

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

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): **November 8, 2011**

**LIBERTY MEDIA CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**001-35294**  
(Commission  
File Number)

**20-8988475**  
(I.R.S. Employer  
Identification No.)

**12300 Liberty Blvd.**  
**Englewood, Colorado 80112**  
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(720) 875-5400**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02. Results Of Operations and Financial Condition**

On November 8, 2011, Liberty Media Corporation (the "Company") issued a press release (the "Press Release") setting forth information, including financial information regarding certain of its privately held assets, which is intended to supplement the financial statements and related Management's Discussion and Analysis of Financial Condition and Results of Operations contained in the Company's Quarterly Report on Form 10-Q for the nine months ended September 30, 2011, which was filed with the Securities and Exchange Commission (the "SEC") on November 8, 2011.

This Form 8-K and the Press Release attached hereto as Exhibit 99.1, insofar as they disclose historical information regarding the Company's results of operations or financial condition for the nine months ended September 30, 2011, are being furnished to the SEC.

**Item 9.01. Financial Statements and Exhibits**

**(d) Exhibits**

| <u>Exhibit No.</u> | <u>Name</u>                          |
|--------------------|--------------------------------------|
| 99.1               | Press Release dated November 8, 2011 |

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**SIGNATURE**

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

Date: November 9, 2011

LIBERTY MEDIA CORPORATION

By: /s/ Wade Haufschild

Name: Wade Haufschild

Title: Vice President

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**EXHIBIT INDEX**

| <u>Exhibit No.</u> | <u>Name</u>                          |
|--------------------|--------------------------------------|
| 99.1               | Press Release dated November 8, 2011 |



## LIBERTY MEDIA REPORTS THIRD QUARTER 2011 FINANCIAL RESULTS

Englewood, Colorado, November 8, 2011 - Liberty Media Corporation (“Liberty”) (Nasdaq: LCAPA, LCAPB, LSTZA, LSTZB) today reported third quarter results for Liberty Capital group and Liberty Starz group. Highlights include<sup>(1)</sup>:

- Increased STARZ and ENCORE subscriptions by 9% and 3%, respectively
- Premiered the new Starz Original series, *Boss*, starring Kelsey Grammer, to positive reviews
- Announced new series, *Da Vinci's Demons*, the first series under the Starz partnership with BBC Worldwide
- Acquired Barnes & Noble 7.75% convertible preferred stock which converts into a 16.6% common equity stake
- Repurchased \$51 million of Liberty Starz stock from August 1<sup>st</sup> through October 31<sup>st</sup>, 2011
- Repurchased \$169 million of Liberty Capital stock from August 1<sup>st</sup> through October 31<sup>st</sup>, 2011

“Starz continued to post impressive subscriber gains and strong financial results,” stated Greg Maffei, Liberty President and CEO. “It was a busy quarter as we completed the split-off of Liberty Capital and Liberty Starz from Liberty Interactive and made a strategic investment in Barnes & Noble. We also took advantage of the soft equity markets and repurchased shares in both Liberty Starz and Liberty Capital.”

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**LIBERTY STARZ GROUP** - The results for Starz for the three months ended September 30<sup>th</sup>, 2011 include the legacy Starz Entertainment business and the legacy Starz Media business, due to the Starz Media reattribution (effective as of September 30<sup>th</sup>, 2010). For discussion purposes, the historical results for the legacy Starz Media businesses have been combined with the historical results of the legacy Starz Entertainment businesses, including the impacts of intercompany eliminations, for the three months ended September 30<sup>th</sup>, 2010.

Starz's revenue decreased 2% to \$389 million for the third quarter, primarily as a result of a decrease in the number of theatrical films released on home video, a decrease in revenue from Animation, and no theatrical films released in 2011 as compared to 2010. The overall decrease was partially offset by revenue growth resulting from a \$7 million increase due to higher effective rates for the Starz Channels' services and a \$5 million increase due to growth in the average number of subscriptions for the Starz Channels' services.

Starz's adjusted OIBDA<sup>(2)</sup> increased 27% to \$107 million, a \$23 million increase, and operating income increased to \$101 million, a 31% increase. The increase in adjusted OIBDA was attributable to a combination of improved results by the Starz Channels business and the decision made to exit the theatrical film business in the prior year. The elimination of the theatrical film business and fewer theatrical home video releases resulted in lower revenue which was more than offset by no current period spending on marketing and advertising associated with the theatrical exhibition of such productions, lower production and acquisition costs and lower home video costs. STARZ' subscription units increased 9% and ENCORE subscriptions increased 3% compared to the third quarter of 2010. Subscription growth in 2011 has been impacted by a current lack of cooperative marketing campaigns with certain distribution partners.

“Starz Entertainment performed well in the third quarter with continued solid financial and operational performance, and momentum in implementing our original programming strategy,” said Chris Albrecht, Starz, LLC, President and CEO. “With 2012 STARZ Originals, which include *Spartacus: Vengeance*, *Magic City*, and a second season of *Boss*, we will deliver to our subscribers a slate of entertaining premium programming. Furthermore, the BBC Worldwide Productions agreement yielded its first original programming commitment, with *Da Vinci's Demons* now in development for 2013. Lastly, we are heartened to see strong demand for our owned originals in the home video, international, and digital businesses.”

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### **Share Repurchases**

From August 1<sup>st</sup>, 2011 through October 31<sup>st</sup>, 2011, 807,200 shares of Series A Liberty Starz common stock were purchased at an average cost per share of \$62.85 for total cash consideration of \$50.7 million. Since the introduction of the original Liberty Starz tracking stock on November 19<sup>th</sup>, 2009 through October 31<sup>st</sup>, 2011, 1.9 million shares of Series A Liberty Starz common stock have been repurchased at an average cost per share of \$54.29 for total cash consideration of \$104 million. These repurchases represent 3.7% of the shares outstanding at the time of the introduction of the original Liberty Starz tracking stock, Liberty has approximately \$396.0 million remaining under its current Liberty Starz stock repurchase authorization.

The businesses and assets attributed to Liberty Starz group are primarily engaged in the production and distribution of video programming and related businesses.

**LIBERTY CAPITAL GROUP** - Liberty Capital group's revenue decreased 40% to \$151 million while adjusted OIBDA remained flat at \$25 million and operating losses improved by \$17 million to \$14 million for the third quarter. The decrease in revenue and increase in operating income is primarily due to the impact of the change in attribution of Starz Media from Liberty Capital to Liberty Starz which was effective September 30<sup>th</sup>, 2010.

### **Share Repurchases**

From August 1<sup>st</sup>, 2011 through October 31<sup>st</sup>, 2011, approximately 2.5 million shares of Series A Liberty Capital common stock were purchased at an average cost per share of \$68.15 for total cash consideration of \$168.5 million. Since the reclassification of the original Liberty Capital tracking stock on March 4<sup>th</sup>, 2008 through October 31<sup>st</sup>, 2011, 53.4 million shares have been repurchased at an average cost per share of \$27.39 for total cash consideration of \$1.5 billion. These repurchases represent 41.3% of the shares outstanding at the time of the reclassification. As of October 31<sup>st</sup>, 2011, Liberty had approximately \$137.8 million remaining under its Liberty Capital stock repurchase authorization. On November 7<sup>th</sup>, 2011, the Board of Directors voted to increase the authorization by an additional \$500 million. Including the newly authorized amount, the total current repurchase authorization for Liberty Capital stock is approximately \$637.8 million.

The businesses and assets attributed to Liberty Capital group are all of Liberty's businesses and assets other than those attributed to the Liberty Starz group and include its subsidiaries Starz Media (through September 30<sup>th</sup>, 2010), TruePosition, Atlanta National League Baseball Club (the owner of the Atlanta Braves), its interests in SiriusXM, Live Nation and Barnes & Noble, and minority interests in Time Warner and Viacom.

### **FOOTNOTES**

- 1) Liberty's President and CEO, Gregory B. Maffei, will discuss these highlights and other matters in Liberty's earnings conference call which will begin at 11:15 a.m. (ET) on November 8, 2011. For information regarding how to access the call, please see "Important Notice" later in this document.
  - 2) For a definition of adjusted OIBDA and applicable reconciliations see the accompanying schedules.
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## NOTES

Liberty Media Corporation operates and owns interests in a broad range of media, communications and entertainment businesses. Those interests are currently attributed to two tracking stock groups: Liberty Starz group and Liberty Capital group.

Unless otherwise noted, the foregoing discussion compares financial information for the three months ended September 30<sup>th</sup>, 2011 to the same period in 2010.

On September 23<sup>rd</sup>, 2011, Liberty was split-off from Liberty Interactive Corporation (f/k/a Liberty Media Corporation ("LIC") (the "Split-Off"). At the time of the Split-Off, LIC owned all the assets, businesses and liabilities previously attributed to the Liberty Capital and Liberty Starz tracking stock groups. The Split-Off was effected by means of a redemption of all of the Liberty Capital common stock and Liberty Starz common stock of LIC for all of the common stock of Liberty. This transaction has been accounted for at historical cost due to the pro rata nature of the distribution.

Following the Split-Off, Liberty and LIC operate as separate, publicly traded companies, and neither has any stock ownership, beneficial or otherwise, in the other. In connection with the Split-Off, Liberty and LIC entered into certain agreements in order to govern certain of the ongoing relationships between the two companies after the Split-Off and to provide for an orderly transition. These agreements include a Reorganization Agreement, a Services Agreement, a Facilities Sharing Agreement and a Tax Sharing Agreement. Certain prior period amounts have been reclassified for comparability with the current presentation.

The following financial information is intended to supplement Liberty's consolidated statements of operations to be included in its Form 10-Q.

### Fair Value of Public Holdings and Derivatives

| <i>(amounts in millions and include the value of derivatives)</i> | 6/30/2011    | 9/30/2011    |
|-------------------------------------------------------------------|--------------|--------------|
| SiriusXM debt and equity <sup>(1)</sup>                           | 6,055        | 4,283        |
| Live Nation debt and equity <sup>(2)</sup>                        | 474          | 338          |
| Barnes & Noble investment <sup>(3)</sup>                          | —            | 206          |
| Non-strategic public holdings <sup>(4)</sup>                      | 1,334        | 1,089        |
| <b>Total Attributed Liberty Capital Group</b>                     | <b>7,863</b> | <b>5,916</b> |

- (1) Represents the fair value of Liberty's various debt and equity investments in SiriusXM. The fair value of Liberty's convertible preferred stock is calculated on an as-if-converted basis into common stock. In accordance with GAAP, Liberty accounts for the convertible preferred stock using the equity method of accounting and includes this in its consolidated balance sheet at historical carrying value.
  - (2) Represents fair value of Liberty's debt and equity investments. In accordance with GAAP, Liberty accounts for this investment using the equity method of accounting and includes it in its consolidated balance sheet at its historical carrying value.
  - (3) Represents the fair value of Liberty's preferred equity investment in Barnes & Noble, which is accounted for at fair value on Liberty's balance sheet.
  - (4) Represents Liberty's non-strategic public holdings which are accounted for at fair value including any associated equity derivatives on such investments. Also includes the liability associated with borrowed shares which totaled \$1,148 million and \$1,076 million on June 30<sup>th</sup>, 2011 and September 30<sup>th</sup>, 2011, respectively.
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## Cash and Debt

The following presentation is provided to separately identify cash and liquid investments and debt information.

| <i>(amounts in millions)</i>                                  | 6/30/2011    | 9/30/2011    |
|---------------------------------------------------------------|--------------|--------------|
| <b>Cash and Liquid Investments Attributable to:</b>           |              |              |
| Liberty Starz group <sup>(1) (2)</sup>                        | 1,231        | 1,059        |
| Liberty Capital group <sup>(3) (4)</sup>                      | 1,259        | 1,153        |
| <b>Total Liberty Consolidated Cash and Liquid Investments</b> | <b>2,490</b> | <b>2,212</b> |
| <b>Less:</b>                                                  |              |              |
| Short-term marketable securities - Liberty Starz group        | 132          | —            |
| Long-term marketable securities - Liberty Starz group         | 64           | —            |
| Short-term marketable securities - Liberty Capital group      | 192          | 275          |
| <b>Total Liberty Consolidated Cash (GAAP)</b>                 | <b>2,102</b> | <b>1,937</b> |
| <b>Debt:</b>                                                  |              |              |
| Other                                                         | 42           | 41           |
| <b>Total Attributed Liberty Starz Group Debt (GAAP)</b>       | <b>42</b>    | <b>41</b>    |
| Bank investment facility                                      | 750          | 750          |
| <b>Total Attributed Liberty Capital Group Debt (GAAP)</b>     | <b>750</b>   | <b>750</b>   |
| <b>Total Consolidated Liberty Debt (GAAP)</b>                 | <b>792</b>   | <b>791</b>   |

(1) Includes \$132 million of short-term marketable securities with an original maturity greater than 90 days as of June 30, 2011.

(2) Includes \$64 million of marketable securities with an original maturity greater than one year as of June 30, 2011, which is reflected in investments in available-for-sale securities in Liberty's condensed consolidated balance sheet.

(3) Includes \$192 million and \$275 million of short-term marketable securities with an original maturity greater than 90 days as of June 30, 2011 and September 30<sup>th</sup>, 2011, respectively.

(4) Excludes \$638 million and \$638 million of restricted cash on June 30<sup>th</sup>, 2011 and September 30<sup>th</sup>, 2011, respectively, associated with the bank investment facility, which matures in March 2012, and is reflected in current restricted cash on Liberty's consolidated balance sheet.

Attributed Liberty Starz group cash and liquid investments decreased \$172 million, primarily as a result of funds loaned to Liberty Capital group to fund certain investments. Total attributed Liberty Starz group debt decreased \$1 million as a result of lease payments made at Starz LLC.

Attributed Liberty Capital group cash and liquid investments decreased \$106 million, primarily due to Series A Liberty Capital common stock repurchases and investments in cost and equity investees, offset by an intergroup borrowing from Liberty Starz group.

**Important Notice:** Liberty Media Corporation (Nasdaq: LCAPA, LCAPB, LSTZA, LSTZB) President and CEO, Gregory B. Maffei will discuss Liberty's earnings release in a conference call which will begin at 11:15 a.m. (ET) on November 8, 2011. The call can be accessed by dialing (888) 312-9865 or (719) 457-2657 at least 10 minutes prior to the start time. Replays of the conference call can be accessed until 1:15 p.m. (ET) November 15, 2011, by dialing (888) 203-1112 or (719) 457-0820 plus the pass code 4205514#. The call will also be broadcast live across the Internet and archived on our website. To access the webcast go to <http://www.libertymedia.com/events>. Links to this press release will also be available on the Liberty Media website.

*This press release includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about business strategies, market potential, future financial prospects, new service and product launches including original content programming, the continuation of our stock repurchase plans, and other matters that are not historical facts. These forward-looking statements involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including, without limitation, possible changes in market acceptance of new products or services, competitive issues, regulatory matters affecting our businesses, continued access to capital on terms acceptable to Liberty, changes in law and government regulations that*

*may impact the derivative instruments that hedge certain of our financial risks and market conditions conducive to stock repurchases. These forward-looking statements speak only as of the date of this press release, and Liberty expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in Liberty's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Please refer to the publicly filed documents of Liberty, including the most recent Form 10-Q and Registration Statement on Form S-4, for additional information about Liberty and about the risks and uncertainties related to Liberty's business which may affect the statements made in this press release.*

Contact: Courtnee Ulrich (720) 875-5420

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## SUPPLEMENTAL INFORMATION

As a supplement to Liberty's condensed consolidated statements of operations, to be included in its Form 10-Q, the following is a presentation of quarterly financial information and operating metrics on a stand-alone basis for the largest privately held business (Starz, LLC) owned by Liberty at September 30<sup>th</sup>, 2011, which Liberty has identified as a reportable segment.

Results for the Liberty Starz group include the legacy Starz Entertainment and the legacy Starz Media businesses for the three months ended December 31<sup>st</sup>, 2010, March 31<sup>st</sup>, 2011, June 30<sup>th</sup>, 2011 and September 30<sup>th</sup>, 2011. The historical results for the three months ended September 30<sup>th</sup>, 2010 only include the results for the legacy Starz Entertainment business, as the change in attribution of Starz Media from Liberty Capital to Liberty Starz became effective as of September 30<sup>th</sup>, 2010.

Please see below for the definition of adjusted OIBDA and a discussion of why management believes the presentation of adjusted OIBDA provides useful information for investors. Schedule 2 to this press release provides a reconciliation of adjusted OIBDA for each identified entity to that entity's operating income for the same period, as determined under GAAP.

## QUARTERLY SUMMARY

| <i>(amounts in millions)</i>   | 3Q10 | 4Q10 | 1Q11 | 2Q11 | 3Q11 |
|--------------------------------|------|------|------|------|------|
| <b>Liberty Starz Group</b>     |      |      |      |      |      |
| <b>Starz LLC<sup>(1)</sup></b> |      |      |      |      |      |
| Revenue                        | 316  | 400  | 391  | 403  | 389  |
| Adjusted OIBDA                 | 92   | 110  | 131  | 118  | 107  |
| Operating income               | 87   | 70   | 124  | 112  | 101  |
| Subscription units - Starz     | 17.4 | 18.2 | 18.8 | 19.0 | 19.0 |
| Subscription units - Encore    | 32.0 | 32.8 | 33.1 | 32.9 | 32.8 |

- (1) Includes the legacy Starz Entertainment and the legacy Starz Media businesses for the three months ended December 31<sup>st</sup>, 2010, March 31<sup>st</sup>, 2011, June 30<sup>th</sup>, 2011 and September 30<sup>th</sup>, 2011 and only legacy Starz Entertainment results for the three months ended September 30<sup>th</sup>, 2010 as the change in attribution of Starz Media from Liberty Capital to Liberty Starz became effective as of September 30<sup>th</sup>, 2010.

## NON-GAAP FINANCIAL MEASURES

This press release includes a presentation of adjusted OIBDA, which is a non-GAAP financial measure, for each of Liberty's tracking stock groups and Starz, LLC, together with a reconciliation to that group's or entity's operating income, as determined under GAAP. Liberty defines adjusted OIBDA as revenue less operating expenses, and selling, general and administrative expenses (excluding stock and other equity-based compensation) and excludes from that definition depreciation and amortization, restructuring and impairment charges and gains on legal settlements that are included in the measurement of operating income pursuant to GAAP.

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

## SCHEDULE 1

The following table provides a reconciliation of adjusted OIBDA for each of the Liberty Starz group and Liberty Capital group to that group's operating income calculated in accordance with GAAP for the three months ended September 30<sup>th</sup>, 2010, December 31<sup>st</sup>, 2010, March 31<sup>st</sup>, 2011, June 30<sup>th</sup>, 2011 and September 30<sup>th</sup>, 2011, respectively.

### QUARTERLY SUMMARY

| <i>(amounts in millions)</i>    | 3Q10       | 4Q10      | 1Q11       | 2Q11        | 3Q11      |
|---------------------------------|------------|-----------|------------|-------------|-----------|
| <b>Liberty Starz Group</b>      |            |           |            |             |           |
| Adjusted OIBDA                  | 89         | 106       | 126        | 117         | 104       |
| Depreciation and amortization   | (7)        | (2)       | (5)        | (5)         | (4)       |
| Stock compensation expense      | (5)        | (38)      | (5)        | (4)         | (3)       |
| Impairment of long-lived assets | —          | (4)       | —          | —           | —         |
| <b>Operating Income</b>         | <b>77</b>  | <b>62</b> | <b>116</b> | <b>108</b>  | <b>97</b> |
| <b>Liberty Capital Group</b>    |            |           |            |             |           |
| Adjusted OIBDA                  | 25         | —         | 358        | 7           | 25        |
| Depreciation and amortization   | (20)       | (15)      | (16)       | (15)        | (11)      |
| Stock compensation expense      | (8)        | (9)       | (6)        | (6)         | —         |
| Gain on legal settlement        | —          | 48        | 7          | —           | —         |
| <b>Operating Income (Loss)</b>  | <b>(3)</b> | <b>24</b> | <b>343</b> | <b>(14)</b> | <b>14</b> |

## SCHEDULE 2

The following table provides a reconciliation of adjusted OIBDA for Starz, LLC to that entity's operating income (loss) calculated in accordance with GAAP for the three months ended September, 30<sup>th</sup>, 2010, December 31<sup>st</sup>, 2010, March 31<sup>st</sup>, 2011, June 30<sup>th</sup>, 2011 and September 30<sup>th</sup>, 2011, respectively, together with a separate presentation, for discussion purposes, that takes into account the historical results of the legacy Starz Media business (see footnote (2) below).

### QUARTERLY SUMMARY

| <i>(amounts in millions)</i>                              | 3Q10      | 4Q10      | 1Q11       | 2Q11       | 3Q11       |
|-----------------------------------------------------------|-----------|-----------|------------|------------|------------|
| <b>Liberty Starz Group</b>                                |           |           |            |            |            |
| <b>Starz, LLC<sup>(1)</sup> - Actual results</b>          |           |           |            |            |            |
| Adjusted OIBDA                                            | 92        | 110       | 131        | 118        | 107        |
| Depreciation and amortization                             | (3)       | (5)       | (5)        | (4)        | (4)        |
| Stock compensation expense                                | (2)       | (35)      | (2)        | (2)        | (2)        |
| <b>Operating Income</b>                                   | <b>87</b> | <b>70</b> | <b>124</b> | <b>112</b> | <b>101</b> |
| <b>Starz, LLC<sup>(2)</sup> - For discussion purposes</b> |           |           |            |            |            |
| Revenue                                                   | 397       | 400       | 391        | 403        | 389        |
| Adjusted OIBDA                                            | 84        | 110       | 131        | 118        | 107        |
| Depreciation and amortization                             | (6)       | (5)       | (5)        | (4)        | (4)        |
| Stock compensation expense                                | (1)       | (35)      | (2)        | (2)        | (2)        |
| <b>Operating Income</b>                                   | <b>77</b> | <b>70</b> | <b>124</b> | <b>112</b> | <b>101</b> |

(1) Includes the legacy Starz Entertainment and the legacy Starz Media businesses for the three months ended December 31<sup>st</sup>, 2010, March 31<sup>st</sup>, 2011, June 30<sup>th</sup>, 2011 and September 30<sup>th</sup>, 2011 and only legacy Starz Entertainment results for the three months ended September 30<sup>th</sup>, 2010 as the change in attribution of Starz Media from Liberty Capital to Liberty Starz became effective as of September 30<sup>th</sup>, 2010.

(2) Includes results for the legacy Starz Entertainment and the legacy Starz Media businesses for all periods presented, including the impact of intercompany eliminations.

**LIBERTY MEDIA CORPORATION**  
**BALANCE SHEET INFORMATION**  
September 30<sup>th</sup>, 2011 - (unaudited)

|                                                                         | Attributed      |                  |                          | Consolidated Liberty |
|-------------------------------------------------------------------------|-----------------|------------------|--------------------------|----------------------|
|                                                                         | Starz<br>Group  | Capital<br>Group | Inter-group Eliminations |                      |
| amounts in millions                                                     |                 |                  |                          |                      |
| <b>ASSETS</b>                                                           |                 |                  |                          |                      |
| Current assets:                                                         |                 |                  |                          |                      |
| Cash and cash equivalents                                               | \$ 1,059        | 878              | —                        | 1,937                |
| Trade and other receivables, net                                        | 252             | 47               | —                        | 299                  |
| Program rights                                                          | 476             | —                | —                        | 476                  |
| Short term marketable securities                                        | —               | 275              | —                        | 275                  |
| Restricted cash                                                         | 33              | 662              | —                        | 695                  |
| Receivable from Liberty Interactive                                     | —               | 44               | —                        | 44                   |
| Other current assets                                                    | 51              | 25               | (35)                     | 41                   |
| <b>Total current assets</b>                                             | <b>1,871</b>    | <b>1,931</b>     | <b>(35)</b>              | <b>3,767</b>         |
| Investments in available-for-sale securities and other cost investments | 1               | 2,781            | —                        | 2,782                |
| Investments in affiliates, accounted for using the equity method        | —               | 507              | —                        | 507                  |
| Property and equipment, net                                             | 98              | 121              | —                        | 219                  |
| Intangible assets not subject to amortization                           | 132             | 343              | —                        | 475                  |
| Intangible assets subject to amortization, net                          | 16              | 123              | —                        | 139                  |
| Program rights                                                          | 325             | —                | —                        | 325                  |
| Deferred costs                                                          | —               | 243              | —                        | 243                  |
| Deferred tax assets                                                     | —               | 301              | (63)                     | 238                  |
| Other assets, at cost, net of accumulated amortization                  | 192             | 28               | —                        | 220                  |
| <b>Total assets</b>                                                     | <b>\$ 2,635</b> | <b>6,378</b>     | <b>(98)</b>              | <b>8,915</b>         |
| <b>LIABILITIES AND EQUITY</b>                                           |                 |                  |                          |                      |
| Current liabilities:                                                    |                 |                  |                          |                      |
| Intergroup Payable (Receivable)                                         | \$ (187) )      | 187              | —                        | —                    |
| Accounts payable                                                        | 7               | 6                | —                        | 13                   |
| Accrued liabilities                                                     | 222             | 50               | —                        | 272                  |
| Financial instruments                                                   | 5               | 1,080            | —                        | 1,085                |
| Current portion of debt                                                 | 4               | 750              | —                        | 754                  |
| Current deferred tax liabilities                                        | —               | 777              | (35)                     | 742                  |
| Deferred revenue                                                        | 44              | 30               | —                        | 74                   |
| Other current liabilities                                               | 37              | 35               | —                        | 72                   |
| <b>Total current liabilities</b>                                        | <b>132</b>      | <b>2,915</b>     | <b>(35)</b>              | <b>3,012</b>         |
| Long-term debt                                                          | 37              | —                | —                        | 37                   |
| Deferred income tax liabilities                                         | 63              | —                | (63)                     | —                    |
| Deferred revenue                                                        | 2               | 529              | —                        | 531                  |
| Other liabilities                                                       | 9               | 248              | —                        | 257                  |
| <b>Total liabilities</b>                                                | <b>243</b>      | <b>3,692</b>     | <b>(98)</b>              | <b>3,837</b>         |
| Equity/Attributed net assets                                            | 2,397           | 2,687            | —                        | 5,084                |
| Noncontrolling interests in equity of subsidiaries                      | (5)             | (1)              | —                        | (6)                  |
| <b>Total liabilities and equity</b>                                     | <b>\$ 2,635</b> | <b>6,378</b>     | <b>(98)</b>              | <b>8,915</b>         |

**LIBERTY MEDIA CORPORATION**  
**BALANCE SHEET INFORMATION**  
December 31<sup>st</sup>, 2010 - (unaudited)

|                                                                         | Attributed          |                  |                             | Consolidated Liberty |
|-------------------------------------------------------------------------|---------------------|------------------|-----------------------------|----------------------|
|                                                                         | Starz<br>Group      | Capital<br>Group | Inter-group<br>Eliminations |                      |
|                                                                         | amounts in millions |                  |                             |                      |
| <b>ASSETS</b>                                                           |                     |                  |                             |                      |
| Current assets:                                                         |                     |                  |                             |                      |
| Cash and cash equivalents                                               | \$ 878              | 1,212            | —                           | 2,090                |
| Trade and other receivables, net                                        | 227                 | 30               | —                           | 257                  |
| Program rights                                                          | 411                 | —                | —                           | 411                  |
| Short term marketable securities                                        | 175                 | 334              | —                           | 509                  |
| Receivable from Liberty Interactive                                     | —                   | 85               | —                           | 85                   |
| Other current assets                                                    | 55                  | 145              | (10)                        | 190                  |
| <b>Total current assets</b>                                             | <b>1,746</b>        | <b>1,806</b>     | <b>(10)</b>                 | <b>3,542</b>         |
| Investments in available-for-sale securities and other cost investments | 67                  | 4,483            | —                           | 4,550                |
| Investments in affiliates, accounted for using the equity method        | —                   | 91               | —                           | 91                   |
| Property and equipment, net                                             | 109                 | 138              | —                           | 247                  |
| Intangible assets not subject to amortization                           | 132                 | 353              | —                           | 485                  |
| Intangible assets subject to amortization, net                          | 20                  | 144              | —                           | 164                  |
| Program rights                                                          | 323                 | —                | —                           | 323                  |
| Deferred costs                                                          | —                   | 345              | —                           | 345                  |
| Deferred tax assets                                                     | —                   | 382              | (11)                        | 371                  |
| Other assets, at cost, net of accumulated amortization                  | 142                 | 532              | —                           | 674                  |
| <b>Total assets</b>                                                     | <b>\$ 2,539</b>     | <b>8,274</b>     | <b>(21)</b>                 | <b>10,792</b>        |
| <b>LIABILITIES AND EQUITY</b>                                           |                     |                  |                             |                      |
| Current liabilities:                                                    |                     |                  |                             |                      |
| Accounts payable                                                        | \$ 8                | 13               | —                           | 21                   |
| Accrued liabilities                                                     | 185                 | 58               | —                           | 243                  |
| Intergroup payable (receivable)                                         | (93)                | 93               | —                           | —                    |
| Financial instruments                                                   | 3                   | 1,219            | —                           | 1,222                |
| Current portion of debt                                                 | 37                  | —                | —                           | 37                   |
| Current deferred tax liabilities                                        | —                   | 722              | (10)                        | 712                  |
| Deferred revenue                                                        | 16                  | 224              | —                           | 240                  |
| Other current liabilities                                               | 12                  | 24               | —                           | 36                   |
| <b>Total current liabilities</b>                                        | <b>168</b>          | <b>2,353</b>     | <b>(10)</b>                 | <b>2,511</b>         |
| Long-term debt                                                          | 68                  | 2,033            | —                           | 2,101                |
| Deferred income tax liabilities                                         | 11                  | —                | (11)                        | —                    |
| Deferred revenue                                                        | —                   | 846              | —                           | 846                  |
| Other liabilities                                                       | 46                  | 262              | —                           | 308                  |
| <b>Total liabilities</b>                                                | <b>293</b>          | <b>5,494</b>     | <b>(21)</b>                 | <b>5,766</b>         |
| Equity/Attributed net assets                                            | 2,246               | 2,780            | —                           | 5,026                |
| Noncontrolling interests in equity of subsidiaries                      | —                   | —                | —                           | —                    |
| <b>Total liabilities and equity</b>                                     | <b>\$ 2,539</b>     | <b>8,274</b>     | <b>(21)</b>                 | <b>10,792</b>        |

**LIBERTY MEDIA CORPORATION**  
**STATEMENT OF OPERATIONS INFORMATION**  
**Three months ended September 30<sup>th</sup>, 2011 - (unaudited)**

|                                                                         | Attributed          |                  | Consolidated Liberty |
|-------------------------------------------------------------------------|---------------------|------------------|----------------------|
|                                                                         | Starz<br>Group      | Capital<br>Group |                      |
|                                                                         | amounts in millions |                  |                      |
| <b>REVENUE:</b>                                                         |                     |                  |                      |
| Communications and programming services                                 | \$ 389              | 151              | 540                  |
| <b>OPERATING COSTS AND EXPENSES:</b>                                    |                     |                  |                      |
| Operating                                                               | 226                 | 97               | 323                  |
| Selling, general and administrative, including stock-based compensation | 62                  | 29               | 91                   |
| Depreciation and amortization                                           | 4                   | 11               | 15                   |
|                                                                         | <u>292</u>          | <u>137</u>       | <u>429</u>           |
| Operating income                                                        | 97                  | 14               | 111                  |
| <b>OTHER INCOME (EXPENSE):</b>                                          |                     |                  |                      |
| Interest expense                                                        | —                   | (3)              | (3)                  |
| Share of earnings (losses) of affiliates, net                           | —                   | 53               | 53                   |
| Realized and unrealized gains (losses) on financial instruments, net    | (5)                 | (252)            | (257)                |
| Gains (losses) on dispositions, net                                     | (1)                 | 2                | 1                    |
| Other, net                                                              | (1)                 | 11               | 10                   |
|                                                                         | <u>(7)</u>          | <u>(189)</u>     | <u>(196)</u>         |
| Earnings (loss) before income taxes                                     | 90                  | (175)            | (85)                 |
| Income tax (expense) benefit                                            | (30)                | 72               | 42                   |
| Net earnings (loss)                                                     | <u>60</u>           | <u>(103)</u>     | <u>(43)</u>          |
| Less net earnings (losses) attributable to noncontrolling interests     | (1)                 | —                | (1)                  |
| Net earnings (loss) attributable to Liberty stockholders                | <u>\$ 61</u>        | <u>(103)</u>     | <u>(42)</u>          |

**LIBERTY MEDIA CORPORATION**  
**STATEMENT OF OPERATIONS INFORMATION**  
**Three months ended September 30<sup>th</sup>, 2010 - (unaudited)**

|                                                                         | Attributed          |                  | Consolidated Liberty |
|-------------------------------------------------------------------------|---------------------|------------------|----------------------|
|                                                                         | Starz<br>Group      | Capital<br>Group |                      |
|                                                                         | amounts in millions |                  |                      |
| <b>REVENUE:</b>                                                         |                     |                  |                      |
| Communications and programming services                                 | \$ 319              | 251              | 570                  |
| <b>OPERATING COSTS AND EXPENSES:</b>                                    |                     |                  |                      |
| Operating                                                               | 192                 | 157              | 349                  |
| Selling, general and administrative, including stock-based compensation | 43                  | 77               | 120                  |
| Depreciation and amortization                                           | 7                   | 20               | 27                   |
|                                                                         | <u>242</u>          | <u>254</u>       | <u>496</u>           |
| Operating income (loss)                                                 | 77                  | (3)              | 74                   |
| <b>OTHER INCOME (EXPENSE):</b>                                          |                     |                  |                      |
| Interest expense                                                        | —                   | (12)             | (12)                 |
| Share of earnings (losses) of affiliates, net                           | —                   | (59)             | (59)                 |
| Realized and unrealized gains (losses) on financial instruments, net    | —                   | 70               | 70                   |
| Gains (losses) on dispositions, net                                     | (2)                 | —                | (2)                  |
| Other, net                                                              | 3                   | 27               | 30                   |
|                                                                         | <u>1</u>            | <u>26</u>        | <u>27</u>            |
| Earnings (loss) before income taxes                                     | 78                  | 23               | 101                  |
| Income tax (expense) benefit                                            | (30)                | 3                | (27)                 |
| Net earnings (loss)                                                     | 48                  | 26               | 74                   |
| Less net earnings (loss) attributable to the noncontrolling interests   | —                   | —                | —                    |
| Net earnings (loss) attributable to Liberty stockholders                | <u>\$ 48</u>        | <u>26</u>        | <u>74</u>            |



**LIBERTY MEDIA CORPORATION**  
**STATEMENT OF CASH FLOWS INFORMATION**  
**Nine months ended September 30<sup>th</sup>, 2011 - (unaudited)**

|                                                                                     | Attributed          |                  | Consolidated Liberty |
|-------------------------------------------------------------------------------------|---------------------|------------------|----------------------|
|                                                                                     | Starz<br>Group      | Capital<br>Group |                      |
|                                                                                     | amounts in millions |                  |                      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                        |                     |                  |                      |
| Net earnings (loss)                                                                 | \$ 180              | 197              | 377                  |
| Adjustments to reconcile net earnings to net cash provided by operating activities: |                     |                  |                      |
| Depreciation and amortization                                                       | 14                  | 42               | 56                   |
| Amortization of program rights                                                      | 523                 | —                | 523                  |
| Cash payments for programming rights                                                | (599)               | —                | (599)                |
| Stock-based compensation                                                            | 12                  | 12               | 24                   |
| Cash payments for stock based compensation                                          | (7)                 | (3)              | (10)                 |
| Noncash interest expense (income)                                                   | 2                   | (2)              | —                    |
| Share of (earnings) losses of affiliates, net                                       | —                   | (3)              | (3)                  |
| Realized and unrealized (gains) losses on financial instruments, net                | 4                   | 77               | 81                   |
| (Gains) losses on disposition of assets, net                                        | 3                   | (2)              | 1                    |
| Intergroup tax allocation                                                           | 89                  | (89)             | —                    |
| Intergroup tax payments                                                             | (31)                | 31               | —                    |
| Change in tax accounts from Liberty Interactive, net                                | —                   | 53               | 53                   |
| Deferred income tax expense                                                         | 41                  | 84               | 125                  |
| Other noncash charges (credits), net                                                | 76                  | (363)            | (287)                |
| Changes in operating assets and liabilities                                         |                     |                  |                      |
| Current and other assets                                                            | (159)               | (41)             | (200)                |
| Payables and other current liabilities                                              | 68                  | 107              | 175                  |
| <b>Net cash provided (used) by operating activities</b>                             | <b>216</b>          | <b>100</b>       | <b>316</b>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                        |                     |                  |                      |
| Cash proceeds from dispositions                                                     | —                   | 17               | 17                   |
| Investments in and loans to cost and equity investees                               | —                   | (297)            | (297)                |
| Repayment of loan by cost and equity investees                                      | —                   | 189              | 189                  |
| Capital expended for property and equipment                                         | (4)                 | (5)              | (9)                  |
| Net sales of short term investments                                                 | 242                 | 60               | 302                  |
| Net increase in restricted cash                                                     | (5)                 | (134)            | (139)                |
| Reattribution of cash to Liberty Interactive                                        | —                   | (264)            | (264)                |
| Other investing activities, net                                                     | (2)                 | (2)              | (4)                  |
| <b>Net cash provided (used) by investing activities</b>                             | <b>231</b>          | <b>(436)</b>     | <b>(205)</b>         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                                        |                     |                  |                      |
| Borrowings of debt                                                                  | 1                   | —                | 1                    |
| Repayments of debt                                                                  | (58)                | —                | (58)                 |
| Repurchases of Liberty common stock                                                 | —                   | (213)            | (213)                |
| Intergroup borrowings (payments)                                                    | (209)               | 209              | —                    |
| Other financing activities, net                                                     | —                   | 6                | 6                    |
| <b>Net cash provided (used) by financing activities</b>                             | <b>(266)</b>        | <b>2</b>         | <b>(264)</b>         |
| Net increase (decrease) in cash and cash equivalents                                | 181                 | (334)            | (153)                |
| Cash and cash equivalents at beginning of period                                    | 878                 | 1,212            | 2,090                |
| <b>Cash and cash equivalents at end period</b>                                      | <b>\$ 1,059</b>     | <b>878</b>       | <b>1,937</b>         |

**LIBERTY MEDIA CORPORATION**  
**STATEMENT OF CASH FLOWS INFORMATION**  
**Nine months ended September 30<sup>th</sup>, 2010 - (unaudited)**

|                                                                                     | Attributed                 |                  | Consolidated Liberty |
|-------------------------------------------------------------------------------------|----------------------------|------------------|----------------------|
|                                                                                     | Starz<br>Group             | Capital<br>Group |                      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                        | <b>amounts in millions</b> |                  |                      |
| Net earnings                                                                        | \$ 166                     | (37)             | 129                  |
| Adjustments to reconcile net earnings to net cash provided by operating activities: |                            |                  |                      |
| Depreciation and amortization                                                       | 16                         | 57               | 73                   |
| Amortization of program rights                                                      | 551                        | —                | 551                  |
| Cash payments for programming rights                                                | (507)                      | —                | (507)                |
| Stock-based compensation                                                            | 14                         | 22               | 36                   |
| Cash payments for stock based compensation                                          | (34)                       | (3)              | (37)                 |
| Noncash interest expense                                                            | —                          | 1                | 1                    |
| Share of (earnings) losses 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)                 |
| Intergroup tax allocation                                                           | 89                         | (89)             | —                    |
| Intergroup tax payments                                                             | 23                         | (23)             | —                    |
| Change in tax accounts from Liberty Interactive, net                                | —                          | 153              | 153                  |
| Deferred income tax expense (benefit)                                               | 10                         | 39               | 49                   |
| Other noncash charges, net                                                          | 19                         | 121              | 140                  |
| Changes in operating assets and liabilities                                         |                            |                  |                      |
| Current and other assets                                                            | (114)                      | (52)             | (166)                |
| Payables and other current liabilities                                              | (38)                       | 112              | 74                   |
| <b>Net cash provided (used) by operating activities</b>                             | <b>198</b>                 | <b>222</b>       | <b>420</b>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                        |                            |                  |                      |
| 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 Liberty                                                        | 158                        | 158              | 316                  |
| Repayment of loan by equity investee                                                | —                          | 101              | 101                  |
| 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)                  |
| <b>Net cash provided (used) by investing activities</b>                             | <b>53</b>                  | <b>(399)</b>     | <b>(346)</b>         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                                        |                            |                  |                      |
| 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                  |
| <b>Net cash provided (used) by financing activities</b>                             | <b>(30)</b>                | <b>(1,399)</b>   | <b>(1,429)</b>       |
| 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                                             | <b>\$ 1,015</b>            | <b>1,581</b>     | <b>2,596</b>         |