsible for preparing and filing (or causing to be prepared and filed) all Combined Returns for any Tax Year.

3.2 *Separate Returns.* Except as otherwise provided in this Section 3:

(a) *Tax Returns to be Prepared by Distributing.* Distributing shall be responsible for preparing and filing (or causing to be prepared and filed) (i) all Separate Returns for a Tax Year beginning on or before the Distribution Date that include Tax Items of the Distributing Business, determined in accordance with the allocation rules of Section 2.2, and (ii) all Separate Returns for a Tax Year beginning after the Distribution Date that include one or more members of the Distributing Group.

(b) *Tax Returns to be Prepared by Controlled.* Controlled shall be responsible for preparing and filing (or causing to be prepared and filed) (i) all Separate Returns for a Tax Year beginning on or before the Distribution Date that include Tax Items of the Controlled Business, determined in accordance with the allocation rules of Section 2.2, and (ii) all Separate Returns for a Tax Year beginning after the Distribution Date that include one or more members of the Controlled Group.

3.3 *Provision of Information.*

(a) Distributing shall provide to Controlled, and Controlled shall provide to Distributing, any information about members of the Distributing Group or the Controlled Group, respectively, that the Preparer needs to determine the amount of Taxes due on any Payment Date with respect to a Tax Return for which the Preparer is responsible pursuant to Section 3.1 or 3.2 and to properly and timely file all such Tax Returns.

(b) If a member of the Controlled Group supplies information to a member of the Distributing Group, or a member of the Distributing Group supplies information to a member of the Controlled Group, and an officer of the requesting member intends to sign a statement or other document under penalties of perjury in reliance upon the accuracy of such information, then a duly authorized officer of the member supplying such information shall certify, to the best of such officer's knowledge, the accuracy of the information so supplied.

3.4 *Special Rules Relating to the Preparation of Tax Returns.*

(a) *General Rule.* Except as otherwise provided in this Agreement, the Company responsible for filing (or causing to be filed) a Tax Return pursuant to Sections 3.1 or 3.2 shall have the exclusive right, in its sole discretion, with respect to such Tax Return to determine (i) the manner in which such Tax Return shall be prepared and filed, including the elections, methods of accounting, positions, conventions and principles of taxation to be used and the manner in which any Tax Item shall be reported, (ii) whether any extensions may be requested, (iii) whether an amended Tax Return shall be filed, (iv) whether any claims for refund shall be made, (v) whether any refunds shall be paid by way of refund or credited against any liability for the related Tax and (vi) whether to retain outside firms to prepare or review such Tax Return.

(b) *Controlled Tax Returns.* With respect to any Separate Return for which Controlled is responsible pursuant to Section 3.2(b):

(i) Controlled may not take (and shall cause the members of the Controlled Group not to take) any positions that it knows, or reasonably should know, would adversely affect any member of the Distributing Group, except to the extent that the failure to take such position would be contrary to applicable Tax Law; and Controlled and the other members of the Controlled Group must (x) allocate Tax Items between such Separate Return for which Controlled is responsible and any related Combined Return for which Distributing is responsible that is filed with respect to the same Tax Year in a manner that is consistent with the reporting of such Tax Items on such related Combined Return and (y) make any applicable elections required under applicable Tax Law (including, without limitation, under Treasury Regulations Section 1.1502-76(b)(2)), necessary to effect such allocation.

(c) *Election to File Consolidated, Combined or Unitary Tax Returns.* Distributing shall have the sole discretion of filing any Tax Return on a consolidated, combined or unitary basis, if such Tax Return would include at least one member of each Group and the filing of such Tax Return is elective under applicable Tax Law.

(d) *Filing Claims for Carrybacks.* If a Tax Item allocable to Controlled is carried back from a Tax Year beginning in the Post-Distribution Period and generates a Tax Benefit on a Combined Return filed with respect to a Tax Year beginning in the Pre-Distribution Period, then, upon the request of Controlled, Distributing may, in its sole discretion, file a claim for refund arising from such Tax Benefit. Any resulting Tax Benefit shall be allocated to Controlled pursuant to Section 2.2(f), except as otherwise provided by Section 2.2(g).

(e) *Withholding and Reporting.* Following the Effective Time, in the event any Compensatory Equity Interests are settled (whether by issuance, exercise, vesting or otherwise) by the corporation that is the issuer or obligor under the Compensatory Equity Interest (the "issuing corporation") or by another member of the Group to which the issuing corporation belongs, and the issuing corporation is not a member of the same Group as the Employing Party, the Company whose Group includes the issuing corporation shall promptly remit to the Employing Party an amount of cash equal to the amount required to be withheld in respect of any withholding Taxes, and in the application of this Agreement, the Employing Party shall not be liable for such withholding Taxes or for failure to remit to the applicable Tax Authority any amount required to have been withheld from the recipient of the Compensatory Equity Interest in connection with such issuance, exercise, vesting or settlement, except to the extent that the Company whose Group includes the issuing corporation shall have remitted such amount to the Employing Party or to the applicable Tax Authority. Distributing shall promptly notify Controlled, and Controlled shall promptly notify Distributing, regarding the exercise of any option or the issuance, vesting, exercise or settlement of any other Compensatory Equity Interest to the extent that, as a result of such issuance, exercise, vesting or settlement, any other party may be entitled to a Tax Benefit or required to pay any Tax, or such information otherwise may be relevant to the preparation of any Tax Return or payment of any Tax by such other party or parties.

SECTION 4. Tax Payments.

4.1 *Payment of Taxes to Tax Authority.* Distributing shall be responsible for remitting to the proper Tax Authority the Tax shown on any Tax Return for which it is responsible for the preparation and filing pursuant to Section 3.1(a) or Section 3.2(a), and Controlled shall be responsible for remitting to the proper Tax Authority the Tax shown on any Tax Return for which it is responsible for the preparation and filing pursuant to Section 3.2(b).

4.2 *Indemnification Payments.*

(a) *Tax Payments Made by the Distributing Group.* If any member of the Distributing Group is required to make a payment to a Tax Authority for Taxes allocated to Controlled under this Agreement, Controlled shall pay the amount of Taxes allocated to it to Distributing not later than the later of (i) five business days after receiving notification requesting such amount, and (ii) one business day prior to the date such payment is required to be made to such Tax Authority.

(b) *Tax Payments Made by the Controlled Group.* If any member of the Controlled Group is required to make a payment to a Tax Authority for Taxes allocated to Distributing under this Agreement, Distributing shall pay the amount of Taxes allocated to it to Controlled not later than the later of (i) five business days after receiving notification requesting such amount, and (ii) one business day prior to the date such payment is required to be made to such Tax Authority.

4.3 *Payments for Tax Refunds and Tax Benefits.*

(a) *Tax Refund or Tax Benefit Received by Distributing Group.* If a member of the Distributing Group receives a Tax Refund with respect to Taxes for which Controlled is liable hereunder or uses a Tax Benefit for which Controlled is entitled to reimbursement pursuant to clause (ii) of Section 2.1(a), Distributing shall pay to Controlled, within five business days following the receipt of the Tax Refund or the use of such Tax Benefit, an amount equal to such Tax Refund or Tax Benefit.

(b) *Tax Refund or Tax Benefit Received by Controlled Group.* If a member of the Controlled Group receives a Tax Refund with respect to Taxes for which Distributing is liable hereunder or uses a Tax Benefit for which Distributing is entitled to reimbursement pursuant to clause (ii) of Section 2.1(b), Controlled shall pay to Distributing, within five business days following the receipt of the Tax Refund or the use of such Tax Benefit, an amount equal to such Tax Refund or Tax Benefit.

(c) *Rules Regarding Tax Benefits.* For purposes of this Agreement, a Tax Benefit (other than a Tax Refund) shall be considered used or received (i) at the time the Tax Return is filed with respect to such Tax Benefit, or (ii) if no Tax Return is filed, (x) at the time a Tax Refund generated by use of such Tax Benefit is received or (y) if no Tax Refund is received, at the time the Tax would have been due in the absence of such Tax Benefit. The amount of such Tax Benefit shall be the amount by which Taxes are actually reduced by such Tax Benefit.

4.4 *Interest on Late Payments.* Payments pursuant to this Agreement that are not made by the date prescribed in this Agreement or, if no such date is prescribed, not later than five business days after demand for payment is made (the "Due Date") shall bear interest for the period from and including the date immediately following the Due Date through and including the date of payment at the Interest Rate. Such interest will be payable at the same time as the payment to which it relates.

4.5 *Initial Determinations and Subsequent Adjustments.* The initial determination of the amount of any payment that one Company is required to make to another under this Agreement shall be made on the basis of the Tax Return as filed, or, if the Tax to which the payment relates is not reported in a Tax Return, on the basis of the amount of Tax initially paid to the Tax Authority. The amounts paid under this Agreement shall be redetermined, and additional payments relating to such redetermination shall be made, as appropriate, if as a result of an audit by a Tax Authority or for any other reason (w) additional Taxes to which such determination relates are subsequently paid, (x) a Tax Refund or a Tax Benefit relating to such Taxes is received or used, (y) the amount or character of any Tax Item is adjusted or redetermined, or (z) a Tax Benefit allocable to Distributing that is reduced in one Tax Year by reason of the carryback of a Tax Item allocable to the Controlled Business, resulting in an allocation to Distributing of a Tax Benefit pursuant to Section 2.2(g), is used by Distributing in a subsequent Tax Year. Each payment required by the immediately preceding sentence (i) as a result of a payment of additional Taxes will be due five business days after the date on which the additional Taxes were paid or, if later, five business days after the date of a request from the other Company for the payment, (ii) as a result of the receipt or use of a Tax Refund or Tax Benefit will be due five business days after the Tax Refund or Tax Benefit was received or used, or (iii) as a result of an adjustment or redetermination of the amount or character of a Tax Item will be due five business days after the date on which the final action resulting in such adjustment or redetermination is taken by a Tax Authority or either Company or any of their Subsidiaries. If a payment is made as a result of an audit by a Tax Authority which does not conclude the matter, further adjusting payments will be made, as appropriate, to reflect the outcome of subsequent administrative or judicial proceedings.

4.6 *Tax Consequences of Payments.* For all Tax purposes and to the extent permitted by applicable Tax Law, the parties hereto shall treat any payment made pursuant to this Agreement as a capital contribution or a distribution between Distributing and Controlled, as the case may be, immediately prior to the Distribution. If the receipt or accrual of any payment under this Agreement causes, directly or indirectly, an increase in the taxable income of the recipient under one or more applicable Tax Laws, such payment shall be increased so that, after the payment of any Taxes with respect to the payment, the recipient thereof shall have realized the same net amount it would have realized had the payment not resulted in taxable income. To the extent that Taxes for which any party hereto (the indemnifying party) is required to pay another party (the indemnified party) pursuant to this Agreement may be deducted or credited in determining the amount of any other Taxes required to be paid by the indemnified party (for example, state Taxes which are permitted to be deducted in determining federal Taxes), the amount of any payment made to the indemnified party by the indemnifying party shall be decreased by taking into account any resulting reduction in other Taxes of the indemnified party. If such a reduction in Taxes of the indemnified party occurs following the payment made to the indemnified Party with respect to the relevant indemnified Taxes, the indemnified party shall promptly repay the indemnifying party the amount of such reduction when actually realized. If the Tax Benefit arising from the foregoing reduction of Taxes described in this Section 4.6 is subsequently decreased or eliminated, then the indemnifying party shall promptly pay the indemnified party the amount of the decrease in such Tax Benefit.

SECTION 5. Assistance and Cooperation.

5.1 *Cooperation.* In addition to the obligations enumerated in Sections 3.3 and 7.7, Distributing and Controlled shall cooperate (and shall cause their respective Subsidiaries and Affiliates to cooperate) with each other and with each other's agents, including accounting firms and legal counsel, in connection with Tax matters, including provision of relevant documents and information in their possession and making available to each other, as reasonably requested and available, personnel (including officers, directors, employees and agents of the parties or their respective Subsidiaries or Affiliates) responsible for preparing, maintaining, and interpreting information and documents relevant to Taxes, and personnel reasonably required as witnesses or for purposes of providing information or documents in connection with any administrative or judicial proceedings relating to Taxes.

5.2 *Supplemental Rulings.*

(a) Each of the Companies agrees that, at the reasonable request of the other Company (the "Requesting Party"), each Company shall (and shall cause their respective Subsidiaries and Affiliates to) cooperate and use reasonable best efforts to obtain, as expeditiously as reasonably practicable, a Supplemental Ruling from the IRS. The Requesting Party shall reimburse the other parties for all reasonable out-of-pocket costs and expenses incurred by such parties or their Subsidiaries or Affiliates in connection with obtaining or requesting such Supplemental Ruling within five business days after receiving an invoice from such party therefor.

(b) Distributing shall provide Controlled with a reasonable opportunity to review and comment on each Supplemental IRS Submission to be filed by Distributing prior to the filing of such Supplemental IRS Submission with the IRS, and Controlled shall provide Distributing with a reasonable opportunity to review and comment on each Supplemental IRS Submission to be filed by Controlled prior to the filing of such Supplemental IRS Submission with the IRS. No Supplemental IRS Submission shall be filed by Controlled with the IRS unless, prior to such filing Distributing shall have agreed as to the contents of such Supplemental IRS Submission to the extent that the Supplemental IRS Submission (i) includes statements or representations relating to facts that are or will be under the control of any member of the Distributing Group or any of its Affiliates or (ii) is relevant to, or creates, any actual or potential obligations of, or limitations on, any member of the Distributing Group or any of their Affiliates; *provided, however*, that if the IRS requests same-day filing of a Supplemental IRS Submission that does not include any material issue or statement, then Controlled is required only to make a good faith effort to notify Distributing's representatives and to give such representatives an opportunity to review and comment on such Supplemental IRS Submission prior to filing it with the IRS. No Supplemental IRS Submission shall be filed by Distributing with the IRS unless, prior to the filing, Controlled shall have agreed as to the contents of such Supplemental IRS Submission to the extent that the Supplemental IRS Submission (i) includes statements or representations relating to facts that are or will be under the control of any member of the Controlled Group or any of its Affiliates or (ii) is relevant to, or creates, any actual or potential obligations of, or limitations on, any member of the Controlled Group or any of their Affiliates; *provided, however*, that if the IRS requests same-day filing of a Supplemental IRS Submission that does not include any material issue or statement, then Distributing is required only to make a good faith effort to notify Controlled's representatives and to give such representatives an opportunity to review and comment on such Supplemental IRS Submission prior to filing it with the IRS. Prior to filing any Supplemental IRS Submission that includes any material issue or statement, each Company shall represent to the other Company that (i) it has reviewed the Supplemental IRS Submission, and (ii) all information and representations, if any, relating to such Company, each member of its Group, and their respective Affiliates that are contained in the Supplemental IRS Submission are true, correct and complete in all material respects. Each Company (or its representatives) shall provide the other Company (or its representatives) with copies of each Supplemental IRS Submission filed with the IRS promptly following the filing thereof.

(c) Neither Company nor its representatives shall conduct any substantive communications with the IRS regarding any material issue arising with respect to any Supplemental Ruling, including meetings or conferences with IRS personnel, whether telephonically, in person or otherwise, without first notifying the other Company (or its representatives) and giving the other Company (or its representatives) a reasonable opportunity to participate, and a reasonable number of such Company's representatives shall have an opportunity to participate in all conferences or meetings with IRS personnel that take place in person, regardless of the nature of the issues expected to be discussed; *provided, however*, that in the case of communications concerning a Supplemental Ruling that occur during an unscheduled conference initiated by the IRS or a conference initiated by a Company or its representatives for a purpose unrelated to a Supplemental Ruling in connection with which it is not reasonably practicable to provide to the other Company or its representatives advance notice and an opportunity to participate, such Company (or its representatives) shall promptly update the other Company and its representatives as to the content of such communications. Each Company shall promptly provide the other Company (or its representatives) with copies of any correspondence received by such Company (or its representatives) from the IRS relating to any Supplemental Ruling.

SECTION 6. Tax Records.

6.1 *Retention of Tax Records.* Each of Distributing and Controlled shall preserve, and shall cause their respective Subsidiaries to preserve, all Tax Records that are in their possession, and that could affect the liability of any member of the other Group for Taxes, for as long as the contents thereof may become material in the administration of any matter under applicable Tax Law, but in any event until the later of (x) the expiration of any applicable statutes of limitation, as extended, and (y) seven years after the Distribution Date.

6.2 *Access to Tax Records.* Controlled shall make available, and cause its Subsidiaries to make available, to members of the Distributing Group for inspection and copying (x) all Tax Records in their possession that relate to a Pre-Distribution Period, and (y) the portion of any Tax Record in their possession that relates to a Post-Distribution Period and which is reasonably necessary for the preparation of a Tax Return by a member of the Distributing Group or any of their Affiliates or with respect to any audit, litigation or other proceeding by a Tax Authority relating to such return. Distributing shall make available, and cause its Subsidiaries to make available, to members of the Controlled Group for inspection and copying the portion of any Tax Record in their possession that relates to a Pre-Distribution Period and which is reasonably necessary for the preparation of a Tax Return by a member of the Controlled Group or any of their Affiliates or with respect to any audit, litigation or other proceeding by a Tax Authority relating to such return.

6.3 *Confidentiality.* Each party hereby agrees that it will hold, and shall use its reasonable best efforts to cause its officers, directors, employees, accountants, counsel, consultants, advisors and agents to hold, in confidence all records and information prepared and shared by and among the parties in carrying out the intent of this Agreement, except as may otherwise be necessary in connection with the filing of Tax Returns or any administrative or judicial proceedings relating to Taxes or unless disclosure is compelled by a governmental authority. Information and documents of one party (the "Disclosing Party") shall not be deemed to be confidential for purposes of this Section 6.3 to the extent such information or document (i) is previously known to or in the possession of the other party or parties (the "Receiving Party") and is not otherwise subject to a requirement to be kept confidential, (ii) becomes publicly available by means other than unauthorized disclosure under this Agreement by the Receiving Party or (iii) is received from a third party without, to the knowledge of the Receiving Party after reasonable diligence, a duty of confidentiality owed to the Disclosing Party.

6.4 *Delivery of Tax Records.* On or before the Distribution Date, Distributing shall provide to Controlled (to the extent not previously provided or held by any member of the Controlled Group on the Distribution Date) copies of (i) the Separate Returns of any member of the Controlled Group, (ii) the relevant portions of any other Tax Returns with respect to any member of the Controlled Group, and (iii) other existing Tax Records (or the relevant portions thereof) reasonably necessary to prepare and file any Tax Returns of, or with respect to, the members of the Controlled Group, or to defend or contest Tax matters relevant to the members of the Controlled Group, including in each case, all Tax Records related to Tax attributes of the members of the Controlled Group and any and all communications or agreements with, or rulings by, any Tax Authority with respect to any member of the Controlled Group.

SECTION 7. Restrictions on Certain Actions of Distributing and Controlled; Indemnity.

7.1 *Restrictive Covenants.*

(a) *General Restrictions.* Following the Effective Time, Controlled shall not, and shall cause the members of the Controlled Group and their Affiliates not to, and Distributing shall not, and shall cause the members of the Distributing Group and their Affiliates not to, take any action that, or fail to take any action the failure of which, (i) would cause Distributing or any Subsidiary of Distributing immediately prior to the Distribution to recognize gain or loss, or otherwise include any amount in income, as a result of the Restructuring for U.S. federal income tax purposes, (ii) would be inconsistent with the Contribution and Distribution qualifying, or would preclude the Contribution and Distribution from qualifying, as a tax-free transaction described under Sections 368(a), 355 and 361 of the Code, (iii) would cause Distributing, Controlled, any of their respective Subsidiaries at the Effective Time, or the holders of Liberty Capital Common Stock or Liberty Starz Common Stock that receive stock of Controlled in the Distribution, to recognize gain or loss, or otherwise include any amount in income, as a result of the Contribution and/or the Distribution for U.S. federal income tax purposes, (iv) would be inconsistent with the LEI Transaction qualifying, or would preclude the LEI Transaction from qualifying, as a tax-free transaction described under Sections 368(a), 355 and 361 of the Code (except with respect to cash received in lieu of fractional shares), (v) would cause Distributing, any Subsidiary of Distributing immediately prior to the LEI Transaction, or the holders of Liberty Starz Common Stock that received stock of LEI in the LEI Transaction to recognize gain or loss, or otherwise include any amount in income, as a result of the LEI Transaction for U.S. federal income tax purposes (except with respect to cash received in lieu of fractional shares), (vi) would be inconsistent with the News Transactions qualifying, or would preclude the News Transactions from qualifying, as tax-free transactions described under Sections 368(a), 355 and/or 361 of the Code, as applicable, (vii) would cause News or any Subsidiary of News immediately prior to any of the News Transactions, or Distributing or any of its Subsidiaries on February 27, 2008, to recognize gain or loss, or otherwise include any amount in income, as a result of the News Transactions for U.S. federal income tax purposes, (viii) would be inconsistent with the Liberty Restructuring qualifying, or would preclude the Liberty Restructuring from qualifying, as a tax-free reorganization described under Section 368(a)(1)(F) of the Code (except with respect to cash received in lieu of fractional shares), (ix) would cause Distributing, Liberty LLC, any of their respective Subsidiaries immediately prior to the Liberty Restructuring or any of the former holders of stock of Liberty LLC that received stock of Distributing in the Liberty Restructuring to recognize gain or loss, or otherwise include any amount in income, as a result of the Liberty Restructuring for U.S. federal income tax purposes (except with respect to cash received in lieu of fractional shares), (ix) would be inconsistent with the Reclassification qualifying, or would preclude the Reclassification from qualifying, as a tax-free reorganization described under Section 368(a)(1)(E) of the Code, or (x) would cause Distributing, any of its Subsidiaries immediately prior to the Reclassification or any holders of Distributing stock that received stock of Distributing in the Reclassification to recognize gain or loss, or otherwise include any amount in income, as a result of the Reclassification.

(b) *Restricted Actions.* Without limiting the provisions of Section 7.1(a) hereof, following the Effective Time, Controlled shall not, and shall cause the members of the Controlled Group and their Affiliates not to, and Distributing shall not, and shall cause the members of the Distributing Group and their Affiliates not to, take any action that, or fail to take any action the failure of which, (i) would be inconsistent with, or would cause any Person to be in breach of, any representation or covenant, or any material statement, made in the Tax Materials, the LEI Tax Materials, the News Tax Materials or the Tracking Stock Tax Materials, or (ii) would be inconsistent with, or would cause Distributing to be in breach of, any representation or covenant made in the LEI Tax Sharing Agreement or the Tax Matters Agreement.

(c) *Reporting.* Unless and until there has been a Final Determination to the contrary, each party agrees not to take any position on any Tax Return, in connection with any Tax Contest, or otherwise for Tax purposes that is inconsistent with the Ruling or the Tax Opinion.

7.2 *Distributing Indemnity.* Distributing agrees to indemnify and hold harmless each member of the Controlled Group and their respective directors, officers, employees, agents, successors and assigns (the "Controlled Indemnitees") from and against any and all (without duplication) (a) Taxes, Tax Items, Losses and payments allocated to Distributing pursuant to Section 2.2, (b) Transaction Taxes and Transaction Tax-Related Losses allocated to Distributing pursuant to Section 2.2(b), (c) LEI Transaction Taxes and LEI Tax-Related Losses allocated to Distributing pursuant to Section 2.2(c), (d) News Transaction Taxes and News Tax-Related Losses allocated to Distributing pursuant to Section 2.2(d), (e) Tracking Stock Taxes and Losses allocated to Distributing pursuant to Section 2.2(e), (f) Taxes and Losses arising out of or based upon any breach or nonperformance of any covenant or agreement made or to be performed by Distributing contained in this Agreement, (g) Transfer Taxes allocated to Distributing pursuant to Section 2.2(m), and (h) Losses, including reasonable out-of-pocket legal, accounting and other advisory and court fees and expenses, incurred in connection with the items described in clauses (a) through (g); *provided, however*, that notwithstanding clauses (a), (f) and (h) of this Section 7.2, Distributing shall not be responsible for, and shall have no obligation to indemnify or hold harmless any Controlled Indemnitee for, (x) any Transaction Taxes, Transaction Tax-Related

Losses, LEI Transaction Taxes, LEI Tax-Related Losses, News Transaction Taxes, News Tax-Related Losses or Tracking Stock Taxes and Losses that are allocated to Controlled pursuant to Sections 2.2(b)(ii), (c)(i), (d)(i) or (e)(i), or (y) any Taxes or Losses arising out of or based upon any breach or nonperformance of any covenant or agreement made or to be performed by Controlled contained in this Agreement.

7.3 *Controlled Indemnity.* Controlled agrees to indemnify and hold harmless each member of the Distributing Group and their respective directors, officers, employees, agents, successors and assigns (the "Distributing Indemnitees") from and against any and all (without duplication) (a) Taxes, Tax Items, Losses and payments allocated to Controlled pursuant to Section 2.2, (b) Transaction Taxes and Transaction Tax-Related Losses allocated to Controlled pursuant to Section 2.2(b), (c) LEI Transaction Taxes and LEI Tax-Related Losses allocated to Controlled pursuant to Section 2.2(c), (d) News Transaction Taxes and News Tax-Related Losses allocated to Controlled pursuant to Section 2.2(d), (e) Tracking Stock Taxes and Losses allocated to Controlled pursuant to Section 2.2(e), (f) Taxes and Losses arising out of or based upon any breach or nonperformance of any covenant or agreement made or to be performed by Controlled contained in this Agreement, (g) Transfer Taxes allocated to Controlled pursuant to Section 2.2(m), and (h) Losses, including reasonable out-of-pocket legal, accounting and other advisory and court fees, incurred in connection with the items described in clauses (a) through (g); *provided, however*, that notwithstanding clauses (a), (f) and (h) of this Section 7.3, Controlled shall not be responsible for, and shall have no obligation to indemnify or hold harmless any Distributing Indemnitee for, (x) any Transaction Taxes, Transaction Tax-Related Losses, LEI Transaction Taxes, LEI Tax-Related Losses, News Transaction Taxes, News Tax-Related Losses or Tracking Stock Taxes and Losses that are allocated to Distributing pursuant to Sections 2.2(b)(i), (c)(ii), (d)(ii) or (e)(ii), or (y) any Taxes or Losses arising out of or based upon any breach or nonperformance of any covenant or agreement made or to be performed by Distributing contained in this Agreement.

7.4 *Scope.* The provisions of this Section 7 are intended to be for the benefit of, and shall be enforceable by, each Distributing Indemnitee and its successors in interest and each Controlled Indemnitee and its successors in interest.

7.5 *Notices of Tax Contests.* Each Company shall provide prompt notice to the other Company of any pending or threatened Tax audit, assessment, proceeding or other Tax Contest, Joint Claim or Controlled Claim of which it becomes aware relating to Taxes, Losses or any other liabilities or amounts for which it is or may be indemnified by such other Company hereunder. Such notice shall contain (i) factual information (to the extent known) describing any asserted Tax liability or other claim in reasonable detail and shall be accompanied by copies of any notice and other documents received from any Tax Authority or third party in respect of any such matters, and (ii) the amount of such asserted Tax liability or other claim. Such notice shall be given within a reasonable period of time after notice thereof was received by such Company, but any failure to give timely notice shall not affect the indemnities given hereunder except, and only to the extent that, the indemnifying Company shall have been actually prejudiced as a result of such failure. Thereafter, the indemnified Company shall deliver to the indemnifying Company such additional information with respect to such Tax Contest, Joint Claim or Controlled Claim in its possession that the indemnifying Company may reasonably request.

7.6 *Control of Tax Contests Generally.*

(a) *General Rule.* Except as provided in Sections 7.6(b), 7.8, and 7.9, each Company (or the appropriate member of its Group) shall have full responsibility, control and discretion in handling, defending, settling or contesting any Tax Contest involving a Tax reported (or that, it is asserted, should have been reported) on a Tax Return for which such Company is responsible for preparing and filing (or causing to be prepared and filed) pursuant to Section 3 of this Agreement.

(b) *Non-Preparer Participation Rights.* With respect to a Tax Contest (other than with respect to a Joint Claim or Controlled Claim) of any Tax Return which could result in a Tax liability for which the Non-Preparer may be liable under this Agreement or the reduction in any Tax Benefit to which the Non-Preparer may be entitled to under this Agreement, (i) the Non-Preparer shall, at its own cost and expense, be entitled to participate in such Tax Contest, (ii) the Preparer shall keep the Non-Preparer updated and informed, and shall consult with the Non-Preparer, (iii) the Preparer shall act in good faith with a view to the merits in connection with the Tax Contest, and (iv) the Preparer shall not settle or compromise such Tax Contest without the prior written consent of the Non-Preparer (which consent shall not be unreasonably withheld) if the settlement or compromise could have a more than de minimis impact on the Non-Preparer and the other members of its Group, taken as a whole.

7.7 *Cooperation.* The parties shall provide each other with all information relating to a Tax Contest, Joint Claim or Controlled Claim which is needed by the other party or parties to handle, participate in, defend, settle or contest the Tax Contest, Joint Claim or Controlled Claim. At the request of any party, the other parties shall take any reasonable action (*e.g.,* executing a power of attorney) that is necessary to enable the requesting party to exercise its rights under this Agreement in respect of a Tax Contest, Joint Claim or Controlled Claim. Controlled shall assist Distributing, and Distributing shall assist Controlled, in taking any remedial actions that are necessary or desirable to minimize the effects of any adjustment made by a Tax Authority. The indemnifying party or parties shall reimburse the indemnified party or parties for any reasonable out-of-pocket costs and expenses incurred in complying with this Section 7.7.

7.8 *Joint Claims.* Distributing and Controlled will have the right to jointly control the defense, compromise or settlement of any Joint Claim;*provided, however*, that with respect to any Joint Claim arising under the LEI Tax Sharing Agreement or the Tax Matters Agreement (or otherwise subject to the indemnification provisions of the LEI Tax Sharing Agreement or the Tax Matters Agreement), Controlled's rights to jointly control, or otherwise participate in the defense, compromise or settlement of, any such Joint Claim will be subject to the terms of the LEI Tax Sharing Agreement or Tax Matters Agreement, as applicable. Distributing shall use reasonable efforts to provide Controlled with the right to jointly control with Distributing and otherwise participate in the defense, compromise or settlement of, any Joint Claim arising under the LEI Tax Sharing Agreement or the Tax Matters Agreement (or otherwise subject to the indemnification provisions of the LEI Tax Sharing Agreement or the Tax Matters Agreement), including taking action on behalf of Controlled (at the request of Controlled) to the extent any other party to the LEI Tax Sharing Agreement or the Tax Matters Agreement does not recognize Controlled's ability to act thereunder; *provided, however*, that Distributing shall not be required to relinquish any rights that it has to control the defense, compromise or settlement of any such Joint Claim (other than to Controlled pursuant to the foregoing). No indemnified Company shall settle or compromise or consent to entry of any judgment with respect to any such Joint Claim without the prior written consent of the indemnifying Company, which consent may be withheld in the indemnifying Company's sole discretion. No indemnifying Company shall settle or compromise or consent to entry of any judgment with respect to any such Joint Claim unless such settlement, compromise or consent (x) includes an unconditional release of the indemnified Company and (y) does not enjoin or restrict in any way the future actions or conduct of the indemnified Company (other than with respect to its performance hereunder).

7.9 *Controlled Claims.* Controlled will have the right to control, directly or indirectly, the defense, compromise or settlement of any Controlled Claim, and Distributing and Liberty LLC shall use reasonable efforts to provide Controlled with the right to control, and otherwise participate in the defense, compromise or settlement of, any Controlled Claim arising under the AT&T Tax Sharing Agreement, the DHC Tax Sharing Agreement or the LMI Tax Sharing Agreement, as applicable (or otherwise subject to the indemnification provisions of any of those agreements), including taking action at the direction of Controlled to the extent any other party to the AT&T Tax Sharing Agreement, the DHC Tax Sharing Agreement or the LMI Tax Sharing Agreement, as the case may be, does not recognize Controlled's ability to act thereunder. Distributing and Liberty LLC shall not settle or compromise or consent to entry of any judgment with respect to any Controlled Claim without the prior written consent of Controlled, which consent may be withheld in Controlled's sole discretion. Controlled shall not settle or compromise or consent to entry of any judgment with respect to any such Controlled Claim unless such settlement, compromise or consent (x) includes an unconditional release of Distributing and Liberty LLC and (y) does not enjoin or restrict in any way the future actions or conduct of Distributing or Liberty LLC (other than with respect to their performance hereunder).

7.10 *Other Claims.* In the event any Distributing Indemnitee should have a claim against Controlled, or any Controlled Indemnitee should have a claim against Distributing, under this Section 7 that does not involve a third party action, such indemnified Company (or Distributing on behalf of all Distributing Indemnitees or Controlled on behalf of all Controlled Indemnitees, as applicable) shall as promptly as practicable notify the indemnifying Company of such claim, describing such claim and the factual basis thereof, the amount of such claim (if known) and the method of computation of such amount, all with reasonable particularity.

SECTION 8. General Provisions.

8.1 *Termination.* This Agreement shall terminate at such time as all obligations and liabilities of the parties hereto have been satisfied. The obligations and liabilities of the parties arising under this Agreement shall continue in full force and effect until all such obligations have been satisfied and such liabilities have been paid in full, whether by expiration of time, operation of law, or otherwise.

8.2 *Predecessors or Successors.* Any reference to Distributing, Controlled, their respective Subsidiaries, or any other Person in this Agreement shall include any predecessors or successors (*e.g.*, by merger or other reorganization, liquidation, conversion, or election under Treasury Regulations Section 301.7701-3) of Distributing, Controlled, such Subsidiary, or such Person, respectively.

8.3 *Expenses.* Except as otherwise expressly provided for herein, each Company and its Subsidiaries shall bear their own expenses incurred in connection with preparation of Tax Returns and other matters related to Taxes under the provisions of this Agreement for which they are liable; *provided*, *however*, that any fees or expenses incurred in connection with the preparation of a Combined Return shall be allocated between Distributing and Controlled in a manner resulting in Distributing and Controlled, respectively, bearing a reasonable approximation of the actual amount of such fees or expenses hereunder reasonably related to, and for the benefit of, their respective Groups.

8.4 *Governing Law.* THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement will be brought exclusively in the Court of Chancery of the State of Delaware (the "Delaware Chancery Court"), or, if the Delaware Chancery Court does not have subject matter jurisdiction, in the federal courts located in the State of Delaware. Each of the parties hereby consents to personal jurisdiction in any such action, suit or proceeding brought in any such court (and of the appropriate appellate courts therefrom) and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 8.6 shall be deemed effective service of process on such party.

8.5 *Waiver of Jury Trial.* EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND, THEREFORE, EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY ACTION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH OR RELATING TO THIS AGREEMENT. EACH PARTY HERETO CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF SUCH ACTION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.5.

8.6 *Notices.* All notices, requests, and other communications hereunder shall be in writing and shall be delivered in person, by facsimile (with confirming copy sent by one of the other delivery methods specified herein), by overnight courier or sent by certified, registered or express air mail, postage prepaid, and shall be deemed given when so delivered in person, or when so received by facsimile or courier, or, if mailed, three (3) calendar days after the date of mailing, as follows:

(a) *If to Distributing or Liberty LLC, to:*

Liberty Media Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112

Attn: Albert Rosenthaler
Facsimile: (720) 875-5447

(b) *If to Controlled, to:*

Liberty Splitco, Inc.
12300 Liberty Boulevard
Englewood, Colorado 80112

Attn: Charles Tanabe
Facsimile: (720) 875-5382

or to such other address as the party to whom notice is given may have previously furnished to the other parties in writing in the manner set forth above.

8.7 *Counterparts.* This Agreement may be executed in two or more identical counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same agreement.

8.8 *Binding Effect; Assignment.* This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Except with respect to a merger of a party, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto without the prior written consent of the other parties; provided, however, that each of Distributing and Controlled may assign its respective rights, interests, liabilities and obligations under this Agreement to any other member of its Group, but such assignment shall not relieve Distributing or Controlled, as the assignor, of its liabilities or obligations hereunder.

8.9 *Severability.* Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Upon a determination that any provision of this Agreement is prohibited or unenforceable in any jurisdiction, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the provisions contemplated hereby are consummated as originally contemplated to the fullest extent possible.

8.10 *Amendments; Waivers.* Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as otherwise provided herein, the rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by applicable law. Any consent provided under this Agreement must be in writing, signed by the party against whom enforcement of such consent is sought.

8.11 *Effective Date.* This Agreement shall become effective on the date recited above on which the parties entered into this Agreement.

8.12 *Change in Law.* Any reference to a provision of the Code or any other Tax Law shall include a reference to any applicable successor provision or law.

8.13 *Authorization, Etc.* Each of the parties hereto hereby represents and warrants that it has the power and authority to execute, deliver and perform this Agreement, that this Agreement has been duly authorized by all necessary corporate action on the part of such party, that this Agreement constitutes a legal, valid and binding obligation of such party and that the execution, delivery and performance of this Agreement by such party does not contravene or conflict with any provision of law or of its charter or bylaws or any agreement, instrument or order binding such party.

8.14 *No Third Party Beneficiaries.* Except as provided in Sections 7.2, 7.3, and 8.8 of this Agreement, this Agreement is solely for the benefit of the parties and their respective Subsidiaries and is not intended to confer upon any other Person any rights or remedies hereunder. Notwithstanding anything in this Agreement to the contrary, this Agreement is not intended to confer upon any Controlled Indemnitees any rights or remedies against Controlled hereunder, and this Agreement is not intended to confer upon any Distributing Indemnitees any rights or remedies against Distributing hereunder.

8.15 *Entire Agreement.* This Agreement embodies the entire understanding among the parties relating to its subject matter and supersedes and terminates any prior agreements and understandings among the parties with respect to such subject matter, and no party to this Agreement shall have any right, responsibility, obligation or liability under any such prior agreement or understanding. Any and all prior correspondence, conversations and memoranda are merged herein and shall be without effect hereon. No promises, covenants or representations of any kind, other than those expressly stated herein, have been made to induce any party to enter into this Agreement.

8.16 *No Strict Construction; Interpretation.*

(a) Distributing and Controlled each acknowledge that this Agreement has been prepared jointly by the parties hereto and shall not be strictly construed against any party hereto.

(b) When a reference is made in this Agreement to an Article, Section, Exhibit or Schedule, such reference shall be to an Article of, a Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

8.17 *Headings.* The headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

8.18 *Assignment of Rights under the LEI Tax Sharing Agreement.* Distributing hereby assigns to Controlled all of its rights to indemnification payments and related rights under the LEI Tax Sharing Agreement with respect to any liability for LEI Transaction Taxes, LEI Tax-Related Losses, News Transaction Taxes, News Tax-Related Losses, or any other Taxes or Losses that, in each case, is allocated to Controlled hereunder and with respect to which Controlled has paid in whole. If any Joint Claim is made against any member of the Distributing Group or the Controlled Group with respect to any LEI Transaction Taxes, LEI Tax-Related Losses, News Transaction Taxes or News Tax-Related Losses, or any other claim is made against any member of the Distributing Group or the Controlled Group with respect to any other Taxes or Losses for which any member of the Distributing Group or the Controlled Group would be entitled to indemnification under the LEI Tax Sharing Agreement, then at Controlled's request, Distributing shall assert a claim for indemnification against LEI and DTV under the LEI Tax Sharing Agreement in respect of such LEI Transaction Taxes, LEI Tax-Related Losses, News Transaction Taxes, News Tax-Related Losses, or other Taxes or Losses, as applicable, to the extent such a claim would not be frivolous. Controlled and Distributing shall jointly control the prosecution of any such claim related to LEI Transaction Taxes, LEI Tax-Related Losses, News Transaction Taxes or News Tax-Related Losses under the principles contained in Section 7.8, and the principles of Section 7.6 shall govern any claim that is not a Joint Claim. Distributing shall not amend, modify or terminate the LEI Tax Sharing Agreement, or waive any rights thereunder, without the prior written consent of Controlled, which consent shall not be unreasonably withheld.

8.19 *Assignment of Rights under the Tax Matters Agreement.* Distributing hereby assigns to Controlled all its rights to indemnification payments and related rights under the Tax Matters Agreement with respect to any liability for News Transaction Taxes, News Tax-Related Losses, or any other Taxes or Losses that, in each case, is allocated to Controlled hereunder and with respect to which Controlled has paid in whole. If any Joint Claim is made against any member of the Distributing Group or the Controlled Group with respect to News Transaction Taxes or News Tax-Related Losses, or any other claim is made against any member of the Distributing Group or the Controlled Group with respect to any other Taxes or Losses for which any member of the Distributing Group or the Controlled Group would be entitled to indemnification under the Tax Matters Agreement, then at Controlled's request, Distributing shall assert a claim for indemnification against News under the Tax

Matters Agreement in respect of such News Transaction Taxes, News Tax-Related Losses, or other Taxes or Losses, as applicable, to the extent such a claim would not be frivolous. Controlled and Distributing shall jointly control the prosecution of any such claim related to News Transaction Taxes or News Tax-Related Losses under the principles contained in Section 7.8, and the principles of Section 7.6 shall govern any claim that is not a Joint Claim. Distributing shall not amend, modify or terminate the Tax Matters Agreement, or waive any rights thereunder, without the prior written consent of Controlled, which consent shall not be unreasonably withheld.

8.20 *Assignment of Rights under other Tax Agreements.* Liberty LLC hereby assigns to Controlled all of its rights to indemnification payments and related rights under the AT&T Tax Sharing Agreement, the LMI Tax Sharing Agreement and the DHC Tax Sharing Agreement with respect to any liability for Taxes, Tax Items, Losses or payments that is allocated to Controlled hereunder and with respect to which Controlled has paid in whole. If any Controlled Claim is made against any member of the Distributing Group or the Controlled Group with respect to any Taxes or Losses for which any member of the Distributing Group or the Controlled Group would be entitled to indemnification under the AT&T Tax Sharing Agreement, the LMI Tax Sharing Agreement or the DHC Tax Sharing Agreement, then at Controlled's request, Distributing shall assert a claim for indemnification against the appropriate party pursuant to such agreement to the extent such a claim would not be frivolous, and Controlled shall control, directly or indirectly, the prosecution of such claim under the principles contained in Section 7.9. Distributing and Liberty LLC shall not amend, modify or terminate the AT&T Tax Sharing Agreement, the LMI Tax Sharing Agreement or the DHC Tax Sharing Agreement, or waive any rights thereunder, without the prior written consent of Controlled, which consent shall not be unreasonably withheld.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by the respective officers as of the date set forth above.

LIBERTY MEDIA CORPORATION

By: ______________________________

Name:
Title:

LIBERTY MEDIA LLC

By: ______________________________

Name:
Title:

LIBERTY SPLITCO, INC.

By: ______________________________

Name:
Title:

QuickLinks

Exhibit 10.5

Form of

SERVICES AGREEMENT

SERVICES AGREEMENT (this "*Agreement*"), dated as of [ ], 2011, by and between Liberty Splitco, Inc., a Delaware corporation (the "*Provider*"), and Liberty Media Corporation, a Delaware corporation ("*LMC*").

RECITALS

WHEREAS, on the date hereof the Provider is a wholly owned subsidiary of LMC, formed for the purpose of receiving and holding assets and liabilities attributed to LMC's Liberty Capital group and Liberty Starz group in accordance with the plan of restructuring set forth in Schedule 1.1 to the Reorganization Agreement, dated as of [ ], 2011 (the "*Reorganization Agreement*"), to which the Provider and LMC are each parties;

WHEREAS, in accordance with the Reorganization Agreement and the Restated Certificate of Incorporation of LMC and subject to the requisite votes of the holders of each of LMC's Liberty Capital common stock and Liberty Starz common stock, LMC will effect the redemptions of (i) 100% of the issued and outstanding shares of its Liberty Capital common stock for shares of a new Capital Group tracking stock of the Provider, and (ii) 100% of the issued and outstanding shares of its Liberty Starz common stock for shares of a new Starz Group tracking stock of the Provider, with the effect that Provider will be split-off (the "*Split-Off*") from LMC and cease to be a wholly owned subsidiary of LMC;

WHEREAS, immediately following the Split-Off, LMC's assets and liabilities will consist solely of those assets and liabilities attributed to LMC's Interactive group;

WHEREAS, immediately following the Split-Off, the Provider and LMC will be separate publicly-traded companies;

WHEREAS, LMC and the Provider desire that, following the Split-Off, LMC obtain from the Provider the services described herein, and that LMC compensate the Provider for the performance of such services on the basis set forth in this Agreement;

WHEREAS, after the Split-Off each officer and employee of LMC and/or the Provider (each, an "*Employee*") will receive his or her salary, bonus and certain incentive compensation as well as health, retirement and other benefits (collectively, "*Employee Compensation*") from the Provider, with a portion of such Employee Compensation being allocated to LMC on the basis set forth in this Agreement; and

WHEREAS, on the date hereof a subsidiary of the Provider is also entering into a facilities sharing agreement with LMC with respect to 12300 Liberty Boulevard, Englewood, Colorado (the "*Facilities Sharing Agreement*").

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals, the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be bound legally, agree as follows:

ARTICLE I

ENGAGEMENT AND SERVICES

Section 1.1 *Engagement.* LMC engages the Provider to provide to LMC, commencing on the date of the Split-Off (the "*Split-Off Effective Date*"), the services set forth in Section 1.2 (collectively, the "*Services*"), and the Provider accepts such engagement, subject to and upon the terms and conditions of this Agreement. LMC acknowledges that the Services will be performed by officers and employees of the Provider who may also be officers or employees of LMC.

Section 1.2 *Services.*

(a) The Services will include the following, if and to the extent required by LMC during the Term of this Agreement:

(i) insurance administration and risk management services;

(ii) technical and information technology assistance (including management information systems, computer, data storage network and telecommunications services), computers, office supplies, postage, courier service and other office services;

(iii) services performed by the Provider's finance, accounting, payroll, treasury, cash management, legal, human resources, employee benefits, investor relations, tax and real estate management departments; and

(iv) such other services as the Provider may obtain from its officers and employees in the management of its own operations that LMC may from time to time request.

(b) The Services are intended to be those services and functions that are appropriate for the operation and management of a publicly-traded company, and are not intended to be duplicative of services and functions for the operating subsidiaries of LMC that are performed by officers and employees of those companies.

Section 1.3 *Services Not to Interfere with the Provider's Business.* LMC acknowledges and agrees that in providing Services hereunder the Provider will not be required to take any action that would disrupt, in any material respect, the orderly operations of the Provider's business activities.

Section 1.4 *Books and Records.* The Provider will maintain books and records, in reasonable detail in accordance with the Provider's standard business practices, with respect to its provision of Services to LMC pursuant to this Agreement, including records supporting the allocation of Employee Compensation and other costs and expenses to LMC pursuant to Article II (collectively, "*Supporting Records*"). The Provider will give LMC and its duly authorized representatives, agents, and attorneys reasonable access to all such Supporting Records during the Provider's regular business hours upon LMC's request after reasonable advance notice.

ARTICLE II

COMPENSATION

Section 2.1 *Allocated Expenses.*

(a) LMC will pay the Provider for the Services based on an estimate of the relative amount of time an Employee spends providing Services to LMC (the percentage of the work performed by an Employee that consists of the provision of Services to LMC is referred to herein as the "*LMC Percentage*") and other costs and expenses to be incurred by the Provider in connection with the provision of Services to LMC hereunder (collectively, the "*Allocated Expenses*"). For each Employee, LMC shall be allocated an amount of his or her Employee Compensation equal to his or her LMC Percentage. The Allocated Expenses will be set forth in, or determined from time to time in the manner set forth in, *Schedule 2.1* attached hereto, as such Schedule may be periodically amended and revised by the parties. It is intended that the payments by LMC to Provider under this Agreement in respect of Allocated Expenses are equivalent to those which LMC would pay to a third party on an arm's length basis for the same services.

(b) *Periodic Adjustment to Allocated Expenses.* The Allocated Expenses will be determined by the Provider, in consultation with LMC, on or about each December 15th during the Term based on the anticipated Services to be provided by Employees to LMC during the upcoming fiscal year. The Provider and LMC will review and evaluate the Allocated Expenses for reasonableness semi-annually during the Term, and will negotiate in good faith to reach agreement on any appropriate adjustments to the Allocated Expenses based on such review and evaluation, including: (i) adjustments that reflect changes to the Employee Compensation of each Employee; (ii) adjustments that reflect changes to any other costs or expenses included in the Allocated Expenses; (iii) revising the allocated percentages of time spent by particular Employees providing Services to LMC; and (iv) agreeing on the appropriate effective date (which may be retroactive) of any such adjustment to the Allocated Expenses.

Section 2.2 *Cost Reimbursement.* In addition to the Allocated Expenses payable pursuant to Section 2.1, LMC also will reimburse the Provider for all direct out-of-pocket costs (with no markup) incurred by the Provider in performing the Services (e.g., postage and out-of-town courier service charges, software license fees attributable to desktop or laptop computers utilized by Employees, travel, meals and entertainment expenses, and other miscellaneous expenses that may be incurred by the Provider or the Employees in the conduct of the Services).

Section 2.3 *Payment Procedures.*

(a) LMC will pay the Provider, by wire or intrabank transfer of funds or in such other manner specified by the Provider to LMC, in arrears on or before the last day of each calendar month beginning [ ], the Allocated Expenses then in effect, in monthly installments.

(b) Any reimbursement to be made by LMC to the Provider pursuant to Section 2.2 will be paid by LMC to the Provider within 15 days after receipt by LMC of an invoice therefor, by wire or intrabank transfer of funds or in such other manner specified by the Provider to LMC. The Provider will invoice LMC monthly for reimbursable expenses incurred by the Provider on behalf of LMC during the preceding calendar month as contemplated in Section 2.2; *provided, however*, that the Provider may separately invoice LMC at any time for any single reimbursable expense incurred by the Provider on behalf of LMC in an amount equal to or greater than [$]. Any invoice or statement pursuant to this Section 2.3(b) will be accompanied by supporting documentation in reasonable detail consistent with Provider's own expense reimbursement policy with respect to the costs and expenses incurred by the Provider for which the Provider is seeking reimbursement hereunder.

(c) Any payments not made when due under this Section 2.3 will bear interest at the rate of 1.5% per month on the outstanding amount from and including the due date to but excluding the date paid.

Section 2.4 *Survival.* The terms and conditions of this Article II will survive the expiration or earlier termination of this Agreement.

ARTICLE III

TERM

Section 3.1 *Term Generally.* The term of this Agreement will commence on the Split-Off Effective Date and will continue until the third anniversary of the Split-Off Effective Date (the "*Term*"). This Agreement is subject to termination prior the end of the Term in accordance with Section 3.3.

Section 3.2 *Discontinuance of Select Services.* At any time during the Term, on not less than [30] days' prior notice by LMC to the Provider, LMC may elect to discontinue obtaining any of the Services from the Provider. In such event, the Provider's obligation to provide Services that have been discontinued pursuant to this Section 3.2, and LMC's obligation to compensate the Provider for such Services, will cease as of the end of such [30]-day period (or such later date as may be specified in the notice), and this Agreement will remain in effect for the remainder of the Term with respect to those Services that have not been so discontinued. The Provider and LMC will promptly evaluate the Allocated Expenses for reasonableness following the discontinuance of any Services and will negotiate in good faith to reach agreement on any appropriate adjustment to the Allocated Expenses. Each party will remain liable to the other for any required payment or performance accrued prior to the effective date of discontinuance of any Service.

Section 3.3 *Termination.* This Agreement will be terminated prior to the expiration of the Term in the following events:

(a) at any time upon at least 30 days' prior written notice by LMC to the Provider;

(b) immediately upon written notice (or at any time specified in such notice) by the Provider to LMC if a Change in Control or Bankruptcy Event occurs with respect to LMC; or

(c) immediately upon notice (or at any time specified in such notice) by LMC to the Provider if a Change in Control or Bankruptcy Event occurs with respect to the Provider.

For purposes of this Section 3.3, a "*Change in Control*" will be deemed to have occurred with respect to a party if a merger, consolidation, binding share exchange, acquisition, or similar transaction (each, a "*Transaction*"), or series of related Transactions, involving such party occurs as a result of which the voting power of all voting securities of such party outstanding immediately prior thereto represent (either by remaining outstanding or being converted into voting securities of the surviving entity) less than 75% of the voting power of such party or the surviving entity of the Transaction outstanding immediately after such Transaction (or if such party or the surviving entity after giving effect to such Transaction is a subsidiary of the issuer of securities in such Transaction, then the voting power of all voting securities of such party outstanding immediately prior to such Transaction represent (by being converted into voting securities of such issuer) less than 75% of the voting power of the issuer outstanding immediately after such Transaction.

For purposes of this Section 3.3, a "*Bankruptcy Event*" will be deemed to have occurred with respect to a party upon such party's insolvency, general assignment for the benefit of creditors, such party's voluntary commencement of any case, proceeding, or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution, or consolidation of such party's debts under any law relating to bankruptcy, insolvency, or reorganization, or relief of debtors, or seeking appointment of a receiver, trustee, custodian, or other similar official for such party or for all or any substantial part of such party's assets (each, a "*Bankruptcy Proceeding*"), or the involuntary filing against LMC or the Provider, as applicable, of any Bankruptcy Proceeding that is not stayed within 60 days after such filing.

Each party will remain liable to the other for any required payment accrued prior to the termination of this Agreement.

ARTICLE IV

PERSONNEL AND EMPLOYEES

Section 4.1 *Personnel to Provide Services.*

(a) The Provider will make available to LMC, on a non-exclusive basis, the appropriate personnel to perform the Services. The personnel made available to perform selected Services are expected to be substantially the same personnel who provide similar services in connection with the management and administration of the business and operations of the Provider.

(b) LMC acknowledges that:

(i) certain of the Employees also will be performing services for the Provider and may be performing services for certain Subsidiaries and Affiliates of the Provider; and

(ii) the Provider may elect, in its discretion, to utilize independent contractors rather than employees of the Provider to perform Services from time to time, and such independent contractors will be deemed included within the definition of the Provider Employees for all purposes of this Agreement.

Section 4.2 *Provider as Payor.* Notwithstanding that certain of the Employees are also officers or employees of LMC, the parties acknowledge that the Provider, and not LMC, will be solely responsible for the payment of salaries, wages, benefits (including health insurance, retirement, and other similar benefits, if any) and other compensation applicable to all Employees, subject to (a) payment by LMC of the Allocated Expenses in accordance with Section 2.1 (and except as expressly provided in Section 4.3) and (ii) payment by LMC of incentive compensation pursuant to its equity incentive plans. [All Employees will be subject to the personnel policies of the Provider and will be entitled to participate in the Provider's employee benefit plans to the same extent as similarly situated employees of the Provider performing services in connection with the Provider's business.] Except as otherwise required by the terms of the Tax Sharing Agreement, the Provider will be responsible for the payment of all federal, state, and local withholding taxes on the compensation of all Employees and other such employment related taxes as are required by law, subject to LMC being responsible for such payments in respect of any equity compensation awards that it may grant to Employees under its equity incentive plans. LMC will cooperate with the Provider to facilitate the Provider's compliance with applicable federal, state, and local laws, rules, regulations, and ordinances applicable to the employment of all Employees and their provision of Services to LMC pursuant to this Agreement.

Section 4.3 *Additional Employee Provisions.* The Provider will have the right to terminate the employment of any Provider Employee at any time. A portion of any severance payments payable to any Provider Employee spending 50% or more of such person's time over the Look-Back Period (as defined below) in connection with providing Services to LMC who separates from employment with the Provider or LMC during the Term will be allocated to LMC based on the percentage determined by dividing the total number of months that such person was a Provider Employee providing Services to LMC on a 50% or greater basis by the total number of months that such person was employed by the Provider after the Split-Off Effective Date or by LMC (or its predecessors) prior to the Split-Off Effective Date, in each case to the extent taken into account for purposes of determining any severance payments payable to such person, or such other basis upon which the amount of the severance payments payable to such person may be determined, multiplied by the percentage of such person's time devoted to providing Services to LMC for the 12-month period (or such applicable shorter period of time if such Provider Employee was a Provider Employee for less than one year) immediately preceding the date of termination of employment (the "*Look-Back Period*"). LMC will be solely responsible for the payment of any severance payments payable to any LMC Employee that is not also a Provider Employee. LMC will not, during the Term, solicit any Provider Employee (that immediately after the Split-Off Effective Date is not also an officer or employee of LMC) to become an employee of LMC without the prior consent of the Provider, unless and until the Provider terminates the employment of such Provider Employee.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Section 5.1 *Representations and Warranties of the Provider.* The Provider represents and warrants to LMC as follows:

(a) The Provider is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware.

(b) The Provider has the power and authority to enter into this Agreement and to perform its obligations under this Agreement, including the Services.

(c) The Provider is not subject to any contractual or other legal obligation that materially interferes with its full, prompt, and complete performance under this Agreement.

(d) The individual executing this Agreement on behalf of the Provider has the authority to do so.

Section 5.2 *Representations and Warranties of LMC.* LMC represents and warrants to the Provider as follows:

(a) LMC is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware.

(b) LMC has the power and authority to enter into this Agreement and to perform its obligations under this Agreement.

(c) LMC is not subject to any contractual or other legal obligation that materially interferes with its full, prompt, and complete performance under this Agreement.

(d) The individual executing this Agreement on behalf of LMC has the authority to do so.

ARTICLE VI

INDEMNIFICATION

Section 6.1 *Indemnification by the Provider.* The Provider will indemnify, defend, and hold harmless LMC and each of its officers, directors, employees and agents, successors and assigns (collectively, the "*Corporation Indemnitees*"), from and against any and all claims, judgments, liabilities, losses, costs, damages, or expenses, including reasonable counsel fees, disbursements, and court costs ("*Losses*"), that any Corporation Indemnitee may suffer arising from or out of, or relating to, any material breach by the Provider of its obligations under this Agreement.

Section 6.2 *Indemnification by LMC.* LMC will indemnify, defend, and hold harmless the Provider and its officers, directors, employees and agents, successors and assigns (collectively, the "*Provider Indemnitees*"), from and against any and all Losses that any Provider Indemnitee may suffer arising from or out of, or relating to (a) any material breach by LMC of its obligations under this Agreement or (b) any acts or omissions of the Provider in providing the Provider Employees or the Services pursuant to this Agreement (except to the extent such Losses (i) arise from or relate to any material breach by the Provider of its obligations under this Agreement, (ii) are attributable to the gross negligence, willful misconduct, fraud, or bad faith of the Provider or such other Provider Indemnitee seeking indemnification under this Section 6.2, (iii) are fully covered by insurance maintained by the Provider or such other Provider Indemnitee, or (iv) are payable by the Provider pursuant to Section 7.11).

Section 6.3 *Indemnification Procedures.*

(a) In connection with any indemnification provided for in this Article VI, the party seeking indemnification (the "*Indemnified Party*") will give the party from which indemnification is sought (the "*Indemnifying Party*") prompt notice whenever it comes to the Indemnified Party's attention that the Indemnified Party has suffered or incurred, or may suffer or incur, any Losses for which it is entitled to indemnification under this Article VI, and, when known, the facts constituting the basis for such claim (in reasonable detail). Failure by the Indemnified Party to so notify the Indemnifying Party will not relieve the Indemnifying Party of any liability under this Agreement except to the extent that such failure prejudices the Indemnifying Party in any material respect.

(b) After receipt of a notice pursuant to Section 6.3(a), the Indemnifying Party will be entitled, if it so elects, to take control of the defense and investigation with respect to such claim and to employ and engage attorneys reasonably satisfactory to the Indemnified Party to handle and defend such claim, at the Indemnifying Party's sole cost, risk, and expense, upon written notice to the Indemnified Party of such election, which notice acknowledges the Indemnifying Party's obligation to provide indemnification under this Agreement. The Indemnifying Party will not settle any third-party claim that is the subject of indemnification without the written consent of the Indemnified Party, which consent will not be unreasonably withheld, delayed or conditioned; *provided*, *however*, that, after reasonable notice, the Indemnifying Party may settle a claim without the Indemnified Party's consent if such settlement (i) makes no admission or acknowledgment of liability or culpability with respect to the Indemnified Party, (ii) includes a complete release of the Indemnified Party and its Affiliates and their respective officers, directors, employees and agents, and (iii) does not require the Indemnified Party to make any payment not covered by indemnification by the Indemnifying Party hereunder or to forego or take any action. The Indemnified Party will cooperate in all reasonable respects with the Indemnifying Party and its attorneys in the investigation, trial, and defense of any lawsuit or action with respect to such claim and any appeal arising therefrom (including the filing in the Indemnified Party's name of appropriate cross claims and counterclaims). The Indemnified Party may, at its own cost, participate in any investigation, trial, and defense of such lawsuit or action controlled by the Indemnifying Party and any appeal arising therefrom. If there are one or more legal defenses available to the Indemnified Party that conflict with those available to, or that are not available to, the Indemnifying Party, the Indemnified Party will have the right, at the expense of the Indemnifying Party, to engage separate counsel reasonably acceptable to the Indemnifying Party and to participate in the defense of the lawsuit or action.

(c) If, after receipt of a notice pursuant to Section 6.3(a), the Indemnifying Party does not promptly undertake to defend any claim described therein, the Indemnified Party may, but will have no obligation to, contest any lawsuit or action with respect to such claim, and the Indemnifying Party will be bound by the result obtained with respect thereto by the Indemnified Party. The Indemnified Party may not settle any lawsuit or action with respect to which the Indemnified Party is entitled to indemnification hereunder without the consent of the Indemnifying Party, which consent will not be unreasonably withheld, delayed, or conditioned.

(d) At any time after the commencement of defense of any lawsuit or action, the Indemnifying Party may request the Indemnified Party to agree in writing to the abandonment of such contest or to the payment or compromise by the Indemnifying Party of such claim, whereupon such action will be taken unless the Indemnified Party determines that the contest should be continued and so notifies the Indemnifying Party in writing within 15 days of such request from the Indemnifying Party. Any request from the Indemnifying Party that any contest be abandoned will specify the amount that the other party or parties to the contested claim have agreed to accept in payment or compromise of the claim. If the Indemnified Party determines that the contest should be continued, the Indemnifying Party will be liable under this Agreement only to the extent of the lesser of (i) the amount that the other party or parties to the contested claim had agreed to accept in payment or compromise as of the time the Indemnifying Party made its request therefor to the Indemnified Party, as specified in the Indemnifying Party's request, or (ii) the amount for which the Indemnifying Party may be liable with respect to such claim by reason of the provisions of this Agreement.

Section 6.4 *Limitation on Liability.* In no event will any Indemnifying Party be liable to any Indemnified Party for any special or punitive damages with respect to any matter relating to this Agreement. The foregoing will not be interpreted to limit indemnification for Losses incurred as a result of the assertion by a claimant (other than the parties hereto and their successors and assigns) in a third-party claim for damages of the foregoing type.

Section 6.5 *Survival.* The terms and conditions of this Article VI will survive the expiration or termination of this Agreement.

ARTICLE VII

MISCELLANEOUS

Section 7.1 *Defined Terms.*

(a) The following terms will have the following meanings for all purposes of this Agreement:

"*Affiliate*" means, with respect to any Person, any other Person controlled by such first Person, with "control" for such purpose meaning the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or voting interests, by contract, or otherwise. Notwithstanding the foregoing, for purposes of this Agreement, (i) none of Expedia, Inc. or any its Affiliates will be deemed to be Affiliates of the Provider, LMC, or any of their respective Subsidiaries for any purpose, and (ii) none of the Provider or any of its Subsidiaries will be deemed to be Affiliates of LMC or any of its Subsidiaries, nor will LMC or any of its Subsidiaries be deemed to be Subsidiaries of Provider or any of its Subsidiaries.

"*Confidential Information*" means any information marked, noticed, or treated as confidential by a party which such party holds in confidence, including all trade secrets, technical, business, or other information, including customer or client information, however communicated or disclosed, relating to past, present and future research, development and business activities.

"*Person*" means any natural person, corporation, limited liability corporation, partnership, trust, unincorporated organization, association, governmental authority, or other entity.

"*Subsidiary*" when used with respect to any Person, means (i)(A) a corporation a majority in voting power of whose share capital or capital stock with voting power, under ordinary circumstances, to elect directors is at the time, directly or indirectly, owned by such Person, by one or more Subsidiaries of such Person, or by such Person and one or more Subsidiaries of such Person, whether or not such power is subject to a voting agreement or similar encumbrance, (B) a partnership or limited liability company in which such Person or a Subsidiary of such Person is, at the date of determination, (1) in the case of a partnership, a general partner of such partnership with the power affirmatively to direct the policies and management of such partnership or (2) in the case of a limited liability company, the managing member or, in the absence of a managing member, a member with the power affirmatively to direct the policies and management of such limited liability company, or (C) any other Person (other than a corporation) in which such Person, one or more Subsidiaries of such Person or such Person and one or more Subsidiaries of such Person, directly or indirectly, at the date of determination thereof, has or have (1) the power to elect or direct the election of a majority of the members of the governing body of such Person, whether or not such power is subject to a voting agreement or similar encumbrance, or (2) in the absence of such a governing body, at least a majority ownership interest or (ii) any other Person of which an aggregate of 50% or more of the equity interests are, at the time, directly or indirectly, owned by such Person and/or one or more Subsidiaries of such Person. Notwithstanding the foregoing, for purposes of this Agreement, (A) none of Expedia, Inc. or any of their respective Subsidiaries will be deemed to be Subsidiaries of the Provider or LMC for any purpose, and (B) none of the Subsidiaries of the Provider will be deemed to be Subsidiaries of LMC or any of its Subsidiaries, nor will any of LMC or any of its Subsidiaries be deemed to be Subsidiaries of the Provider or any of its Subsidiaries.

"*Tax Sharing Agreement*" means the Tax Sharing Agreement among LMC, Liberty Media LLC and Splitco.

(b) The following terms will have the meanings for all purposes of this Agreement set forth in the Section reference provided next to such term:

Definition	Section Reference
Agreement	Preamble
Allocated Expenses	Section 2.1(a)
Bankruptcy Event	Section 3.3
Bankruptcy Proceeding	Section 3.3
Change in Control	Section 3.3
Corporation	Preamble
Corporation Indemnitees	Section 6.1
Effective Date	Preamble
Indemnified Party	Section 6.3(a)
Indemnifying Party	Section 6.3(a)
Look-Back Period	Section 4.3
Losses	Section 6.1
Operating Subsidiaries	Recitals
Provider	Preamble
Provider Employees	Section 2.1(b)
Provider Indemnitees	Section 6.2
Reorganization Agreement	Recitals
Services	Section 1.1
Split-Off	Recitals
Supporting Records	Section 1.4
Term	Section 3.1
Transaction	Section 3.3

Section 7.2 *Entire Agreement; Severability.* This Agreement (including the Schedules attached hereto), the Facilities Services Agreement and the Reorganization Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and thereof, and supersedes all prior agreements and understandings, oral and written, among the parties hereto with respect to such subject matter. It is the intention of the parties hereto that the provisions of this Agreement will be enforced to the fullest extent permissible under all applicable laws and public policies, but that the unenforceability of any provision hereof (or the modification of any provision hereof to conform with such laws or public policies, as provided in the next sentence) will not render unenforceable or impair the remainder of this Agreement. Accordingly, if any provision is determined to be invalid or unenforceable either in whole or in part, this Agreement will be deemed amended to delete or modify, as necessary, the invalid or unenforceable provisions and to alter the balance of this Agreement in order to render the same valid and enforceable, consistent (to the fullest extent possible) with the intent and purposes hereof.

Section 7.3 *Notices.* All notices and communications hereunder will be in writing and will be deemed to have been duly given if delivered personally or mailed, certified or registered mail with postage prepaid, or sent by confirmed facsimile, addressed as follows:

If to the Provider:	Liberty Splitco, Inc. 12300 Liberty Boulevard Englewood, Colorado 80112 Attention: General Counsel Facsimile: (720) 875-5401
If to LMC:	Liberty Media Corporation 12300 Liberty Boulevard Englewood, Colorado 80112 Attention: General Counsel Facsimile: (720) 875-5401

or to such other address (or to the attention of such other person) as the parties may hereafter designate in writing. All such notices and communications will be deemed to have been given on the date of delivery if sent by facsimile or personal delivery, or the third day after the mailing thereof, except that any notice of a change of address will be deemed to have been given only when actually received.

Section 7.4 *Governing Law.* This Agreement and the legal relations among the parties hereto will be governed in all respects, including validity, interpretation and effect, by the laws of the State of Delaware applicable to contracts made and performed wholly therein, without giving effect to any choice or conflict of laws provisions or rules that would cause the application of the laws of any other jurisdiction. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement will be brought exclusively in the Delaware Chancery Courts, or, if the Delaware Chancery Courts do not have subject matter jurisdiction, in the state courts of the State of Delaware located in Wilmington, Delaware, or in the federal courts located in the State of Delaware. Each of the parties hereby consents to personal jurisdiction in any such action, suit or proceeding brought in any such court (and of the appropriate appellate courts therefrom) and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 7.3 shall be deemed effective service of process on such party.

Section 7.5 *Rules of Construction.* The descriptive headings in this Agreement are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement. Words used in this Agreement, regardless of the gender and number specifically used, will be deemed and construed to include any other gender, masculine, feminine, or neuter, and any other number, singular or plural, as the context requires. As used in this Agreement, the word "including" or any variation thereof is not limiting, and the word "or" is not exclusive. The word day means a calendar day. If the last day for giving any notice or taking any other action is a Saturday, Sunday, or a day on which banks in New York, New York are closed, the time for giving such notice or taking such action will be extended to the next day that is not such a day.

Section 7.6 *No Third-Party Rights.* Nothing expressed or referred to in this Agreement is intended or will be construed to give any Person other than the parties hereto and their respective successors and permitted assigns any legal or equitable right, remedy or claim under or with respect to this Agreement, or any provision hereof, it being the intention of the parties hereto that this Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this Agreement and their respective successors and assigns.

Section 7.7 *Counterparts.* This Agreement may be executed in one or more counterparts, each of which will be an original and all of which together will constitute one and the same instrument.

Section 7.8 *Payment of Expenses.* LMC will be responsible for all costs and expenses incurred with respect to the preparation of this Agreement. From and after the Split-Off Effective Time, and except as otherwise expressly provided in this Agreement, each of the parties to this Agreement will bear its own expenses, including the fees of any attorneys and accountants engaged by such party, in connection with this Agreement.

Section 7.9 *Binding Effect; Assignment.*

(a) This Agreement will inure to the benefit of and be binding on the parties to this Agreement and their respective legal representatives, successors and permitted assigns.

(b) Except as expressly contemplated hereby (including by Section 4.1), this Agreement, and the obligations arising hereunder, may not be assigned by either party to this Agreement, except that the Provider may assign its rights and delegate its obligations under this Agreement to any Person that acquires substantially all the assets of the Provider (by merger, operation of law, or otherwise) or to any Affiliate of the Provider.

Section 7.10 *Amendment, Modification, Extension or Waiver.* Any amendment, modification or supplement of or to any term or condition of this Agreement will be effective only if in writing and signed by both parties hereto. Either party to this Agreement may (a) extend the time for the performance of any of the obligations or other acts of the other party to this Agreement, or (b) waive compliance by the other party with any of the agreements or conditions contained herein or any breach thereof. Any agreement on the part of either party to any such extension or waiver will be valid only if set forth in an instrument in writing signed on behalf of such party. No waiver of any term, provision or condition of this Agreement, whether by conduct or otherwise, in any one or more instance, will be deemed or construed as a further or continuing waiver of any such term, provision or condition or of any other term, provision or condition, but any party hereto may waive its rights in any particular instance by written instrument of waiver

Section 7.11 *Legal Fees; Costs.* If either party to this Agreement institutes any action or proceeding to enforce any provision of this Agreement, the prevailing party will be entitled to receive from the other party reasonable attorneys' fees, disbursements and costs incurred in such action or proceeding, whether or not such action or proceeding is prosecuted to judgment.

Section 7.12 *Force Majeure.* Neither party will be liable to the other party with respect to any nonperformance or delay in performance of its obligations under this Agreement to the extent such failure or delay is due to any action or claims by any third party, labor dispute, labor strike, weather conditions or any cause beyond a party's reasonable control. Each party agrees that it will use all commercially reasonable efforts to continue to perform its obligations under this Agreement, to resume performance of its obligations under this Agreement, and to minimize any delay in performance of its obligations under this Agreement notwithstanding the occurrence of any such event beyond such party's reasonable control.

Section 7.13 *Specific Performance.* If either party threatens to take any action in violation of the terms of this Agreement, the other party may apply to any court of competent jurisdiction for an injunctive order prohibiting such proposed action. Either party may institute and maintain any action or proceeding against the other party to compel the specific performance of this Agreement. The party against which such action or proceeding is brought hereby waives the claim or defense that an adequate remedy at law exists, and such party will not urge in any such action or proceeding the claim or defense that such remedy at law exists.

Section 7.14 *Further Actions.* The parties will execute and deliver all documents, provide all information, and take or forbear from all actions that may be necessary or appropriate to achieve the purposes of this Agreement.

Section 7.15 *Confidentiality*.

(a) Except with the prior consent of the disclosing party, each party will:

(i) limit access to the Confidential Information of the other party disclosed to such party hereunder to its employees, agents, representatives, and consultants on a need-to-know basis;

(ii) advise its employees, agents, representatives, and consultants having access to such Confidential Information of the proprietary nature thereof and of the obligations set forth in this Agreement; and

(iii) safeguard such Confidential Information by using a reasonable degree of care to prevent disclosure of the Confidential Information to third parties, but not less than that degree of care used by that party in safeguarding its own similar information or material.

(b) A party's obligations respecting confidentiality under Section 7.15(a) will not apply to any of the Confidential Information of the other party that a party can demonstrate: (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the recipient; (iii) was in the possession of the recipient at the time of disclosure to it without being subject to any obligation of confidentiality; (iv) was received after disclosure to it from a third party who, to its knowledge, had a lawful right to disclose such information to it; (v) was independently developed by the recipient without reference to the Confidential Information; (vi) was required to be disclosed to any regulatory body having jurisdiction over a party or any of their respective clients; or (vii) was required to be disclosed by reason of legal, accounting, or regulatory requirements beyond the reasonable control of the recipient. In the case of any disclosure pursuant to clauses (vi) or (vii) of this paragraph (b), to the extent practical, the recipient will give prior notice to the disclosing party of the required disclosure and will use commercially reasonable efforts to obtain a protective order covering such disclosure.

(c) The provisions of this Section 7.15 will survive the expiration or termination of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the parties has signed this Agreement, or has caused this Agreement to be signed by its duly authorized officer, as of the date first above written.

PROVIDER:

LIBERTY SPLITCO, INC.

By: ______________________________

Name:
Title:

LMC:

LIBERTY MEDIA CORPORATION

By: ______________________________

Name:
Title:

[Signature Page to Services Agreement]

[Schedule 1.2(c)]

[Covered Plans]

Schedule 2.1

Allocated Expenses in Effect for Calendar Year 2011

List of Omitted Schedules

The following schedule[s] to the Services Agreement, dated as of [   ], 2011, by and between Liberty Media Corporation and [Liberty Splitco, Inc.], has not been provided herein:

[Schedule 1.2(c)—Covered Plans]
Schedule 2.1—Allocated Expenses in Effect for Calendar Year 2011

The undersigned registrant hereby undertakes to furnish supplementally a copy of any omitted exhibit or schedule to the Securities and Exchange Commission upon request.

QuickLinks

Exhibit 10.9

FORM OF
VOTING AGREEMENT

This VOTING AGREEMENT (this "*Agreement*"), dated as of , 2011, by and among John C. Malone ("*Stockholder*") and Liberty Media Corporation, a Delaware corporation ("*Liberty*").

W I T N E S S E T H:

WHEREAS, in accordance with and pursuant to the Restated Certificate of Incorporation of Liberty (the "*Liberty Charter*"), the businesses, assets and liabilities of Liberty are currently attributed among three tracking stock groups: the Capital Group; the Starz Group; and the Interactive Group;

WHEREAS, the Board of Directors of Liberty (the "*Liberty Board*") has determined that it is appropriate and in the best interests of Liberty and its stockholders to separate from Liberty the businesses and assets of the Capital Group and the Starz Group by contributing the assets and businesses of such groups to a wholly owned subsidiary of Liberty ("*Splitco*") and distributing the equity of Splitco to the holders of shares of those tracking stock groups (the "*Split-Off*");

WHEREAS, the Liberty Board has determined that, in order to effect the Split-Off, it is appropriate and in the best interests of Liberty and its stockholders: (i) for Liberty to redeem (the "*LCAP Redemption*") all of the issued and outstanding shares of Liberty's Series A Liberty Capital common stock, par value $.01 per share ("*LCAPA*"), and Series B Liberty Capital common stock, par value $.01 per share ("*LCAPB*" and, together with LCAPA, the "*Liberty Capital Stock*"), for shares of a corresponding series of Splitco Capital common stock, and (ii) for Liberty to redeem (the "*LSTZ Redemption*," and together with the LCAP Redemption, the "*Redemptions*"), all of the issued and outstanding shares of Liberty's Series A Liberty Starz common stock, par value $.01 per share ("*LSTZA*"), and Series B Liberty Starz common stock, par value $.01 per share ("*LSTZB*" and, together with LSTZA, the "*Liberty Starz Stock*"), for shares of a corresponding series of Splitco Starz common stock;

WHEREAS, as of the date hereof, the Stockholder (in his individual capacity) is the record holder of the number of shares of LCAPB and LSTZB as set forth in Schedule I hereto;

WHEREAS, the Liberty Charter requires that the LCAP Redemption be approved by the holders of Liberty Capital Stock and that the LSTZ Redemption be approved by the holders of Liberty Starz Stock;

WHEREAS, Liberty and Shareholder have agreed to enter into an agreement pursuant to which Stockholder will vote all of his shares of LCAPB and LSTZB in favor of the applicable Redemption; and

WHEREAS, the Split-Off and the transactions related thereto have been approved by the Liberty Board and the Liberty Board has recommended that the holders of Liberty Capital Stock and Liberty Starz Stock vote in favor of the Redemptions.

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements set forth in this Agreement, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I

VOTING OF SHARES

Section 1.1. *Agreement to Vote.* From the date hereof until the termination of this Agreement pursuant to Section 2.1 below, at any meeting of the stockholders of Liberty at which matters related to the Split-Off are to be presented for a vote of the holders of Liberty Capital Stock and Liberty Starz

Stock (including any subsequent vote of such stockholders upon a resolicitation resulting from the Liberty Board's waiver of certain conditions to the Split-Off) or any adjournment or postponement thereof, Stockholder shall appear at such meeting of stockholders or otherwise cause the Covered Shares (as defined below) to be counted as present thereat for the purpose of establishing a quorum, and vote or cause to be voted all shares of LCAPB and LSTZB (including any such securities acquired hereafter but excluding any shares or other securities the Stockholder has the right to acquire but has not acquired) that Stockholder directly owns and has the right to vote as of the record date for such stockholder meeting (collectively, the "*Covered Shares*"), (a) in favor of the approval of the applicable Redemption and any related action reasonably required in furtherance thereof submitted with the recommendation of the Liberty Board and (b) against any action or agreement (including any amendment of any agreement) that would reasonably be expected to prevent, prohibit or materially delay the completion of the Split-Off. Any such vote shall be cast by Stockholder in accordance with such procedures related thereto so as to ensure that it is duly counted, including for purposes of determining that a quorum is present and for purposes of recording the results of such vote.

Section 1.2. *Not Applicable to Stockholder in Other Capacities*. Stockholder's agreement to vote in favor of the Redemptions as provided herein is being made solely in Stockholder's individual capacity, and nothing herein contained shall (a) restrict, limit or prohibit Stockholder (in his capacity as a director or officer) from exercising his fiduciary duties to the stockholders of Liberty under applicable law or (b) require Stockholder, in his capacity as an officer of Liberty, to take any action in contravention of, or omit to take any action pursuant to, or otherwise take or refrain from taking any actions which are inconsistent with, instructions or directions of the Liberty Board undertaken in the exercise of its fiduciary duties.

Section 1.3. *Disposition of Shares*. From the date hereof until the earlier of termination of this Agreement pursuant to Section 2.1 below and the record date for the meeting of holders of Liberty Capital Stock and Liberty Starz Stock to consider and approve the Redemptions, Stockholder hereby agrees not to (a) take any action that would have the effect of converting any Covered Shares into shares of LCAPA or LSTZA, as applicable, or (b) directly or indirectly sell, pledge, encumber, grant any proxy or enter into any voting or similar agreement with respect to, transfer or otherwise dispose of (collectively, "*Transfer*"), or agree or contract to Transfer, any Covered Shares (or any interest therein).

Section 1.4. *Representations and Warranties of Liberty*. Liberty represents and warrants to Stockholder that (a) this Agreement and the Split-Off has been approved by the Liberty Board and the Split-Off has been approved by the board of directors of Splitco and by Liberty as the sole stockholder of Splitco, in each case representing all necessary corporate action on the part of Liberty and Splitco, except for the approval of Liberty's stockholders, (b) this Agreement has been duly executed and delivered by a duly authorized officer of Liberty, and (c) this Agreement constitutes a valid and binding agreement of Liberty, enforceable against it in accordance with its terms, except to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws relating to or affecting enforcement of creditor's rights generally, and general principles of equity (regardless of whether enforcement is considered in a proceeding at law or in equity).

Section 1.5. *Representations and Warranties of Stockholder*. Stockholder represents and warrants to Liberty that (a) as of the date hereof, Stockholder is the record holder of the number of shares of LCAPB and LSTZB set forth in Schedule I hereto, which at the date hereof are free and clear of any liens, claims, options, charges or other encumbrances that would adversely affect the ability of Stockholder to carry out the terms of this Agreement, (b) Stockholder has the full power and authority to vote all Covered Shares as contemplated hereby, (c) this Agreement has been duly executed and delivered by Stockholder, and (d) this Agreement constitutes the valid and binding agreement of Stockholder, enforceable against him in accordance with its terms, except to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws relating to or affecting enforcement of creditor's rights generally, and general principles of equity (regardless of whether enforcement is considered in a proceeding at law or in equity).

ARTICLE II

TERMINATION

Section 2.1. *Termination*. This Agreement shall terminate upon the earliest of (a) the execution by all the parties hereto of a written instrument terminating this Agreement, (b) such date and time as the Split-Off shall become effective, (c) immediately following the meeting of the holders of Liberty Capital Stock and Liberty Starz Stock at which the Redemptions (and the other proposals related to the Split-Off) are considered and voted upon and the required votes of such stockholders are not obtained, (d) , 2011 if the Stockholder Meeting is not held by such date, (e) such date and time as the Liberty Board determines to terminate the Split-Off, and (f) the date upon which the Liberty Board approves any modification or change to the terms of the Series B Consent Rights (as defined below) or the actions of Splitco which may not be taken without obtaining a Series B Capital Group Consent (as defined in the Splitco Charter (as defined below)) or Series B Starz Group Consent (as defined in the Splitco Charter), as the case may be, from those set forth in the form of the Certificate of Incorporation of Splitco attached to the proxy statement/prospectus of Liberty on Schedule 14A dated as of the date hereof (the "*Splitco Charter*") (the earliest of (a) through (f) to occur, the "*Termination*"). Effective upon Termination, this Agreement shall be terminated as to Liberty and Stockholder and will thereafter cease to be of any further force and effect as to Liberty and Stockholder, and Liberty and Stockholder will thereafter have no rights or obligations hereunder. "*Series B Consent Rights*" as used in this Section 2.1 shall mean the provisions in the Splitco Charter which provide that Splitco may not take certain actions without first obtaining a Series B Capital Group Consent or Series B Starz Group Consent, as the case may be.

ARTICLE III

MISCELLANEOUS

Section 3.1. *Notices*. All notices and other communications hereunder shall be in writing and shall be delivered in person, by facsimile (with confirming copy sent by one of the other delivery methods specified herein), by overnight courier or sent by certified, registered or express air mail, postage prepaid, and shall be deemed given when so delivered in person, or when so received by facsimile or courier, or, if mailed, three (3) calendar days after the date of mailing, as follows:

(a) if to Liberty to:

Liberty Media Corporation
12300 Liberty Boulevard
Englewood, CO 80112
Attn: Charles Y. Tanabe
Fax: (720) 875-5382

with copies to:

Baker Botts L.L.P.
30 Rockefeller Plaza
New York, New York 10112
Attn: Frederick H. McGrath
Fax: (212) 259-2530

(b) if to Stockholder to:

John C. Malone
12300 Liberty Boulevard
Englewood, CO 80112
Fax: (720) 875-5394

Section 3.2. *Amendment*. This Agreement may not be amended, changed, supplemented, waived or otherwise modified or terminated except by an instrument in writing signed by Liberty and Stockholder.

Section 3.3. *Assignment; No Third Party Beneficiaries*. This Agreement shall not be assignable or otherwise transferable by a party without the prior consent of the other parties hereto, and any attempt to so assign or otherwise transfer this Agreement without such consent shall be void and of no effect. This Agreement shall be binding upon the parties and their respective successors and permitted assigns. Nothing in this Agreement shall be construed as giving any person, other than the parties hereto and their respective successors and permitted assigns, any right, remedy or claim under or in respect of this Agreement or any provision hereof.

Section 3.4. *Entire Agreement*. This Agreement constitutes the full and entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes any and all prior agreements and understandings relating to such subject matter.

Section 3.5. *Severability*. If any term or provision of this Agreement is held to be invalid, illegal, incapable of being enforced by any rule of law, or public policy, or unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties hereto to the maximum extent possible. In any event, the invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision, in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the terms of this Agreement remain as originally contemplated to the fullest extent possible.

Section 3.6. *Specific Performance*. The parties acknowledge that money damages are not an adequate remedy for violations of this Agreement and that any party may, in its sole discretion, apply to a court of competent jurisdiction for specific performance or injunctive or such other relief as such court may deem just and proper in order to enforce this Agreement or prevent any violation hereof and, to the extent permitted by applicable law, each party waives any objection to the imposition of such relief.

Section 3.7. *Remedies*. No failure or delay by any party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided herein shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 3.8. *No Waiver*. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof, shall not constitute a waiver by such party of its or his right to exercise any such or other right, power or remedy or to demand such compliance.

Section 3.9. *Governing Law; Jurisdiction*. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of laws provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of laws of any jurisdictions other than those of the State of Delaware. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement will be brought exclusively in the Court of Chancery of the State of Delaware (the "*Delaware Chancery Court*"), or, if the Delaware Chancery Court does not have subject matter jurisdiction, in the federal courts located in the State of Delaware. Each of the parties hereby consents to personal jurisdiction in any such action, suit or proceeding brought in any such court (and of the appropriate appellate courts therefrom) and irrevocably waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 3.1 shall be deemed effective service of process on such party.

Section 3.10. *WAIVER OF JURY TRIAL*. EACH OF THE PARTIES AGREES AND ACKNOWLEDGES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE BREACH, TERMINATION OR VALIDITY OF THIS AGREEMENT.

Section 3.11. *Effect of Headings*. The section headings herein are for convenience only and shall not affect the construction or interpretation of this Agreement.

Section 3.12. *Counterparts*. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one instrument.

Section 3.13. *Expenses*. Liberty and Stockholder shall bear its or his own expenses incurred in connection with this Agreement and the transactions contemplated hereby.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and date first above written.

LIBERTY MEDIA CORPORATION

By: ______________________________

Name:
Title:

____

John C. Malone

Schedule I

Share Ownership
As of , 2011

[To come.]

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 10.10

Management and Allocation Policies of Liberty Splitco Inc.

Liberty Splitco Inc. ("Splitco") has established management and allocation policies for purposes of attributing all of its businesses and operations to either the Capital Group or the Starz Group, and allocating between those two groups other items (such as debt, corporate overhead, taxes, corporate opportunities and other charges and obligations) in a manner Splitco deems reasonable after taking into account all material factors. All references in these policies to the Capital Group or the Starz Group refer to the tracking stock groups of Splitco. The following Management and Allocation Policies are substantially similar to those of Liberty Media Corporation ("Liberty Media"), except as otherwise noted below with respect to certain tax matters defined terms used and not otherwise defined herein have the meanings ascribed to them in the proxy statement/prospectus, which forms a part of Splitco's Registration Statement on Form S-4 filed herewith.

As a general principle, Splitco expects that all material matters in which holders of Splitco Capital common stock and Splitco Starz common stock may have divergent interests will continue to be generally resolved in a manner that is in the best interests of Splitco and all of its stockholders after giving fair consideration to the interests of the holders of each tracking stock, as well as such other or different factors considered relevant by Splitco's board of directors (or any committee of the board authorized for this purpose, including the executive committee of the board).

Policies Subject to Change Without Stockholder Approval

Set forth below are the management and allocation policies Splitco expects to be effective upon completion of the Split-Off. Stockholder approval of these policies is not being sought.

Splitco's board of directors may, without stockholder approval, modify, change, rescind or create exceptions to these policies, or adopt additional policies. Such actions could have different effects on holders of Splitco Capital common stock and Splitco Starz common stock. Splitco's board of directors will make any such decision in accordance with its good faith business judgment that such decision is in the best interests of Splitco and the best interests of all Splitco stockholders as a whole.

Any such modifications, changes, rescissions, exceptions or additional policies will be binding and conclusive unless otherwise determined by the Splitco board. Splitco will notify its shareholders of any material modification, change or exception made to these policies, any rescission of these policies and the adoption of any material additions to these policies through the filing of a Current Report on Form 8-K.

Attribution

The businesses, assets and liabilities that are currently attributed to Liberty Media's Capital Group (other than those subject to the Reattribution) will be attributed to Splitco's Capital Group, and the businesses, assets and liabilities that are currently attributed to Liberty Media's Starz Group will be attributed to Splitco's Starz Group. All references to the Capital Group and the Starz Group in these policies refer to the tracking stock groups of Splitco.

The Capital Group will initially have attributed to it Splitco's subsidiaries, Atlanta National League Baseball Club, Inc. and TruePosition, Inc., and Splitco's interests in Sirius XM Radio, Inc., Live Nation Entertainment, Inc. and Sprint Nextel Corporation, among other smaller assets. The Capital Group will have attributed to it a bank facility with an outstanding principal amount of $750 million, in addition to the liabilities that reside with the subsidiary businesses attributed to the Capital Group. The Capital Group will be primarily focused on media, entertainment and technology.

The Starz Group will initially have attributed to it Splitco's subsidiaries, Starz Entertainment, LLC, Starz Media, LLC and Liberty Sports Interactive, Inc. The Starz Group will not have any liabilities attributed to it, other than liabilities that reside with the businesses attributed to the Starz Group. The Starz Group will be primarily focused on video programming.

The Splitco board currently contemplates that businesses, assets and liabilities acquired after the Split-Off will be attributed to one of the two groups principally based upon how strongly they complement or relate to the focus or strategy of that group.

Fiduciary and Management Responsibilities

Because the Capital Group and the Starz Group will be parts of a single company, Splitco's directors and officers will have the same fiduciary duties to holders of Splitco Capital common stock and Splitco Starz common stock. Under Delaware law, a director or officer may be deemed to have satisfied his or her fiduciary duties to Splitco and its stockholders if that person is independent and disinterested with respect to the action taken, is adequately informed with respect to the action taken and acts good faith taking into account the interests of all of Splitco's stockholders as a whole. Splitco's board of directors and chief executive officer, in establishing and applying policies with regard to intra-company matters such as business transactions between the two groups and allocation of assets, liabilities, debt, corporate overhead, taxes, interest, corporate opportunities and other matters, will consider various factors and information which could benefit or cause relative detriment to the stockholders of the respective groups and will seek to make determinations which are in Splitco's best interests and the best interests of Splitco's stockholders as a whole. If and when there are conflicting interests between the Capital Group and the Starz Group, Splitco's directors will use good faith business judgment to resolve such conflicts.

Dividend Policy

Splitco does not anticipate paying cash dividends on Splitco Capital common stock or Splitco Starz common stock for the foreseeable future following the Split-Off. Splitco's ability to pay dividends in respect of Splitco Capital common stock and Splitco Starz common stock is addressed in Article IV, Section A.2.(c) of the Splitco charter.

Financing Activities

General. Splitco will manage most of its financial activities on a centralized basis. These activities include the investment of surplus cash, the issuance and repayment of short-term and long-term debt and the issuance and repurchase of any preferred stock.

If Splitco changes the attribution of cash or other property from one group to the other group, Splitco will account for such change as a short term loan unless Splitco's board of directors determines that a given change in attribution should be accounted for as a long-term loan, an inter-group interest, as a reduction of an inter-group interest or as a transfer in exchange for cash or other assets. See "—Inter-Group Loans" and "—Inter-Group Interests" below.

Splitco's board of directors will make these determinations, either in specific instances or by setting applicable policies generally, in the exercise of its informed business judgment. Factors Splitco's board of directors may consider in making this determination include:

- the financing needs and objectives of the receiving group;
- the investment objectives of the transferring group;
- the current and projected capital structure of each group;
- the relative levels of internally generated funds of each group; and

- the availability, cost and time associated with alternative financing sources, prevailing interest rates and general economic conditions.

Splitco's board of directors will make all changes in the attribution of material assets from one group to the other on a fair value basis, as determined by the board. For accounting purposes, all such assets will be deemed reattributed at their carryover basis. To the extent that this amount is different than the fair value of the inter-group loan or inter-group interest created in the transaction, this difference will be recorded as an adjustment to the group equity. No gain or loss will be recognized in the statement of operations information for the groups due to the related party nature of such transactions.

Inter-Group Loans. If one group makes a loan to the other group, Splitco's board of directors will determine the terms of the loan, including the rate at which it will bear interest. Splitco's board of directors will determine the terms of any inter-group loans, either in specific instances or by setting applicable policies generally, in the exercise of its informed business judgment. Factors Splitco's board of directors may consider in making this determination include:

- Splitco's needs;
- the use of proceeds and creditworthiness of the receiving group;
- the capital expenditure plans of and the investment opportunities available to each group; and
- the availability, cost and time associated with alternative financing sources.

If an inter-group loan is made, Splitco intends to account for the loan based on its stated terms, and the resulting activity, such as interest amounts, will be recorded in the separate group financial results to be included in Splitco's consolidated financial statements but will be eliminated in preparing Splitco's consolidated financial statement balances.

Inter-Group Interests. An inter-group interest is a quasi-equity interest that one group is deemed to hold in the other group. Inter-group interests are not represented by outstanding shares of common stock, rather they have an attributed value which is generally stated in terms of a number of shares of stock issuable to one group with respect to an inter-group interest in the other group.

An inter-group interest in a group will be created when cash or property is reattributed from one group to the other group and the board of directors determines that the reattribution will not be treated as an inter-group loan or as a transfer in exchange for cash or other assets. Inter-group interests may also be created in the discretion of the board of directors for certain other transactions, such as when funds of one group are used to effect an acquisition made on behalf of the other group. Additionally, inter-group interests once created are subject to adjustment for subsequent events. For instance, if the Starz Group holds an inter-group interest in the Capital Group at the time of a reattribution of cash or property by the Capital Group to the Starz Group, Splitco's board of directors may choose to reduce the Starz Group's inter-group interest in the Capital Group rather than create an inter-group interest in the Starz Group in favor of the Capital Group. Certain extraordinary actions that may be taken under the Splitco charter may also cause an increase or decrease in one group's inter-group interest in the other group. For more information regarding inter-group interests, see the definitions of "Number of Shares Issuable to the Starz Group with Respect to the Capital Group Inter-Group Interest" and "Number of Shares Issuable to the Capital Group with Respect to the Starz Group Inter-Group Interest" in Article IV, Section A.2.(i) of the Splitco charter.

If an inter-group interest is created, Splitco intends to account for this interest in a manner similar to the equity method of accounting whereby the group holding the inter-group interest would record its proportionate share of such other group's net income or loss. Appropriate eliminating entries would be made in preparing Splitco's consolidated financial statement balances.

Equity Issuance and Repurchases and Dividends. Splitco will reflect all financial effects of issuances and repurchases of shares relating to either group in its own attributed financial information. Splitco will reflect financial effects of dividends or other distributions on, and purchases of, shares relating to either group in its own attributed financial information.

Inter-Group Contracts

The terms of all current and future material transactions, relationships and other matters between the groups, including those as to which the groups may have potentially divergent interests, will be determined in a manner considered by Splitco's board of directors to be in its best interests and the best interests of its stockholders as a whole.

Review of Corporate Opportunities

In cases where a material corporate opportunity may appropriately be viewed as one that could be pursued by more than one group, Splitco's board of directors may, independently or at the request of management, review the allocation of that corporate opportunity to one of, or between, such groups. In accordance with Delaware law, Splitco's board of directors will make its determination with regard to the allocation of any such opportunity and the benefit of such opportunity in accordance with their good faith business judgment of Splitco's best interests and the best interests of Splitco's stockholders as a whole. Among the factors that Splitco's board of directors may consider in making this allocation is:

- whether a particular corporate opportunity is principally related or complementary to the business focus or strategy of the Capital Group or the Starz Group;
- whether one group, because of operational expertise, will be better positioned to undertake the corporate opportunity than the other group;
- existing contractual agreements and restrictions; and
- the financial resources and capital structure of each group.

Financial Statements; Allocation Matters

Splitco will present consolidated financial statements in accordance with generally accepted accounting principles in the U.S., consistently applied. Splitco will also provide consolidating financial statement information that will show the attribution of its assets, liabilities, revenue, expenses and cash flows to each of the Capital Group and the Starz Group.

Consolidating financial statement information will also include attributed portions of Splitco's debt, interest, corporate overhead and costs of administrative shared services and taxes. Splitco will make these allocations for the purpose of preparing such information; however, holders of Splitco Capital common stock and Splitco Starz common stock will continue to be subject to all of the risks associated with an investment in Splitco and all of Splitco's businesses, assets and liabilities.

In addition to allocating debt and interest as described above, Splitco has adopted certain expense allocation policies, each of which will be reflected in the attributed financial information of the Capital Group and the Starz Group. In general, corporate overhead will be allocated to each group based upon the use of services by that group where practicable. Corporate overhead includes costs of personnel and employee benefits, legal, accounting and auditing, insurance, investor relations and stockholder services and services related to Splitco's board of directors. Splitco will allocate in a similar manner a portion of costs of administrative shared services, such as information technology services. Where determinations based on use alone are not practical, Splitco will use other methods and criteria that Splitco believes are equitable and that provide a reasonable estimate of the cost attributable to each group.

Taxes

General Policies. From and after the effective time of the Split-Off, taxes and tax benefits, and payments that are required to be made by, or are entitled to be received by, Splitco (such payments, **tax sharing payments**) under the Tax Sharing Agreement, will be allocated between the Capital Group and the Starz Group in accordance with the following tax sharing policies regardless of whether the applicable taxes, tax benefits or tax sharing payments relate to—

- a taxable period (or portion thereof) ending at or before the effective time of the Split-Off (a**Pre-Split-off Period**); or

- a taxable period (or portion thereof) beginning after the effective time of the Split-Off (a**Post-Split-off Period**).

These tax sharing policies generally allocate taxes, tax benefits, and tax sharing payments between the Capital Group and the Starz Group in a manner consistent with the tax sharing policies of Liberty Media in effect prior to the Split-Off and the attribution of certain tax-related assets and liabilities between the Capital Group and Starz Group prior to the Split-Off. In addition, these tax sharing policies provide specific rules, not addressed by the Liberty Media tax sharing policies, related to the manner in which any taxes or tax-related losses arising from the Split-Off or the issuance of the Splitco Capital common stock and Splitco Starz common stock in connection with the Split-Off will be allocated between the Capital Group and the Starz Group. These tax sharing policies do not address the manner in which any taxes, tax benefits, tax items, and tax-related losses will be allocated between Liberty Media and Splitco, including the manner in which any taxes or tax-related losses arising from the Split-Off will be allocated. These tax matters are addressed in the Tax Sharing Agreement which is discussed in the proxy statement/prospectus which forms a part of Splitco's Registration Statement on Form S-4 filed herewith under the heading "Certain Relationships and Related Transactions—Tax Sharing Agreement."

References in these tax sharing policies to the "**Old Starz Group**" refer to the assets, liabilities and businesses that were tracked during the applicable Pre-Split-off Period by the Liberty Starz common stock or the Liberty Entertainment common stock, and for any taxable period (or portion thereof) ending prior to March 3, 2008, the assets, liabilities and businesses of, and any equity or debt interests in, Starz Entertainment, LLC, FUN Technologies, Inc., GSN, LLC, Fox Sports Net Rocky Mountain LLC, Fox Sports Net Northwest, LLC and Fox Sports Net Pittsburgh, LLC, or any of their respective subsidiaries, Liberty Media's equity interests in WildBlue Communications, Inc. and The DirecTV Group, Inc., and Liberty Media LLC's 3.25% Senior Exchangeable Debentures due 2031. References to the "**Old Capital Group**" refer to the assets, liabilities and businesses of Liberty Media (or its predecessor, Liberty Media LLC) and their respective subsidiaries during any Pre-Split-off Period other than:

- the assets, liabilities and businesses that were tracked during such Pre-Split-off Period by the Liberty Interactive common stock, and for any taxable period (or portion thereof) ending prior to May 9, 2006, the assets, liabilities and businesses of, and any equity or debt interests in, QVC, Inc., Provide Commerce, Inc. and their respective subsidiaries; and

- the assets, liabilities and businesses of the Old Starz Group during such Pre-Split-off Period.

These tax sharing policies may differ from the manner in which taxes and tax benefits of each group are reflected in the financial statements. For financial statement purposes, taxes and tax benefits allocable to each group generally have been and will be accounted for in a manner similar to a stand-alone company basis in accordance with generally accepted accounting principles. Any differences between the tax sharing policies described below and the taxes and tax benefits of each group reported in the financial statements will be reflected in the attributed net assets of the groups for financial statement purposes.

In general, for purposes of these tax sharing policies, any tax item (including any tax item arising from a disposition) attributable to an asset, liability or other interest tracked by the Splitco Capital common stock or attributable to the Old Capital Group will be allocated to the Capital Group and any tax item (including any tax item arising from a disposition) attributable to an asset, liability or other interest tracked by the Splitco Starz common stock or attributable to the Old Starz Group will be allocated to the Starz Group. Tax items that are allocable to the Capital Group that are carried forward or back and used as a tax benefit in another tax year will be allocated to the Capital Group and tax items that are allocable to the Starz Group that are carried forward or back and used as a tax benefit in another tax year will be allocated to the Starz Group. Except as described below under the special allocation rules, taxes and tax items arising in any Post-Split-off Period from employee or director compensation or employee benefits will be allocated to the group responsible for the underlying obligation (either through the allocation of the related expenses or through the issuance of stock of that group).

Consolidated Income Taxes for Post-Split-off Periods. To the extent that federal, state, local or foreign income taxes are determined on a basis that includes the operations, assets, liabilities or other tax items of more than one group for any Post-Split-off Period, or Splitco is required to make, or is entitled to receive, any tax sharing payments related to any income taxes or tax items attributable to any Post-Split-off Period, then, except as described below, income taxes and income tax benefits (other than any income taxes or income tax benefits that are allocable to Liberty Media under the Tax Sharing Agreement) and tax sharing payments will be shared among the groups based principally on the taxable income (or loss), tax credits and other tax items directly related to the activities of such group for such Post-Split-off Periods. Such allocations will reflect each group's contribution, whether positive or negative, to Splitco's consolidated taxable income (or loss), income tax liabilities and tax credit position or to any tax sharing payments. Consistent with the general policies described above, income tax benefits that cannot be used by a group generating such benefits, but can be used to reduce the taxable income of the other group or tax sharing payment liabilities otherwise allocable to the other group, will be credited to the group that generated such benefits and a corresponding amount will be charged to the group utilizing such benefits. As a result, under this tax sharing policy, the amount of income taxes allocated to a group and the amount credited to a group for income tax benefits may not necessarily be the same as that which would have been payable or received by the group had that group filed separate income tax returns.

Consolidated Income Taxes for Pre-Split-off Periods. To the extent that federal, state, local or foreign income taxes are determined on a basis that includes the operations, assets, liabilities or other tax items of more than one group for any Pre-Split-off Period, or Splitco is required to make, or is entitled to receive, any tax sharing payments related to any income taxes or tax items attributable to any Pre-Split-off Period, then except as described below, income taxes and income tax benefits (other than any income taxes or income tax benefits that are allocable to Liberty Media under the Tax Sharing Agreement) and tax sharing payments will, consistent with the policies described under "—Taxes—Consolidated Income Taxes for Post-Split-off Periods," be allocated to the Capital Group and the Starz Group based principally on the taxable income (or loss), tax credits and other tax items directly related to the activities of the Old Capital Group and the Old Starz Group, respectively, for such Pre-Split-off Periods. Consistent with the policies described above, income tax benefits that cannot be used by a group generating such benefits, but can be used to reduce the taxable income of the other group or tax sharing payment liabilities otherwise allocable to the other group, will be credited to the group that generated such benefits and a corresponding amount will be charged to the group utilizing such benefits.

Non-Income Taxes and Non-Consolidated Income Taxes. In any taxable period, if any non-income taxes or tax sharing payments attributable to non-income taxes or tax items are determined on a basis that includes the operations, assets, liabilities or other tax items of more than one group, then any such non-income taxes, non-income tax benefits, or tax sharing payments will be allocated to each group based upon their contribution to the consolidated non-income tax liability (or benefit) or tax sharing payments. Non-income tax benefits that cannot be used by a group generating such benefits, but can be used to reduce taxes or tax sharing payments of the other group, will be credited to the group that generated such benefits, and a corresponding amount will be charged to the group utilizing such benefit.

In any taxable period, any income or non-income taxes or tax benefits or tax sharing payments that are determined on a basis that includes only the operations, assets, liabilities or other tax items of one group will be allocated to that group.

Special Allocation Rules. Notwithstanding the foregoing, special allocation rules apply as follows:

- the Capital Group and the Starz Group will each be allocated a proportionate amount, based upon the aggregate market capitalization of the Splitco Capital common stock and the Splitco Starz common stock on the first trading day following the Split-Off, of any taxes, tax items, and tax sharing payments (including any transfer taxes or tax sharing payments related thereto) that result from the Split-Off and certain related restructuring transactions, except that (x) the Capital Group will be solely responsible for any such taxes, tax items, and tax sharing payments that result from (i) the Liberty Interactive common stock, the Liberty Capital common stock, or the Liberty Starz common stock not being treated as stock of Liberty Media, or being treated as Section 306 stock within the meaning of Section 306(c) of the Code, for U.S. federal income tax purposes, or (ii) any deferred intercompany items or excess loss accounts that are triggered thereby, and that would otherwise be allocated to the Capital Group, and (y) the Starz Group will be solely responsible for any such taxes, tax items and tax sharing payments that result from any deferred intercompany items or excess loss accounts that are triggered thereby, and that would otherwise be allocated to the Starz Group;

- the Starz Group will be allocated any taxes, tax items and tax sharing payments resulting from the LEI Split-Off and related restructuring transactions;

- the Capital Group will be allocated any taxes, tax items and tax sharing payments resulting from the exchange of stock of News Corporation for stock of Greenlady Corp. that was effected between News Corporation and subsidiaries of Liberty Media on February 27, 2008 (the **News Exchange**) and related restructuring transactions;

- the Capital Group will be allocated any taxes, tax items and tax sharing payments resulting from (i) the treatment of the Liberty Interactive common stock, the Liberty Capital common stock, the Liberty Starz common stock, or the Liberty Entertainment common stock as other than stock of Liberty Media, or as Section 306 stock within the meaning of Section 306(c) of the Code, in any taxable period (or portion thereof) ending at or before the Split-Off or (ii) the actual or deemed disposition of any assets caused by the issuance of the Liberty Interactive common stock, the Liberty Capital common stock, the Liberty Starz common stock, or the Liberty Entertainment common stock in any taxable period (or portion thereof) ending at or before the Split-Off; however, in each case, any taxes, tax items and tax sharing payments resulting from deferred intercompany items or excess loss accounts that are triggered thereby, and that would otherwise be allocated to the Starz Group, will be allocated to the Starz Group;

- the Capital Group and the Starz Group will each be allocated a proportionate amount, based upon the aggregate market capitalization of the Splitco Capital common stock and the Splitco Starz common stock on the first trading day following the Split-off, of any taxes, tax items and tax sharing payments resulting from (i) the treatment of the Splitco Capital common stock or the Splitco Starz common stock distributed in the Split-Off as other than stock of Splitco or as Section 306 stock within the meaning of Section 306(c) of the Code, or (ii) the actual or deemed disposition of any assets caused by the issuance of the Splitco Capital common stock or the Splitco Starz common stock; however, in each case, any taxes, tax items and tax sharing payments resulting from deferred intercompany items or excess loss accounts that are triggered thereby, and that would otherwise be allocated to the Capital Group or the Starz Group, will be allocated to the Capital Group or the Starz Group, respectively;

- for any Pre-Split-off Period (except as otherwise described in the next bullet), (x) any taxes, tax items, and tax sharing payments arising from the issuance, vesting, exercise or settlement of any stock, equity interests, options, stock appreciation rights, or similar rights granted prior to the Split-Off in connection with employee or director compensation (**Compensatory Equity Interests**) with respect to any series of Liberty Starz common stock or Liberty Entertainment common stock will be allocated to the Starz Group; (y) any taxes, tax items, and tax sharing payments arising from the issuance, vesting, exercise or settlement of any Compensatory Equity Interests with respect to any series of Liberty Capital Common Stock will be allocated to the Capital Group; and (z) any other taxes, tax items or tax sharing payments related to employee or director compensation or employee benefits will be allocated to the Capital Group to the extent that the Old Capital Group was responsible for the underlying obligation and will be allocated to the Starz Group to the extent that the Old Starz Group was responsible for the underlying obligation;

- for any tax period (whether beginning before, on or after the Split-Off date), (x) any taxes, tax items, and tax sharing payments arising from the issuance, vesting, exercise or settlement of any Compensatory Equity Interests in DIRECTV will be allocated to the Starz Group; (y) any taxes, tax items, and tax sharing payments arising from the issuance, vesting, exercise or settlement of any Compensatory Equity Interests in Discovery Communications, Inc. **(Discovery)**, LGI, or Ascent Media Corporation will be allocated to the Capital Group;

- at the time of any sale or disposition of all or a portion of the stock of Starz Media Group, Inc. (**Starz Media**) in which gain or loss is recognized for income tax purposes (whether occurring before, on or after the Split-Off date), (x) the Capital Group will be allocated a deemed loss in an amount equal to the excess of the adjusted basis of the Starz Media stock (as of September 30, 2010) over the price at which it was transferred to the Starz Group (the **Starz Media purchase price**) (or in the event that less than all of the Starz Media stock is sold, an allocable portion of such excess), and (y) the Starz Group will be treated as having a starting adjusted basis in the stock of Starz Media equal to the Starz Media purchase price for income tax purposes and will be allocated a deemed loss or gain in an amount equal to the difference between the amount actually realized upon such sale or disposition and the Starz Group's deemed adjusted basis in the stock of Starz Media (the starting adjusted basis in the stock of Starz Media previously described, properly adjusted to take into account any income, deduction, gain, loss, contribution and distribution occurring after the reattribution of Starz Media from the Capital Group to the Starz Group) (as appropriately adjusted in the event of a sale or disposition of less than all of the stock of Starz Media);

- for any tax period (whether beginning before, on or after the Split-Off date), taxes and tax items of any subsidiary that is acquired, directly or indirectly, after the Split-Off for the benefit of the Capital Group or the Starz Group will generally be allocated to the Capital Group or the Starz Group, respectively; and

- the Capital Group will be allocated all taxes, tax items, losses and tax sharing payments attributable to Liberty Media LLC's tax sharing agreement with, among others, AT&T Corp. (**AT&T**) and Liberty Media LLC's tax sharing agreements with each of Discovery Holding Company (**DHC**) and Liberty Media International, Inc. (**LMI**).

Several Liability for Consolidated Taxes. Notwithstanding these tax sharing policies, under U.S. treasury regulations, each member of a consolidated group is severally liable for the U.S. federal income tax liability of each other member of the consolidated group. **Accordingly, each member of the Splitco affiliated group for U.S. federal income tax purposes (whether such member is attributed to the Capital Group or the Starz Group) could be liable to the U.S. government for any U.S. federal income tax liability incurred, but not discharged, by any other member of the Splitco affiliated group, and each member of the Capital Group and the Starz Group that is a member of the Liberty Media affiliated group for U.S. federal income tax purposes in any Pre-Split-off Period could be liable to the U.S. government for any U.S. federal income tax liability incurred, but not discharged, by any other member of the Liberty Media affiliated group with respect to any tax year beginning on or before the date of the Split-Off.**

QuickLinks

Exhibit 10.10

Management and Allocation Policies of Liberty Splitco Inc.

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Exhibit 21.1

January 20, 2011

A table of subsidiaries of Liberty Splitco, Inc. post split-off is set forth below, indicating as to each the state or jurisdiction of organization and the names under which such subsidiaries do business. Subsidiaries not included in the table are inactive or, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

Name	State or Country of Formation
Anchor Bay Entertainment Australia PTY LTD.	AUSTRALIA
Anchor Bay Entertainment Canada Co. (unlimited liability company)	NOVA SCOTIA
Anchor Bay Entertainment UK Limited	UK
Anchor Bay Entertainment, LLC	DE
Anchor Bay International Limited	UK
Aries Pictures LLC	CO
Atlanta Braves, Inc.	GA
Atlanta National League Baseball Club, Inc.	GA
Barefoot Acquisition, LLC	DE
BET Movies/STARZ!3, LLC	DE
Big Horn Alternative Energy, LLC	DE
Braves Productions, Inc.	GA
Chalk Line Productions, LLC	DE
Communication Capital, LLC	DE
Composer Films, LLC	DE
Conductor Films, LLC	DE
Cool Kicks Media, LLC	DE
Deadspace 2, LLC	DE
DKP Effects, Inc.	CA
Dry Creek Productions LLC	CO
Fanball UK Limited	UK
Film Roman, LLC	DE
Informedia, LLC	DE
JJCK, LLC dba EmFinders	DE
KnowledgeWhere Holdings, Inc.	DE
KSI, Inc.	DE
LBTW I, LLC	DE
LCAP Investments, LLC	DE
LDIG 2, LLC	DE
LDIG Cars, Inc.	DE
LDIG Financing LLC	DE
Leisure Arts, Inc.	DE
Leisure Web LLC	DE
Liberty AEG, LLC	DE
Liberty Aero, LLC	DE
Liberty AGI, LLC	DE
Liberty Alternative Energy, LLC	DE
Liberty Animal Planet, LLC	CO
Liberty Asset Management, LLC	DE
Liberty Associated Holdings LLC	DE
Liberty Associated, Inc.	DE
Liberty ATCL, Inc.	CO
Liberty BC Capital, LLC	DE
Liberty Cayman Preferred Company	CAYMAN

Name	State or Country of Formation
Liberty CDE Investments, Inc.	DE
Liberty Centennial Holdings, Inc.	DE
Liberty Challenger, LLC	DE
Liberty Citation, Inc.	DE
Liberty CM, Inc.	DE
Liberty CNBC, Inc.	CO
Liberty Crown, Inc.	DE
Liberty Denver Arena LLC	DE
Liberty Fun Assets, LLC	DE
Liberty GI II, Inc.	DE
Liberty GI, Inc.	DE
Liberty GIC. Inc.	CO
Liberty IATV Holdings, Inc.	DE
Liberty IATV, Inc.	DE
Liberty IB2, LLC	DE
Liberty Java, Inc.	CO
Liberty KV, LLC	DE
Liberty LSAT II, LLC	DE
Liberty LSAT, LLC	DE
Liberty MCNS Holdings, Inc.	CO
Liberty Media LLC	DE
Liberty MLP, Inc.	CO
Liberty NC, LLC	DE
Liberty NEA, Inc.	DE
Liberty PL2, Inc.	DE
Liberty PL3, LLC	DE
Liberty Programming Company LLC	DE
Liberty Property Holdings, Inc.	DE
Liberty Radio, LLC	DE
Liberty Satellite & Technology, Inc.	DE
Liberty Satellite Radio Holdings, LLC	DE
Liberty Satellite Radio, Inc.	DE
Liberty Satellite, LLC	DE
Liberty Sling, Inc.	DE
Liberty Sports Interactive, Inc.	DE
Liberty Tower, Inc.	DE
Liberty TP Management Holdings, LLC	DE
Liberty TS, Inc.	DE
Liberty TSAT, LLC	DE
Liberty Virtual Pets, LLC	DE
Liberty WDIG, Inc.	DE
Liberty Wireless 1, Inc.	DE
Liberty Wireless 10, Inc.	DE
Liberty Wireless 11, Inc.	DE
Liberty Wireless 2, Inc.	DE
Liberty Wireless 3, Inc.	DE
Liberty Wireless 4, Inc.	DE
Liberty Wireless 5, Inc.	DE
Liberty Wireless 7, Inc.	DE
Liberty Wireless 8, Inc.	DE
Liberty Wireless 9, Inc.	DE
Liberty XMSR, Inc.	DE

Name	State or Country of Formation
LMC BET, LLC	DE
LMC Capital LLC	DE
LMC Denver Arena, Inc.	DE
LMC Events, LLC	DE
LMC IATV Events, LLC	DE
LMC Social, LLC	DE
LMC TP Management, Inc.	DE
LMC Wireless 1, LLC	DE
LMC Wireless 2, LLC	DE
LMC Wireless 3, LLC	DE
LMC Wireless 4, LLC	DE
LMC Wireless 5, LLC	DE
LMC Wireless 6, LLC	DE
LMC Wireless Holdings, LLC	DE
LMC Wireless IV, LLC	DE
LMC/LSAT Holdings, LLC	DE
LSAT Astro LLC	DE
LSR Foreign Holdings 2, LLC	DE
LSR Foreign Holdings, LLC	DE
LTP Wireless 1, LLC	DE
LTWX I, LLC	DE
LTWX V, Inc.	CO
MacNeil/Lehrer Productions [gp]	NY
Manga Entertainment Limited	UK
Manga Entertainment, LLC	DE
Mid-East Finder Sales, LLC	DE
Namor Productions, LLC	DE
Overture Films, LLC	DE
Overture P.R., LLC	PUERTO RICO
Party Down, LLC	DE
Satellite MGT, LLC	DE
SEG Investments, Inc.	DE
SFD Productions, LLC	DE
Sheepish, LLC	DE
Sparty Films LA, LLC	DE
Sparty Investments, LLC	DE
Starz Animation Slate, LLC	DE
Starz Australia Holdings Pty Ltd.	AUSTRALIA
Starz Canada Holdings I B.V.	NETHERLANDS
Starz Canada Holdings I Co. (unlimited liability company)	NOVA SCOTIA
Starz Canada Holdings II B.V.	NETHERLANDS
Starz Entertainment, LLC	CO
Starz Foreign Holdings B.V.	NETHERLANDS
Starz Foreign Holdings, LLC	DE
Starz Independent, LLC	DE
Starz Media Canada Co. (unlimited liability company)	NOVA SCOTIA
Starz Media Film Productions Puerto Rico, LLC	PUERTO RICO
Starz Media Group, Inc.	DE
Starz Media Holdings, LLC	DE
Starz Media, LLC	DE
Starz Miami Productions, LLC	DE
Starz UK Holdings Limited	UK

Name	State or Country of Formation
Starz, LLC	DE
The Stadium Club, Inc.	GA
TP Caribbean, LLC	DE
TP Israel, LLC	DE
TP Middle East, LLC	DE
TP UK, LLC	DE
TPES, LLC	DE
TPNA, LLC	DE
TPRT, LLC	DE
TPUP LLC	DE
TruePosition China, LLC	DE
TruePosition Nigeria, LLC	DE
TruePosition, Inc.	DE
TSAT Holding 1, Inc.	DE
TSAT Holding 2, Inc.	DE
UNT, LLC	DE
Useful Networks Europe AB	SWEDEN
Useful Networks, Inc.	DE
WFRV and WJMN Television Station, Inc.	WI
Yankee Irving, LLC	DE
Zoombak, LLC	DE
Zoombak, Ltd.	UK

QuickLinks

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Liberty Media Corporation:

We consent to the use of our report, which appears on Form 10-K, dated February 25, 2010, with respect to the consolidated balance sheets of Liberty Media Corporation and subsidiaries (the Company) as of December 31, 2009 and 2008, and the related consolidated statements of operations, comprehensive earnings, cash flows, and equity for each of the years in the three-year period ended December 31, 2009, and our report, dated February 25, 2010, with respect to the effectiveness of internal control over financial reporting as of December 31, 2009, incorporated herein by reference and to the reference to our firm under the heading "Experts" in the registration statement.

Our report on the consolidated financial statements of Liberty Media Corporation refers to the Company's adoption, effective January 1, 2009, of Statement of Financial Accounting Standards (SFAS) No. 160, *Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51* (included in FASB ASC Topic 810, *Consolidation*), and effective January 1, 2008, the Company adopted SFAS No. 159,*The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115* (included in FASB ASC Topic 825,*Financial Instruments*), and SFAS No. 157, *Fair Value Measurements* (included in FASB ASC Topic 820, *Fair Value Measurements and Disclosures*).

/s/ KPMG LLP
KPMG LLP

Denver, Colorado
January 24, 2011

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Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Liberty Media Corporation:

We consent to the use of our report as it relates to Liberty Splitco, Inc. (the Company), dated October 18, 2010, with respect to the combined balance sheets of the Company as of December 31, 2009 and 2008, and the related combined statements of operations, comprehensive earnings, cash flows, and parent's investment for each of the years in the three-year period ended December 31, 2009, included herein and to the reference to our firm under the heading "Experts" in the registration statement.

Our report on the combined financial statements of the Company refers to the adoption, effective January 1, 2009, of Statement of Financial Accounting Standards (SFAS) No. 160, *Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51* (included in FASB ASC Topic 810,*Consolidation*), and effective January 1, 2008, the Company adopted SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115* (included in FASB ASC Topic 825,*Financial Instruments*), and SFAS No. 157, *Fair Value Measurements* (included in FASB ASC Topic 820,*Fair Value Measurements and Disclosures*).

/s/ KPMG LLP
KPMG LLP

Denver, Colorado
January 24, 2011

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Exhibit 23.3

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption "Experts" in the Proxy Statement of Liberty Media Corporation and related Prospectus of Liberty Splitco, Inc. that is made part of Amendment No. 1 to the Registration Statement (Form S-4) of Liberty Splitco, Inc. and to the incorporation by reference therein of our report dated February 11, 2010, with respect to the consolidated financial statements of Expedia, Inc., included in Liberty Media Corporation's Annual Report (Form 10-K) for the year ended December 31, 2009, filed with the Securities and Exchange Commission.

/s/ ERNST & YOUNG LLP
ERNST & YOUNG LLP

Seattle, Washington
January 24, 2011

QuickLinks

IMPORTANT SPECIAL MEETING INFORMATION

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Electronic Voting Instructions

You can vote by Internet or telephone!
Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the two voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Proxies submitted by the Internet or telephone must be received by 1:00 a.m., Central Time, on March 31, 2011.

Vote by Internet

- Log on to the Internet and go to **www.envisionreports.com/LMC**
- Follow the steps outlined on the secured website.

Vote by telephone

- Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada any time on a touch tone telephone. There is **NO CHARGE** to you for the call.
- Follow the instructions provided by the recorded message.

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas. X

Special Meeting Proxy Card

1234 5678 9012 345

▼ IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. ▼

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A Proposal — The Board of Directors recommends a vote FOR Proposal 1.

Proposal 1 is to be voted on by Stockholders of Series A and Series B Liberty Capital common stock.

	For	Against	Abstain
1. A proposal to redeem all of the outstanding shares of Series A Liberty Capital common stock and Series B Liberty Capital common stock for all of the outstanding shares of [Liberty Splitco, Inc.] Capital tracking stock.	☐	☐	☐

B Non-Voting Items

Change of Address — Please print your new address below.

Comments — Please print your comments below.

Meeting Attendance
Mark the box to the right if you plan to attend the Special Meeting. ☐

C Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign Below

Please sign your name exactly as it appears hereon. When signing as attorney, executor, administrator, trustee or guardian, please add your title as such. When signing as joint tenants, all parties in the joint tenancy must sign. If a signer is a corporation, please sign in full corporate name by duly authorized officer.

Date (mm/dd/yyyy) — Please print date below. / /

Signature 1 — Please keep signature within the box.

Signature 2 — Please keep signature within the box.

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Proxy — LIBERTY MEDIA CORPORATION

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
SPECIAL MEETING OF STOCKHOLDERS
March 31, 2011

The undersigned hereby appoint(s) Charles Y. Tanabe and Christopher W. Shean, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Series A Liberty Capital common stock or Series B Liberty Capital common stock held by the undersigned at the Special Meeting of Stockholders to be held at 9:00 a.m., local time, on March 31, 2011, at the Denver Marriott South at Park Meadows, 10345 Park Meadows Drive, Littleton, Colorado 80124, and any adjournment or postponement thereof, with all the powers the undersigned would possess if present in person. All previous proxies given with respect to the meeting are revoked.

The shares represented by this proxy when properly executed will be voted in the manner directed herein by the undersigned Stockholder(s). **If no direction is made, this proxy will be voted FOR item 1.** If any other matters properly come before the meeting, or if cumulative voting is required, the person named in this proxy will vote in their discretion.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED BY THE UNDERSIGNED. IF NO SUCH DIRECTIONS ARE MADE, THIS PROXY WILL BE VOTED FOR THE PROPOSAL.

PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED REPLY ENVELOPE

CONTINUED AND TO BE SIGNED ON REVERSE SIDE

IMPORTANT SPECIAL MEETING INFORMATION

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Electronic Voting Instructions

You can vote by Internet or telephone!
Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the two voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Proxies submitted by the Internet or telephone must be received by 1:00 a.m., Central Time, on March 31, 2011.

Vote by Internet

- Log on to the Internet and go to **www.envisionreports.com/LMC**
- Follow the steps outlined on the secured website.

Vote by telephone

- Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada any time on a touch tone telephone. There is **NO CHARGE** to you for the call.
- Follow the instructions provided by the recorded message.

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas. X

Special Meeting Proxy Card

1234 5678 9012 345

▼ IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. ▼

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A Proposal — The Board of Directors recommends a vote FOR Proposal 1.

Proposal 1 is to be voted on by Stockholders of Series A and Series B Liberty Starz common stock.

	For	Against	Abstain
1. A proposal to redeem all of the outstanding shares of Series A Liberty Starz common stock and Series B Liberty Starz common stock for all of the outstanding shares of [Liberty Splitco, Inc.] Starz tracking stock.	☐	☐	☐

B Non-Voting Items

Change of Address — Please print your new address below.

Comments — Please print your comments below.

Meeting Attendance Mark the box to the right if you plan to attend the Special Meeting. ☐

C Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign Below

Please sign your name exactly as it appears hereon. When signing as attorney, executor, administrator, trustee or guardian, please add your title as such. When signing as joint tenants, all parties in the joint tenancy must sign. If a signer is a corporation, please sign in full corporate name by duly authorized officer.

Date (mm/dd/yyyy) — Please print date below. / /

Signature 1 — Please keep signature within the box.

Signature 2 — Please keep signature within the box.

C 1234567890 J N T

0 1 D V 1 1 0 3 2 8 3

MR A SAMPLE (THIS AREA IS SET UP TO ACCOMMODATE 140 CHARACTERS) MR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE AND

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▼ IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. ▼

Proxy — LIBERTY MEDIA CORPORATION

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
SPECIAL MEETING OF STOCKHOLDERS
March 31, 2011

The undersigned hereby appoint(s) Charles Y. Tanabe and Christopher W. Shean, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Series A Liberty Starz common stock or Series B Liberty Starz common stock held by the undersigned at the Special Meeting of Stockholders to be held at 9:00 a.m., local time, on March 31, 2011, at the Denver Marriott South at Park Meadows, 10345 Park Meadows Drive, Littleton, Colorado 80124, and any adjournment or postponement thereof, with all the powers the undersigned would possess if present in person. All previous proxies given with respect to the meeting are revoked.

The shares represented by this proxy when properly executed will be voted in the manner directed herein by the undersigned Stockholder(s). **If no direction is made, this proxy will be voted FOR item 1.** If any other matters properly come before the meeting, or if cumulative voting is required, the person named in this proxy will vote in their discretion.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED BY THE UNDERSIGNED. IF NO SUCH DIRECTIONS ARE MADE, THIS PROXY WILL BE VOTED FOR THE PROPOSAL.

PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED REPLY ENVELOPE

CONTINUED AND TO BE SIGNED ON REVERSE SIDE

QuickLinks -- Click here to rapidly navigate through this document

EXHIBIT 99.2

SAMPLE The Sample Company

Computershare

Computershare Trust Company, Inc.,
250 Royall Street
Canton MA 02021
Telephone [TBD – CSS to complete]

MR A SAMPLE
DESIGNATION (IF ANY)
ADD 1
ADD 2
ADD 3
ADD 4
ADD 5
ADD 6

C 1234567890 J N T

Tax ID certification on file: <Certified Y/N>

TOTAL SHARES 12345678901234

Exchange Form - Action Required

YOUR ACTION IS REQUIRED—PLEASE FOLLOW THESE INSTRUCTIONS

Our records indicate you currently hold Liberty Media Corporation ("Liberty Media") Liberty Capital common stock certificates that have not been converted to [Liberty Splitco, Inc. ("Splitco")] Capital common stock as a result of the redemption of shares of Liberty Capital common stock for shares of [Splitco] Capital common stock and subsequent split-off of [Splitco] from Liberty media, which was effective at 5:00 p.m., New York City Time, on [ ]. In order to receive your [Splitco] Capital common stock and any future dividend or distributions the [Splitco] Board of Directors may declare, you MUST return these certificates. Please note: If you also hold shares of Liberty Capital common stock in uncertificated form, you will receive a statement of your uncertificated [Splitco] Capital shares in a separate mailing. To receive the new [Splitco] Capital shares for your certificated shares, please follow the instructions below.

Lost Certificates: If you cannot locate some or all of your certificates, read and complete Box A—Lost Certificate(s) on the back of this form and mark the boxes below with an X corresponding to the certificate numbers you cannot locate. You must also sign this form in Box A. *You must have your signature(s) notarized* (see Step 3 on the reverse). All registered holders MUST sign exactly as the name is printed above. If your lost certificate(s) is (are) part of an estate or trust, or are valued at more than $150,000, please contact Computershare for additional instructions.

Step 1. Your Liberty Capital common stock certificates:
Locate the listed Certificates.

Lost	Certificate Numbers	Shares	Lost	Certificate Numbers	Shares
☐	XXXX12345678	12345678901234	☐	XXXX12345678	12345678901234
☐	XXXX12345678	12345678901234	☐	XXXX12345678	12345678901234
☐	XXXX12345678	12345678901234	☐	XXXX12345678	12345678901234
☐	XXXX12345678	12345678901234	☐	XXXX12345678	12345678901234
☐	XXXX12345678	12345678901234	☐	XXXX12345678	12345678901234

You hold more than 10 certificates, not all certificates can be listed on this form.

Other Certificate Total	Total Certificated Shares	Shares Held By Us	Total Shares
12345678901234	12345678901234	12345678901234	12345678901234

Step 2. Signatures: Sign and date this form. The names of the registered holders are listed in the Name and Address at the top of this form. All registered holders MUST sign exactly as your name(s) appears above.

Signature of Owner and U.S. Person for Tax Certification   Signature of Co-Owner (if more than one registered holder listed)   Date (mm/dd/yyyy)

☐ 1 2 3 4 5 6 7 8 9 0 1 2 3 4 X U L T   C L S   C O Y C   I S S X X +

001CD40006   00000A

Additional Instructions for Completing the Exchange Form and Surrendering Certificates

Delivery of Certificates: Your old Liberty Capital common stock certificate(s) and this Exchange Form must be sent or delivered to Computershare. The method of delivery of certificates to be surrendered to Computershare at one of the addresses set forth on the bottom of this page is at the option and risk of the surrendering stockholder. Delivery will be deemed effective only when received by Computershare. For your convenience, a return envelope is enclosed.

Authorization and Registration: The signature(s) on the reverse side represents that you have full authority to surrender these certificate(s) for exchange and warrants that the shares represented by these certificates are free and clear of liens, restrictions, adverse claims and encumbrances. Issue the new uncertificated shares and/or check in the name(s) that this Exchange Form was addressed.

Special Transfer Instructions: If your [Splitco] Capital shares and/or check are to be issued to a person(s) other than the registered owner(s), a transfer of ownership form must be completed. You may obtain transfer of ownership requirements and instructions from the internet at www.computershare.com or by calling Computershare at the number listed below.

Form W-9: Under U.S. Federal Income Tax law, a stockholder is required to provide Computershare with such stockholder's correct Taxpayer Identification Number. If your Taxpayer Identification Number is not certified on our records, we have enclosed a Form W-9 for you to complete and return. **Failure to provide the information on the form may subject you to backup withholding on any reportable payment.** *If you are a foreign individual seeking to qualify as an exempt recipient from backup withholding, you must complete and submit the enclosed Form W-8BEN to Computershare.*

Box A—Lost Certificate(s)
SAFECO INSURANCE COMPANY OF AMERICA
LOST SECURITIES AFFIDAVIT FOR COMPUTERSHARE ACCOUNTS LESS THAN $150,000.00 IN MARKET VALUE

By checking the lost certificates box and signing the bottom of this form, I (we) certify that (a) I (we) am (are) the lawful owner(s) of the shares described on the front of this form; (b) I (we) reside at the address set forth on the front of this form; (c) I (we) am (are) entitled to possession of the lost certificate(s) (the "Lost Securities"); (d) the Lost Securities have been lost, mislaid, stolen or destroyed and cannot now be produced; (e) the Lost Securities WERE NOT ENDORSED and neither the Lost Securities nor the Owner(s)' rights therein have, in whole or in part, been cashed, negotiated, sold, transferred, hypothecated, pledged, deposed of, and to my (our) knowledge, no claim of right, like or interest, adverse to the Owner, in or to the Lost Securities, has been made or advanced by any person; (f) I (we) have made or caused to be made a diligent search for the Lost Securities and have been unable to find or recover the Lost Securities; (g) I (we) make this Affidavit of Lost Securities For Computershare Accounts for the purpose of inducing the issuance of new or replacement Securities ("Replacement Securities") (in book-entry form, unless unavailable through the issuer) in lieu of the said Lost Securities, or the distribution to the Owner(s) of proceeds (including liquidation) thereof; and (h) I (we) agree that this Lost Securities Affidavit for Computershare Accounts may be delivered to and made part of the Safeco Insurance Company of America Bond No. 5926165.

The Owner (s) hereby agree(s) in consideration of (1) the issuance of such replacement Securities in lieu of the Lost Securities, or of the distribution to the Owner of the proceeds there from, and (2) the assumption by Safeco Insurance Company of America of liability therefore under its Bond, the OWNER, his/her/its heirs, successors and assigns agree to indemnify, protect and save harmless Safeco Insurance Company of America, Computershare Trust Company, N.A. and Computershare Shareholder Services, Inc., and the issuer, jointly and severally, and their respective agents, representatives, successors, and assigns, from and against all losses, cost and damages (court costs and attorneys fees) to which they may be subject or liable arising out of or relating to the Lost Securities, the issuance of Replacement Securities, the Owner's requested action herein (or any other action arising out of or relating to the Replacement of Lost Securities), or Safeco Insurance Company of America's assumption of liability under its bond described above.

STEP 1. CALCULATE LOST CERTIFICATE BOND PREMIUM

LOST CERTIFICATE BOND PREMIUM CALCULATION:	______ Shares Lost	×	[tbd] Bond premium Per share	=	______ Total Premium Due (MINIMUM $20.00)	+	$50.00 processing fee =	______ Total Check Amount

Multiply the number of shares lost by the Safeco Insurance Company of America Bond premium noted above to calculate the premium you owe. If you have Lost Securities representing [TBD—CSS to complete] or fewer shares, there is a minimum premium of $20.00. The premium is only valid until [TBD—CSS to complete]. There is also a processing fee of $50.00. PLEASE MAKE YOUR CHECK PAYABLE TO "COMPUTERSHARE" FOR THE BOND PREMIUM AND PROCESSING FEE AND ENCLOSE WITH THIS AFFIDAVIT. If your request is approved, Computershare will forward the Bond premium to Safeco Insurance Company of America. We cannot complete your exchange without a Surety Bond. NOTE: This premium is calculated based upon each lost share, not per each lost certificate.

STEP 2. SIGNATURES OF OWNERS

All registered owners MUST sign below exactly as the name(s) appears on the front of this form. <u>You must have your signature(s) notarized</u>. If your lost certificate(s) is (are) part of an estate or trust, or are valued at more than $150,000, please contact Computershare for additional instructions.

ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON, FILES A STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

Signature of owner ______________ Signature of Co-Owner, if any ______________

STEP 3. NOTARIZATION

State of ______________ County of ______________ Notary Signature ______________

Printed Name of Notary ______________ Sworn to and subscribed to me this (date) ______ (month/day/year)

My commission Expires (date) ______________ (month/day/year) (Notary Seal)

Enclose all certificates in the envelope provided and send with completed form to Computershare.

By Mail:	**By Overnight Delivery:**	**For Assistance Please Call:**
Computershare Corporate Actions P.O. Box 43014 Providence, RI 02940-3014	Computershare Corporate Actions 250 Royall Street Canton, MA 02021	Within the US, Canada and Puerto Rico: [TBD—CSS to complete] Outside the US, Canada and Puerto Rico: [TBD—CSS to complete]

The Sample Company

Computershare

Computershare Trust Company, Inc.,
250 Royall Street
Canton MA 02021
Telephone [TBD – CSS to complete]

MR A SAMPLE
DESIGNATION (IF ANY)
ADD 1
ADD 2
ADD 3
ADD 4
ADD 5
ADD 6

C 1234567890 J N T

Tax ID certification on file: <Certified Y/N>

TOTAL SHARES 12345678901234

Exchange Form - Action Required

YOUR ACTION IS REQUIRED—PLEASE FOLLOW THESE INSTRUCTIONS

Our records indicate you currently hold Liberty Media Corporation ("Liberty Media") Liberty Starz common stock certificates that have not been converted to [Liberty Splitco, Inc. ("Splitco")] Starz common stock as a result of the redemption of shares of Liberty Starz common stock for shares of [Splitco] Starz common stock and subsequent split-off of [Splitco] from Liberty media, which was effective at 5:00 p.m., New York City Time, on [ ]. In order to receive your [Splitco] Starz common stock and any future dividend or distributions the [Splitco] Board of Directors may declare, you MUST return these certificates. Please note: If you also hold shares of Liberty Starz common stock in uncertificated form, you will receive a statement of your uncertificated [Splitco] Starz shares in a separate mailing. To receive the new [Splitco] Starz shares for your certificated shares, please follow the instructions below.

Lost Certificates: If you cannot locate some or all of your certificates, read and complete Box A—Lost Certificate(s) on the back of this form and mark the boxes below with an X corresponding to the certificate numbers you cannot locate. You must also sign this form in Box A. *You must have your signature(s) notarized* (see Step 3 on the reverse). All registered holders MUST sign exactly as the name is printed above. If your lost certificate(s) is (are) part of an estate or trust, or are valued at more than $150,000, please contact Computershare for additional instructions.

Step 1. Your Liberty Starz common stock certificates:
Locate the listed Certificates.

Lost	Certificate Numbers	Shares	Lost	Certificate Numbers	Shares
☐	XXXX12345678	12345678901234	☐	XXXX12345678	12345678901234
☐	XXXX12345678	12345678901234	☐	XXXX12345678	12345678901234
☐	XXXX12345678	12345678901234	☐	XXXX12345678	12345678901234
☐	XXXX12345678	12345678901234	☐	XXXX12345678	12345678901234
☐	XXXX12345678	12345678901234	☐	XXXX12345678	12345678901234

You hold more than 10 certificates, not all certificates can be listed on this form.

Other Certificate Total	Total Certificated Shares	Shares Held By Us	Total Shares
12345678901234	12345678901234	12345678901234	12345678901234

Step 2. Signatures: Sign and date this form. The names of the registered holders are listed in the Name and Address at the top of this form. All registered holders MUST sign exactly as your name(s) appears above.

Signature of Owner and U.S. Person for Tax Certification | Signature of Co-Owner (if more than one registered holder listed) | Date (mm/dd/yyyy)

☐ 1 2 3 4 5 6 7 8 9 0 1 2 3 4 X U L T C L S C O Y C I S S X X +

001CD40006 00000A

Additional Instructions for Completing the Exchange Form and Surrendering Certificates

Delivery of Certificates: Your old Liberty Starz common stock certificate(s) and this Exchange Form must be sent or delivered to Computershare. The method of delivery of certificates to be surrendered to Computershare at one of the addresses set forth on the bottom of this page is at the option and risk of the surrendering stockholder. Delivery will be deemed effective only when received by Computershare. For your convenience, a return envelope is enclosed.

Authorization and Registration: The signature(s) on the reverse side represents that you have full authority to surrender these certificate(s) for exchange and warrants that the shares represented by these certificates are free and clear of liens, restrictions, adverse claims and encumbrances. Issue the new uncertificated shares and/or check in the name(s) that this Exchange Form was addressed.

Special Transfer Instructions: If your [Splitco] Starz shares and/or check are to be issued to a person(s) other than the registered owner(s), a transfer of ownership form must be completed. You may obtain transfer of ownership requirements and instructions from the internet at www.computershare.com or by calling Computershare at the number listed below.

Form W-9: Under U.S. Federal Income Tax law, a stockholder is required to provide Computershare with such stockholder's correct Taxpayer Identification Number. If your Taxpayer Identification Number is not certified on our records, we have enclosed a Form W-9 for you to complete and return. **Failure to provide the information on the form may subject you to backup withholding on any reportable payment.** *If you are a foreign individual seeking to qualify as an exempt recipient from backup withholding, you must complete and submit the enclosed Form W-8BEN to Computershare.*

Box A—Lost Certificate(s)
SAFECO INSURANCE COMPANY OF AMERICA
LOST SECURITIES AFFIDAVIT FOR COMPUTERSHARE ACCOUNTS LESS THAN $150,000.00 IN MARKET VALUE

By checking the lost certificates box and signing the bottom of this form, I (we) certify that (a) I (we) am (are) the lawful owner(s) of the shares described on the front of this form; (b) I (we) reside at the address set forth on the front of this form; (c) I (we) am (are) entitled to possession of the lost certificate(s) (the "Lost Securities"); (d) the Lost Securities have been lost, mislaid, stolen or destroyed and cannot now be produced; (e) the Lost Securities WERE NOT ENDORSED and neither the Lost Securities nor the Owner(s)' rights therein have, in whole or in part, been cashed, negotiated, sold, transferred, hypothecated, pledged, deposed of, and to my (our) knowledge, no claim of right, like or interest, adverse to the Owner, in or to the Lost Securities, has been made or advanced by any person; (f) I (we) have made or caused to be made a diligent search for the Lost Securities and have been unable to find or recover the Lost Securities; (g) I (we) make this Affidavit of Lost Securities For Computershare Accounts for the purpose of inducing the issuance of new or replacement Securities ("Replacement Securities") (in book-entry form, unless unavailable through the issuer) in lieu of the said Lost Securities, or the distribution to the Owner(s) of proceeds (including liquidation) thereof; and (h) I (we) agree that this Lost Securities Affidavit for Computershare Accounts may be delivered to and made part of the Safeco Insurance Company of America Bond No. 5926165.

The Owner (s) hereby agree(s) in consideration of (1) the issuance of such replacement Securities in lieu of the Lost Securities, or of the distribution to the Owner of the proceeds there from, and (2) the assumption by Safeco Insurance Company of America of liability therefore under its Bond, the OWNER, his/her/its heirs, successors and assigns agree to indemnify, protect and save harmless Safeco Insurance Company of America, Computershare Trust Company, N.A. and Computershare Shareholder Services, Inc., and the issuer, jointly and severally, and their respective agents, representatives, successors, and assigns, from and against all losses, cost and damages (court costs and attorneys fees) to which they may be subject or liable arising out of or relating to the Lost Securities, the issuance of Replacement Securities, the Owner's requested action herein (or any other action arising out of or relating to the Replacement of Lost Securities), or Safeco Insurance Company of America's assumption of liability under its bond described above.

STEP 1. CALCULATE LOST CERTIFICATE BOND PREMIUM

			[tbd]					
LOST CERTIFICATE BOND PREMIUM CALCULATION:	______	×	______	=	______	+	$50.00 processing fee =	______
	Shares Lost		Bond premium Per share		Total Premium Due (MINIMUM $20.00)			Total Check Amount

Multiply the number of shares lost by the Safeco Insurance Company of America Bond premium noted above to calculate the premium you owe. If you have Lost Securities representing [TBD—CSS to complete] or fewer shares, there is a minimum premium of $20.00. The premium is only valid until [TBD—CSS to complete]. There is also a processing fee of $50.00. PLEASE MAKE YOUR CHECK PAYABLE TO "COMPUTERSHARE" FOR THE BOND PREMIUM AND PROCESSING FEE AND ENCLOSE WITH THIS AFFIDAVIT. If your request is approved, Computershare will forward the Bond premium to Safeco Insurance Company of America. We cannot complete your exchange without a Surety Bond. NOTE: This premium is calculated based upon each lost share, not per each lost certificate.

STEP 2. SIGNATURES OF OWNERS

All registered owners MUST sign below exactly as the name(s) appears on the front of this form. <u>You must have your signature(s) notarized</u>. If your lost certificate(s) is (are) part of an estate or trust, or are valued at more than $150,000, please contact Computershare for additional instructions.

ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON, FILES A STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

Signature of owner ______________________ Signature of Co-Owner, if any ______________________

STEP 3. NOTARIZATION

State of ______________________ County of ______________________ Notary Signature ______________________

Printed Name of Notary ______________________ Sworn to and subscribed to me this (date) __________ (month/day/year)

My commission Expires (date) ______________________ (month/day/year) (Notary Seal)

Enclose all certificates in the envelope provided and send with completed form to Computershare.

By Mail:	**By Overnight Delivery:**	**For Assistance Please Call:**
Computershare Corporate Actions P.O. Box 43014 Providence, RI 02940-3014	Computershare Corporate Actions 250 Royall Street Canton, MA 02021	Within the US, Canada and Puerto Rico: [TBD—CSS to complete] Outside the US, Canada and Puerto Rico: [TBD—CSS to complete]

QuickLinks

EXHIBIT 99.2