
**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 5, 2010**

LIBERTY MEDIA CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-33982
(Commission
File Number)

84-1288730
(I.R.S. Employer
Identification No.)

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

LIBERTY INTERACTIVE GROUP



LIBERTY MEDIA REPORTS THIRD QUARTER 2010 FINANCIAL RESULTS

Englewood, Colorado, November 5, 2010 — Liberty Media Corporation (“Liberty”) (Nasdaq: LCAPA, LCAPB, LINTA, LINTB, LSTZA, LSTZB) today reported third quarter results for Liberty Capital group, Liberty Interactive group and Liberty Starz group. Highlights include(1):

- Achieved revenue and adjusted OIBDA(2) growth at QVC of 7% and 8%, respectively
- Entered into a comprehensive multi-year affiliation agreement with DISH Network at Starz Entertainment
- Refinanced QVC’s bank credit facilities at lower rates, with a longer maturity and more flexible security
- Repurchased \$156 million of Liberty Capital stock, from July 31 through October 29, 2010, year-to-date purchases represent 13.9% of shares outstanding
- Changed the attribution of Starz Media from Liberty Capital to Liberty Starz
- Filed a preliminary proxy statement with the SEC for the split-off of Liberty Capital and Liberty Starz
- Value of Liberty’s stake in SIRIUS XM increased to \$3.8 billion as of November 4, 2010
- Purchased additional 1.5% of the stock of Live Nation from former Chairman, Barry Diller, on November 4, 2010

“QVC continued its strong operating performance once again growing faster than its peer group in revenue and adjusted OIBDA while maintaining the leading return on invested capital,” stated Greg Maffei, Liberty President and CEO. “Starz completed an important multi-year agreement with DISH while growing subscribers.”



LIBERTY INTERACTIVE GROUP — Liberty Interactive group’s revenue increased 8% to \$2.0 billion and adjusted OIBDA increased 8% to \$373 million, while operating income increased 13% to \$220 million. The increase in revenue, adjusted OIBDA, and operating income was primarily due to favorable results at QVC.

QVC

QVC’s consolidated revenue increased 7% in the third quarter to \$1.8 billion, adjusted OIBDA increased 8% to \$369 million and operating income increased 13% to \$235 million.

“Every QVC market generated strong revenue growth in local currency, increased adjusted OIBDA margins and attracted more new customers in the third quarter,” stated Mike George, QVC President and CEO. “Our consolidated adjusted OIBDA margin, excluding our start-up operations related to Italy and the negative impact of our new QCard arrangement, improved 105 basis points from a strong adjusted OIBDA margin last year. QVC expanded its global footprint through the successful launch of QVC Italy on October 1st. In addition, we continue to leverage our programming assets through the launch of second channels in both Germany and the UK and the iPad app in the US. Our pop-up store and studio in Rockefeller Center for Fashion’s Night Out generated positive press attention but more importantly engaged our customers through our live broadcasts, Facebook, Twitter, YouTube and QVC.com.”

QVC’s domestic revenue increased 7% in the third quarter to \$1.2 billion and adjusted OIBDA increased 8% to \$261 million compared to the third quarter 2009. The product mix continued to show steady growth in accessories, apparel and home and a decline in jewelry sales. The average selling price increased 2% from \$47.52 to \$48.30 while total units sold increased 5% to 26.2 million. Returns as a percent of gross product revenue decreased from 19.3% to 18.8%. QVC.com sales as a percentage of domestic sales grew from 28% in the third quarter of 2009 to 31% in the third quarter of 2010. The domestic adjusted OIBDA margin increased 22 basis points to 22.4% for the quarter primarily due to a lower inventory obsolescence provision as well as more efficient customer service operations partially offset by increased fixed costs price due to an increase in

margin percentage related to a higher inventory obsolescence provision.

QVC Germany's revenue grew 9% in local currency in the third quarter. QVC Germany's average selling price in local currency decreased 3% for the third quarter and units sold increased 14%. QVC Germany experienced an increase of 146 basis points in gross margin percentage for the quarter primarily due to increased initial product margins and a lower obsolescence provision. QVC Germany's adjusted OIBDA margin increased 210 basis points due to gross margin increases as well as further leverage of fixed cost expenses.

QVC Japan's revenue grew 9% in local currency in the third quarter. QVC Japan achieved growth of 15% in units sold for the quarter with the average selling price in local currency declining 5%. QVC Japan's gross margin percentage was virtually flat for the third quarter with adjusted OIBDA margin increasing 125 basis points due primarily to reductions in cable operator commission expense due to favorable renegotiated contract terms.

eCommerce Businesses

In the aggregate, the eCommerce businesses increased revenue 19% to \$197 million for the quarter. Overall revenue growth was partially offset by lower commission revenue earned for referring customers to third-party on-line discount services. In the first quarter of 2010, a decision was made to change the way the e-commerce businesses



LIBERTY CAPITAL GROUP—Liberty Capital group’s revenue increased 47% while adjusted OIBDA and operating losses decreased by \$96 million and \$91 million, respectively, for the third quarter. The increase in revenue was primarily due to revenue growth at Starz Media related to theatrical and home video revenue from movies released by Overture Films. The decrease in the adjusted OIBDA loss was primarily due to the number and timing of films released theatrically, on home video and throughia

1. Excerpts from Earnings Release

Highlights include:

- Entered into a comprehensive multi-year affiliation agreement with DISH Network at Starz Entertainment
- Repurchased \$156 million of Liberty Capital stock, from July 31 through October 29, 2010, year-to-date purchases represent 13.9% of shares outstanding
- Changed the attribution of Starz Media from Liberty Capital to Liberty Starz
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LIBERTY STARZ GROUP —Liberty Starz group's revenue increased 5% to \$319 million, adjusted OIBDA decreased 3% to \$89 million, and operating income increased 15% for the third quarter. The increase in revenue was primarily driven by results at Starz Entertainment. The decrease in adjusted OIBDA was primarily due to an increase in operating expenses at Starz Entertainment.

Starz Entertainment, LLC

Starz Entertainment's revenue increased 5% to \$316 million in the third quarter while adjusted OIBDA decreased 1% to \$92 million and operating income increased 12% to \$87 million. Starz Entertainment's operating expenses increased 9% in the quarter as a result of higher programming costs associated with original programming, stronger box office performance of output titles aired during the period, and costs associated with the revenue earned on original programs. Starz' subscription units increased 1% and Encore subscriptions increased 4% vs. the third quarter 2009.

"Starz Entertainment enjoyed another solid quarter with continued positive revenue growth and the third consecutive quarter of sequential subscriber gains at Starz and Encore," said Chris Albrecht, Starz, LLC, President and CEO. "The business continues to perform well and we are pleased with a new, multi-year affiliation agreement signed with DISH Network last month. We look forward to the return of *Spartacus* with the *Gods of the Arena* prequel in January."

On September 16, 2010, Liberty Media's board of directors approved a change in attribution of Liberty Media's interest in Starz Media from its Capital group to its Starz group, effective September 30, 2010.

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"We continue to make significant progress in realigning and focusing the core Starz Media companies through the recent attribution of the Starz Media assets to the Liberty Starz group and the pending sale of the Film Roman animation studio," said Chris Albrecht Starz, LLC, President and CEO. "Though not complete, we are pleased with the progress achieved so far and the cleaner financial and operating structures of the combined businesses of Starz Entertainment and Starz Media."

2. Excerpts from Slide Show

Q3 Highlights

- Liberty Media Corporation
 - Filed preliminary proxy statement with SEC for split-off of Liberty Capital and Liberty Starz
- Liberty Starz
 - Completed new affiliation agreement with DISH Network
 - Changed attribution of Starz Media to Liberty Starz
- Liberty Capital
 - Purchased 2.5m shares of Live Nation at \$9.62 per share for total consideration of \$24.4m
 - Increased Liberty's stake to 15.8%
 - Repurchased \$156m of Liberty Capital stock from July 31 through October 29, 2010
 - Value of Liberty's stake in SIRIUS XM increased to \$3.8b as of November 4, 2010

Starz Entertainment

- Subscribers grew sequentially and vs. prior year
 - First year-over-year increase since Q1-09
- Subscribers vs. Q3-09
 - Starz — increased 1%
 - Encore — increased 4%
- Subscribers vs. Q2-10
 - Starz — increased 1%
 - Encore — slight increase
- Completed multi-year agreement with DISH Network
 - Includes Starz Online, Encore Online and MoviePlex Online

Priorities

- Liberty Media
 - Progress with split-off of Liberty Capital and Liberty Starz
- Liberty Starz
 - Cost-effectively develop compelling original programming to differentiate and strengthen Starz
 - Evaluate opportunities for cash and balance sheet management

- Liberty Capital
 - Deploy/invest excess capital
 - Rationalize non-core investments

3. Excerpt
