

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D. C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 001-33982

LIBERTY MEDIA 401(k) SAVINGS PLAN

(Full title of the Plan)

LIBERTY MEDIA CORPORATION

(Issuer of the securities held pursuant to the Plan)

12300 Liberty Boulevard

Englewood, Colorado 80112

(Address of its principal executive office)

REQUIRED INFORMATION

Financial Statements:

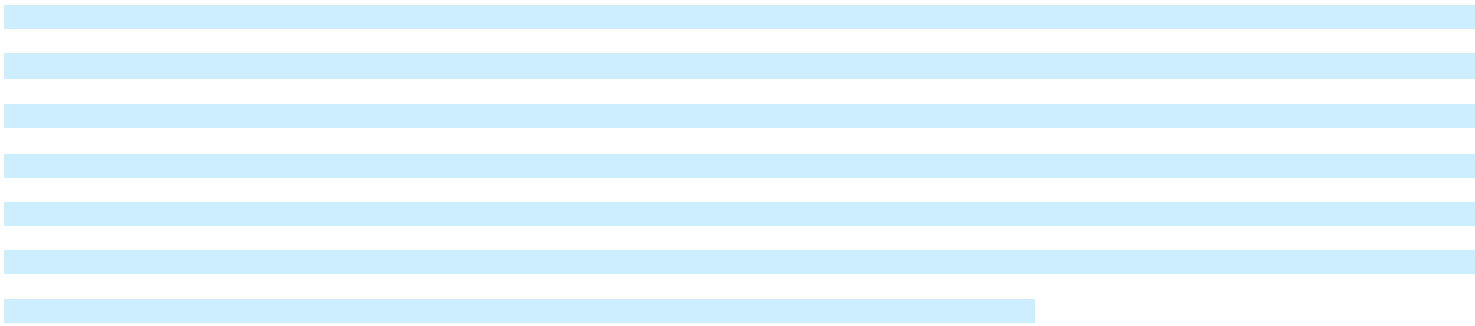
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[Report of Independent Registered Public Accounting Firm](#)

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	Level 1	Level 2	Level 3	Total fair value
<u>Total</u>				
Common stock	\$ 59,240	—	—	59,240
Mutual funds:				
Large Cap Growth	5,641	—	—	5,641
Large Cap Value	9,551	—	—	9,551
Large Cap Blend	14,934	—	—	14,934
Mid Cap Blend	6,079	—	—	6,079
Small Cap Growth	9,886	—	—	9,886
Small Cap Value	7,168	—	—	7,168
Global Stock	17,548	—	—	17,548
Bond Funds	13,819	—	—	13,819
Money Market	14,053	—	—	14,053
Target Retirement Funds	34,622	—	—	34,622
Brokerage Accounts	6,285	—	—	6,285
Total assets at fair value	\$ 198,826	—	—	198,826

Assets at Fair Value as of December 31, 2009
(amounts in thousands)

	Level 1	Level 2	Level 3	Total fair value
<u>Total</u>				
Common stock funds	\$ 43,635	—	—	43,635
Mutual funds:				
Large Cap Growth	4,391	—	—	4,391
Large Cap Value	7,615	—	—	7,615
Large Cap Blend	11,772	—	—	11,772
Mid Cap Blend	4,588	—	—	4,588
Small Cap Growth	7,233	—	—	7,233
Small Cap Value	4,949	—	—	4,949
Global Stock	15,000	—	—	15,000

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General

The Liberty Plan is a defined contribution plan sponsored by Liberty, which enables participating employees of Liberty and its qualifying subsidiaries to receive an interest in Liberty Media and to receive benefits upon retirement. Employees of Liberty and certain 80% or more owned subsidiaries who are at least 18 years of age are eligible to participate in the Liberty Plan either immediately upon hire or, for certain specified employees, after one year of service (as defined in the Liberty Plan document).

Contributions

Subject to the IRS limitations described below, participants may make (i) pre-tax contributions to the Liberty Plan of up to 75% of their compensation, as defined and/or (ii) after-tax contributions up to 10% of their compensation. Pursuant to the terms of the Liberty Plan, Liberty and its subsidiaries may make matching contributions as follows, as approved by their respective management teams:

% of participant contributions	Maximum match as a % of eligible compensation
100%	10%
50%	4%

All participant contributions and employer matching contributions are subject to limitations as determined annually by the IRS. Employee pre-tax contributions and

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combined employee pre-tax, employee after-tax and employer matching contributions per participant (excluding catch-up contributions) were limited to \$16,500 and \$49,000, respectively, in 2010 and in 2009. Catch-up contributions, as defined in the Economic Growth and Tax Relief Reconciliation Act of 2001, are permitted for those eligible employees and are not matched by the employer. Liberty and its subsidiaries reserve the right to change the matching contribution amounts at any time.

Employer contributions, including both vested and unvested employer contributions, can be invested in any investment in the Liberty Plan, including the brokerage link option, as directed by the participant.

Rollovers

Participants may elect to rollover amounts from other qualified plans or individual retirement accounts into the Liberty Plan provided that certain conditions are met.

Participant Accounts

Each participant's account is credited with (a) the participant's deferral contributions, (b) employer matching contributions, and (c) allocations of plan earnings and losses, as determined by the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Notes Receivable from Participants

On September 2010, the FASB issued Accounting Standards Update (ASU) No. 2010-25, *Plan Accounting — Defined Contribution Pension Plans (Topic 962), Reporting Loans to Participants by Defined Contribution Pension Plans, a consensus of the FASB Emerging Issues Task Force (Update)*. This ASU requires the reporting of loans to participants, which are segregated

money market, bond and domestic and international stock funds. The stock funds range from small to large cap funds and include growth and value funds. The Liberty Plan also provides seven asset allocation funds based on target retirement dates. In addition, the Liberty Plan offers a brokerage option, Brokeragelink, whereby participants can elect to invest in publicly traded stocks and mutual funds not offered directly by the Liberty Plan. A complete list of investment options can be found on Schedule 1 to this Annual Report on Form 11-K. Plan participants may change investment options and contribution percentages on a daily basis.

Benefit Payments

Distributions from the Liberty Plan may be made to a participant upon attaining the age of 59-1/2, death, total disability, financial hardship or termination of employment. Distributions and other withdrawals are processed on a daily basis.

Vesting

Participant contributions are always fully vested. Participants acquire a vested right in employer matching contributions, other than employer contributions transferred from other plans, as follows:

<u>Years of service</u>	<u>Vesting percentage</u>
Less than 1	0 %
1 year	33 %
2 years	66 %
3 years	100 %

Employer matching contributions transferred from other plans vest according to the terms specified in the transferor plans.

Plan Termination

Although Liberty has not expressed any intent to terminate the Liberty Plan, it may do so at any time, subject to the provisions of ERISA. The Liberty Plan provides for full and immediate vesting of all participant rights upon termination of the Liberty Plan.

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Risks and Uncertainties

The Liberty Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for participant benefits.

The Liberty Plan has concentrations of investments in the Liberty Capital Stock, the Liberty Interactive Stock, the Liberty Starz Stock as of December 31, 2010 and 2009 and the DIRECTV Stock Fund as of December 31, 2009. Changes in the values of these investment securities could materially impact the net assets available for participant benefits due to these concentrations.

(3) Investments

The fair value of individual investments that represent 5% or more of the Liberty Plan's net assets at December 31, 2010 and 2009 is as follows:

<u>Investment</u>	<u>Fair value at December 31, 2010 amounts in thousands</u>
Liberty Interactive Stock	\$ 24,690
Liberty Capital Stock	\$ 19,823
Liberty Starz Stock	\$ 14,727
Fidelity Retirement Money Market Fund	\$ 12,587
Fidelity Freedom 2020 Fund	\$ 10,962
Fidelity Freedom 2030 Fund	\$ 10,857
Fidelity Spartan 500 Index Inv	\$ 10,619

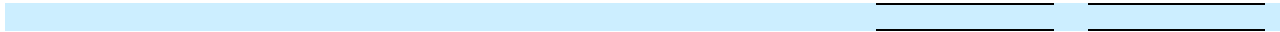
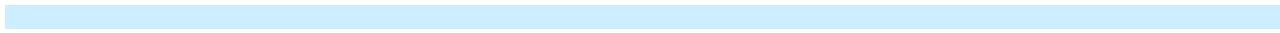
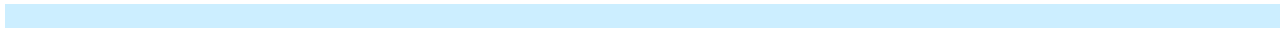
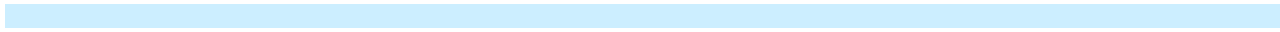
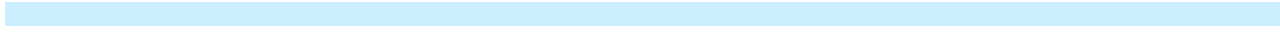
<u>Investment</u>	<u>Fair value at December 31, 2009 amounts in thousands</u>
DIRECTV Stock Fund	\$ 20,489
Liberty Interactive Stock Fund	\$ 12,774
Fidelity Retirement Money Market Fund	\$ 12,010
Fidelity Freedom 2020 Fund	\$ 9,112
Fidelity Spartan International Index Fund	\$ 8,513
Fidelity Freedom 2030 Fund	\$ 8,509
Fidelity Spartan US Equity Index Inv	\$ 8,351

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During the years ended December 31, 2010 and 2009, the Liberty Plan's investmen(tu



Consent of Independent Registered Public Accounting Firm

The Plan Committee
Liberty Media 401(k) Sai
