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**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Condensed Consolidated Balance Sheets (Continued)**

**(unaudited)**

| | June 30, 2011 | December 31, 2010 |
|---|---|---|
| | amounts in millions | |
| Liabilities and Equity | | |
| Current liabilities: | | |
| Accounts payable | $ 544 | 651 |
| Accrued liabilities | 883 | 995 |
| Financial instruments (note 8) | 1,167 | 1,264 |
| Current portion of debt (note 10) | 1,265 | 530 |
| Deferred income tax liabilities | 911 | 864 |
| Deferred revenue | 211 | 347 |
| Other current liabilities | 115 | 88 |
| Total current liabilities | 5,096 | 4,739 |
| Long-term debt, including $2,661 million and $2,506 million measured at fair value (note 10) | 5,957 | 6,788 |
| Long-term financial instruments (note 8) | 88 | 94 |
| Deferred income tax liabilities | 2,465 | 2,211 |
| Deferred revenue | 548 | 860 |
| Other liabilities | 462 | 466 |
| Total liabilities | 14,616 | 15,158 |
| Equity | | |
| Stockholders' equity (note 11): | | |
| Preferred stock, $.01 par value. Authorized 50,000,000 shares; no shares issued | — | — |
| Series A Liberty Capital common stock, $.01 par value. Authorized 2,000,000,000 shares; issued and outstanding 74,131,132 shares at June 30, 2011 and 75,139,893 shares at December 31, 2010 | 1 | 1 |
| Series B Liberty Capital common stock, $.01 par value. Authorized 75,000,000 shares; issued and outstanding 7,350,225 shares at June 30, 2011 and 7,363,948 shares at December 31, 2010 | — | — |
| Series A Liberty Starz common stock, $.01 par value. Authorized 4,000,000,000 shares; issued and outstanding 49,216,947 shares at June 30, 2011 and 49,130,652 shares at December 31, 2010 | — | — |
| Series B Liberty Starz common stock, $.01 par value. Authorized 150,000,000 shares; issued and outstanding 2,953,815 shares at June 30, 2011 and 2,917,815 shares at December 31, 2010 | — | — |
| Series A Liberty Interactive common stock, $.01 par value. Authorized 4,000,000,000 shares; issued and outstanding 572,645,073 shares at June 30, 2011 and 570,731,067 shares at December 31, 2010 | 6 | 6 |
| Series B Liberty Interactive common stock, $.01 par value. Authorized 150,000,000 shares; issued and outstanding 29,005,670 shares at June 30, 2011 and 29,059,016 shares at December 31, 2010 | — | — |
| Additional paid-in capital | 8,189 | 8,338 |
| Accumulated other comprehensive earnings, net of taxes | 282 | 226 |
| Retained earnings | 3,388 | 2,742 |
| Total stockholders' equity | 11,866 | 11,313 |

See accompanying notes to condensed consolidated financial statements.

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Condensed Consol1Con**

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Condensed Consolidated Statements Of Operations (Continued)**

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**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Condensed Consolidated Statements Of Comprehensive Earnings (Loss)**

**(unaudited)**

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 |
| | amounts in millions | | | |
| Net earnings | $ 283 | 41 | 668 | 440 |
| Other comprehensive earnings (loss), net of taxes: | | | | |
| Foreign currency translation adjustments | 24 | (50) | 72 | (102) |
| Unrealized holding losses arising during the period | (3) | (67) | (27) | (2) |
| Recognition of previously unrealized (gains) losses on available-for-sale securities, net | 8 | (14) | 2 | (126) |

See accompanying notes to condensed consolidated financial statements.

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Condensed Consolidated Statementb HS**

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Condensed Consoli ed ¦ d**

**(1) Basis of Presentation**

The accompanying condensed consolidated financial statements include the accounts of Liberty M

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Condensed Consolidated Financial Statements (Continued)**

**June 30, 2011**

**(unaudited)**

**(1) Basis of Presentation (Continued)**

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.

Liberty adopted the revenue guidance on a prospective basis as of January 1, 2011. There was no financial statement impact on that date as a result of the adoption of the new accounting guidance. In the first quarter of 2011 TruePosition, a consolidated subsidiary of Liberty, entered into an amended contract with AT&T (one of TruePosition's largest customers) that materially changed the terms of the existing contract. The transition provisions of the new accounting guidance requires that when a contract is materially modified it is subject to the new accounting requirements. This resulted in Liberty recognizing revenue for all the delivered elements meeting the separation criteria, previously deferred under the previous accounting guidance. TruePosition recognized approximately $538 million of revenue and $167 million of deferred cost associated with the delivered elements as of the modification date. Péadd wi

**(2) Tracking Stocks (Continued)**

- 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.

On September 16, 2010, Liberty'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 result of the Starz Media Reattribution, an intergroup payable of approximately $54.9 million owed by Liberty's Capital Group to its Starz Group was extinguished, and t ult of il iember 30, an iertmillitely $54.9 illian in cash.

**(2) Tracking Stocks (Continued)**

During the second quarter of 2010, Liberty announced that its board of directors has 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 wholly-owned subsidiary of Liberty ("Liberty CapStarz"). Liberty CapStarz will hold all the assets and be subject to all the liabilities attributed to the Liberty Capital and Liberty Starz tracking stock groups. The common stock of Liberty CapStarz will be divided into two tracking stock groups, one tracking assets that are currently attributed to the Liberty Capital group ("Liberty CapStarz Capital") and the other tracking assets that are currently attributed to the Liberty Starz group ("Liberty CapStarz Starz"). In the redemption, holders of Liberty Capital tracking stock will receive shares of Liberty CapStarz Capital tracking stock and holders of Liberty Starz tracking stock will receive shares of Liberty CapStarz Starz tracking stock. After the redemption, Liberty CapStarz 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 continued validity of an IRS private letter ruling that was issued to Liberty in connection with the proposed split-off, the opinions of tax counsel and required governmental approvals. On May 23, 2011 the proposed Split-Off was approved by the requisite vote of Liberty stockholders. In August 2010, Liberty 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 [illegible] substantially all [illegible] position

## (3) Stock-Based Compensation (Continued)

The following table provides additional information about outstanding options to purchase Liberty common stock at June 30, 2011.

| | 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 | 4,434 | $ 20.59 | 5.8 years | $ 288,916 | 1,272 | $ 10.79 | $ 95,314 |
| Series A Interactive | 45,984 | $ 11.94 | 5.4 years | $ 245,048 | 13,823 | $ 13.84 | $ 62,868 |
| Series B Interactive | 450 | $ 19.74 | 3.9 years | $ — | 450 | $ 19.74 | $ — |
| Series A Starz | 3,549 | $ 50.41 | 6.0 years | $ 91,128 | 621 | $ 33.40 | $ 26,017 |
| Series B Starz | 36 | $ 26.71 | 3.9 years | $ 1,846 | 36 | $ 26.71 | $ 1,846 |

As of June 30, 2011, the total unrecognized compensation cost related to unvested Liberty equity awards was approximately $200 million. Such amount will be recognized in the Company's consolidated statements of operations over a weighted average period of approximately 2.8 years.

## (4) Earnings (Loss) 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.

*Series A and Series B Liberty Capital Common Stock*

The basic and diluted EPS calculation is based on the following weighted average outstanding shares. Excluded from diluted EPS for the six months ended June 30, 2011 are less than a million potential common shares because their inclusion would be antidilutive.

| | Liberty Capital Common Stock | | | |
|---|---|---|---|---|
| | Three months ended June 30, 2011 | Six months ended June 30, 2011 | Three months ended June 30, 2010 | Six months ended June 30, 2010 |
| | numbers of shares in millions | | | |
| Basic EPS | 81 | 81 | 95 | 95 |
| Stock options | 2 | 2 | — | — |
| Diluted EPS | 83 | 83 | 95 | 95 |

**(4) Earnings (Loss) Per Common Share (Continued)**

*Series A and Series B Liberty Starz Common Stock*

The basic and diluted EPS calculation is based on the following weighted average outstanding shares. Excluded from diluted EPS for the six months ended June 30, 2011 are less than a million potential common shares because their inclusion would be antidilutive.

*Series A and Series B Liberty Interactive Common Stock*

The basic and diluted EPS calculation is based on the following weighted average outstanding shares. Excluded from diluted EPS for the six months ended June 30, 2011 are 6 million potential common shares because their inclusion would be antidilutive.

**(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.

**(6) Investments in Available-for-Sale Securities and Other Cost Investments (Continued)**

Investments in AFS securities, including Non-strategic Securities, and other cost investments are summarized as follows:

| | June 30, 2011 | December 31Qnbe A |
|---|---|---|
| [redacted] | | |

**(6) Investments in Available-for-Sale Securities and Other Cost Investments (Continued)**

investment as an equity method affiliate. For additional discussion see note 7. Liberty continues to hold debt securities in Live Nation which are included in available-for-sale securities.

***Unrealized Holding Gains and Losses***

Unrealized holding gains and losses related to investments in AFS securities are summarized below.

| | June 30, 2011 | | December 31, 2010 | |
|---|---|---|---|---|
| | Equity securities | Debt securities | Equity securities | Debt securities |
| | amounts in millions | | | |
| Gross unrealized S3Ins q3q ed L Lj QAhd z | | | | |

**(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 June 30, 2011 and the carrying amount at December 31, 2010:

**(7) Investments in Affiliates Accounted for Using the Equity Method (Continued)**

The following table presents Liberty's share of earnings (losses) of affiliates:

| | Three months | | | |
|---|---|---|---|---|

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

June 30, 2011

(unaudited)

**(7) Investments in Affiliates Accounted for Using the Equity Method (Continued)**

**Expedia Consolidated Statements of Operations**

***Sirius XM Radio Inc.***

Based on Liberty's voting rights and its conclusion that the SIRIUS XM Preferred Stock is in-substance common stock, Liberty accounts for its investment in the SIRIUS XM Preferred Stock using the equity method of accounting.M—7". YS3n

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Condensed Consolidated Financial Statements (Continued)**

**June 30, 2011**

**(unaudited)**

**(8) Financial Instruments (Continued)**

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 consolidated 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 consolidated statement of operations.

The Company's financial instruments are summarized as follows:

**(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:

**(9) Intangible Assets**

*Goodwi k frŒĎ Ŏ*

**(9) Intangible Assets (Continued)**

*Intangible Assets Subject to Amortization*

Amortization expense for intangible assets with finite useful lives was $243 million and $235 million for the six months ended June 30, 2011 and 2010, respectively. Based on its amortizable intangible assets as of June 30, 2011, Liberty expects that amortization expense will be as follows for the next five years (amounts in millions):

| | |
|---|---|
| Remainder of 2011 | $ 249 |
| 2012 | $ 475 |
| 2013 | $ 445 |
| 2014 | $ 390 |
| 2015 | $ 360 |

**(10) Long-Term Debt**

Debt is summarized as follows:

***Exchangeable Senior Debentures***

As discussed in note 2, in the first quarter of 2011 the Board of Directors of Liberty reattributed the 3.125% Exchangeable Senior Debentures from the Liberty Capital Group to the Liberty Interactive Group which was reflected on a prospective basis.

**(10) Long-Term Debt (Continued)**

**(12) Commitments and Contingencies (Continued)**

Starz has also contracted to pay Programming Fees for films that have been released theatrically, but are not available for exhibition by Starz until some future date. These amounts have not been accrued at June 30, 2011. Starz 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. 7downed bytoeez3

**(13) Information About Liberty's Operating Segments (Continued)**

**Performance Measures**

| | Six months ended June 30, | | | |
|---|---|---|---|---|
| | 2011 | | 2010 | |
| | Revenue | Adjusted OIBDA | Revenue | Adjusted OIBDA |
| | amounts in millions | | | |
| Interactive Group | | | | |
| QVC | $ 3,733 | 781 | 3,515 | 769 |
| Corporate and other | 671 | 47 | 563 | 40 |
| | 4,404 | 828 | 4,078 | 809 |
| Starz Group | | | | |
| Starz, LLC | 794 | 249 | 841 | 152 |
| Corporate and other | 1 | (6) | 5 | (7) |
| Adjustment for tracking stock purposes(1) | — | — | (228) | 61 |
| | 795 | 243 | 618 | 206 |
| Capital Group | | | | |
| Corporate and other | 716 | 365 | 138 | (41) |
| Adjustment for tracking stock purposes(1) | — | — | 228 | (61) |
| | 716 | 365 | 366 | (102) |
| Consolidated Liberty | $ 5,915 | 1,436 | 5,062 | 913 |

(1) As discussed above due to the change in segments the prior periods have been changed to reflect the current segment presentation. The adjustment is necessary to align the tracking stock subtotals to the Unaudited Attributed Financial Information for tracking

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Condensed Consolidated Financial Statements (Continued)**

**June 30, 2011**

**(unaudited)**

**(13) Information About Liberty's Operating Segments (Continued)**

stock groups found in Exhibit 99.1, wherein this change in attribution has been reflected prospectively.

### (13) Information About Liberty's Operating Segments (Continued)

### Other Information

| | June 30, 2011 | | |
|---|---|---|---|
| | Total assets | Investments in affiliates | Capital expenditures |
| | amounts in millions | | |
| Interactive Group | | | |
| QVC | $ 13,401 | 2 | 80 |
| Corporate and other | 4,168 | 1,016 | 23 |
| | 17,569 | 1,018 | 103 |
| Starz Group | | | |
| Starz, LLC | 1,941 | — | 2 |
| Corporate and other | 820 | — | — |
| | 2,761 | — | 2 |
| Capital Group | | | |
| Corporate and other | 6,515 | 460 | 4 |
| | 6,515 | 460 | 4 |
| Inter-group eliminations | (267) | — | — |
| Consolidated Liberty | $ 26,578 | 1,478 | 109 |

The following table provides a reconciliation of segment Adjusted OIBDA to earnings (loss) from continuing operations before income taxes:

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 |
| | amounts in millions | | | |
| Consolidated segment Adjusted OIBDA | $ 574 | 472 | 1,436 | 911 |
| Stock-based compensation | (24) | (28) | (51) | (60) |
| Gain on legal settlement | — | — | 7 | — |
| Depreciation and amortization | (168) | (164) | (336) | |

**Item 2. Manageme**

**<u>Results of Operations—Consolidated</u>**

***General.*** We provide in the tables below information regarding our Consolidated 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 seRzede

**Consolidated Operating Results**

***Income taxes.*** Our effective tax rate for the six months ended J the participation of founding chairman Leonard Riggio, both in terms of his continuing equity ownership and his contin ty o

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 June 30, 2011, the Capital Group's sources of liquidity include $1,067 million in cash, $192 million in short term marketable securities and $1,194 million of unpledged non-strategic AFS securities. To the extent the Capital Group recognizes any taxable gains from the sale of assets, including in the settlement of derivative instruments, we may incur current tax expense and be required to make tax payments, thereby reducing any cash proceeds attributable to the Capital Group.

**Results of Operations—Tracking Stock Groups**

**Interactive Group**

The Interactive Group consists of our subsidiaries QVC, Provide, Backcountry, Bodybuilding and Celebrate, our interests in Expedia, HSN, Interval, Lending Tree and $4,201 million principal amount (as of June 30, 2011) of our publicly-traded debt.

The following discussion and analysis provides information concerning the results of operations of the Interactive Group. This discussion should be read in conjunction with (1) our condensed consolidated financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q and (2) the Unaudited Attributed Financial Information for Tracking Stock Groups filed as Exhibit 99.1 to this Quarterly Report on Form 10-Q.

**Results of Operations**

**Operating Results by Business**

***QVC.*** QVC is a retailer of a wide range of consumer products, which are marketed and sold primarily by merchandise-focused televised shopping programs and via the Internet. In the United States, QVC's live programming is distributed via its nationally televised shopping program 24 hours a day, 364 days a year ("QVC-US"). Internationally, QVC's program services are based in the United Kingdom ("QVC-UK"), Germany ("QVC-Germany"), Japan ("QVC-Japan") and Italy ("QVC-Italy"). QVC-UK distributes its program 24 hours a day with 17 hours of live programming and QVC-Germany and QVC-Japan each distribute live programming 24 hours a day. QVC-Italy launched on October 1, 2010 and is distributing programming live for 17 hours a day on satellite and public television and an additional 7 hours a day of recorded programming on satellite television.

QVC's operating results are as follows:

Net revenue is generated in the following geographical areas:

QVC's consolidated net revenue increased 8.0% and 6.2% during the three and six months ended June 30, 2011, respectively, as compared to the prior year period. The three month increase in net revenue is comprised of $80 million due to a 4.1% increase in the average sales price per unit ("ASP"), $72 million due to favorable foreign currency rates in all international markets and $17 million due to a 0.9% increase in units sold from 39.1 million to 39.4 million. These increases were partially offset by a $29 million increase in estimated product returns. Returns as a percent of gross product revenue increased to 19.7% from 19.1%. The six month increase in net revenue is comprised of $158 million due to a 4.1% increase in ASP, $94 million due to favorable foreign currency rates in all international markets and $24 million due to a 0.6% increase in units sold from 76.2 million to 76.7 million. These increases were partially offset by a $50 million increase in product returns and an $8 million decrease in net shipping and handling revenue. Returns as a percent of gross product revenue increased to 19.6% from 19.2%.

During the three and six months ended June 30, 2011 and 2010, the changes in revenue and expenses were impacted by changes in the exchange rates for the UK pound sterling, the euro and the Japanese yen. In the event the U.S. dollar strengthens against these foreign currencies in the future, QVC's revenue and operating cash flow will be negatively impacted. The percentage increase (decrease) in revenue for each of QVC's geographic areas in U.S. dollars and in local currency is as follows:

On March 11, 2011 there was a significant earthquake in Japan. As a result, QVC-Japan was off-air for 12 days and experienced an interruption of its business. The facilities suffered moderate damage. QVC-Japan returned o Jap

certain holidays, which drive a significant portion of the e-commerce businesses' revenue. The third quarter is generally lower, as compared to the other three quarters, due to fewer holidays. Revenue increased $52 million and $108 million for the three and six months ended June 30, 2011, as compared to the corresponding prior year periods. Each of our respective e-commerce businesses reported an increase in revenue for the three and six months ended June 30, 2011 as compared to the corresponding prior year periods. Such increases are the result of acquisitions and deconsolidations, increased marketing efforts and increased conversion due to site optimization and broader inventory offerings. Adjusted OIBDA for the e-commerce businesses increased $8 million and $19 million for the three and six month periods in 2011 and represented 10.4% and 9.7% of revenue in 2011, respectively, as compared to 9.5% and 8.2% in 2010, respectively.

**Starz Group**

The Starz Group is primarily comprised of our subsidiary Starz and $1 is .and

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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 June 30, 2011, our debt is comprised of the following amounts:

In addition, QVC has entered into seven forward interest rate swap arrangements with an aggregate notional amount of $1.75 billion and four forward interest rate swap arrangements with an aggregate notional amount of $600 million. Such arrangements provide for payments beginning in March 2011 and extending to March 2013. On the notional amount of $1.75 billion, QVC will make fixed payments at rates ranging from 2.98% to 3.67% and receive variable payments at 3 month LIBOR (0.25% at June 30, 2011). On the notional amount of $600 million, QVC will make variable payments at 3 month LIBOR (0.25% at June 30, 2011) and receive fixed payments at 0.91%.

The Interactive and Capital groups are 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. We periodically use equity collars and other financial instruments to manage market risk associated with certain investment positions. These instruments are recorded at fair value based on option pricing models.

At June 30, 2011, the fair value of our non-strategic AFS equity securities was $3,811 million. Had the market price of such securitieslionmentahe ohn ohn Mlar hMhanonysprhc currency financial statements into U.S. dollars that result in unrealized gains or losses are referred to as translation adjustments. Cumulative translation adjustments are recorded in accumulated other comprehensive earnings (loss) as a separate component of 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 income as unrealized (based on period-end translations) or realized upon settlement of the transactions. Cash flows from our operations in foreign countries are translated at the average rate for the period. Accordingly, the Interactive Group may experience economic loss and a negative impact on earnings and equity with respect to our holdings solely as a result of foreign currency exchange rate fluctuations.

We periodically assess the effectiveness of our derivative financial instruments. With regard to interest rate swaps, we monitor the fair value of interest rate swaps as well as the effective interest rate the interest rate swap yields, in comparison to historical interest rate trends. We believe that any losses incurred with regard to interest rate swaps would be largely offset by the effects of interest rate movements on the underlying debt facilities. These measures allow our management to evaluate the success of our use of derivative instruments and to determine when to enter into or exit from derivative instruments.

**Item 4. Controls and Procedures**.

In accordance with Exchange Act Rules 13a-15 and 15d-15, the Company carried out an evaluation, under the supervision and with the participation of management, including its chief executive officer, principal accounting officer and principal financial officer (the "Executives"), of the effectiveness of its disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Executives concluded that the Company's disclosure controls and procedures were effective as of June 30, 2011 to provide reasonable assurance that information required to be disclosed in its reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

There has been no change in the Company's internal control over financial reporting that occurred during the six months ended June 30, 2011 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings

On August 6, 2010, Liberty 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 indebtedn 0, L iLLC file) g Verif(as amenYed ComplaMel. mdndd, st 6, nded le) g VerieendMeif(as amnteddMd ComplaM

A summary of the repurchase activity for the three months ended June 30, 2011 is as follows:

| | Series A Liberty Capital Common Stock | | | |
|---|---|---|---|---|
| Period | (a) Total Number of Shares Purchased | (b) Average Price Paid per Share | | |
| | | | | |
| | | | | |
| | [redacted] | | | |

In addition to the shares listed in the table above, 6,737 shares of Series A Liberty Capital common stock, 17,230 shares of Series A Liberty Interactive common stock and 2,418 shares of Series A Liberty Starz common stock were surrendered by certain of our officers and employees to pay withholding taxes and other deductions in connection with the vesting of their restricted stock.

## Item 6. Exhibits

(a) Exhibits

Listed below are the exhibits which are filed as a part of this Report (according to the number assigned to them in Item 601 of Regulation S-K):

## SIGNATURES

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

LIBERTY MEDIA CORPORATION

| | | |
|---|---|---|
| Date: August 9, 2011 | By: | /s/ GREGORY B. MAFFEI |
| | | Gregory B. Maffei<br>*President and Chief Executive Officer* |
| Date: August 9, 2011 | By: | /s/ DAVID J.A. FLOWERS |
| | | David J.A. Flowers<br>*Senior Vice President and Treasurer*<br>*(Principal Financial Officer)* |
| Date: August 9, 2011 | By: | /s/ CHRISTOPHER W. SHEAN |
| | | Christopher W. Shean<br>*Senior Vice President and Controller*<br>*(Principal Accounting Officer)* |

## EXHIBIT INDEX

Listed below are the exhibits which are filed as a part of this Report (according to the number assigned to them in Item 601 of Regulation S-K):

| | |
|---|---|
| 10.1 | Amendment to the Liberty Media Corporation 2007 Incentive Plan dated March 9, 2011.* |
| 31.1 | Rule 13a-14(a)/15d-14(a) Certification* |
| 31.2 | Rule 13a-14(a)/15d-14(a) Certification* |
| 31.3 | Rule 13a-14(a)/15d-14(a) Certification* |
| 32 | Section 1350 Certification** |
| 99.1 | Attributed Financial Information for Tracking Stock Groups* |
| 99.2 | Reconciliation of Liberty Media Corporation Net Assets and Net Earnings to Liberty Media LLC Net Assets and Net Earnings** |
| 101.INS | XBRL Instance Document** |
| 101.SCH | XBRL Taxonomy Extension Schema Document** |
| 101.CAL | XBRL Taxonomy Calculation Linkbase Document** |
| 101.LAB | XBRL Taxonomy Label Linkbase Document** |
| 101.PRE | XBRL Taxonomy Phtahtahhyabel |

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES Condensed Consolidated Balance Sheets (unaudited)
LIBERTY MEDIA CORPORATION AND SUBSIDIARIES Condensed Consolidated Statements Of Operations (unaudited)
LIBERTY MEDIA CORPORATION AND SUBSIDIARIES Condensed Consolidated Statements Of Comprehensive Earnings (Loss) (unaudited)
LIBERTY MEDIA CORPORATION AND SUBSIDIARIES Condensed Consolidated Statements Of Cash Flows (unaudited)
LIBERTY MEDIA CORPORATION AND SUBSIDIARIES Notes to Condensed Consolidated Financial Statements June 30, 2011 (unaudited)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 3. Quantitative and Qualitative Disclosures about Market Risk.
Item 4. Controls and Procedures .

LIBERTY MEDIA CORPORATION

Item 1. Legal Proceedings
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds
Item 6. Exhibits

SIGNATURES
EXHIBIT INDEX

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**Exhibit 10.1**

**LIBERTY MEDIA CORPORATION**
**2007 INCENTIVE PLAN**

**Amendment**

Liberty Media Corporation (the "Company"), having previously established the Liberty Media Corporation 2007 Incentive Plan, effective as of February 22, 2007 (the "Plan"), and having reserved the right under Section 11.7 thereof to amend the Plan, does hereby amend the Plan, effective as of December 1, 2010, to add a new Article XII to read in its entirety as follows:

"ARTICLE XII—AWARDS GRANTED IN SUBSTITUTION FOR ASSUMED AWARDS

In connection with a merger or acquisition transaction as contemplated by Nasdaq Listing Rule 5635(c)(3) and IM-5635-1, Awards may be granted pursuant to this Plan in substitution for similar awards assumed in connection with such transaction ('Substitute Awards'). Such Substitute Awards will be subject to the terms and conditions set forth in this Plan and the applicable award agreement governing the substitute Award; *provided, however*, that the restrictions set forth in Section 5.1, Section 6.2 and the second sentence of Section 7.3 shall not be applicable to Substitute Awards. Substitute Awards shall not reduce the number of shares of Common Stock available for grant under the Plan pursuant to Section 4.1."

Except as expressly provided in this Amendment, the Plan will remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed this 9th day of March 2011, but effective as of the date set forth above.

**LIBERTY MEDIA CORPORATION**

By /s/ PAMELA COE

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LIBERTY MEDIA CORPORATION 2007 INCENTIVE PLAN

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**EXHIBIT 31.1**

**CERTIFICATION**

I, Gregory B. Maffei, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty Media Corporation;

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

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

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

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

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

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

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

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

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

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

Date: August 9, 2011

/s/ GREGORY B. MAFFEI

Gregory B. Maffei
*Chief Executive Officer and President*

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EXHIBIT 31.1

CERTIFICATION

**EXHIBIT 31.2**

**CERTIFICATION**

I, David J.A. Flowers, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty Media Corporation;

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

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

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

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

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

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

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

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

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

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

Date: August 9, 2011

/s/ DAVID J.A. FLOWERS

David J.A. Flowers
*Senior Vice President and Treasurer*

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EXHIBIT 31.2

CERTIFICATION

**EXHIBIT 31.3**

**CERTIFICATION**

I, Christopher W. Shean, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty Media Corporation;

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

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

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

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

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

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

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

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

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

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

Date: August 9, 2011

/s/ CHRISTOPHER W. SHEAN

Christopher W. Shean
*Senior Vice President and Controller*

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EXHIBIT 31.3

CERTIFICATION

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Exhibit 32

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

## SUMMARY ATTRIBUTED FINANCIAL DATA

*Interactive Group*

| | June 30, 2011 | DecembeDeD | Ŏ Ŏ ¾Ŏ Ŏ |
|---|---|---|---|

**SUMMARY ATTRIBUTED FINANCIAL DATA (Continued)**

*Starz Group*

| | June 30, 2011 | |
|---|---|---|
| | | |
| | | |
| | | |

**BALANCE SHEET INFORMATION**

**June 30, 2011**

**(unaudited)**

STATEMENT OF OPERATIONS AND COMPREHENSIVE EARNINGS (LOSS) INFORMATION

Three months ended June 30, 2011

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**STATEMENT OF OPERATIONS AND COMPREHENSIVE EARNINGS (LOSS) INFORMATION**

**Three months ended June 30, 2010**

**(unaudited)**

**STATEMENT OF OPERATIONS AND COMPREHENSIVE EARNINGS INFORMATION**

**Six months ended June 30, 2011**

**(unaudited)**

**STATEMENT OF CASH FLOWS INFORMATION**

**Six months ended June 30, 2011**

**(unaudited)**

**STATEMENT OF CASH FLOWS INFORMATION**

**Six months ended June 30, 2010**

**(unaudited)**

| | Attributed (note 1) Interactive Group | Starz Group | Capital Group | Consolidated Liberty |
|---|---|---|---|---|
| | amounts in millions | | | |
| Cash flows from operating activities: | | | | |
| Net earnings | $ 385 | 118 | (63) | 440 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 280 | 9 | 37 | 326 |
| Stock-based compensation | 37 | 9 | 14 | 60 |
| Cash payments for stock based compensation | (11) | (29) | — | (40) |
| Noncash interest expense | 49 | — | 1 | 50 |
| Share of losses (earnings) of affiliates, net | (59) | — | 11 | (48) |
| Cash receipts from return on equity investments | 10 | — | — | 10 |
| Realized and unrealized gains (losses) on financial instruments, net | (32) | 1 | (55) | (86) |
| Gains on disposition of assets, net | (364) | — | (24) | (388) |
| Intergroup tax allocation | 99 | 57 | (156) | — |
| Intergroup tax payments | (190) | 17 | 173 | — |
| Deferred income tax expense | 66 | 12 | 28 | 106 |
| Other noncash charges, net | 31 | 12 | 69 | 112 |
| Changes in operating assets and liabilities | | | | |
| Current and other assets | 241 | (72) | (81) | 88 |
| Payables and other current liabilities | (342) | 70 | 173 | (99) |
| Net cash provided by operating activities | 200 | 204 | 127 | 531 |
| Cash flows from investing activities: | | | | |
| Cash proceeds from dispositions | 459 | 29 | 30 | 518 |
| Proceeds (payments) related to settlement of financial instruments | (31) | — | 750 | 719 |
| Investments in and loans to cost and equity investees | — | — | (257) | (257) |
| Repayment of loan by equity investee | — | — | 98 | 98 |
| Capital expended for property and equipment | (123) | (1) | (5) | (129) |
| Net purchases of short term investments | — | (137) | (170) | (307) |
| Net (increase) decrease in restricted cash | 1 | (20) | (11) | (30) |
| Reattribution of cash | 807 | — | (807) | — |
| Other investing activities, net | (8) | — | 6 | (2) |
| Net cash provided (used) by investing activities | 1,105 | (129) | (366) | 610 |
| Cash flows from financing activities: | | | | |
| Borrowings of debt | 1,048 | — | 88 | 1,136 |
| Repayments of debt | (1,763) | (2) | (973) | (2,738) |
| Intergroup debt borrowings/(repayments) | (316) | 158 | 158 | — |
| Repurchases of Liberty common stock | — | (40) | (286) | (326) |
| Other financing activities, net | (43) | (39) | 155 | 73 |

**Notes to Attributed Financial Information**

**(unaudited)**

(1) The assets attributed to our Interactive Group include our consolidated subsidiaries QVC, Inc., Provide Commerce, Inc., Backcountry.com, Inc., Bodybuilding.com, LLC and Celebrate Interactive Holdings, Inc., and our interests in GSI Commerce, Inc., Expedia, Inc., HSN, Inc., Interval Leisure Group, Inc. and Tree.com, Inc. Accordingly, the accompanying attributed financial information for the Interactive Group includes our investments in Expedia, HSN, Interval and Lending Tree, as well as the assets, liabilities, revenue, expenses and cash flows of QVC, Provide, Backcountry, Bodybuilding and Celebrate. We have also attributed certain of our debt obligations (and related interest expense) to the Interactive Group based upon a number of factors, including the cash flow available to the Interactive Group and its ability to pay debt service and our assessment of the optimal capitalization for the Interactive Group. The specific debt obligations attributed to each of the Interactive Group, the Starz Group and the Capital Group are described in note 4 below. In addition, we have allocated certain corporate general and administrative expenses among the Interactive Group, the Starz Group and the Capital Group as described in note 5 below.

The Interactive Group focuses on video and on-line commerce businesses. Accordingly, we expect that businesses that we may acquire in the future that we believe are complementary to this strategy will also be attributed to the Interactive Group.

The Starz Group consists primarily of our subsidiary Starz, LLC and approximately $1,035 million of cash, including subsidiary cash. Accordingly, the accompanying attributed financial information for the Starz Group includes these investments and the assets, liabilities, revenue, expenses and cash flows of that consolidated subsidiaries.

The 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 Starz Group.

The Capital Group consists of all of our businesses not included in the Interactive Group or the Sta [illegible] accompanying

**Notes to Attributed Financial Information (Continued)**

**(unaudited)**

- $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 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 Interactive Group. In addition, the 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 Interactive Group was using these tax benefits, which were then attributed to the Capital Group, and compensating the 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 Capital Group in order to position it to take advantage of potential synergies associated with the Capital Group's 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 offer price in Liberty Media's tender offer 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.

Liberty has reflected the February Reattribution prospectively. This change in attribution had no effect on the balance sheet and results of operations attributed to the Starz Group.

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 the Capital Group to the Starz Group, effective September 30, 2010 (the "Starz Media Reattribution"). As a result of the Starz Media Reattribution, an intergroup payable of approximately $54.9 million owed by the Capital Group to the Starz Group has been extinguished, and its Starz Group has become ti.Grttidble of approxi

Media, and its related debt, from the Capital Group to the Starz Group. This also enabled the Capital Group to repay indebtedness it owed to the Starz Group without using any of its cash reserves.

In establishing the terms of the Starz Reattribhh

## Notes to Attributed Financial Information (Continued)

**(unaudited)**

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.

(2) Investments in available-for-sale securities, including non-strategic securities, and other cost investments are summarized as follows:

| | June 30, 2011 | December 31, 2010 |
|---|---|---|
| | amounts in millions | |
| CoRzaRz Q hn | | |

investment as an equity method affiliate. We continue to hold debt securities in Live Nation which are included in available-for-sale securities.

(3) The following table presents information regarding certain equity method investments:

**Notes to Attributed Financial Information (Continued)**

**(unaudited)**

(4) Debt attributed to the Interactive Group, the Starz Group and the Capital Group is comprised of the following:

(5) Cash and stock-based compensation expense for our corporate employees has been allocated among the Interactive Group, the Starz Group an ct

## Notes to Attributed Financial Information (Continued)

**(unaudited)**

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 Interactive Group, the Starz Group and the 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 Liberty Interactive common stock, the Liberty Starz common stock and the Liberty Capital common stock have voting and conversion rights under our amended 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 $^{1}/_{100}$th 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 Interactive Group, 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.

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Exhibit 99.2

Liberty Media Corporation Reconciliation of Liberty Media Corporation ("LMC") Net Assets and Net Earnings to Liberty Media LLC ("LM LLC") Net Assets and Net Earnings June 30, 2011 (unaudited) amounts in millions