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Liberty Spingo, Inc.

Our Information Statement is filed as Exhibit 99.1 to this Form 10. For your convenience, we have provided below a cross-reference sheet identifying where the items required by Form 10 can be found in the Information Statement.

<u>Item No.</u>	<u>Item Caption</u>	<u>Location in Information Statement</u>
1.	Business.	Summary; Risk Factors; Cautionary Statement Concerning Forward Looking Statements; The Spin-Off; Selected Financial Data; Management's Discussion and Analysis of Financial Condition and Results of Operations; Description of our Business; and Certain Relationships and Related Party Transactions
1A.	Risk Factors.	Risk Factors
2.	Financial Information.	Summary; Risk Factors; Selected Financial Data; and Management's Discussion and Analysis of Financial Condition and Results of Operations
3.	Properties.	Description of our Business—Properties
4.	Security Ownership of Certain Beneficial Owners and Management.	Security Ownership of Certain Beneficial Owners and Management
5.	Directors and Executive Officers.	Management
6.	Executive Compensation.	Management; and Executive Compensation
7.	Certain Relationships and Related Transactions.	Summary; Risk Factors; Management; and Certain Inter-Company Agreements
8.	Legal Proceedings.	Description of our Business—Legal Proceedings
9.	Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters.	Summary; The Spin-Off; Risk Factors; Executive Compensation—Equity Compensation Plan Information; and Description of our Capital Stock
10.	Recent Sales of Unregistered Securities.	Not Applicable
11.	Description of Registrant's Securities to be Registered.	Description of our Capital Stock
12.	Indemnification of Directors and Officers.	Indemnification of Directors and Officers
13.	Financial Statements and Supplementary Data.	Summary; Selected Financial Data; Management's Discussion and Analysis of Financial Condition and Results of Operations
14.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.	Not Applicable
15.	Financial Statements and Exhibits.	

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: October 18, 2012

LIBERTY SPINCO, INC.

By: /s/ PAMELA L. COE

Name: Pamela L. Coe
Title: *Vice President, Secretary*

EXHIBIT INDEX

Exhibit Number	Exhibit Description
2.1	Form of Reorganization Agreement by and between Liberty Media Corporation and the Registrant.*
3.1	Form of Restated Certificate of Incorporation of the Registrant to be in effect at the time of the Spin-Off.
3.2	Form of Bylaws of the Registrant to be in effect at the time of the Spin-Off.
4.1	Specimen Certificate for shares of Series A Common Stock, par value \$.01 per share, of the Registrant.
4.2	Specimen Certificate for shares of Series B Common Stock, par value \$.01 per share, of the Registrant.
8.1	Opinion of Skadden, Arps, Slate, Meagher & Flom regarding certain tax matters.*
10.1	Form of Liberty Spinco, Inc. 2012 Incentive Plan.*
10.2	Form of Liberty Spinco, Inc. 2012 Nonemployee Director Incentive Plan.*
10.3	Form of Liberty Spinco, Inc. 2012 Transitional Stock Adjustment Plan.*
10.4	Liberty Media Corporation 2006 Deferred Compensation Plan (As Amended and Restated as of September 23, 2012) (incorporated by reference to Exhibit 10.7 to Liberty Media Corporation's Annual Report on Form 10-K for the year ending December 31, 2011 (File No. 001-33982) as filed on February 23, 2012).
10.5	Form of Tax Sharing Agreement by and between Liberty Spinco, Inc. and Liberty Media Corporation.*
10.6	Services Agreement by and between Liberty Interactive Corporation and Liberty Media Corporation (incorporated by reference to Exhibit 10.4 to Post-Effective Amendment No. 1 to Liberty Media Corporation's Form S-4 filed on September 23, 2011 (File No. 333-171201) (the "S-4").
10.7	Form of Services Agreement by and between Liberty Spinco, Inc. and Liberty Media Corporation.*

Exhibit Number	Exhibit Description
10.22	Eighth Amendment to Tax Sharing Agreement dated as of July 25, 2000, by and among AT&T Corp., Liberty Media LLC, Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc. and each Covered Entity listed on the signature pages thereof (incorporated by reference to Exhibit 10.9 to the Liberty Interactive 2009 10-K).
10.23	Instrument dated January 14, 2000, adding The Associated Group, Inc. as a party to the Tax Sharing Agreement dated as of March 9, 1999, as amended, among The Associated Group, Inc., AT&T Corp., Liberty Media LLC, Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc. and each Covered Entity listed on the signature pages thereof (incorporated by reference to Exhibit 10.10 to the Liberty Interactive 2009 10-K).
10.24	Tax Sharing Agreement, dated as of November 19, 2009, by and between Liberty Media Corporation and Liberty Entertainment, Inc. ("LEI") (incorporated by reference to Exhibit 10.7 to Amendment No. 1 to the LEI Registration Statement on Form S-4 (File No. 333-158795) as filed on June 8, 2009).
10.25	Restated and Amended Employment Agreement dated November 1, 1992, between Tele-Communications, Inc. and John C. Malone (assumed by Liberty Media LLC as of March 9, 1999), and the amendment thereto dated June 30, 1999 and effective as of March 9, 1999, between Liberty Media LLC and John C. Malone (collectively, the "Malone Employment Agreement" (assumed, as amended, by Liberty Media Corporation as of September 22, 2011)) (incorporated by reference to Exhibit 10.11 to the Liberty Interactive 2009 10-K).
10.26	Second Amendment to Malone Employment Agreement effective January 1, 2003 (incorporated by reference to Exhibit 10.12 to the Liberty Interactive 2009 10-K).
10.27	Third Amendment to Malone Employment Agreement effective January 1, 2007 (incorporated by reference to Exhibit 10.13 to Liberty Interactive Corporation's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 001-33982) as filed on February 27, 2009) (the "Liberty Interactive 2008 10-K").
10.28	Fourth Amendment to Malone Employment Agreement effective January 1, 2009 (incorporated by reference to Exhibit 10.14 to the Liberty Interactive 2008 10-K).
10.29	Amended and Restated Executive Employment Agreement dated September 23, 2011, between Liberty Media Corporation and Gregory B. Maffei (incorporated by reference to Exhibit 10.29 to Liberty Media Corporation's Annual Report on Form 10-K for the year ended December 31, 2011 (File No.001-35294) as filed on February 23, 2012).
10.30	Letter Agreement regarding personal use of Liberty Interactive's aircraft, dated as of February 22, 2008, between Gregory B. Maffei and Liberty Media Corporation (incorporated by reference to Exhibit 10.38 to Liberty Interactive Corporation's Annual Report on Form 10-K for the year ended December 31, 2007 (File No. 000-51990) as filed on February 29, 2008).
21.1	List of Subsidiaries
99.1	Information Statement, Subject to Completion, dated October 18, 2012.

* To be filed by amendment

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[Liberty Spinco](#)

FORM OF RESTATED CERTIFICATE OF INCORPORATION

OF

LIBERTY MEDIA CORPORATION

LIBERTY MEDIA CORPORATION, a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

- (1) The name of the Corporation is Liberty Media Corporation. The original Certificate of Incorporation of the Corporation was filed on August 10, 2012. The name under which the Corporation was originally incorporated is Liberty Spinco, Inc.
- (2) This Restated Certificate of Incorporation restates and amends the Certificate of Incorporation of the Corporation.
- (3) This Restated Certificate of Incorporation has been duly adopted in accordance with Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware.
- (4) [This Restated Certificate of Incorporation will become effective on [], 201[] at 5:00 p.m. EST.]
- (5) Pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware, the text of the Certificate of Incorporation is hereby restated to read in its entirety as follows:

ARTICLE I

NAME

The name of the corporation is Liberty Media Corporation (the "Corporation").

ARTICLE II

REGISTERED OFFICE

The address of the registered office of the Corporation in the State of Delaware is 2711 Centerville Road, Suite 400, in the City of Wilmington, County of New Castle, 19808. The name of its registered agent at such address is the Corporation Service Company.

ARTICLE III

PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

CERTAIN DEFINITIONS AND INTERPRETATIONS

Unless the context otherwise requires, the terms defined below will have, for all purposes of this Restated Certificate, the meanings herein specified:

“Affiliate” means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries Controls, is Controlled by, or is under control in a substantial way of, such Person.

2. Conversion Rights.

(a) Each share of Series B Common Stock will be convertible, at the option of the holder thereof, into one fully paid and non-assessable share of Series A Common Stock. Any

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such conversion may be effected by any holder of Series B Common Stock by surrendering such holder's certificate or certificates for the Series B Common Stock to be converted, duly endorsed, at the office of the Corporation or any transfer agent for the Series B Common Stock, together with a written notice to the Corporation at such office that such holder elects to convert all or a specified number of shares of Series B Common Stock represented by such certificate and stating the name or names in which such holder desires the certificate or certificates representing shares of Series A Common Stock to be issued and, if less than all of the shares of Series B Common Stock represented by one certificate are to be converted, the name or names in which such holder desires the certificate representing such remaining shares of Series B Common Stock to be issued. If so required by the Corporation, any certificate representing shares surrendered for conversion in accordance with this Article IV, Section B.2(a) will be accompanied by instruments of transfer, in form satisfactory to the Corporation, duly executed by the holder of such shares or the duly authorized representative of such holder, and will, if required by the last sentence of Article IV, Section B.2(b), be accompanied by payment, or evidence of payment, of applicable issue or transfer taxes. Promptly thereafter, the Corporation will issue and deliver to such holder or such holder's nominee or nominees, a certificate or certificates representing the number of shares of Series A Common Stock to which such holder will be entitled as herein provided. If less than all of the shares of Series B Common Stock represented by any one certificate are to be converted, the Corporation will issue and deliver to such holder or such holder's nominee or nominees a new certificate representing the shares of Series B Common Stock not converted. Such conversion will be deemed to have been made at the close of business on the date of receipt by the Corporation or any such transfer agent of the certificate or certificates, notice and, if required, instruments of transfer and payment or evidence of payment of taxes referred to above, and the person or persons entitled to receive the Series A Common Stock issuable on such conversion will be treated for all purposes as the record holder or holders of such Series A Common Stock on that date. A number of shares of Series A Common Stock equal to the number of shares of Series B Common Stock outstanding from time to time will be set aside and reserved for issuance upon conversion of shares of Series B Common Stock. Shares of Series A Common Stock and shares of Series C Common Stock will not be convertible into shares of any other series of Common Stock.

(b) The Corporation will pay any and all documentary, stamp or similar issue or transfer taxes that may be payable in respect of the issue or delivery of certificates representing shares of Common Stock on conversion of shares of Series B Common Stock pursuant to this Article IV, Section B.2. The Corporation will not, however, be required to pay any tax that may be payable in respect of any issue or delivery of certificates representing any shares of Common Stock in a name other than that in which the shares of Series B Common Stock so converted were registered and no such issue or delivery will be made unless and until the person requesting the same has paid to the Corporation the amount of any such tax or has established to the satisfaction of the Corporation that such tax has been paid.

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3. Dividends.

Whenever a dividend, other than a dividend that constitutes a Share Distribution, is paid to the holders of any series of Common Stock then outstanding, the Corporation will also pay to the holders of each other series of Common Stock then outstanding an equal dividend per share. Dividends will be payable only as and when declared by the Board of Directors of the Corporation out of assets of the Corporation legally available therefor. Whenever a Share Distribution is paid to the holders of any series of Common Stock then outstanding, the Corporation will also pay a Share Distribution to the holders of each other series of Common Stock then outstanding, as provided in Article IV, Section B.4 below. For purposes of this Article IV, Section B.3 and Article IV, Section B.4, a "Share Distribution" means a dividend or distribution (including a distribution made in connection with any stock-split, reclassification, recapitalization, dissolution, winding up or full or partial liquidation of the Corporation) payable in shares of any class or series of capital stock, Convertible Securities or other securities of the Corporation or any other Person.

4. Share Distributions.

If at any time a Share Distribution is to be made with respect to any series of Common Stock, such Share Distribution may be declared and paid only as follows:

(a) a Share Distribution (i) consisting of shares of Series C Common Stock or Series C Convertible Securities may be declared and paid to holders of Series A Common Stock, Series B Common Stock and Series C Common Stock, on an equal per share basis, or (ii) consisting of (x) shares of Series A Common Stock or Series A Convertible Securities may be declared and paid to holders of Series A Common Stock, on an equal per share basis, (y) shares of Series B Common Stock or Series B Convertible Securities may be declared and paid to holders of Series B Common Stock, on an equal per share basis, and (z) shares of Series C Common Stock or Series C Convertible Securities may be declared and paid to holders of Series C Common Stock, on an equal per share basis; or

(b) a Share Distribution consisting of any class or series of securities of the Corporation or any other Person, other than Series A Common Stock, Series B Common Stock or Series C Common Stock (or Series A Convertible Securities, Series B Convertible Securities or Series C Convertible Securities), may be declared and paid on the basis of a distribution of (i) identical securities, on an equal per share basis, to holders of Series A Common Stock, Series B Common Stock and Series C Common Stock, (ii) separate classes or series of securities, on an equal per share basis, to the holders of each such series of Common Stock or (iii) a separate class or series of securities to the holders of one or more series of Common Stock and, on an equal per share basis, a different class or series of securities to the holders of all other series of Common Stock; provided, that, in connection with a Share Distribution pursuant to clause (ii) or clause (iii), (1) such separate classes or series of securities (and, if the distribution consists of Convertible Securities, the Underlying Securities) do not differ in any respect other than their relative voting rights (and any related differences in designation, conversion, redemption and

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share distribution provisions, as applicable), with holders of shares of Series B Common Stock receiving the class or series of securities having (or convertible into or exercisable or exchangeable for securities having) the highest relative voting rights and the holders of shares of each other series of Common Stock receiving securities of a class or series having (or convertible into or exercisable or exchangeable for securities having) lesser relative voting rights, in each case, without regard to whether such rights differ to a greater or lesser extent than the corresponding differences in voting rights (and any related differences in designation, conversion, redemption and share distribution, as applicable) among the Series A Common Stock, the Series B Common Stock and the Series C Common Stock, and (2) in the event the securities to be received by the holders of shares of Common Stock other than the Series B Common Stock consist of different classes or series of securities, with each such class or series of securities (or the Underlying Securities into which such class or series is convertible or for which such class or series is exercisable or exchangeable) differing only with respect to the relative voting rights of such class or series (and any related differences in designation, conversion, redemption and share distribution provisions, as applicable), then such classes or series of securities will be distributed to the holders of each series of Common Stock (other than the Series B Common Stock) (A) as the Board of Directors determines or (B) such that the relative voting rights (and any related differences in designation, conversion, redemption and share distribution provisions, as applicable) of the class or series of securities (or the Underlying Securities) to be received by the holders of each series of Common Stock (other than the Series B Common Stock) corresponds to the extent practicable to the relative voting rights (and any related differences in designation, conversion, redemption and share distribution provisions, as applicable) of such series of Common Stock, as compared to the other series of Common Stock (other than the Series B Common Stock).



Except

respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

SECTION F

AMENDMENT OF BYLAWS

In furtherance and not in limitation of the powers conferred by the DGCL, the Board of Directors, by action taken by the affirmative vote of not less than 75% of the members of the Board of Directors then in office, is hereby expressly authorized and empowered to adopt, amend or repeal any provision of the Bylaws of this Corporation.

ARTICLE VI

TERM

The term of existence of this Corporation shall be perpetual.

ARTICLE VII

STOCK NOT ASSESSABLE

The capital stock of this Corporation shall not be assessable. It shall be issued as fully paid, and the private property of the stockholders shall not be liable for the debts, obligations or liabilities of this Corporation. This Restated Certificate shall not be subject to amendment in this respect.

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ARTICLE VIII

MEETINGS OF STOCKHOLDERS

SECTION A

ANNUAL AND SPECIAL MEETINGS

Subject to the rights of the holders of any series of Preferred Stock, stockholder action may be taken only at an annual or special meeting. Except as otherwise provided in a Preferred Stock Designation with respect to any series of Preferred Stock or unless otherwise prescribed by law or by another provision of this Restated Certificate, special meetings of the stockholders of the Corporation, for any purpose or purposes, will be called by the Secretary of the Corporation (i) upon the written request of the holders of not less than 66²/₃% of the total voting power of the then outstanding Voting Securities entitled to vote thereon or (ii) at the request of at least 75% of the members of the Board of Directors then in office.

SECTION B

ACTION WITHOUT A MEETING

No action required to be taken or which may be taken at any annual meeting or special meeting of stockholders may be taken without a meeting, and the power of stockholders to consent in writing, without a meeting, to the taking of any action is specifically denied; provided, however, that notwithstanding the foregoing, holders of any series of Preferred Stock may take action by written consent to the extent provided in a Preferred Stock Designation with respect to such series.

ARTICLE IX

ACTIONS REQUIRING SUPERMAJORITY STOCKHOLDER VOTE

Subject to the rights of the holders of any series of Preferred Stock, the affirmative vote of the holders of at least 66²/₃% of the total voting power of the then outstanding Voting Securities entitled to vote thereon, voting together as a single class at a meeting specifically called for such purpose, will be required in order for the Corporation to take any action to authorize:

(i) the amendment, alteration or repeal of any provision of this Restated Certificate or the addition or insertion of other provisions herein; provided, however, that this clause (i) will not apply to any such amendment, alteration, repeal, addition or insertion (A) as to which the laws of the State of Delaware, as then in effect, do not require the consent of this Corporation's stockholders, or (B) that at least 75% of the members of the Board of Directors then in office have approved;

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(ii) the adoption, amendment or repeal of any provision of the Bylaws of the Corporation; provided, however, that this clause (ii) will not apply to, and no vote of the stockholders of the Corporation will be required to authorize, the adoption, amendment or repeal of any provision of the Bylaws of the Corporation by the Board of Directors in accordance with the power conferred upon it pursuant to Section F of Article V of this Restated Certificate;

(iii) the merger or consolidation of this Corporation with or into any other corporation; provided, however, that this clause (iii) will not apply to any such merger or consolidation (A) as to which the laws of the State of Delaware, as then in effect, do not require the consent of this Corporation's stockholders, or (B) that at least 75% of the members of the Board of Directors then in office have approved;

(iv) the sale, lease or exchange of all, or substantially all, of the property or assets of the Corporation; provided, however, that this clause (iv) will not apply to any such sale, lease or exchange that at least 75% of the members of the Board of Directors then in office have approved; or

(v) the dissolution of the Corporation; provided, however, that this clause (v) will not apply to such dissolution if at least 75% of the members of the Board of Directors then in office have approved such dissolution.

Subject to the foregoing provisions of this Article IX, the Corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Restated Certificate, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other Persons whomsoever by and pursuant to this Restated Certificate in its present form or as hereafter amended are granted subject to the rights reserved in this Article IX.

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IN WITNESS WHEREOF, the undersigned has executed this Restated Certificate of Incorporation this day of , 201 .

LIBERTY MEDIA CORPORATION

By: _____
Name:
Title:

~~AMERICAN PHARMACEUTICALS CORPORATION~~
~~BY THE BOARD OF DIRECTORS~~
~~10/10/13~~
in the case of an annual meeting that is called for a date that is within thirty (30) days before or after the anniversary date of the immediately preceding annual meeting of stockholders, not less than sixty (60) days nor more than ninety (90) days prior to the meeting, and (y) in the case of an annual meeting that is called for a date that is not within thirty (30) days before or after the anniversary date of the immediately preceding annual meeting, not later than the close of business on the tenth day following the day on which notice of the date of the meeting was communicated to stockholders or public disclosure of the date of the meeting was made, whichever occurs first. For purposes of the first annual meeting of stockholders of the Corporation, the first anniversary date shall be August 8, 2013. In no event shall the public announcement of an adjournment or postponement of a meeting of stockholders commence a new time period (or extend any time period) for the giving of a stockholder notice as described herein. To be in proper written form, such stockholder's notice to the Secretary shall set forth in writing (x) as to each person whom the stockholder proposes to nominate for election as a director (i) all information relating to such

person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to and in accordance with Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and (ii) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (y) as to any other business that the stockholder proposes to bring before the annual meeting, (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the text of the proposal or business (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend the Bylaws of the Corporation, the language of the proposed amendment), and (iii) any material interest of the stockholder and beneficial owner, if any, on whose behalf the proposal is made, in such business; and (z) as to such stockholder giving notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address, as they appear on the Corporation's books, of such stockholder and of such beneficial owner, (ii) the class or series and number of shares of the capital stock of the Corporation that are owned beneficially and of record by such stockholder and such beneficial owner, (iii) a description of all arrangements or understandings between such stockholder and/or beneficial owner,

Subject to the rights of the holders of any series of preferred stock and except as otherwise provided by law, the Certificate of Incorporation or these Bylaws

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the Board of Directors at which he is present, and shall perform such other duties as may be prescribed from time to time by the Board of Directors or these Bylaws.

The President of the Corporation shall have such powers and perform such duties as customarily pertain to a chief executive officer and the office of a president, including, without limitation, being responsible for the active direction of the daily business of the Corporation, and shall exercise such other duties as may be prescribed from time to time by the Board of Directors. The President may sign, execute and deliver, in the name of the Corporation, powers of attorney, contracts, bonds and other obligations. In the absence or disability of the Chairman of the Board, the President shall perform the duties and exercise the powers of the Chairman of the Board.

Vice Presidents shall have such powers and perform such duties as may be assigned to them by the Chairman of the Board, the President, the executive committee, if any, or the Board of Directors. A Vice President may sign and execute contracts and other obligations pertaining to the reg itive.

Section 4.2 Transfer of Shares.

(a) Upon surrender to the Corporation or the transfer agent of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books. Upon receipt of proper transfer instructions from the registered owner of uncertificated shares such uncertificated shares shall be cancelled, and the issuance of new equivalent uncertificated shares or certificated shares shall be made to the person entitled thereto and the transaction shall be recorded upon the books of the Corporation.

(b) The person in whose name shares of stock stand on the books of the Corporation shall be deemed by the Corporation to be the owner thereof for all purposes, and the Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Delaware.

Section 4.3 Lost Certificates.

The Board of Directors or any transfer agent of the Corporation may direct a new certificate or certificates or uncertificated shares representing stock of the Corporation to be issued in place of any certificate or certificates theretofore issued by the Corporation, alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates or uncertificated shares, the Board of Directors (or any transfer agent of the Corporation authorized to do so by a resolution of the Board of Directors) may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost,

stolen or destroyed certificate or certificates, or his legal representative, to give the Corporation a bond in such sum as the Board of Directors (or any transfer agent so authorized) shall direct to indemnify the Corporation and the transfer agent against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed. If the Corporation issues a new certificate or certificates or uncertificated shares in substitution for the certificate or certificates so lost, stolen or destroyed, the Corporation shall be deemed to have satisfied its obligation to the registered owner of the certificate or certificates so lost, stolen or destroyed, and the Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Delaware.

Section 4.4 Transfer Agent's Reg. claim against issuer or certified shares, attant may

the extent only of such conflict, and such conflict shall not affect the validity of any other provision of these Bylawwh



Number
A-

Incorporated Under the Laws of the State of Delaware

Shares
-0-

Cusip No.

LIBERTY SPINCO, INC.

Series A Common Stock, par value \$.01 per share

Specimen Certificate

This Certifies that [] is the owner of [] FULLY PAID AND NON-ASSESSABLE SHARES OF SERIES A COMMON STOCK, PAR VALUE \$0.01 PER SHARE, OF LIBERTY SPINCO, INC. (hereinafter called the "Corporation") transferable on the books of the Corporation by the holder hereof in person or by duly authorized attorney upon surrender of the Certificate properly endorsed. This Certificate is not valid unless countersigned by the Transfer Agent and registered by the Registrar.

Witness, the seal of the Corporation and the signatures of its duly authorized officers.

Dated:

Liberty Spingo, Inc.

[Corporate Seal]

President

Secretary



Number
B-

Incorporated Under the Laws of the State of Delaware

Shares
-0-

Cusip No.

LIBERTY SPINCO, INC.

Series B Common Stock, par value \$.01 per share

Specimen Certificate

This Certifies that [] is the owner of [] FULLY PAID AND NON-ASSESSABLE SHARES OF SERIES B COMMON STOCK, PAR VALUE \$0.01 PER SHARE, OF LIBERTY SPINCO, INC. (hereinafter called the "Corporation") transferable on the books of the Corporation by the holder hereof in person or by duly authorized attorney upon surrender of the Certificate properly endorsed. This Certificate is not valid unless countersigned by the Transfer Agent and registered by the Registrar.

Witness, the seal of the Corporation and the signatures of its duly authorized officers.

Dated:

Liberty Spingo, Inc.

[Corporate Seal]

President

Secretary

(b) Notwithstanding the foregoing, (i) the obligations of the Company under Section 2(a) shall be subject to the condition that the Reviewing Party shall not have determined (in a written opinion in any case in which the Independent Legal Counsel referred to in Section 3 hereof is involved) that Indemnitee would not be permitted to be indemnified under applicable law, and (ii) the obligation of the Company to make an Expense Advance pursuant to Section 2(a) shall be subject to the condition that, if, when and to the extent that the Reviewing Party determines that Indemnitee would not be permitted to be so indemnified under applicable law, the Company shall be entitled to be reimbursed by Indemnitee (who hereby agrees to reimburse the Company) for all such amounts theretofore paid; provided, however, that if Indemnitee has commenced or thereafter commences legal proceedings in a court of competent jurisdiction to secure a determination that Indemnitee should be indemnified under applicable law, a determination made by the Reviewing Party that Indemnitee would not be permitted to be indemnified under applicable law shall not be binding and Indemnitee shall not be required to reimburse the Company for any Expense Advance until a final judicial determination is made with respect thereto (as to which all rights of appeal therefrom have been exhausted or lapsed). If there has not been a Change in Control, the Reviewing Party shall be selected by the Board of Directors, and if there has been such a Change in Control (other than a Change in Control which has been approved by a majority of the Company's Board of Directors who were directors immediately prior to such Change in Control), the Reviewing Party shall be the Independent Legal Counsel referred to in Section 3 hereof. If there has been no determination by the Reviewing Party or if the Reviewing Party determines that Indemnitee substantially would not be permitted to be indemnified in whole or in part under applicable law, Indemnitee shall have the right to commence litigation in any court in Delaware having subject matter jurisdiction thereof and in which venue is proper seeking an initial determination by the court or challenging any such determination by the Reviewing Party or any aspect thereof, including the legal or factual bases therefor, and the Company hereby consents to service of process and agrees to appear in any such proceeding. Any determination by the Reviewing Party otherwise shall be conclusive and binding on the Company and Indemnitee.

3. Change in Control. The Company agrees that if there is a Change in Control of the Company (other than a Change in Control which has been approved by a majority of the Company's Board of Directors who were directors immediately prior to such Change in Control) then with respect to all matters thereafter arising concerning the rights of Indemnitee to indemnity payments and Expense Advances under this Agreement or any other agreement or Company Bylaw or charter provision now or hereafter in effect relating to Claims for Indemnifiable Events, the Company shall seek legal advice only from Independent Legal Counsel selected by Indemnitee and approved by the Company (which approval shall not be unreasonably withheld). Such counsel, among other things, shall render its written opinion to the Company and Indemnitee as to whether and to what extent Indemnitee would be permitted to be indemnified under applicable law. The Company agrees to pay the reasonable fees of the Independent Legal Counsel referred to above and to fully indemnify such counsel against any and all expenses (including attorneys' fees), claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

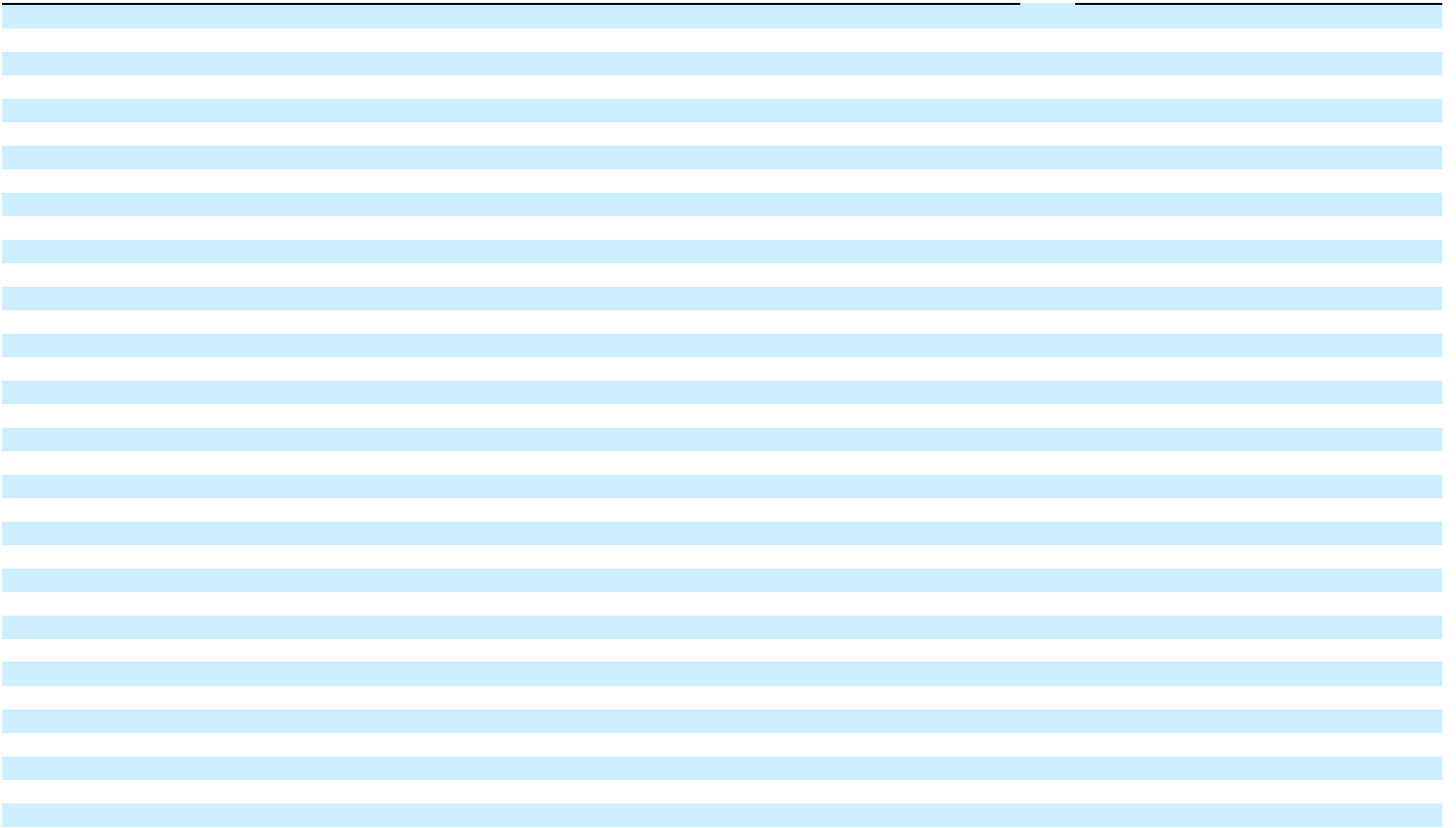
4. Indemnification for Additional Expenses. The Company shall indemnify Indemnitee against any and all expenses (including attorneys' fees) and, if requested by Indemnitee, shall (within two business days of such request) advance such expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee (whether pursuant to Section 17 of this Agreement or otherwise) for (i) indemnification or advance payment of Expenses by the Company under this Agreement or any other agreement or Company Bylaw or charter provision now or hereafter in effect relating to Claims for Indemnifiable Events or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, to the fullest extent permitted by law, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

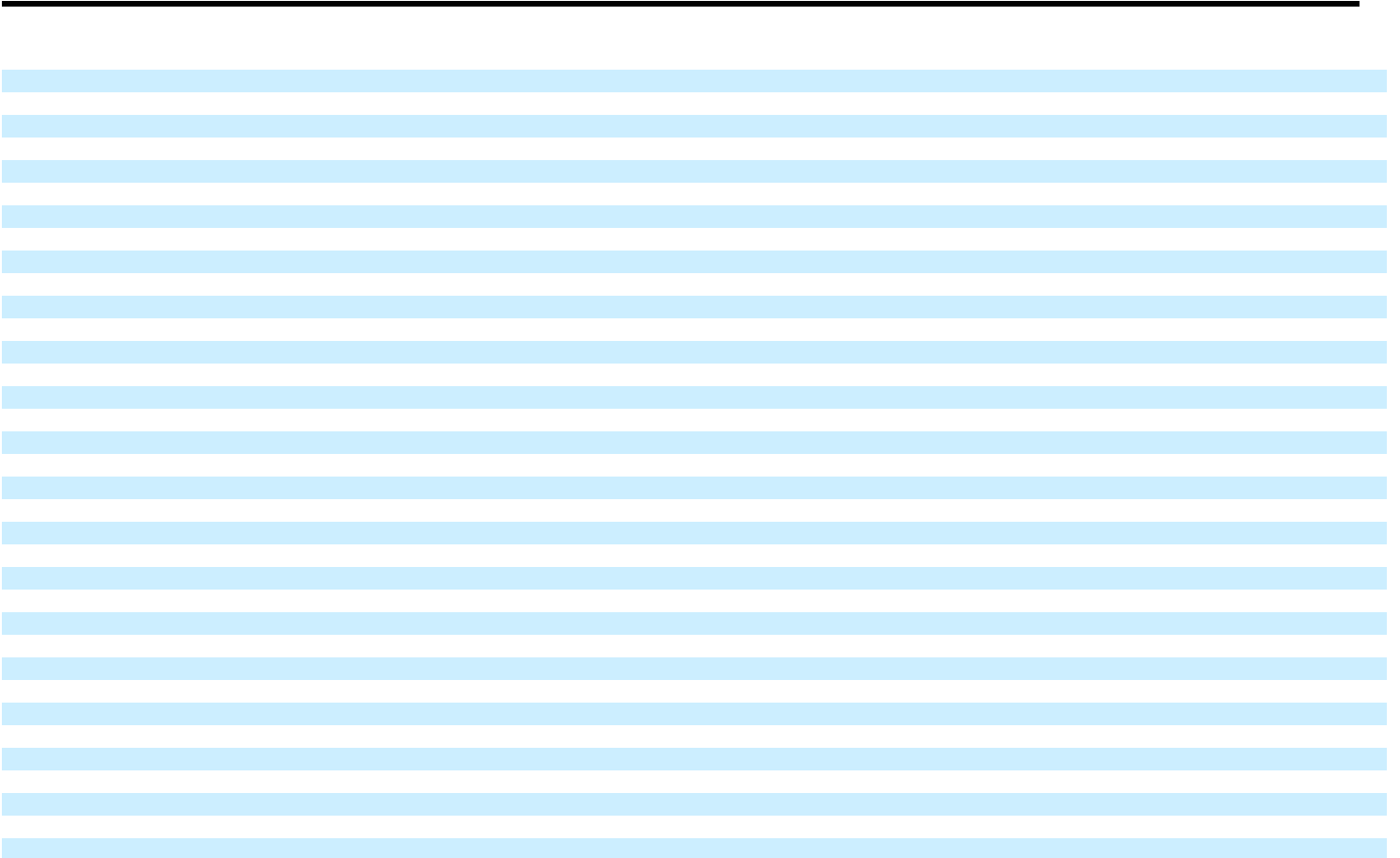
5. ~~Partial~~ Indemnity. If Indemnitee is entitled under any provision of this Agreement in effect hereunder, then Indemnitee shall be entitled to the full amount of such indemnification, advance expense payment or insurance recovery, as the case may be.

14. Severability. The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any provision within a single section, paragraph or sentence) is held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable in any respect, and the validity and enforceability of any such provision in every other respect and of

the remaining provisions hereof shall not be in any way impaired and shall remain enforceable to the fullest extent permitted by law.

15. Effective Date. This Agreement shall be effective as of the date hereof and shall apply to any claim for ih





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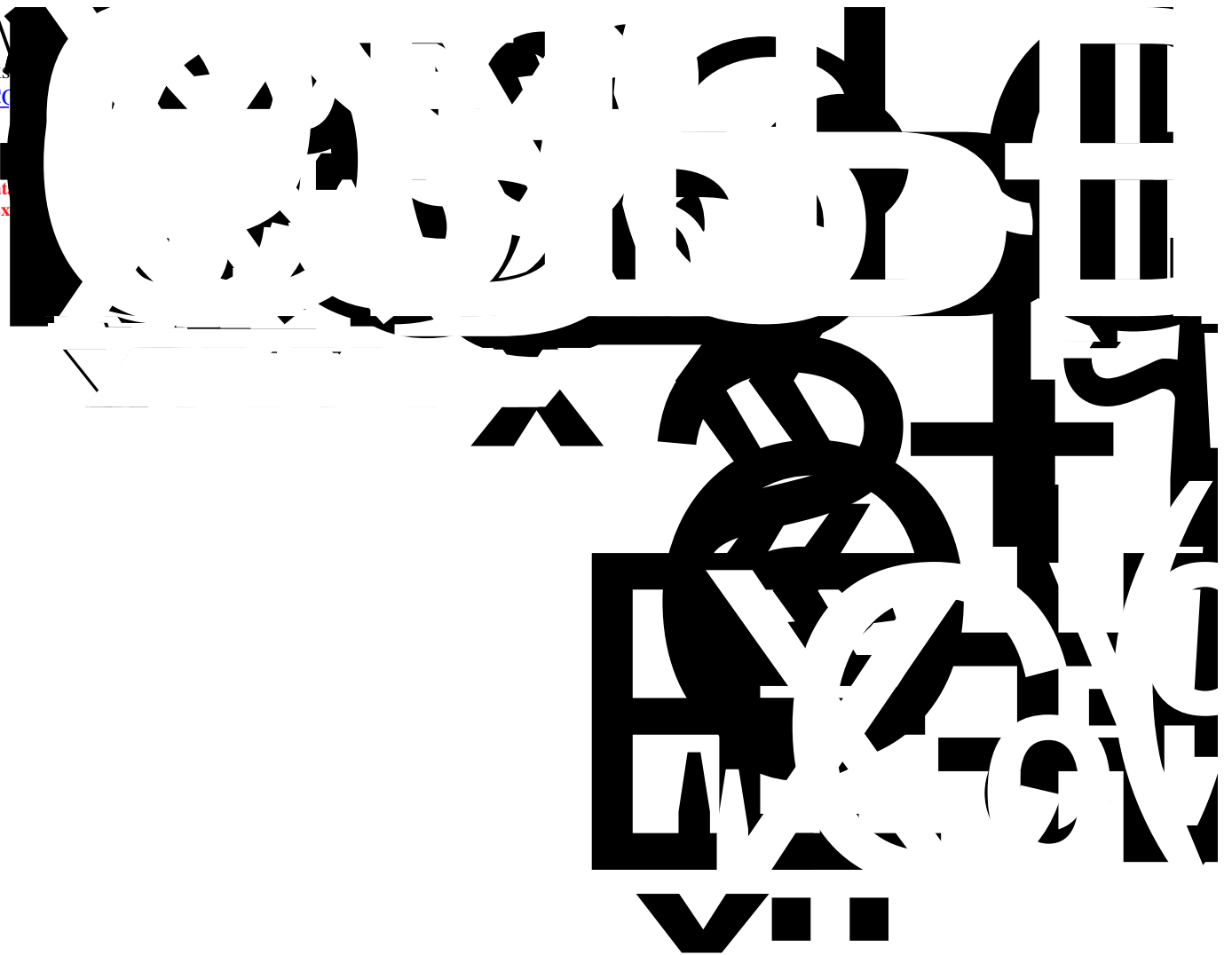


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SUMMARY

The following is a summary of material information discussed in this information statement. It is included for convenience only and should not be considered complete. You should carefully review this entire information statement, including the risk factors. En

will not have any ownership interest in us. You are not required to pay any consideration or give up any portion of your Liberty Media common stock to receive shares of our common stock in the Spin-Off.

Q: Can Liberty Media decide not to complete the Spin-Off?

A: Yes. Liberty Media's board of directors has reserved the right, in its sole discretion, to amend, modify or abandon the Spin-Off and related transactions at any time prior to the distribution date. In addition, the Spin-Off is subject to the satisfaction of certain conditions, any of which may be waived by the Liberty Media board of directors in its sole discretion. See "The Spin-Off—Conditions to the Spin-Off."

Q: What will I receive in the Spin-Off?

A: Holders of LMCA will receive a dividend of one share of our Series A common stock for each whole share of LMCA held by them on the record date and holders of LMCA will receive a dividend of one share of our Series B common stock for each whole share of LMCA held by them on the record date. Thus, no fractional shares of our Series A or Series B common stock will be issued pursuant to the dividend.

Q: What is being distributed in the Spin-Off?

A: Approximately 109,953,000 shares of our Series A common stock and 9,898,000 shares of our Series B common stock will be distributed in the Spin-Off, based on the number of shares of LMCA and LMCA outstanding on August 31, 2012. The shares of our common stock to be distributed by Liberty Media will constitute all the issued and outstanding shares of our common stock immediately after the distribution.

Q: When will the Spin-Off be effective?

A: Liberty Media intends to effect the Spin-Off at 5:00 p.m., New York City time, on [], 2012 (such date and time, the **distribution date**). At such time, holders of Liberty Media common stock as of the record date will receive their shares of Spingo common stock. Following the record date and prior to the distribution date, Liberty Media will cause 100% of our common stock to be placed in a reserve account with Computershare Trust Company, N.A., as distribution agent for the Spin-Off, with instructions to distribute such shares on the distribution date.

Q: When will Liberty Media announce the record and distribution dates for the Spin-Off?

A: If all conditions to the Spin-Off are satisfied (or, as determined by the Liberty Media board in its sole discretion, to be waived) Liberty Media will announce the record date and distribution date for the Spin-Off by press release. Liberty Media will announce the record date and distribution date for the Spin-Off by press release.



Q: What will happen to the listing of Liberty Media common stock?

A: The Series A and Series B Liberty Capital common stock will continue to trade on the Nasdaq Global Select Market following the Spin-Off. However, the Series A and Series B Liberty Capital common stock, which currently trades under the symbols "LMCA" and "LMCB," respectively, will change its trading symbols to "STRZA" and "STRZB," respectively.

Q: Will I have appraisal rights in connection with the Spin-Off?

A: No. Holders of Liberty Media common stock are not entitled to appraisal rights in connection with the Spin-Off.

Q: Who is the transfer agent for your common stock?

A: Computershare Trust Company, N.A., 250 Royall Street, Canton, MA 02021, telephone: [].

Q: Who is the distribution agent for the Spin-Off?

A: Computershare Trust Company, N.A., 250 Royall Street, Canton, MA 02021, telephone: [].

Q: Whom can I contact for more information?

A: If you have questions relating to the mechanics of the distribution, you should contact the distribution agent. Before the Spin-Off, if you have questions relating to the Spin-Off, you should contact the office of Investor Relations of Liberty Media, 12300 Liberty Blvd., Englewood, CO 80112, telephone: (720) 875-5408.

Pursuant to a services agreement to be entered into between our company and Liberty Media, we agree to assist the Investor Relations of Liberty Media.

RISK FACTORS

An investment in our common stock involves risk. You should carefully consider the risks described below, together with all the other information included in this information statement, in evaluating our company and our common stock. Any of the following risks, if realized, could have a material adverse effect on the value of our common stock. The risks described below and elsewhere in this information statement are not the only ones that relate to our businesses, our capitalization or the Spin-Off. The risks described below are considered to be the most material. However, there may be other unknown or unpredictable economic, business, competitive, regulatory or other factors that also could have material adverse effects on our businesses. Past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods. If any of the events described below were to occur, our businesses, prospects, financial condition, results of operations and/or cash flows could be materially adversely affected.

For purposes of these risk factors, unless the context otherwise indicates, we have assumed that the Spin-Off has occurred.

Factors Relating to our Businesses

The historical consolidated financial information of Liberty Media and the unaudited condensed pro forma financial information of Spinco included in this information statement are not necessarily representative of Spinco's future financial position, future results of operations or future cash flows nor do they reflect what Spinco's financial position, results of operations or cash flows would have been as a stand-alone company during the periods presented.

As described elsewhere in this information statement, Spinco will be considered the divesting entity in the Spin-Off and treated as the "accounting successor" to Liberty Media Corporation for financial reporting purposes in accordance with GAAP due to the relative significance of our company to Starz (which is the legal spinor) and the continued involvement of senior management with Spinco following the Spin-Off. Following the consummation of the Spin-Off, Spinco will report the historical consolidated results of operations of the legacy Starz businesses in discontinued operations. This presentation is generally not permitted until the closing date of the Spin-Off. Because the historical consolidated financial information of Liberty Media included in this information statement includes the results of the legacy Starz business, it is not representative of Spinco's future financial position, future results of operations or future cash flows nor does it reflect what Spinco's financial position, results of operations or cash flows would have been as a stand-alone company during the periods presented.

The unaudited condensed pro forma financial information of Spinco included in this information statement includes adjustments to reflect the divestiture of the legacy Starz businesses. The pro forma adjustments are based upon available information and assumptions that management of Spinco believes are reasonable; however, such assumptions may not prove to be accurate or are subject to change. In addition, the unaudited condensed pro forma financial statements of Spinco do not give effect to on-going costs that it may incur or may be eliminated in connection with being a stand-alone company. Accordingly, the unaudited condensed pro forma financial statements of Spinco are not representative of Spinco's future financial position, future results of operations or future cash flows nor do they reflect what Spinco's financial position, results of operations or cash flows would have been as a stand-alone company during the periods presented.

In addition, in the third quarter of 2011, Liberty Media completed a split-off (the **Split-Off**) from its former parent company, Liberty Interactive Corporation (**Liberty Interactive**). Prior to the Split-Off, the assets, liabilities and businesses of our company at that time were part of the larger Liberty Interactive organization. Hence, portions of Liberty Media's historical financial information were also extracted from Liberty Interactive's consolidated financial statements for the relevant periods prior to the Split-Off. As a result, our historical financial information may not necessarily reflect what our

Increased programming and content costs may adversely affect profits. One of our business affiliates, Sirius, produces programming and other content and incurs costs for all types of creative talent including writers, producers and on-air talent. An increase in the costs of programming and other content may lead to decreased profitability.

Continuingly weak economic conditions may reduce consumer demand for our products and services. The current economic malaise in the United States could adversely affect demand for our products and services. A substantial portion of our revenue is derived from discretionary spending by individuals, which typically falls during times of economic instability. A reduction in discretionary spending could adversely affect revenue through potential downgrades by satellite and cable television subscribers and satellite radio subscribers, affecting Sirius, reduced live-entertainment expenditures, affecting Live Nation and ANLBC, and a slowdown in auto sales (which is an important source of satellite radio subscribers), affecting Sirius. Accordingly, our ability to increase or maintain revenue and earnings could be adversely affected to the extent that relevant economic environments remain weak or decline further. We currently are unable to predict the extent of any of these potential adverse effects.

The success of one of our subsidiaries, ANLBC, depends in large part on its ability to recruit and retain key persons. The success of ANLBC depends on the record of the Atlanta Braves Major League baseball team during each season, which is directly impacted by their ability to employ and retain top performing players, coaches and managers. We cannot assure you that if the Atlanta Braves Major League baseball team experiences turnover of these key persons, they will be able to recruit and retain acceptable replacements, in part, because the market for such employees is very competitive and limited.

The success of our business affiliate, Sirius, depends in large part upon automakers. Most of Sirius' new subscription growth has come from purchasers and lessees of new and previously owned automobiles. As a result, the sale and lease of vehicles with satellite radios is an important source of subscribers for its satellite radio service. Sirius has agreements with every major automaker to include satellite radios in new vehicles, although these agreements do not require automakers to install specific or minimum quantities of radios in any given period. Automotive production and sales are dependent on many factors, including the availability of consumer credit, general economic conditions, consumer confidence and fuel costs. To the extent vehicles sales by automakers decline or the penetration of factory-installed satellite radios in those vehicles is reduced, subscriber growth for Sirius' satellite radio services may be adversely impacted.

Several of our business affiliates face substantial competition, which may increase over time. Sirius faces substantial competition from other providers of music and talk radio and other audio services and its ability to retain and attract customers is based on its successful programming. Sirius' subscribers can obtain similar content through terrestrial radio or internet radio services, and a number of automakers and aftermarket manufacturers have or will shortly introduce factory-installed radios capable of accessing internet-delivered auto entertainment. Such competition could lower subscription or other revenue or increase expenses related to marketing and promotion, which would lower Sirius' earnings and free cash flow. Similarly, Barnes & Noble faces competition from traditional and internet retail sources, as well as from other suppliers of digital content. Its retail stores compete primarily on the quality of the shopping and store experience and the price and availability of products, which take into account promotional activities. Barnes & Noble's eBook reader, the Kindle, has a large market share in the eBook market.

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

- authorizing a capital structure with multiple series of common stock, a Series B common stock that entitles the holders to ten votes per share, a Series A common stock that entitles the holder to one vote per share, and a Series C common stock that except as otherwise required by applicable law, entitles the holder to no voting rights;
- classifying our board of directors with staggered three-year terms, which may lengthen the time required to gain control of our board of directors;
- limiting who may call special meetings of stockholders;
- prohibiting stockholder action by written consent, thereby requiring all stockholder actions to be taken at a meeting of the stockholders;
- establishing advance notice requirements for nominations of candidates for election to the board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings;
- requiring stockholder approval by holders of at least 66²/3% of our aggregate voting power or the approval by at least 75% of our board of directors with respect to certain extraordinary matters, such as a merger or consolidation of our company, a sale of all or substantially all of our assets or an amendment to our restated charter; and
- the existence of authorized and unissued stock, including "blank check" preferred stock, which could be issued by our board of directors to persons friendly to our then current management, thereby protecting the continuity of our management, or which could be used to dilute the stock ownership of persons seeking to obtain control of our company.

In addition, our chairman, John C. Malone, is expected to beneficially own shares representing the power to direct approximately 40.7% of the aggregate voting power in our company, due to his beneficial ownership of approximately 83.7% of the outstanding shares of LMCB as of August 31, 2012.

We may have future capital needs and may not be able to obtain additional financing on acceptable terms. In connection with the Spin-Off, it is expected that Starz, LLC will distribute approximately \$1.8 billion in cash to Liberty Media, of which \$400 million was distributed in the third quarter of 2012. The total amount of the distribution will depend upon the financial performance and cash position of Starz, LLC prior to the Spin-Off. This distributed cash, as reduced by investments of such cash prior to the Spin-Off, will be contributed to Spinco in connection with the Spin-Off. Due to the size and nature of our consolidated subsidiaries, ANLBC and TruePosition, their assets and operating cash flow are insufficient to support any significant financing in the future. Hence, our ability to obtain significant financing in the future, on favorable terms or at all, may be limited. If debt financing is not available to us in the future, we may obtain liquidity through the sale or monetization of our available for sale securities, or we may issue equity securities. If additional funds are raised through the issuance of equity securities, our stockholders may experience significant dilution. If we are unable to obtain sufficient liquidity in the future, we may be unable to develop our businesses properly, complete acquisitions or otherwise take advantage of business opportunities or respond to competitive pressures, any of which could have a material adverse effect on our business, financial condition and results of operations.

Factors Relating to the Spin-Off

The Spin-Off could result in a significant tax liability. Liberty Media has requested the Ruling from the IRS to the effect that, among other things, the Spin-Off will qualify as a tax-free transaction for

Spinco may have a significant indemnity obligation to Starz, which is not limited in amount or subject to any cap, if the Spin-Off is treated as a taxable transaction. Pursuant to the tax sharing agreement that Spinco will enter into with Liberty Media in connection with the Spin-Off (the

- changes in earnings estimated by securities analysts or our ability to meet those estimates;
- the operating and stock price performance of comparable companies; and
- domestic economic conditions.

The fair value of Liberty Media's investment in Sirius, on an as-converted basis, was approximately \$4.9 billion as of June 30, 2012, which represents a large portion of Liberty Media's total market value and will represent an even larger portion of Spinco's total market value following the Spin-Off. Liberty Media's common stock has historically traded at times somewhat in tandem with Sirius common stock. As a result of the Spin-Off, our stock price may move in tandem with the Sirius stock price to a greater degree than Liberty Media's common stock does today, with the result that our stock price may be disproportionately affected by the results of operations of Sirius and developments in its business.

After the Spin-Off, Spinco may be controlled by one principal stockholder. John C. Malone currently beneficially owns shares of Liberty Media common stock (excluding exercisable stock options) representing approximately 40.7% of the aggregate voting power of the outstanding shares of Liberty Media's common stock as of August 31, 2012. Following the consummation of the Spin-Off, Mr. Malone is expected to beneficially own shares of our common stock (excluding exercisable stock options) representing approximately 40.7% of Spinco's voting power, based upon the 1-for-1 distribution ratio in the Spin-Off and his beneficial ownership of Liberty Media common stock as of August 31, 2012 (as reflected under "Security Ownership of Certain Beneficial Owners—Security Ownership of Management" below). By virtue of Mr. Malone's voting power in Spinco as well as his position as Spinco's Chairman of the Board, Mr. Malone may be deemed to control Spinco's operations. Mr. Malone's rights to vote or dispose of his equity interest in Spinco will not be subject to any restrictions in favor of Spinco other than as may be required by applicable law and except for customary transfer restrictions pursuant to incentive award agreements.

CAUTIONARY STATEMENT CONCERNING FORWARD LOOKING STATEMENTS

Certain statements in this information statement and in the documents incorporated by reference herein constitute forward-looking statements, including certain statements relating to the business strategies, market potential and future financial performance of our company and those entities in which we have interests, and other matters. In particular, information included under "The Spin-Off," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Description of our Business" contain forward-looking statements. Forward-looking statements inherently involve many risks and uncertainties that could cause actual results to differ materially from those projected in these statements. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but such statements necessarily involve risks and uncertainties and there can be no assurance that the expectation or belief will result or be achieved or accomplished. In addition to the risk factors described herein under the headings "Risk Factors," the following include some but not all of the factors that could cause actual results or events to differ materially from those anticipated:

- customer demand for products and services and the ability of our company and those entities in which we have interests to adapt to changes in demand;
 - competitor responses to products and services;
 - uncertainties inherent in the development and integration of new business lines and business strategies;
 - uncertainties associated with product and service development and market acceptance, including the development and provision of telecommunications
-

reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any of any

nor our company is asking you for a proxy, and you are requested not to send us a proxy. You are not required to pay any consideration or give up any portion of your Liberty Media common stock to receive shares of our common stock in the Spin-Off.

Effect of the Spin-Off on Outstanding Liberty Media Incentive Awards

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

Option Awards

Except as described below with respect to certain unvested options, the holder of an outstanding option to purchase shares of Liberty Media common stock on the record date (an **original Liberty Media option**) will receive an option to purchase an equivalent number of shares of the corresponding series of our common stock (**new Spincor option**) and an adjustment to the exercise price of the original Liberty Media option (as so adjusted, an **adjusted Starz option**). The exercise prices of the new Spincor option and the related adjusted Starz option will be determined based upon the exercise price of the original Liberty Media option, the pre-Spin-Off trading price of Liberty Media common stock (determined using the volume weighted average price of Liberty Media common stock over the three-consecutive trading days immediately preceding the Spin-Off) and the relative post-Spin-Off trading prices of Starz's common stock and Spincor common stock (determined using the volume weighted average price of the applicable series of common stock over the three-consecutive trading days beginning on the first trading day following the Spin-Off on which Liberty Media's common stock is the price of our common stock).

If the Spin-Off does not qualify for tax-free treatment for U.S. federal income tax purposes, then, in general, Liberty Media would be subject to tax as if it had sold the Spinco common stock in a taxable sale for its fair market value. Liberty Media's stockholders would be subject to tax as if they had received a taxable distribution equal to the fair market value of Spinco common stock that was distributed to them, taxable as a dividend to the extent of Liberty Media's earnings and profits. The amount of the taxable distribution in excess of Liberty Media's earnings and profits would result first in a non-taxable dollar-for-dollar reduction in the stockholder's basis in its Liberty Media stock, and thereafter would be treated as capital gain from the sale or exchange of such stockholder's Liberty Media stock. It is expected that the amount of any such taxes to Liberty Media's stockholders and Liberty Media would be substantial.

Even if the Spin-Off otherwise qualifies under Sections 355 and 368(a)(1)(D) of the Code, the Spin-Off would result in a significant U.S. federal income tax liability to Liberty Media (but not to holders of Liberty Media common stock) under Section 355(e) of the Code if one or more persons acquire a 50-percent or greater interest (measured by vote or value) in the stock of Liberty Media/Starz or in the stock of Spinco as part of a plan or series of related transactions that includes the Spin-Off. Current tax law generally creates a presumption that any acquisition of the stock of Liberty Media/Starz or the stock of Spinco within two years before or after the Spin-Off is part of a plan that includes the Spin-Off, although the parties may be able to rebut that presumption. The process for determining whether an acquisition is part of a plan under these rules is complex, inherently factual and subject to an analysis of the facts and circumstances of a particular case. Notwithstanding the opinion of counsel described above, Starz or Spinco might inadvertently cause or permit a prohibited change in Starz's ownership or Spinco's ownership to occur, thereby triggering tax liability to Liberty Media. If the Spin-Off is determined to be taxable to Liberty Media under Section 355(e), Liberty Media would recognize gain equal to the excess of the fair market value of the Spinco common stock held by it immediately before the Spin-Off over Liberty Media's tax basis therein. The Spin-Off would, however, generally be tax-free to each holder of Liberty Media stock who received shares of our stock in the distribution.

Pursuant to the tax sharing agreement that Spinco will enter into with Liberty Media in connection with the Spin-Off, subject to certain limited exceptions, Spinco will be required to indemnify Starz, its subsidiaries, and certain related persons for taxes and losses resulting from the failure of the Spin-Off to qualify as a tax-free transaction described under Sections 355 and 368(a)(1)(D) of the Code. However, Spinco will not be required to indemnify Starz for any taxes or losses that (x) result primarily from, individually or in the aggregate, the breach of certain covenants made by Starz (applicable to actions or failures to act by Starz and its subsidiaries following the completion of the Spin-Off), (y) result from Section 355(e) of the Code applying to the Spin-Off as a result of the Spin-Off being part of a plan (or series of related transactions) pursuant to which one or more persons acquire a 50-percent or greater interest (measured by vote or value) in the stock of Liberty Media/Starz or any successor, or (z) result from deferred intercompany items or excess loss accounts that are triggered by the Spin-Off, and that would otherwise be allocated to Starz. Please see "Certain Relationships and Related Party Transactions—Relationships Between Spinco and Liberty Media/Starz and/or Liberty Interactive—Tax Sharing Agreement" for a more detailed discussion of the tax sharing agreement between our company and Liberty Media.

Results of the Spin-Off

Immediately following the Spin-Off, we expect to have outstanding approximately 109,953,000 shares of our Series A common stock and 9,890,000 shares of Series B common stock, based upon the number of shares of LMCA and LMCA, respectively, outstanding as of August 31, 2012. The actual number of shares of our Series A common stock and Series B common stock shall be determined based upon the actual number of shares of LMCA and LMCA, respectively, outstanding as of the date of the Spin-Off.

construed as an inducement or encouragement to buy or sell any of our securities or any securities of Liberty Media. We believe that the information contained in this information statement is accurate as of the date set forth on the cover. Changes to the information contained in this information statement may occur after that date, and neither our company nor Liberty Media undertakes any obligation to update the information except in the normal course of our respective public disclosure obligations and practices.

SELECTED FINANCIAL DATA

Selected Financial Data.

The following tables present selected historical financial statement information relating to Liberty Media's financial condition and results of operations for the past five years. The following data should be read in conjunction with the accompanying Liberty Media consolidated financial statements. Due to the relative significance of Spinco to Liberty Media, senior management's continued involvement in Spinco post-Spin-Off, Spinco will be treated as the "accounting successor" to Liberty Media Corporation (which will be renamed Starz) for financial reporting purposes. Spinco will be treated as the "accounting successor" to Liberty Media Corporation (which will be renamed Starz) for financial reporting purposes.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

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

The following discussion and analysis provides information concerning our results of operations and financial condition. This discussion should be read in conjunction with our accompanying consolidated financial statements and the notes thereto. For purposes of the following discussion, "we," "us," and "our" refer to Liberty Media Corporation.

Explanatory Note

Liberty Media was previously an indirect, wholly owned subsidiary of Liberty Interactive Corporation (formerly known as Liberty Media Corporation). Liberty Interactive's capital structure previously utilized three tracking stocks: Liberty Interactive common stock, Liberty Starz common stock and Liberty Capital common stock. During the third quarter of 2011, Liberty Interactive completed the previously announced plan to separate its Liberty Capital and Liberty Starz tracking stock groups from its Liberty Interactive tracking stock group (the **Split-Off**). The Split-Off was effected by means of a redemption of all of the Liberty Capital common stock and the Liberty Starz common stock in exchange for all of the common stock of Liberty Media, which at the time of the Split-Off held all of the assets, liabilities and businesses attributed to Liberty Interactive's Liberty Capital and Liberty Starz tracking stock groups.

Overview

We own controlling and non-controlling interests in a broad range of media, communications and entertainment companies. Our more significant operating subsidiaries, which are also





its integrated business units to exploit its original programming content in the home video, digital (Internet) and non-pay television markets. To achieve these goals, Starz intends to:

- Expand its original programming lineup over time.
- Renew and extend affiliation agreements with key distributors on favorable terms.
- Rationalize valuable digital rights with both traditional distributors, as well as online video distributors.
- Continue to invest in the Starz brand by focusing its marketing investment on its original series.

Starz faces certain key challenges in its attempt to meet these goals, including;

- ~~Potential loss of its subscriber base~~ due to economic conditions and competition from other networks and other video programming services.
 - Its ability to continue to acquire or produce affordable programming content, including original programming content, that appeals to its distributors and its viewers.
 - Its ability to renew and extend affiliation agreements with key distributors on favorable terms.
 - Potential consolidation of its distributors.
 - Increased rates paid by its distributors to carry broadcast networks and sports networks may make it more difficult for consumers to afford premium video services. ~~For example, as two ~ 0~~
 - Its distributor's willingness to progr
-

Consolidated Operating Results

Revenue. Our consolidated revenue decreased \$1 million and \$534 million for the three and six month periods ended June 30, 2012, respectively, as compared to the corresponding prior year periods. The three month decrease was primarily due to a decrease in revenue at TruePosition due primarily to the fact that TruePosition continues to be out of contract with one of its large customers. The six month decrease was primarily due to a decrease in the revenue of TruePosition, as a result of the recognition of previously deferred revenue at TruePosition in the prior year. See "—Results of Operations—Businesses" below for a more complete discussion of the results of operations of certain of o

Adjusted OIBDA increased \$2 million for the three months ended June 30, 2012 and decreased \$372 million for the six months ended June 30, 2012, as compared to the corresponding prior year periods. The three month increase was primarily driven by the increase in Adjusted OIBDA for ANLBC offset by a decrease in Adjusted OIBDA for TruePosition. The six month decrease was primarily driven by the decrease in Adjusted OIBDA for TruePosition as a result of a one-time recognition of deferred revenue and costs in the prior year. See "—Results of Operations—Businesses" below for a more complete discussion of the results of operations of certain of our subsidiaries.

Adjusted OIBDA

Share of earnings (losses) of affiliates. The following table presents our share of earnings (losses) of affiliates:

During the second quarter of 2011 our company acquired an additional 5.5 million shares of Live Nation which increased our ownership percentage above 20% of the outstanding voting shares. Due to the presumption that an entity with an ownership percentage greater than 20% has significant influence and no other factors would rebut that presumption, we are accounting for the investment as an equity method affiliate. Increases in ownership which result in a change to the equity method of accounting generally require retroactive recognition of an investment's share of earnings (loss) in prior periods. Due to the relative insignificance of our share of losses for Live Nation in previous periods not presented, both quantitatively and qualitatively, we have recorded approximately \$12 million of these losses in the six months ended June 30, 2011.

Realized and unrealized gains (losses) on financial instruments. Realized and unrealized gains (losses) on financial instruments are comprised of changes in the fair values of the following:

Income taxes. Our income taxes for the three and six months ended June 30, 2012 was a net tax benefit as a result of a capital loss realized on the tax-recognized of chi

telecommunications companies. Starz also develops, produces and a



total revenue for each of the six months ended June 30, 2012 and 2011. The following table sets forth Starz' total revenue by business unit:

Revenue from Starz Channels increased \$2 million or 0.6% and \$12 million or 1.9% for the three and six months ended June 30, 2012, as compared to the corresponding prior year period. The Starz Channels' growth in revenue for the three months ended June 30, 2012 resulted from a \$6 million increase due to higher effective rates for the Starz Channels' services and a \$4 million decrease in volume. The Starz Channels' growth in revenue for the six months ended June 30, 2012 resulted from a \$19 million increase duhædu

Revenue from Starz Distribution decreased \$4 million or 5.0% and increased \$3 million or 2.1% for the three and six months ended June 30, 2012 as compared to the corresponding prior year period. Such changes are primarily due to increased revenue from the television and digital media businesses which were offset by a decrease in revenue from the home video business. The decrease in revenue from the home video business is due primarily to a decrease in revenue from films released under the distribution agreement with The Weinstein Company. Home video revenue was positively impacted in 2011 by the release of the Academy Award winning film, *"The King's Speech."*

Operating expenses increased by \$10 million or 4.3% and \$36 million or 8.4% during the three and six months ended June 30, 2012 as compared to corresponding prior year periods. Such increase is due primarily to higher programming costs. Programming expenses are Starz's primary operating expense and totaled approximately \$115 million and \$366 million for the three and six months ended June 30, 2012, respectively, as compared to \$105 million and \$330 million for the three and six months ended June 30, 2011, respectively.

that meet the separation criteria that have been delivered be recognized as of the modification date. The revenue and ass'è a andmodf0g



Operations—Businesses below for a more complete discussion of the results of operations of certain of our significant subsidiaries.

Adjusted OIBDA. We define Adjusted OIBDA as revenue less operating expenses and SG&A expenses (excluding stock compensation). Our chief operating decision maker and management team use this measure of performance in conjunction with other measures to evaluate our businesses and make decisions about allocating resources among our businesses. We believe this is an important indicator of the operational strength and performance of our businesses, including each business's ability to service debt and fund capital expenditures. In addition, this measure allows us to view operating results, perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. This measure of performance excludes such costs as depreciation and amortization, stock-based compensation, separately reported litigation settlements and restructuring and impairment charges that are included in the measurement of operating income pursuant to GAAP. Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with GAAP. See note 20 to the accompanying consolidated financial statements for a reconciliation of Adjusted OIBDA to Earnings (loss) from continuing operations before income taxes.

In our 2011 annual report, Adjusted OIBDA increased by \$736 million and \$125 million for the years ended December 31, 2011 and 2010, as compared to the corresponding prior year periods. The current year increase was primarily driven by the one time recognition of previously deferred revenues and costs at TruePosition which accounted for \$620 million of the increase in 2011. The prior year increase is primarily due to improved results for Starz, LLC and timing of recognition of certain deferred revenue and costs at TruePosition. See Note 20 to the consolidated financial statements for a reconciliation of Adjusted OIBDA to Earnings (loss) from continuing operations before income taxes.

Adjusted OIBDA is presented in the following table for the years ended December 31, 2011 and 2010, as compared to the corresponding prior year periods.

Other Income and Expense

Components of Other Income (Expense) are presented in the table below.

	Years ended December 31,		
	2011	2010	2009
	amounts in millions		
Other income (expense):			
Interest expense	\$ (21)	(65)	(132)
Dividend and interest income	79	88	117
Share of earnings (losses) of affiliates	49	(64)	(44)
Realized and unrealized gains (losses) on financial instruments, net	68	260	(34)
Gains (losses) on dispositions, net	(10)	36	242
Other, net	5	10	12
	<u>\$ 170</u>	<u>265</u>	<u>161</u>

Interest expense. Interest expense decreased \$44 million and \$67 million for the years ended December 31, 2011 and 2010, as compared to the corresponding prior year periods. The overall decreases in interest expense related to a lower average debt balance throughout the periods, as compared to the corresponding prior year periods. The lower average debt balance is primarily due to the changes in attribution of certain parent debt to Liberty Interactive's Interactive Group prior to the Split-Off.

Dividend and interest income. Interest income decreased in 2011 and 2010 primarily due to lower interest rates and a reduction in our interest bearing investment balances.

Share of earnings (losses) of affiliates. The following table presents our share of earnings (losses) of affiliates:

	Years ended December 31,		
	2011	2010	2009
	amounts in millions		
Sirius	\$ 68	(41)	(28)
Live Nation	(34)	—	—
Other	15	(23)	(16)
	<u>\$ 49</u>	<u>(64)</u>	<u>(44)</u>

During June 2011, we acquired an additional 5.5 million shares of Live Nation, which increased Liberty's ownership percentage above 20% of the outstanding voting shares. Due to a presumption that an entity with an ownership percentage greater than 20% has significant influence absent other factors to rebut that presumption, we are accounting for the investment as an equity method affiliate. We have elected to record its share of earnings (loss) for Live Nation on a three-month lag due to timeliness considerations. Increases in ownership which result in a change to the equity method of accounting generally require retroactive recognition of an investment's share of earnings (loss) in prior periods. Due to the relative insignificance of our share of losses for Live Nation in previous periods, both quantitatively and qualitatively, we have recorded such amounts in the current year. Approximately \$12 million of the losses recorded for the year ended December 31, 2011 relate to the prior year.

Realized and unrealized gains (losses) on financial instru

...e for exhibition by Starz at December 31, 2011, is reflected as a liability in the accompanying ...
...able as follows: \$64 million in 2012 and \$2 million in 2013.

...s for the rights to exhibit films that have been released theatrically, but are not available for exhibition ...
...ecember 31, 2011. In addition, Starz has agreed to pay Sony Pictures Entertainment ("Sony") (i) a ...
...n 2014, and (ii) a total of \$120 million in three equal annual installments beginning in 2015 for a new ...
...ents is as follows: \$443 million in 2012; \$129 million in 2013; \$73 million in 2014; \$59 million in

...l in theatres. Starz is unable to estimate the amounts to be paid under these output agreements for

Recent Accounting Pronouncements

In September 2009, the Financial Accounting Standards Boards amended the Accounting Standards Codification (ASC) as summarized in Accounting Standards Update (ASU) 2009-14, *Software (Topic 985): Certain Revenue Arrangements That Include Software Elements*, and ASU 2009-13, *Revenue Recognition (Topic 605): Multiple-Deliverable Revenue Arrangements*. As summarized in ASU 2009-14, ASC Topic 985 has been amended to remove from the scope of industry specific revenue accounting guidance for software and software related transactions, tangible products containing software components and non-software components that function together to deliver the product's essential functionality. As summarized in ASU 2009-13, ASC Topic 605 has been amended (1) to provide updated guidance on whether multiple deliverables exist, how the deliverables in an arrangement should be separated, and the consideration allocated; (2) to require an entity to allocate revenue in an arrangement using estimated selling prices of deliverables if a vendor does not have vendor-specific objective evidence or third-party evidence of selling price; and (3) to eliminate the use of the residual method and require an entity to allocate revenue using the relative selling price method. The accounting changes summarized in ASU 2009-14 and ASU 2009-13 are effective for fiscal years beginning on or after June 15, 2010, with early adoption permitted. Adoption may either be on a prospective basis or by retrospective application.

We 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 our company, 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 require that when a contract is materially modified it is subject to the new accounting requirements. This resulted in our company 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. Previously, TruePosition did not have Vendor Specific Objective Evidence for the undelivered specified upgrade, which changed the timing of revenue recognition for the entire arrangement. Under the new guidance TruePosition utilized the estimated selling price to determine what portion of the overall consideration to allocate to the delivered and undelivered elements.

In September 2011, the Financial Accounting Standards Boards amended the ASC as summarized in ASU 2011-08, *Intangibles—Goodwill and Other (Topic 350): Testing Goodwill for Impairment*. As summarized in ASU 2011-08, ASC Topic 350 has been amended to simplify how entities test goodwill for impairment by permitting entities to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test described in ASC Topic 350. Previously, under ASC Topic 350 an entity would be required to test goodwill, on at least an annual basis, by comparing the fair value of a reporting unit with its carrying amount, then, if the carrying amount was greater than the fair value of the reporting unit, to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount.

determinations for certain reporting units that had been made at various points throughout the year for other purposes. We do not believe the outcome of performing a qualitative analysis versus performing a step one test had any financial statement impact.

Critical Accounting Estimates

The preparation of our financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Listed below are the accounting estimates that we believe are critical to our financial statements due to the degree of uncertainty regarding the estimates or assumptions involved and the magnitude of the asset, liability, revenue or expense being reported. All of these accounting estimates and assumptions, as well as the resulting impact to our financial statements, have been discussed with our audit committee.

Non-Financial Instruments. Our non-financial instrument valuations are primarily comprised of our annual assessment of the recoverability of our goodwill and other nonamortizable intangibles, such as trademarks and our evaluation of the recoverability of our other long-lived assets upon certain triggering events. If the carrying value of our long-lived assets exceeds their estimated fair value, we are required to write the carrying value down to fair value. Any such writedown is included in impairment of long-lived assets in our combined statement of operations. A high degree of judgment is required to estimate the fair value of our long-lived assets. We may use quoted market prices, prices for similar assets, present value techniques and other valuation techniques to prepare these estimates. We may need to make estimates of future cash flows and discount rates as well as other assumptions in order to implement these valuation techniques. Due to the high degree of judgment involved in our estimation techniques, any value ultimately derived from our long-lived assets may differ from our estimate of fair value. As each of our operating segments has long-lived assets, this critical accounting policy affects the financial position and results of operations of each segment.

As of December 31, 2011, the intangible assets not subject to amortization for each of our significant reporting units was as follows (amounts in millions):

We perform our annual assessment of the recoverability of our goodwill and other nonamortizable intangible assets as of December 31, except for ANLBC which is evaluated as of October 31. As discussed above, in the Recent Accounting Pronouncements, we adopted the recent accounting guidance relating to annual assessments of recoverability of goodwill and we utilized a qualitative assessment for determining whether step one of the goodwill impairment analysis was necessary.

Carrying Value of Investments. We periodically evaluate our investments to determine if decreases in fair value below our cost bases are other than temporary. If a decline in fair value is determined to be other than temporary, we are required to reflect such decline in our combined statement of operations. Other than temporary declines in fair value of our cost investments are recognized on a separate line in our combined statement of operations, and other than temporary declines in fair value of our equity method investments are included in share of losses of affiliates in our combined statement of operations.

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, 2012, our debt is comprised of the following amounts:

Variable rate debt		Fixed rate debt	
Principal amount	Weighted avg interest rate	Principal amount	Weighted avg interest rate
dollar amounts in millions			
\$ 505	2.0%	\$ 38	5.1%

We are exposed to changes in stock prices primarily as a result of our significant investments in stock

DESCRIPTION OF OUR BUSINESS

Overview

Spinco is currently a wholly owned subsidiary of Liberty Media. Prior to the Spin-Off, Liberty Media will effect the internal restructuring, following which the businesses and ownership inter

The FCC has allocated the portion of the S-band located between 2320 MHz and 2345 MHz exclusively for satellite radio. Each of Sirius' services uses 12.5 MHz of this bandwidth to transmit its respective signals. Uplink transmissions (from the ground to its satellites) use 12.5 MHz of bandwidth in the 7060-7072.5 MHz band.

Sirius' satellite radio systems have three principal components: satellites, terrestrial repeaters and other satellite facilities; studios; and radios.

Satellites, Terrestrial Repeaters and Other Satellite Facilities

Satellites. Sirius currently owns a fleet of nine orbiting satellites. Sirius has invested in more technologically advanced satellites and satellite deployment to provide for improved coverage, increased redundancy and more efficient use of its spectrum. Space Systems/Loral has constructed another satellite, FM-6, for use in Sirius' system. Sirius expects to launch this satellite in the second half of 2013. Sirius uses four of its orbiting satellites in the Sirius system. These satellites, FM-1, FM-2, FM-3 and FM-5, are of the Loral FS-1300 model series. Its FM-1, FM-2 and FM-3 satellites travel in a geosynchronous orbit. Its FM-5 satellite is deployed in a geostationary orbit.

manufacture radios. Sirius has authorized manufacturers and distributors to produce and distribute radios, and has licensed its technology to various electronics manufacturers to develop, manufacture and distribute radios under certain brands. Sirius purchases radios from independent manufacturers that are distributed through Sirius' website. To facilitate the sale of radios, Sirius may subsidize a portion of the radio manufacturing costs to reduce the hardware price to consumers.

Radios are manufactured in four principal configurations: in-dash radios, Dock & Play radios, home or commercial units and portable or wearable radios.

- In-dash satellite radios are integrated into vehicles and allow the user to listen to satellite radio with the push of a button. Aftermarket in-dash radios are available at retailers nationally, and to automakers for factory or dealer installation.
- Dock & Play satellite radios enable subscribers to transport their radios easily to and from their cars, trucks, homes, offices, boats or other locations with available adapter kits. Dock & Play radios adapt to existing audio systems through FM modulation or direct audio connection and can be easily installed. Audio systems and boom boxes, which enable subscribers to use their radios virtually anywhere, are available for various models. The Stratus 6, Starmate 5 and Starmate 8 Dock & Play radios also support a la carte channel selection.
- Radios that provide Sirius' satellite or Internet service to home and commercial audio systems.
- Portable or wearable radios offer live satellite or Internet radio and recorded satellite, MP3 or WMA content "on the go".

Sirius has introduced an interoperable radio called MiRGE. This radio has a unified control interface allowing for easy switching between Sirius' two satellite radio networks. Sirius also offers the XM SkyDock, which connects to an Apple iPhone and iPod touch and provides live XM satellite radio using the control capability of the iPhone or iPod touch. In 2011, Sirius introduced Edge, a Dock & Play radio capable of receiving its SiriusXM 2.0 expanded channel lineup, including SiriusXM Latino, and Lynx, a portable radio with SiriusXM 2.0 satellite and Internet radio capability and features.

Internet Radio

Sirius streams music channels and select non-music channels over the Internet. Its Internet service also includes channels and features that are not available on its satellite service. Access to certain Internet services is offered to subscribers for a fee. Sirius has available products that provide access to its Internet services without the need for a personal computer. Sirius also offers applications to allow consumers to access its Internet services on certain smartphones and tablet computers. Subscribers to its Internet services are not included in its subscriber count, unless the service is purchased separately and not as part of a satellite radio subscription.

Canada

Sirius also has an equity interest in the satellite radio services offered in Canada through Sirius Canada. In June 2011, Canadian Satellite ~~Rad~~ ~

Satellite Television Service. Certain of Sirius' music channels are offered as part of certain programming packages on the DISH Network satellite television service. Subscribers to the DISH Network satellite television service are not included in its subscriber count.

Sirius offers Backseat TV, a service offering television content available to Sirius subscribers.

seek to assert control over Sirius. By doing so, we believe we can enhance the value of our interest in Sirius for the benefit of our stockholders by, among other things, pursuing a transaction with or involving Sirius or our interest in Sirius. No assurance can be given, however, that the FCC will consent to our acquisition of *de jure* control of Sirius. The FCC has issued a public notice establishing a pleading cycle for the submission of any comments on, or petitions to deny, the application. See "Risk Factors—We do not have the right to manage our business affiliates, which means we are not able to cause those affiliates to operate in a manner that is favorable to us."

Live Nation Entertainment, Inc.

Live Nation is considered the largest live entertainment company in the world and seeks to innovate and enhance the live entertainment experience for artists and fans: before, during and after the show. In 2011 and 2010, Live Nation operated in five segments: Concerts, Ticketing, Artist Nation, eCommerce and Sponsorship. Beginning in 2012, Live Nation no longer presents eCommerce as a reportable segment and has changed the name of its Sponsorship segment to Sponsorship & Advertising. These changes were made to be consistent with how the four key components of Live Nation's business are now being managed. Live Nation now includes the business previously reported in the eCommerce segment within the Ticketing and Sponsorship & Advertising segments. However, for purposes of the description of Live Nation's business below, we have included descriptions of Live Nation's segments as of December 31, 2011, as they are the most fulsome descriptions available in Live Nation's public filings.

security. Live Nation earns revenue from the sale of tickets and typically pays artists a fixed guaranteed amount. It also earns revenue from the sale of concessions, camping fees, festival sponsorships and ticket rebates or service charges earned on tickets sold. For each event, Live Nation either uses a festival site it owns or rents a third-party festival site. Revenue is generally related to the number of events, volume of ticket sales and ticket prices. Event costs such as artist and production service expenses are included in direct operating expenses and are typically substantial in relation to the revenue. As a result, significant increases or decreases in festival promotion revenue do not typically result in comparable changes to operating income.

Ticketing. The Ticketing segment is primarily an agency business that sells tickets for events on behalf of Live Nation's clients and retains a convenience charge and order processing fee for its services. Live Nation sells tickets for its events and also for third-party clients across multiple live event categories, providing ticketing services for leading arenas, stadiums, amphitheaters, music clubs, concert promoters, professional sports franchises and leagues, college sports teams, performing arts venues, museums and

the cost of a satellite radio subscription. We believe that the principal competitive factors for Sirius are the quantity, quality, exclusivity and variety of the programming offered and the effectiveness of marketing efforts.

Live Nation faces competition in the live music industry, in attracting touring artists to the venues it owns and operates, from ticketing services primarily through online channels but also through phone, outlet and box office channels, and in its artist management and sponsorships businesses. Competition in the live entertainment industry is intense. Live Nation believes that it competes primarily on the basis of its ability to deliver quality music products, sell tickets and provide enhanced fan and artist experiences. It believes that its primary strengths include the quality of service delivered to its artists, fans and corporate sponsors, its track record in promoting and producing live music events and tours both domestically and internationally, artist relationships, ticketing software and services, distribution platform (venues), the scope and effectiveness in its expertise of marketing and sponsorship programs and its financial stability.

Barnes & Noble's divisions face strong competition. B&N Retail competes with other bookstores, including Books-A-Million and faces competition from many online businesses, notably Amazon.com and Apple. Increases in consumer spending via the Internet may significantly affect its ability to generate sales in B&N Retail stores. B&N Retail also faces competition from mass merchandisers, such as Costco, Target and Wal-Mart. Some of Barnes & Noble's competitors have greater financial and other resources and different business strategies than B&N Retail does. B&N Retail stores also compete with specialty retail stores that offer books in particular subject areas, independent store operators, variety discounters, drug stores, warehouse clubs, mail-order clubs and other retailers offering books, music, toys, games, gifts and other products in its market segments. The Barnes & Noble store experience is customized for its customer base, and considered by Barnes & Noble to be a differentiating factor. B&N College competes with educational institutions themselves as well as online textbook rental companies. In addition, publishers are increasing efforts to sell directly to students, and technology companies like Apple and Amazon are increasing their digital offerings to students. The eReader business, in particular, is highly competitive. NOOK competes primarily on price and device functionality. The importance of price varies depending on the competitor, with some of NOOK's competitors engaging in significant discounting and other promotional activities. NOOK competes primarily with other eReaders and smart tablets on functionality, consumer appeal, availability of digital content and price. NOOK competes with many online digital businesses, notably Amazon.com and Apple. Some of Barnes & Noble's competitors may have greater financial and other resources and different business strategies than those utilized for the NOOK.

Employees

We currently have no corporate employees. We anticipate that, subsequent to the Spin-Off, all of Liberty Media's corporate employees and executive officers will instead become corporate employees and executive officers (not including the employees and officers of Liberty Media's subsidiaries) of Spinco, with certain of Spinco's executive officers continuing to serve in the same capacities at Starz. Spinco will provide Starz with certain transitional services pursuant to a services agreement (the **services agreement**), including the services of certain of Spinco's officers. See "Certain Relationships and Related Party Transactions—Relationships Between Spinco and Liberty Media/Starz and/or Liberty Interactive—Services Agreements." As of December 31, 2011 (and assuming the internal restructuring had been effected on that date), Spinco's consolidated subsidiaries had an aggregate of approximately 1,200 full-time and part-time employees. None of these employees is represented by a labor union or covered by a collective bargaining agreement. Spinco believes that these employee relations are good.

Properties

Following the internal restructuring, Spinco will own, through a wholly owned subsidiary, its corporate headquarters in Englewood, Colorado, include

MANAGEMENT

Directors

The following sets forth certain information concerning the persons who are expected to serve as the initial directors of Spinco immediately following the Spin-Off, including their ages, directorships held and a description of their business experience, including current positions held with Liberty Media. Certain of the following directors may also serve on Starz's board immediately following the Spin-Off. Notwithstanding this possible overlap, Liberty Media and Spinco believe the following persons are the most qualified to serve as the initial directors of Spinco given their in-depth knowledge of and experience with the businesses attributed to Spinco. No assurance can be given, however, as to whether these directors will serve on either board following the expiration of their respective terms, as their re-election will be subject to the approval of each company's stockholders.

<u>Name</u>	<u>Position and Experience</u>
John C. Malone	Chairman of the Board and a director of Spinco.

Age: [71] *Professional Background:* Mr. Malone has served as the Chairman of the Board of Liberty Media since August 2011 and a director since December 2010. Mr. Malone served as the Chief Executive Officer of Liberty Interactive Corporation from August 2005 to February 2006. Mr. Malone served as Chairman of the Board of Tele-Communications, Inc. (TCI) from November 1996 until March 1999, when it was acquired by AT&T Corp. (AT&T), and as Chief Executive Officer of TCI from January 1994 to March 1997.

Other Public Company Directorships: Mr. Malone has served as a director and Chairman of the Board of Liberty Interactive Corporation (including its predecessors, Liberty Interactive), Liberty Media's former parent company, since 1994 and as Chairman of the Board of Liberty Global, Inc. (LGI) since June 2005. Previously, he served as Chairman of the Board of LGI's predecessor, Liberty Media International, Inc. (LMI), from March 2004 to June 2005, as Chairman of the Board of DIRECTV from November 2009 to June 2010 and as Chairman of the Board of DIRECTV's predecessor, the DIRECTV Group, Inc. (DTVG), from February 2008 to November 2009. He has served as a director of Discovery Communications, Inc. (Discovery) since September 2008 and served as Chairman of the Board of Discovery Holding Company (DHC) from March 2005 to September 2008, and as a director of DHC from May 2005 to September 2008. Mr. Malone served as a director of United Global Com, Inc. (UGC), now a subsidiary of LGI from January 2002 to June 2005. Mr. Malone has served as a director of Sirius since April 2009. Mr. Malone served as a director of (i) Ascent Capital Group, Inc. from January 2010 to September 2012, (ii) Expedia, Inc. (Expedia) from August 2005 to September 2012 (iii) Live Nation from January 2010 to February 2011, (iv) IAC/InterActiveCorp from May 2006 to June 2010, (v) the Bank of New York Company, Inc. from June 2005 to April 2007 and (vi) Cablevision Systems Corp. from March 2005 to June 2005.

Name

Position and Experience

Board Membership Qualifications: Mr. Malone, as President of TCI, co-founded Liberty Interactive's former parent company and is considered one of the preeminent figures in the media and telecommunications industry. He is well known for his sophisticated problem solving and risk assessment skills

Gregory B. Maffei

Chief Executive Officer, President and a director of Spinco.

Age: [52]

Professional Background: Mr. Maffei has served as a director and the President and Chief Executive Officer of Liberty Media since May 2007 and as a director of our company since August 2012. He has served as the Chief Executive Officer and President of Liberty Interactive since February 2006. He also served as its CEO-Elect from November 2005 through February 2006. Prior thereto, Mr. Maffei served as President and Chief Financial Officer of Oracle Corporation during 2005 and as Chairman and Chief Executive Officer of 360networks Corporation from 2000 until 2005. Previously, Mr. Maffei was the Chief Financial Officer of Microsoft Corporation from 1997 to 2000.

Other Public Company Directorships: Mr. Maffei has served as a director of (i) Electronic Arts, Inc. since June 2003, (ii) Zillow, Inc. since May 2005, (iii) Liberty Interactive since November 2005, (iv) Sirius since March 2009, (v) Live Nation since February 2011 and (vi) Barnes & Noble since September 2011. Mr. Maffei served as a director of DIRECTV from November 2009 to June 2010 and as a director of its predecessor, DTVG, from February 2008 to November 2009. Mr. Maffei served as a director of Expedia from 1999 to 2003, and as a director of Starbucks Corporation from 1999 to 2006. Mr. Maffei was also Chairman of the Board of Expedia from 1999 to 2002.

Board Membership Qualifications: Mr. Maffei brings to Spinco's board significant financial and operational experience based on his senior policy making positions at Liberty Media, Liberty Interactive, Oracle, 360networks and Microsoft and his public company board experience. He provides our board with executive leadership perspective on the operations and management of large public companies and risk management principles.

Robert R. Bennett

A director of Spinco.

Age: [54]

Professional Background: Mr. Bennett has served as a director of Liberty Media since September 2011. Mr. Bennett serves as Managing Director of Hilltop Investments LLC, a private investment company. Mr. Bennett served as the Chief Executive Officer of Liberty Interactive from April 1997 to August 2005 and its President from April 1997 to February 2006 and held various executive positions with Liberty Interactive from 1994 to 1997.

Name

Position and Experience

Other Public Company Directorships: Mr. Bennett previously served as a director of Liberty Interactive from September 1994 to December 2011. He has served as a director of Discovery since September 2008 and served as a director of its predecessor, DHC, from May 2005 to September 2008. Mr. Bennett also served as a director of LMI, from March 2004 through June 2005, as a director of UGC, from January 2002 to June 2005 and as a director of OpenTV Corp. from August 2002 to January 2007. Mr. Bennett has served as a director of Sprint Nextel Corporation since October 2006 and Demand Media, Inc. since January 2011.

Board Membership Qualifications: Mr. Bennett brings to Spinco's board in-depth knowledge of the media and telecommunications industry generally and Spinco specifically. He has experience in significant leadership positions with Liberty Interactive, especially as a past CEO and President, and will provide Spinco with strategic insights. Mr. Bennett also has an in-depth understanding of finance, and has held various financial management positions during the course of his career.

Donne F. Fisher

A director of Spinco.

Age: [74]

Professional Background: Mr. Fisher has served as a director of Liberty Media since September 2011. Mr. Fisher has served as President of Fisher Capital Partners, Ltd., a venture capital partnership, since December 1991. Mr. Fisher also served as Executive Vice President of TCI from January 1994 to January 1996 and served as a consultant to TCI, including its successors AT&T Broadband LLC and Comcast Corporation, from 1996 to December 2005.

Other Public Company Directorships: Mr. Fisher served as a director of General Communication, Inc. from 1980 to December 2005, as a director of LMI, the predecessor of LGI, from May 2004 to June 2005 and as a director of Liberty Interactive from October 2001 to September 2011. Mr. Fisher was also Chairman of the Board of General Communication, Inc. from June 2002 to December 2005.

Name

Position and Experience

Board Membership Qualifications: Mr. Fisher brings extensive industry experience to Spinco's board and a critical perspective on its business, having held several executive positions over many years with TCI, Liberty Interactive's former parent company, and through his previous service as a director of Liberty Interactive and his current role as a director of Liberty Media. In addition, Mr. Fisher's financial expertise includes a focus on venture capital investment, which is different from the focus of Spinco's other board members and helpful to the board in formulating investment objectives and determining the growth potential of businesses both within Spinco and those that the board evaluates for investment purposes.

M. Ian G. Gilchrist

A director of Spinco.

Age: [63]

Professional Background: Mr. Gilchrist has served as a director of Liberty Media since September 2011. Mr. Gilchrist held various officer positions including Managing Director at Citigroup/Salomon Brothers from 1995 to 2008, CS First Boston Corporation from 1988 to 1995, and BlyE1

Name
Evan D. Malone

Position and Experience

A director of Spinco.

Age: [42]

Professional Background: Dr. Malone has served as a director of Liberty Media since September 2011. He has served as President of NextFab Studio, LLC, a high-tech workshop offering technical training, consulting, and product design and prototyping services, since June 2009 and has been an engineering consultant for more than the past five years. Since January 2008, Dr. Malone has served as the owner and manager of a real estate property and management company, 1525 South Street LLC. During 2008, Dr. Malone also served as a post-doctoral research assistant at Cornell University and an engineering consultant with Rich Food Products, a food processing company. Dr. Malone has served as co-owner and director of Drive Passion PC Services, CC, an Internet café, telecommunications and document services company, in South Africa since 2007 and served as an applied physics technician for Fermi National Accelerator Laboratory, part of the national laboratory system of the Office of Science, U.S. Department of Energy, from 1999 until 2001. He also is a founding member of Jet Wine Bar, LLC, a start-up company in Philadelphia, which began operations in 2010.

Other Public Company Directorships: Dr. Malone has served as a director of Liberty Interactive since August 2008.

Board Membership Qualifications: Dr. Malone, Spinco's youngest director, brings an applied science and engineering perspective to the board. Dr. Malone's perspectives will assist the board in developing business strategies and adapting to technological changes facing the industries in which Spinco competes. In addition, his entrepreneurial experience will assist the board in evaluating strategic opportunities.

David E. Rapley

A director of Spinco.

Age: [71]

Professional Background: Mr. Rapley has served as a director of Liberty Media since September 2011. Mr. Rapley founded Rapley Engineering Services, Inc. (RESI) and served as its CEO and President from 1985 to 1998. Mr. Rapley also served as Executive Vice President of Engineering of VECO Corp. Alaska (a company that acquired RESI in 1998) from January 1998 to December 2001. Mr. Rapley has served as the President and Chief Executive Officer of Rapley Consulting, Inc. since January 2000.

Other Public Company Directorships: Mr. Rapley has served as a director of Liberty Interactive since July 2002, having previously served as a director during 1994. He has served as a director of LGI since June 2005 and served as a director of its predecessor, LMI, from May 2004 to June 2005.

Name

Position and Experience

Board Membership Qualifications: Mr. Rapley brings to Spinco's board the unique perspective of his lifelong career as an engineer. The industries in which Spinco will compete are heavily dependent on technology, which continues to change and advance. Mr. Rapley's perspectives will assist the board in adapting to these changes and developing strategies for Spinco's businesses.

Larry E. Romrell

A director of Spinco.

Age: [72]

Professional Background: Mr. Romrell has served as a director of Liberty Media since September 2011. Mr. Romrell held numerous executive positions with TCI from 1991 to 1999. Previously, Mr. Romrell held various executive positions with Westmar Communications, Inc.

Other Public Company Directorships: Mr. Romrell has served as a director of Liberty Interactive from March 1999 to September 2011 and since December 2011. He has served as a director of LGI since June 2005 and served as a director of its predecessor, LMI, from May 2004 to June 2005.

Board Membership Qualifications: Mr. Romrell brings extensive experience, including venture capital experience, in the telecommunications industry to Spinco's board and is an important resource with respect to the management and operations of companies in the industry.

Andrea L. Wong

A director of Spinco.

Age: [46]

Professional Background: Ms. Wong has served as a director of Liberty Media since September 2011. h1. h1

Wong has . h1h1

Executive Officers

The following sets forth certain information concerning the persons (other than Messrs







SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Secu




Security Ownership of Management

The following table sets forth information with respect to the estimated beneficial ownership by each person who is expected to serve as an executive officer or director of Spinco and all of such persons as a group of shares of Spinco's Series A common stock and Series B common stock, assuming that the distribution had occurred at 5:00 p.m., New York City time, on August 31, 2012. The percentage voting power is presented on an aggregate basis for all series of Spinco common stock.

The security ownership information for Spinco common stock has been estimated based upon the distribution ratio of 1-for-1 and outstanding stock information for Liberty Media's common stock as of August 31, 2012, and, in the case of percentage ownership

(2) Includes restricted shares of Series A common stock, none of which are vested, as follows:



The table is redacted with eight horizontal blue bars. The bars are of varying lengths, with the last bar being the longest and ending with a double underline.

(8) Includes shares of Series A common stock held in the Liberty 401(k) Savings Plan as follows:

Gregory B. Maffei	11,742
Charles Y. Tanabe	1,511
Albert E. Rosenthaler	2,131
Christopher W. Shean	4,154
Total	<u>19,538</u>

(9) Includes 50,000 shares of Series A common stock held by the Maffei Foundation, as to which shares Mr. Maffei has disclaimed beneficial ownership.

(10) Includes 6,986 Series A common stock shares and 217,741 Series B common stock shares owned by Hilltop Investments, LLC, which is jointly owned by Mr. Bennett and his wife, Deborah Bennett.

Change of Control

Other than as contemplated by the Spin-Off, we know of no arrangements, including any pledge by any person of its securities, the operation of which may at a subsequent date result in a change in control of our company. For more information about the Spin-Off, please see "The Spin-Off."

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We expect that our board of directors will adopt a formal written policy for the review, approval or ratification of any transactions or arrangements involving related parties. All of our directors, executive officers and employees will be subject to the policy and will be asked to promptly report any such related party transaction. No related party transaction will be effected without the approval of the independent committee of the board designated by the board to address such actual or potential conflicts. Directors will be asked to recuse themselves from any discussion or decision by the board or a board committee that involves or affects their personal, business or professional interests.

Relationships Between Spinco and Liberty Media/Starz and/or Liberty Interactive

Following the Spin-Off, Starz and Spinco will operate independently, and neither will have any ownership interest in the other. In order to govern certain of the ongoing relationships between Starz and Spinco after the Spin-Off and to provide mechanisms for an orderly transition, Liberty Media/Starz and Spinco are entering into certain agreements, the terms of which are summarized below. Also summarized below is an agreement entered into between Liberty Media and Liberty Interactive, which will be assumed by Spinco following the Spin-Off, and an agreement previously entered into between Liberty Interactive and a subsidiary of Liberty Media which will be a subsidiary of Spinco following the Spin-Off.

In addition to the agreements described below, Starz may enter into, from time to time, agreements and arrangements with Spinco and certain of its related entities, in connection with, and in the ordinary course of, its business.

Reorganization Agreement

Prior to the effective time of the Spin-Off, Spinco will enter into a reorganization agreement with Liberty Media to provide for, among other things, the principal corporate transactions (including the internal restructuring) required to effect the Spin-Off, certain conditions to the Spin-Off and provisions governing the relationship between Spinco and Liberty Media with respect to and resulting from the Spin-Off.

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

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

The reorganization agreement may be terminated and the Spin-Off may be abandoned, at any time prior to the distribution date, by and in the sole discretion of the Liberty Media board of directors. In such event, Liberty Media will have no liability to any person under the reorganization agreement or any obligation to effect the Spin-Off.

This summary is qualified by reference to the full text of the reok



- would be inconsistent with, or otherwise cause any person to be in breach of, any representation, covenant, or material statement made in connection with obtaining any private letter ruling (if applicable) or tax opinion relating to the U.S. federal income tax consequences of the Spin-Off, the Starz Conversion, or the Split-Off; or
- would be inconsistent with, or otherwise cause any person to be in breach of, any representation or covenant made in the Liberty Interactive Tax Sharing Agreement.

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

The parties must indemnify each other for taxes and losses allocated to them under the tax sharing agreement and for taxes and losses arising from a breach by them of their respective covenants and obsei



expected to provide services to Starz, including officers of Spinco who will also act as officers of Starz. These personnel costs will be comparable to those arrived at on an arm's-length basis and will be based upon the allocated percentages of time spent by Spinco personnel performing services for Starz under the services agreement. Starz will also reimburse Spinco for direct out-of-pocket costs incurred by Spinco for third party services provided to Starz. Spinco and Starz will evaluate all charges for reasonableness semi-annually and make adjustments to these charges as the parties mutually agree upon. Based upon the current personnel costs of the affected Spinco personnel and Starz's anticipated percentage usage thereof, the fees payable to Spinco for the first year of the services agreement are expected to be approximately \$2 million. To the extent Starz provides services to Spinco or incurs expenses in connection with the provision of such services, Spinco will reimburse Starz in a manner similar to which Starz will reimburse Spinco under the services agreement.

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

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

Facilities Sharing Agreements

Facilities Sharing Agreement with Liberty Interactive.



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

We believe that the ability of our board of directors to issue one or more series of our preferred stock will provide us with flexibility in structuring possible future financings and acquisitions, and in meeting other corporate needs that might arise. The authorized shares of our preferred stock, as well as shares of our common stock, will be available for issuance without further action by our stockholders, unless such action is required by applicable law or the rules of any stock exchange or automatic quotation system on which our securities may be listed or traded.

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

Other Provisions of our Certificate of Incorporation and Bylaws

Board of Directors

Our charter provides that, subject to any rights of the holders of any series of preferred stock to elect additional directors, the number of our directors will not be less than three and the exact number will be fixed from time to time by a resolution of our board. The members of our board, other than those who may be elected by holders of any preferred stock, will be divided into three classes. Each class consists, as nearly as possible, of a number of directors equal to one-third of the then authorized number of board members. The term of office of our Class I directors expires at the annual meeting of our stockholders in 2014. The term of office of our Class II directors expires at the annual meeting of our stockholders in 2015. The term of office of our Class III director expires at the annual meeting of our stockholders in 2013. At each annual meeting of our stockholders, the successors of that class of directors whose term expires at that meeting will be elected to hold office for a term expiring at the annual meeting of our stockholders held in the third year following the year of their election. The directors of each class will hold office until their respective successors are elected and qualified or until such director's earlier death, resignation or removal.

Our charter provides that, subject to the rights of the holders of any series of our preferred stock, directors may be removed from office only for cause upon the affirmative vote of the holders of at least a majority of the aggregate voting power of our outstanding capital stock entitled to vote on such matter voting together as a single class.

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

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

Limitation on Liability and Indemnification

To the fullest extent permitted by Delaware law, our directors are not liable to our company or any of its stockholders for monetary damages for breaches of fiduciary duties as a director. In addition, our company indemnifies, to the fullest extent permitted by applicable law, any person involved in any suit or action by reason of the fact that such person is a director or officer of our company or, at our request, a director, officer, employee or agent of another corporation or entity, against all liability, loss and expenses incurred by such person. We will pay expenses of a director or officer in defending any proceeding in advance of its final disposition, provided that such payment is made upon receipt of an undertaking by the director or officer to repay all amount it/ovllÂountssifi

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the DGCL provides, generally, that a corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (except actions by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the corporation against all expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. A corporation may similarly indemnify such person for expenses actually and reasonably incurred by such person in connection with the defense or settlement of any action or suit by or in the right of the corporation, *provided* that such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, in the case of claims, issues and matters as to which such person shall have been adjudged liable to the corporation, *provided* that a court shall have determined, upon application, that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and equitably entitled to indemnification.

(b) *Prepayment of Expenses.* Spinco will pay the expenses (including attorney's fees) incurred by a director or officer in defending any proceeding in advance of its final disposition; provided, however, that the payment of expenses incurred by a director or officer in advance of the final disposition of the proceeding will be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that the director or officer is not entitled to be indemnified under this paragraph or otherwise.

(c) *Claims.* If a claim for indemnification or payment of expenses under this paragraph is not paid in full within 60 days after a written claim therefor has been received by Spinco, the claimant may file suit to recover the unpaid amount of such claim and, if successful, will be entitled to be paid the expense (including attorney's fees) of prosecuting such claim to the fullest extent permitted by Delaware law. In any such action Spinco will have the burden of proving that the claimant was not entitled to the requested indemnification or payment of expenses under applicable law.

(d) *Non-Exclusivity of Rights.* The rights conferred on any person by this paragraph will not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the charter, the bylaws of Spinco, agreement, vote of stockholders or resolution of disinterested directors or otherwise.

(e) *Other Indemnification.* Spinco's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity will be reduced by any amount such person may collect as indemnification from such other corporation, partnership, joint venture, trust, enterprise or nonprofit entity.

3. *Amendment or Repeal.*

Any amendment, modification or repeal of the foregoing provisions of Article V, Section E of the charter will not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The audit committee of Liberty Media's board of directors has selected KPMG LLP as our independent registered public accounting firm for the year ended December 31, 2012.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form 10 with the SEC with respect to the shares of our common stock being distributed as contemplated by this information statement. This information statement is a part of, and does not contain all of the information set forth in, the registration statement and the exhibits and schedules to the registration statement. For further information with respect to our company and our common stock, please refer to the registration statement, including its exhibits and schedules. Statements made in this information statement relating to any contract or other document are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contract or document.

As a result of the distribution, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with the Exchange Act, we will file periodic reports, proxy statements and other information with the SEC. You may read and copy any document that Spinco files with the SEC, including the registration statement on Form 10, including its exhibits and schedules, at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at (800) SEC-0330. You may also inspect such filings on the Internet website maintained by the

SEC at www.sec.gov. Information contained on any website referenced in this information statement is not incorporated by reference in this information statement.

You may request a copy of any of our filings with the SEC at no cost, by writing or telephoning the office of:

Investor Relations
Liberty Spinco, Inc.
12300 Liberty Blvd.
Englewood, Colorado 80112
Telephone: (720) 875-5408

We intend to furnish holders of our common stock with annual reports containing consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles and audited and reported on, with an opinion expressed, by an independent public accounting firm.

For additional information regarding Liberty Media and its subsidiaries, you may read and copy Liberty Media's periodic reports, proxy statements and other information publicly filed by Liberty Media at the SEC's Public Reference Room or on the SEC's website, and you may contact Liberty Media at the contact information set forth therein.

You may request a copy of any of Liberty Media's filings with the SEC at no cost, by writing or telephoning the office of:

Investor Relations
Liberty Media Corporation
12300 Liberty Blvd.
Englewood, Colorado 80112
Telephone: (720) 875-5408

Pursuant to a services agreement to be entered into between our company and Liberty Media, we will provide Starz with investor relations assistance for a period following the Spin-Off. Accordingly, if you have questions relating to Spinco or Starz following the Spin-Off, you should contact the office of Investor Relations of Spinco at the address and telephone number above.

You should rely only on the information contained in this information statement or to which we have referred you. We have not authorized any person to provide you with different information or to ~ / h

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
	<u>amounts in millions</u>	
<i>Assets</i>		
Current assets:		
Cash and cash equivalents	\$ 2,070	2,090
Trade and other receivables, net	288	257
Program rights	442	411
Short term marketable securities	299	509
Restricted cash (note 11)	709	53
Receivable from Liberty Interactive	—	85
Deferred income tax assets	61	—
Other current assets	45	137
Total current assets	<u>3,914</u>	<u>3,542</u>
Investments in available-for-sale securities and other cost investments (note 7 and 9)	1,859	4,550
Investments in affiliates, accounted for using the equity method (note 8)	567	91
Property and equipment, at cost	504	520
Accumulated depreciation	(289)	(273)
	<u>215</u>	<u>247</u>
Intangible assets not subject to amortization (note 10)	475	485
Intangible assets subject to amortization, net (note 10)	135	164
Program rights	320	323
Deferred costs	—	345
Deferred income tax assets	—	371
Other assets, at cost, net of accumulated amortization	238	674
Total assets	<u>\$ 7,723</u>	<u>10,792</u>

(continued)

See accompanying notes to consolidated financial statements.



LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Statements Of Operations (Continued)

Years ended December 31, 2011, 2010 and 2009

See accompanying notes to consolidated financial statements.

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2020, 2019, and 2018



LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

(2) Tracking Stocks (Continued)

economic performance of the businesses and assets attributed to the Starz Group and Capital Group, respectively. On November 28, 2011, Liberty completed the conversion of each outstanding share of Liberty Starz common stock for 0.88129 of a share of the corresponding series of Liberty Capital common stock, with cash paid in lieu of any fractional shares (the "Conversion"). As a result of the Conversion there are no outstanding shares of Liberty Starz tracking stock at December 31, 2011. The Liberty Capital common stock previously traded under the LCAPA and LCAPB ticker symbols; at the date of conversion the ticker symbols changed to LMCA and LMCB.

While the Starz Group and the Capital Group had separate collections of businesses, assets and liabilities attributed to them, no group was a separate legal entity and therefore could not own assets, issue securities or enter into legally binding agreements. Holders of the tracking stocks had no direct claim to the group's stock or assets and were not represented by separate boards of directors. Instead, holders of tracking stock were stockholders of the Company, with a single board of directors and subject to all of the risks and liabilities of the Company.

Prior to the Split-Off, during the time that Liberty Interactive had separate tracking stocks outstanding, the following changes in attribution were made between the respective tracking stock groups which impacted the attributed results of the tracking stock groups in those historical periods and the consolidated results of Liberty.

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

- the change in attribution from its Interactive Group to its Capital Group of a 14.6% ownership interest in Live Nation Entertainment, Inc.;
- the change in attribution from its Capital Group to its 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 its Capital Group to its Interactive Group of approximately \$830 million in net taxable income to be recognized ratably in tax years 2014 through 2018 as a result of the cancellation in April 2009 of \$400 million in principal amount of 2029 Exchangeables and \$350 million in principal amount of 2030 Exchangeables; and
- the change in attribution from the Capital Group to the Interactive Group of \$807 million in cash.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

(2) Tracking Stocks (Continued)

On September 16, 2010, Liberty Interactive's board of directors approved a change in attribution of its 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 \$55 million owed by the Capital Group to the Starz Group was extinguished, and the Starz Group became attributed with approximately \$54 million in bank debt, interest rate swaps and any shutdown costs associated with the winding down of the Overture Films business. Notwithstanding the Starz Media Reattribution, certain tax benefits relating to the operation of the Starz Media, LLC business during the time it was attributed to the Capital Group that may be realized from any future sale or other disposition of that business by the Starz Group was attributed to the Capital Group. The Starz Media Reattribution had no impact on the consolidated results of Liberty.

On February 9, 2011, Liberty Interactive's board approved a change in attribution of \$1,138 million of the 3.125% Exchangeable Senior Debentures due 2023, the stock into which such debt is exchangeable (approximately 22 million shares of Time Warner, Inc., 5 million shares of Time Warner Cable Inc. and 2 million shares of AOL, Inc. with an aggregate carrying value of \$1,215 million at the time of the reattribution) and cash of \$264 million from its Capital Group to its Interactive Group (the "TWX Reattribution").

As discussed in note 1, the Liberty Interactive tracking stock businesses and assets remained with Liberty Interactive Corporation in the Split-Off. Liberty has reflected these reattributions discussed above prospectively for the results attributed to the tracking stock groups in prior periods. In each case, the assets and liabilities were reattributed at their book values rather than the estimated fair values of those assets and liabilities that were considered by our board of directors, among other factors, in approving the applicable reattribution. As a result, on a book value basis a change in attribution is reflected as a transfer of net assets between the tracking stocks. The principal reasons for the difference between fair value and book value is (i) the deferred tax liabilities under GAAP are required to be carried at the gross undiscounted basis difference multiplied by the company's effective tax rate whereas on a fair value basis, these future tax liabilities are not expected to be incurred for many years and therefore their present discounted value is substantially less, and (ii) certain of the senior exchangeable debentures are expected to continue to generate interest deductions for tax purposes in excess of the annual cash coupon over their remaining life, the present value of which is not reflected in the book values of the reattributed assets and liabilities.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

(2) Tracking Stocks (Continued)

The Pro Forma summarized unaudited balance sheet and statements of operation of Liberty as if the reattributions discussed above occurred for the Balance Sheet data as of that date and for the Statement of Operations data as if they had occurred on January 1, 2009, are as follows:

Summary Balance Sheet Data:

Summary Operations Data:

Due to the timing of the TWX reattribution, in February 2011, any Pro Forma impact to the 2011 results was considered insignificant. Therefore, no Pro Forma information was considered necessary.

(3) Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash equivalents consist of investments which are readily convertible into cash and have maturities of three months or less.

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

(3) Summary of Significant Accounting Policies (Continued)

Receivables

Receivables are reflected net of an allowance for doubtful accounts and sales returns. Such allowance aggregated \$39 million and \$32 million at December 31, 2011 and 2010, respectively. Activity in the periods ended December 31, 2011, 2010 and 2009 included \$9 million, zero and \$7 million of bad debt charged to expense, respectively, and \$2 million, \$3 million and \$1 million of write-offs, respectively.

Program Rights

Costs of program rights for films and television programs exhibited by Starz Channels are generally amortized on a film-by-film basis over the anticipated number of exhibitions. Starz Channels estimates the number of exhibitions based on the number of exhibitions allowed in the agreement and the expected usage of the content. Certain other program rights are amortized to expense using the straight-line method over the respective lives of the agreements. Starz Channels generally has rights to two separate windows under its output agreements. For films with multiple windows, the license fee is allocated between the first and second window based upon the proportionate estimated fair value of each window. Considerable management judgment is necessary to estimate the fair value of each window. Changes in estimate could significantly impact earnings in the future.

Investment in Films and Television Programs

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

(3) Summary of Significant Accounting Policies (Continued)

are charged to expense when a project is abandoned, or generally if the film, television program or original production has not been set for production within three years from the time of the first capitalized transaction.

Investment in films and television programs is reviewed for impairment on a title-by-title basis when an event or change in circumstances indicates that a film, television program or original production may be impaired. The estimated fair value for each title is determined using the discounted estimated future cash flow of each title. If the estimated fair value of a film, television program or original production is less than its unamortized cost, the excess of unamortized costs over the estimated fair value is charged to expense. Considerable management judgment is necessary to estimate the fair value of investment in films and television programs. Changes in these estimates could significantly impact the impairment analysis in the future.

Investments

All marketable equity and debt securities held by the Company are classified as available-for-sale ("AFS") and are carried at fair value generally based on quoted market prices. U.S. generally accepted accounting principles ("GAAP") permit entities to choose to measure many financial instruments, such as AFS securities, and certain other items at fair value and to recognize the changes in fair value of such instruments in the entity's statement of operations (the "fair value option"). Under other relevant GAAP, entities were required to recognize changes in fair value of AFS securities in the balance sheet in accumulated other comprehensive earnings. Liberty has entered into economic hedges for certain of its non-strategic AFS securities (although such instruments are not accounted for as fair value hedges by the Company). Changes in the fair value of these economic hedges are reflected in Liberty's statement of operations as unrealized gains (losses). In order to better match the changes in fair value of the subject AFS securities and the changes in fair value of the corresponding economic hedges in the Company's financial statements, Liberty has elected the fair value option for those of its AFS securities which it considers to be non-strategic ("Non-strategic Securities"). Accordingly, changes in the fair value of Non-strategic Securities, as determined by quoted market prices, are reported in realized and unrealized gain (losses) on financial instruments in the accompanying consolidated statement of operations. The total value of AFS securities for which the Company has elected the fair value option aggregated \$1.4 billion on and \$1.5 billion, as compared to \$1.4 billion, as of December 31, 2011 and 2010, respectively.





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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

(3) Summary of Significant Accounting Policies (Continued)

contracts or materially modified contracts with multiple element arrangements are accounted for based on the relative fair value of each separate element and recognized as earned.

- Revenue from the sale of DVDs is recognized net of an allowance for estimated returns, on the later of estimated receipt of the product by the customer or after any restrictions on the sale lapse. Revenue from television licensing is recognized when the film or program is complete in accordance with the terms of the arrangement, the license period has begun and is available for telecast or exploitation. Revenue from the theatrical release of feature films is recognized at the time of exhibition based on the Company's participation in box office receipts.
- Revenue for ticket sales, local radio and television rights, signage and suites are recognized on a per game basis during the baseball season based on a pro rata share of total revenues earned during the entire baseball season to the total number of home games during the season. Concession revenue is recognized as commissions are earned from the sale of food and beverage at the stadium in accordance with agreements with the Company's concessions vendors. Major League Baseball (MLB) revenue is earned throughout the year based on an estimate of revenues generated by MLB on behalf of the 30 MLB clubs through the MLB Central Fund and MLB Properties and revenue sharing income or expense.

Additionally, TruePosition's contract with T-Mobile expired in mid-2011; however software maintenance services ordered prior to that date continued to be provided through the end of the year. TruePosition had deferred substantially all of the revenue earned from T-Mobile since the inception of the contract due to an obligation to provide specified upgrades which were not delivered and for which no Vendor Specific Objective Evidence existed. Upon expiration of the software maintenance period, this obligation ceased to exist and, accordingly, TruePosition recognized approximately \$491 million and \$242 million of previously deferred revenue and costs, respectively.

Advertising Costs

Advertising costs generally are expensed as incurred. Advertising expense aggregated \$114 million, \$154 million and \$211 million for the years ended December 31, 2011, 2010 and 2009, respectively. Co-operative marketing costs incurred as part of affiliation agreements with distributors are recognized as advertising expense to the extent an identifiable benefit is received and fair value of the benefit can be reasonably measured. Otherwise, such costs are recorded as a reduction of revenue.

Stock-Based Compensation

As more fully described in note 15, Liberty has granted to its directors, employees and employees of its subsidiaries options and stock appreciation rights ("SARs") to purchase shares of Liberty common stock (collectively, "Awards"). The Company measures the cost of employee services received in exchange for an Award of equity instruments (such as stock options and restricted stock) based on the grant-date fair value of the Award, and recognizes that cost over the period during which the employee is required to provide service (usually the vesting period of the Award). The Company measures the cost of employee services received in exchange for an Award of liability instruments (such as stock appreciation rights that will be settled in cash) based on the current fair value of the Award, and remeasures the fair value of the Award at each reporting date.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

(3) Summary of Significant Accounting Policies (Continued)

Included in selling, general and administrative expenses in the accompanying combined statements of operations are the following amounts of stock-based compensation (amounts in millions):

Included in earnings from discontinued operations for the year ended December 31, 2009 is \$55 million of stock-based compensation related to stock options and restricted stock, the vesting of which was accelerated in connection with the closing of the DTV Business Combination.

As of December 31, 2011, the total unrecognized compensation cost related to unvested Liberty equity Awards was approximately \$68 million. Such amount will be recognized in the Company's consolidated statements of operations over a weighted average period of approximately 2.2 years.

Income Taxes

The Company was included in the consolidated tax return of Liberty Interactive through the date of the Split-Off. Following the Split-Off the Company files its own consolidated tax return. The Company accounts for income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying value amounts and income tax bases of assets and liabilities and the expected benefits of utilizing net operating loss and tax credit carryforwards. The deferred tax assets and liabilities are calculated using enacted tax rates in effect for each taxing jurisdiction in which the company conducts its business.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

(3) Summary of Significant Accounting Policies (Continued)

Earnings attributable to Liberty Stockholders Per Common Share

Net earnings attributable to Liberty stockholders are comprised of the following:

Basic earnings (loss) per common share ("EPS") is computed by dividing net earnings (loss) by the weighted average number of common shares that were outstanding for the period at the Company. Diluted EPS presents the dilutive effect on a per share basis of potential common shares as if they had been converted at the , s^t ~ 2

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

(3) Summary of Significant Accounting Policies (Continued)

Liberty Starz Common stock outstanding and the Basic and Diluted EPS calculations are through the Conversion date.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The Company considers (i) fair value measurements, (ii) accounting for income taxes, (iii) assessments of other-than-temporary declines in fair value of its investments and (iv) amortization of program rights to be its most significant estimates.

The Company holds investments that are accounted for using the equity method. The Company does not control the decision making process or business management practices of these affiliates. Accordingly, the Company relies on management of these affiliates to provide it with accurate financial information prepared in accordance with GAAP that the Company uses in the application of the equity method. In addition, the Company relies on audit reports that are provided by the affiliates' independent auditors on the financial statements of such affiliates. The Company is not a nos is di su n a Company r pany uaf y B

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

(3) Summary of Significant Accounting Policies (Continued)

beginning on or after June 15, 2010, with early adoption permitted. Adoption may either be on a prospective basis or by retrospective application.

The Company 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 the Company, 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 require that when a contract is materially modified it is subject to the new accounting requirements. This resulted in the Company recognizing revenue from the amended contract as of January 1, 2011.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

(5) Discontinued Operations (Continued)

shares of Holdings Class A common stock (with payment of cash in lieu of any fractional shares), and (iii) DIRECTV merged with a wholly-owned subsidiary of Holdings, and each share of DIRECTV common stock was exchanged for one share of Holdings Class A common stock.

Because the LEI Split-Off was conditioned on, among other matters, satisfaction and waiver of all conditions to the DTV Business Combination, the LEI Split-Off and the DTV Business Combination have been recorded at fair value, and Liberty Interactive recognized an approximate \$5,900 million gain on the transaction. Such gain is included in earnings from discontinued operations in the accompanying consolidated statement of operations. Due to the tax-free nature of the LEI Split-Off and the DTV Business Combination, no taxes have been recorded on the gain for financial statement purposes.

Certain combined statement of operations information for LEI, which is included in earnings from discontinued operations, is as follows:

	Year ended December 31, 2009
	amounts in millions
Revenue	\$ 240
Earnings before income taxes(1)	\$ 5,770

(1) Includes the gain from the LEI Split-Off/DTV Business Combination in 2009.

(6) 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.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

(6) Assets and Liabilities Measured at Fair Value (Continued)

Liberty's assets and liabilities measured at fair value are as follows:

Description	December 31, 2011				December 31, 2010			
	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		amounts in millions						
Short term marketable securities	\$ 299	—	299	—	509	\$ —	509	—
Available-for-sale securities	\$ 1,851	1,441	410	—	4,541	4,165	376	—
Financial instruments	\$ 7	—	7	—	1,230	1,219	11	—
Debt	\$ —	—	—	—	1,283	—	1,283	—

The majority of Liberty's Level 2 financial assets are investments in debt related instruments. The Company notes that these assets are not always traded publicly or not considered to be traded on "active markets," as defined in GAAP. The fair values for such instruments are derived from a typical model using observable market data as the significant inputs. The fair value of debt in the prior year was based on quoted market prices but not considered to be traded on "active markets," as defined by GAAP. Accordingly, those Available-for-sale securities, financial instruments and debt are reported in the foregoing table as Level 2 fair value.

(7) Investments in Available-for-Sale Securities and Other Cost Investments

All marketable equity and debt securities held by the Company are classified as available-for-sale ("AFS") and are carried at fair value generally based on quoted market prices. GAAP permits entities to choose to measure many financial instruments, such as AFS securities, and certain other items at fair value and to recognize the changes in fair value of such instruments in the entity's statement of operations (the "fair value option"). The Company previously had entered into economic hedges for certain of its non-strategic AFS securities (although such instruments are not accounted for as fair value hedges by the Company). Changes in the fair value of those economic hedges were reflected in the Company's statement of operations as unrealized gains (losses). In order to better match the changes in fair value of the subject AFS securities and the changes in fair value of the corresponding economic hedges in the Company's financial statements, the Company has elected the fair value option for those of its AFS securities which it considers to be non-strategic ("Non-strategic Securities"). Accordingly, changes in the fair value of Non-strategic Securities, as determined by quoted market prices, are reported in realized and unrealized gains (losses) on financial instruments in the accompanying condensed consolidated statements of operations. The total value of the Non-strategic Securities aggregated \$1,435 million as of December 31, 2011.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

(7) 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:

	<u>December 31,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>
	amounts in millions	
Time Warner Inc.(1)(2)	\$ 340	1,101
Time Warner Cable Inc.(1)(2)	150	567
Sprint Nextel Corporation ("Sprint")(1)	44	301
Motorola Solutions(1)	—	471
Viacom, Inc.	345	301
Live Nation(3)	24	389
Century Link, Inc.(1)	67	248
Barnes & Noble, Inc.(4)	253	—
Priceline(1)	—	208
Other AFS equity securities(1)(2)	46	176
SIRIUS XM debt securities	384	384
Other AFS debt securities	206	404
	<u>\$ 1,859</u>	<u>4,550</u>

- (1) Includes shares previously pledged as collateral for share borrowing arrangements. These arrangements were settled in the fourth quarter of 2011 through the release of these shares, held as collateral, to the counterparty. See note 9 for additional discussion.
- (2) As discussed in note 2, prior to the Split-Off, certain of these securities were reattributed from the Capital Group to the Interactive Group in the first quarter of 2011.
- (3) In June 2011, Liberty acquired an additional 5.5 million shares of Live Nation for \$58 million. The additional ownership requires the Company to account for the 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.
- (4) In August 2011, Liberty acquired 204,000 shares of preferred stock of Barnes & Noble, Inc., which is convertible into an approximate 17% common equity interest, for \$204 million. The preferred stock pays dividends at a rate of 7.75% per annum. Liberty has elected to account for its investment in Barnes & Noble at fair value. Accordingly, changes in fair value of Barnes & Noble, Inc. preferred stock are reported in realized and unrealized gains (losses) on financial instruments in the accompanying condensed consolidated statements of operations.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

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

Unrealized Holding Gains and Losses

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

(8) Investments in Affiliates Accounted for Using the Equity Method

Liberty has various investments accounted for using the equity method. The following table includes the Company' a



LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

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

SIRIUS XM Consolidated Statement of Operations

As of December 31, 2011, the SIRIUS XM Preferred Stock had a market value of \$4,708 million based on the value of the common stock into which it is convertible.

(9) Financial Instruments

Borrowed Shares

From time to time and in connection with certain of its derivative instruments, the Company borrows shares of the underlying securities from a counterparty and delivers these borrowed shares in settlement of maturing derivative positions. In these transactions, a similar number of shares that are owned by the Company have been posted as collateral with the counterparty. These share borrowing arrangements can be terminated at any time at the Company's option by delivering shares to the counterparty. The counterparty can terminate these arrangements at any time. The liability under these share borrowing arrangements is marked to market each reporting period with changes in value recorded in unrealized gains or losses in the 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 settled all the outstanding borrowed share arrangements in the fourth quarter.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

(10) Goodwill and Other Intangible Assets (Continued)

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

(11) Debt (Continued)

Bank Facility

The outstanding balance represents borrowings from a financial institution to be invested by the Company in a portfolio of selected debt and mezzanine-level instruments of companies in the telecommunications, media and technology sectors. The outstanding principal matures in March 2012. Due to the

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

(12) Income Taxes (Continued)

The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities are presented below:

	December 31,	
	2011	2010
	amounts in millions	
Deferred tax assets:		
Net operating and capital loss carryforwards	\$ 76	590
Accrued stock compensation	41	39
Other accrued liabilities	60	59
Discount on exchangeable debentures	—	48
Deferred revenue	18	409
Other future deductible amounts	31	26
Deferred tax assets	226	1,171
Valuation allowance	(30)	(9)
Net deferred tax assets	196	1,162
Deferred tax liabilities:		
Investments	419	1,008
Intangible assets	100	106
Other	27	31
Deferred tax liabilities	546	1,503
Net deferred tax liabilities	\$ 350	341

The Company's deferred tax assets and liabilities are reported in the accompanying consolidated balance sheets as follows:

The Company's net increase in the valuation allowance was \$21 million in 2011. The gross change in valuation allowance that affected tax expense was \$20 million.

At December 31, 2011, the Company had federal net operating and capital loss carryforwards for income tax purposes aggregating approximately \$118 million which, if not utilized to reduce taxable income in future periods, \$1 million will expire in 2012, \$68 million will expire in 2015 and \$49 million will expire beyond 2016. The foregoing net operating and capital loss carryforwards are subject to certain limitations and may not be currently utilized.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements (Continued)****December 31, 2011, 2010 and 2009****(13) Stockholders' Equity (Continued)*****Common Stock***

Series A Liberty Capital common stock has one vote per share and Series B Liberty Capital common stock has ten votes per share. Each share of the Series B common stock is exchangeable at the option of the holder for one share of Series A common stock. The Series A and Series B common stock participate on an equal basis with respect to dividends and distributions.

As of December 31, 2011, there were 7.7 million shares of Series A Liberty Capital common stock reserved for issuance under exercise privileges of outstanding stock options.

In addition to the Series A and Series B Liberty Capital common stock there are 2 billion shares of Series C Liberty Capital common stock authorized for issuance. As of December 31, 2011, no shares of any Series C common stock were issued or outstanding.

Purchases of Common Stock

As described in note 2, in November of 2011, Liberty exchanged each outstanding share of Liberty Starz common stock for 0.88129 of a share of the corresponding series of Liberty Capital common stock, with cash paid in lieu of any fractional shares. Additionally, in November 2009, Liberty Interactive redeemed 90% of its outstanding Liberty Entertainment common stock for shares of LEI, and the Liberty Entertainment common stock was redesignated as Liberty Starz common stock.

During the year ended December 31, 2009, the Company repurchased 642,400 shares of Series A Liberty Capital common stock for aggregate cash consideration of \$5 million and 272,400 shares of Series A Liberty Starz common stock for aggregate cash consideration of \$13 million.

During the year ended December 31, 2011, the Company repurchased 3,720,000 shares of Series A Liberty Capital common stock for aggregate cash consideration of \$13 million.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

(15) Stock-Based Compensation

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

(15) Stock-Based Compensation (Continued)

Liberty—Grants of Liberty Capital and Starz tracking stock options

Awards granted in 2011, 2010 and 2009 pursuant to the Incentive Plans discussed above are summarized as follows:

During the year ended December 31, 2011, the Company granted, primarily to Starz employees, 496,000 options to purchase shares of Series A Liberty Starz common stock. Such options had a weighted average grant-date fair value of \$21.36 per share. These options vest quarterly over the 4 year vesting period.

In addition, during the year ended December 31, 2011, Liberty granted 162,347 options to purchase shares of Series A Liberty Capital common stock at a weighted average grant-date fair value of \$33.95 per share. These options primarily vest quarterly over a 4 year vesting period.

The Company has calculated the grant-date fair value for all of its equity classified awards and any subsequent remeasurement of its liability classified awards using the Black-Scholes Model. The Company estimates the expected term of the Awards based on historical exercise and forfeiture data. For grants made in 2011, 2010 and 2009, the range of expected terms was 4.4 to 5.7 years. The volatility used in the calculation for Awards is based on the historical volatility of Liberty's stocks and the implied volatility of publicly traded Liberty options. The Company uses a zero dividend rate and the risk-free rate for Treasury Bonds with a term similar to that of the subject options.

The following table presents the volatilities used by the Company in the Black-Scholes Model for the 2011, 2010 and 2009 grants.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, ~~2011~~, 2010 and 2009

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

(17) Other Comprehensive Earnings (Loss) (Continued)

The change in the components of accumulated other comprehensive earnings (loss), net of taxes ("AOCL"), is summarized as follows:

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

(17) Other Comprehensive Earnings (Loss) (Continued)

The components of other comprehensive earnings (loss) are reflected in Liberty's consolidated statements of comprehensive earnings (loss) net of taxes. The following table summarizes the tax effects related to each component of other comprehensive earnings (loss).

	Before-tax amount	Tax (expense) benefit	Net-of-tax amount
<i>amounts in millions</i>			
<i>Year ended December 31, 2011:</i>			
Unrealized holding gains (losses) on securities arising during period	\$ (39)		

(18) Transactions with Related Parties

During the year ended December 31, 2009, subsidiaries of Liberty recognized aggregate revenue of \$303 million from DIRECTV for distribution of their programming. In addition, subsidiaries of Liberty made aggregate payments of \$7 million in 2009 to DIRECTV for carriage and marketing.

(19) Commitments and Contingencies

Film Rights

Starz has entered into agreements with a number of motion picture producers which obligate Starz to pay fees ("Programming Fees") for the rights to exhibit certain films that are released by these producers. In March 2010, Starz entered into a new, exclusive long-term licensing agreement for theatrically released films from the Disney studios through 2015, which provides Starz with exclusive pay TV rights to exhibit qualifying theatrically released live-action and animated feature films from

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

(21) Quarterly Financial Information (Unaudited)

	<u>1st</u> <u>Quarter</u>	<u>2nd</u> <u>Quarter</u>	<u>3rd</u> <u>Quarter</u>	<u>4th</u> <u>Quarter</u>
	amounts in millions, except per share amounts			
<i>2011:</i>				
Revenue	\$ 973	538	540	973
Operating income	\$ 459	94	111	293

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2011, 2010 and 2009

(21) Quarterly Financial Information (Unaudited) (Continued)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	amounts in millions, except per share amounts			
<i>2010:</i>				
Revenue	\$ 473	511	570	496
Operating income	\$ 22	13	74	86
Earnings (loss) from continuing operations	\$ 79	(24)	74	889
Net earnings (loss) attributable to Liberty Media Corporation stockholders:				
Series A and Series B Liberty Capital common stock	\$ 22	(82)	26	849
Series A and Series B Liberty Starz common stock	\$ 57	61	48	40
Basic net earnings (loss) attributable to Liberty Media Corporation stockholders per common share:				
Series A and Series B Liberty Capital common stock	\$ 0.23	(0.86)	0.30	10.11
Series A and Series B Liberty Starz common stock	\$ 1.14	1.22	0.96	0.78
Diluted net earnings (loss) attributable to Liberty Media Corporation stockholders per common share:				
Series A and Series B Liberty Capital common stock	\$ 0.22	(0.86)	0.29	9.76
Series A and Series B Liberty Starz common stock	\$ 1.10	1.20	0.92	0.77

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements Of Operations

(unaudited)

(continued)

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements Of Operations (Continued)

(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
	amounts in millions, except per share amounts			
Basic net earnings (loss) attributable to Liberty stockholders per common share (note 4):				
Series A and Series B Liberty Capital common stock	\$ 1.31	0.27	2.44	3.72
Series A and Series B Liberty Starz common stock	NA	1.31	NA	2.33
Diluted net earnings (loss) attributable to Liberty stockholders per common share (note 4):				
Series A and Series B Liberty Capital common stock	\$ 1.27	0.27	2.36	3.63
Series A and Series B Liberty Starz common stock	NA	1.26	NA	2.25

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements Of Comprehensive Earnings (Loss)

(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	C 2011
Net				

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statement Of Equity

(unaudited)

Six months ended June 30, 2012

Preferred Stock	Stockholders' equity			Accumulated other comprehensive earnings	Noncontrolling interest in equity of subsidiaries
	Liberty Capital	Additional Paid al			

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(1) Basis of Presentation

The accompanying consolidated financial statements are unaudited and should be read in conjunction with the audited financial statements for the year ended December 31, 2019.



LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

(3) Stock-Based Compensation (Continued)

Included in selling, general and administrative expenses in the accompanying condensed consolidated statements of operations are the following amounts of stock-based compensation (amounts in millions):

In the six months ended June 30, 2012, the Company granted, primarily to Starz employees, 646,000 options to purchase shares of Series A Liberty Capital common stock. Such options had a weighted average



LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

(3) Stock-Based Compensation (Continued)

The following table provides additional information about outstanding Awards to purchase Liberty Capital common stock at June 30, 2012.

As of June 30, 2012, the total unrecognized compensation cost related to unvested Liberty Awards was approximately \$81 million. Such amount will be recognized in the Company's condensed consolidated statements of operations over a weighted average period of approximately 2.5 years.

As of June 30, 2012, Liberty reserved 8.0 million Series A Liberty Capital common stock for issuance under exercise privileges of outstanding stock Awards.

(4) Earnings Attributable to Liberty Media Corporation Stockholders Per Common Share

Basic earnings (loss) per common share ("EPS") is computed by dividing net earnings (loss) by the weighted average number of common shares outstanding for the period. Diluted EPS presents the dilutive effect on a per share basis of potential common shares as if they had been converted at the beginning of the periods presented.

Series A and Series B Liberty Capital Common Stock

The basic and diluted EPS calculation is based on the following weighted average outstanding shares of Liberty Capital common stock, based on the conversion ratio of 1 to 1 utilized in the Split-Off, prior to the Split-Off, and the actual Liberty Capital common stock after the Split-Off. Excluded from diluted EPS for the three months ended June 30, 2012 are less than a million potential common shares because their inclusion would be anti-dilutive.

Series A and Series B Liberty Starz Common Stock

The basic and diluted EPS calculation is based on the following weighted average outstanding shares of Liberty Starz common stock for the three and six months ended June 30, 2012 based on the conversion ratio of 1 to 1 utilized in the Split-Off and prior to the Split-Off. As discussed in note 2, on November 28, 2011 the Company converted each share of Liberty Starz into 0.88129 shares of Liberty Capital common stock. As of June 30, 2012, 0.88129 shares of Liberty Capital common stock were used in the diluted EPS calculation.



LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

(4) Earnings Attributable to Liberty Media Corporation Stockholders Per Common Share (Continued)

corresponding series of Liberty Capital common stock (with cash paid in lieu of fractional shares) to eliminate the tion



LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

(5) Assets and Liabilities Measured at Fair Value (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:

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

All marketable equity and debt securities held by the Company are classified as available-for-sale ("AFS") and are carried at fair value generally based on quoted market prices. GAAP permits entities to elect to carry equity securities that are not classified as AFS at cost. Equity securities classified as AFS are carried at fair value and debt securities classified as AFS are carried at amortized cost. Realized and unrealized gains (losses) on AFS securities are reported in net income. Realized and unrealized gains (losses) on debt securities classified as AFS are reported in other comprehensive income. AFS securities are carried at fair value and debt securities classified as AFS are carried at amortized cost. Realized and unrealized gains (losses) on AFS securities are reported in net income. Realized and unrealized gains (losses) on debt securities classified as AFS are reported in other comprehensive income.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

(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:

	<u>June 30,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
	<u>amounts in millions</u>	
Time Warner Inc.	\$ 363	340
Time Warner Cable Inc.	194	150
Sprint Nextel Corporation ("Sprint")	61	44
Viacom, Inc.	357	345
CenturyLink, Inc.	71	67
Barnes & Noble, Inc.	277	253
Other AFS equity securities	wlanet (3S	46
Sirius		

Unrealized Holding Gains and Losses

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

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

Liberty has various investments accounted for using the equity method. The following table includes the Company's carrying amount and percentage ownership of the more significant investments in affiliates at June 30, 2012 and the carrying amount at December 31, 2011:



LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Fina



Liberty Spinco, Inc.

Condensed Pro Forma Consolidated Financial Statements

June 30, 2012

(unaudited) 12 Q w

Liberty Spinco, Inc.
Condensed Pro Forma Consolidated Balance Sheet
December 31, 2011
(unaudited)

	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____

See accompanying notes to condensed pro forma consolidated financial statements.

Liberty Spinco, Inc.

Condensed Pro Forma Consolidated Statement of Operations

Six months ended June 30, 2011

(unaudited)

See accompanying notes to condensed pro forma consolidated financial statements.

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Liberty Spinco, Inc.

Condensed Pro Forma Consolidated Statement of Operations

Year Ended December 31, 2009

(unaudited)



