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- impairments by third-party intellectual property rights;
- our indebtedness could adversely affect operations and could limit the ability of our sub4so me

2017, Liberty Media's minority investments in Time Warner, Inc. ("

of the group of companies that exploit exclusive commercial rights pertaining to the Fédération Internationale de l'Automobile ("   ") Formula One World Championship® (the "   ") (such companies, together with Delta Topco, "   ") , other than a nominal number of equity securities held by the Teams (as defined below). The World Championship is an annual, approximately nine-month long, motor rac ng

The following summary is provided solely for your convenience and is not intended to be complete. You should read the full text and more specific details contained elsewhere in this prospectus supplement and the accompanying base prospectus. For a more detailed description of shares of FWONK, see the description of our capital stock contained in Amendment No. 1 to our Form 8-A filed on January 24, 2017 and our current charter, and any amendment or report filed for the purpose of updating such description, which has been incorporated by reference into the accompanying base prospectus.

Shares offered by Liberty Media	12,903,225 shares of FWONK.
Shares offered by the Selling Stockholders	27,096,775 shares of FWONK (not including any shares of FWONK that may be purchased by the underwriters pursuant to the underwriters' option to purchase additional shares of FWONK).
Option to purchase additional Shares of FWONK	The Selling Stockholders have granted the underwriters an option exercisable for a period of 30 days from the date of this prospectus supplement to purchase an aggregate of up to 6,000,000 shares of FWONK.
Shares of FWONK outstanding before this offering	173,916,106 shares.
Shares of FWONK outstanding after this offering	186,819,331 shares.
Voting rights	Holders of shares of FWONK have no voting rights, except as required by Delaware law.
Use of proceeds	We expect to receive net proceeds of approximately \$388.7 million, after deducting underwriting discounts and commissions but before deducting offering expenses, from our sale of the shares of FWONK in this offering. Following the closing of this offering, we [illegible] net proceeds [illegible]

Risk factors	You should carefully consider the information set forth in the section entitled "Risk Factors" in this prospectus supplement and the accompanying base prospectus and the other information included or incorporated by reference into this prospectus supplement and the accompanying base prospectus Ďsse forth in

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interest. The gain on the transaction was excluded from taxable income. Net gains and losses on transactions are included in the Other, net line item in the accompanying Liberty Media consolidated financial statements for the years ended December 31, 2016, 2015 and 2014.

In May 2013, Liberty Media acquired approximately 26.9 million shares of common stock and approximately 1.1 million warrants in Charter for approximately $2.6 billion, which represented an approximate 27% beneficial ownership in Charter at the time of purchase.

On November 44ximaproximate

(8) On September 7, 2016 Liberty Media, through its indirect wholly owned subsidiary Liberty GR Cayman Acquisition Company, entered into two definitive stock purchase agreements relating to the acquisition of Delta Topco from a consortium of sellers led by CVC Capital Partners (" "). The transactions contemplated by the first purchase agreement were completed on September 7, 2016 and provided for Liberty Media's acquisition of slightly less than a 20% minority stake in Formula 1 on an undiluted basis for $746 million, funded entirely in cash (which is equal to $821 million in consideration less a $75 million discount to be repaid by Liberty Media to selling stockholders upon completion of the acquisition). On October 27, 2016, under the terms of the first purchase agreement, Liberty acquired an additional incremental equity interest of Delta Topco, maintaining Liberty Media's investment in Delta Topco on an undiluted basis and increasing slightly to 19.1% on a fully diluted basis. Prior to the Second Closing, CVC continued to be the controlling shareholder of Formula 1, and Liberty did not have any voting interests or board representation in Formula 1. As a result, we concluded that we did not have significant influence over Formula 1, and therefore accounted for our investment in Formula 1 as a cost investment until the completion of the Second Closing. The Second Closing was completed on January 23, 2017, at which time Liberty Media began consolidating Formula 1.

The following tables present Delta Topco selected consolidated financial statement information for the periods indicated and has been derived from Delta Topco's consolidated financial statements prepared in accoueměĐ :t

exception and a waiver with respect to the maximum amount thereunder, and, following the completion of this offering, the Selling Stockholders will, with respect to the shares still held by them, continue to be subject to the six month lock-up period until its expiration. In addition, a limited number of management Formula 1 Selling Shareholders were granted an exception to their lock-up restrictions to enable them to sell a number of shares that would allow them to cover their tax liabilities relating to the non-cash consideration received by them at the Second Closing. This sale was completed on January 30, 2017 pursuant to a previously filed registration statement, and these management Formula 1 Selling Shareholders are now subject to the same lock-up arrangements as the other Formula 1 Selling Shareholders.

The third party investors, who collectively own 62 million shares of FWONK, are generally restricted from selling shares of FWONK during the first six months following the Second Closing or, if earlier, until the fourth week following any underwritten offering by the Formula 1 Selling Shareholders (other than the sale by the management Formula 1 Selling Shareholders completed on January 30, 2017). As a result of this offering by the Selling Stockholders, the restriction on the third party investors' ability to sell their shares will expire four weeks following the closing date of this offering.

In connection with the offering of the shares of FWONK pursuant to this prospectus supplement, we have agreed, and our directors and executive officers and the Selling Stockholders have separately agreed, to be subject to certain restrictions on our and their ability to sell shares of FWONK during the 90 days following the date of this prospectus supplement. The representatives may waive these restrictions on our ability, and the ability of our directors, executive officers and the Selling Stockholders, to sell shares of FWONK during this period in their sole discretion. For more information concerning these restrictions, see "Underwriting." Following the expiration of the 90-day lock-up period, such restrictions will terminate.

The trading price of shares of FWONK (and any other series of Liberty Formula One common stock) could decline as a result of sales of a large number of shares of FWONK in the public market, or from the perception that these sales might occur. Furthermore, sales of a substantial number of shares of Liberty Formula One common stock in the public markets, or the perception that these sales might occur, could impair our ability to raise capital through a future sale of, or pay for acquisitions using, our equity securities.

The unaudited pro forma condensed consolidated financial statements included in this prospectus supplement are presented for illustrative and informational purposes only and are not necessarily indicative of Liberty Media's future financial position or results of operations.

The unaudited pro forma condensed consolidated financial statements contained in this prospectus supplement are presented for illustrative purposes only, contain a variety of adjustments, assumptions and preliminary estimates and are not intended to represent the actual financial position or results of operations of Liberty Media had the Formula 1 Acquisition occurred on the dates indicated therein. See the sections entitled "Unaudited Pro Forma Condensed Consolidated Financial Statements" beginning on page F-71 and "Cautionary Note Regarding Forward-Looking Statements" beginning on page S-ii of this prospectus supplement. The actual financial positions and results of operations of Liberty Media and Formula 1 prior to the acquisition and that of Liberty Media following the acquisition may not be consistent with, or evident from, the unaudited pro forma condensed consolidated financial statements included in this prospectus supplement. In addition, the assumptions and preliminary estimates used in preparing the unaudited pro forma condensed consolidated financial statements included in this prospectus supplement may not be realized and may be affected by a variety of factors outside of the control of Liberty Media and Formula 1.

Formula 1 (as well as Liberty's strategic vision for it) is reliant upon the retention of certain key personnel and the hiring of strategically valuable personnel, and Formula 1 may lose or be unable to hire one or more of such personnel.

Formula 1's commercial success is dependent to a considerable extent on the abilities and reputation of Formula 1's management. In connection with the Second Closing, Liberty hired new members of management for the Formula 1 team. The recently appointed Chairman and Chief Executive Officer, Chase Carey, has a wealth of experience over many decades in the media sector. Ross Brawn and Sean Bratches have also recently joined the Formula 1 management team as Managing Directors of Motor Sports and Commercial Operations, respectively, and bring to Formula 1 valuable experience in their respective fields. Formula 1 also benefits from the long standing tenure of its Chief Financial Officer Duncan Llowarch and General Counsel Sacha Woodward Hill, each of whom has 20 plus years of experience with Formula 1. If Liberty and Formula 1 are unable to make strategic hires to strengthen the management of Formula 1, or if we are unable to retain key personnel over the long-term, Liberty may be unable to recognize the anticipated benefits of the acquisition of Formula 1.

We expect to receive net proceeds of approximately $388.7 million from our sale of the shares of FWONK in this offering, after deducting underwriting discounts and commissions but before deducting estimated offering expenses. Following the closing of this offering, we intend to use the net proceeds we receive from this offering to repay existing indebtedness of a wholly owned subsidiary of Delta Topco under its Second Lien facility (the " ") and to pay expenses related to the offering. The Second Lien Facility incurs interest at a rate of LIBOR + 6.75%, subject to a LIBOR floor of 1%. The Second Lien Facility matures on July 29, 2022. The Second Lien Facility was incurred in order to pay in full private high yield loans in an aggregate amount of $1 billion incurred in October 2012 by a wholly owned subsidiary of Delta Topco and payment of related fees, costs and expenses.

The Selling Stockholders will receive all of the net proceeds from the sale of their shares of FWONK, including any net proceeds received from the exercise of the underwriters' option to purchase additional shares of FWONK. We will not receive any proceeds from the sale of shares of FWONK by the Selling Stockholders in this offering. See "Selling Stockholders." We are, however, responsible for expenses incident to the registration under the Securities Act of 1933, as amended (the " "), of the offer and sale of the shares of FWONK by the Selling Stockholders. One of the Selling Stockholders is an affiliate of one of the underwriters in this offering and will receive proceeds from this offering in an amount that is equal to less than five percent of the aggregate proceeds of this offering.

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2017 on a historical basis and as adjusted to give effect to the issuance and sale of shares of FWONK by Liberty Media in this offering and the application of the estimated net proceeds of this offering as described in "Use of Proceeds," as though such transactions had occurred on such date.

The table below should be read in conjunction with, and is qualified in its entirety by reference to, "Use of Proceeds" and the other financial information in this prospectus supplement, as well as the historical consolidated financial statements and related notes included elsewhere or incorporated by reference in this prospectus supplement.

	As o	

Market Information

On July 23, 2014, holders of Series A and Series B Liberty Media Corporation common stock of as of 5:00 p.m., New York City time, on July 7, 2014, the record date for the dividend, received a dividend of two shares of Series C Liberty Media Corporation common stock for each share of Series A or Series B Liberty Media Corporation common stock held by them as of the record date. The impact of the Series C Liberty Media Corporation common stock issuance has been reflected retroactively due to the treatment of the dividend as a stock split for accounting purposes.

On November 4, 2014, Liberty Media completed the spin-off to its stockholders of common stock of a newly formed company called Liberty Broadband Corporation (" ") (the " "). Shares of Liberty Broadband were distributed to the shareholders of Liberty as of a record date of October 29, 2014. At the time of the Broadband Spin-Off, Liberty Broadband was comprised of, among other things, (a) Liberty Media's former interest in Charter Communications, Inc. (" "), (b) Liberty Media's former subsidiary TruePosition, Inc. (" ") (now known as Skyhook Holding, Inc. (" ")), (iii) Liberty Media's former minority equity investytreatment

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	Braves Group					
	Series A (BATRA)		Series B (BATRB)		Series C (BATRK)	
	High	Low	High	Low	High	Low
2016						
Second quarter (April 18 - June 30)[1]	$ 36.00	14.23	16.20	15.22	27.00	13.51
Third quarter	$ 17.67	14.97	17.75	14.50	17.47	14.42
Fourth quarter	$ 21.14	16.52	18.00	16.59	21.24	16.18
2017						
First quarter	$ 24.20	19.30	21.00	21.00	23.91	19.30
Second quarter (Through May 18, 2017)	$ 25.64	22.87	25.80	23.92	25.38	22.66

	Formula One Group					
	Series A (FWONA)		Series B (FWONB)		Series C (FWONK)	
	High	Low	High	Low	High	Low
2016						
Second quarter (April 18 - June 30)[1]	$ 27.43	17.72	19.50	16.51	28.07	17.47
Third quarter	$ 30.11	18.84	29.03	18.00	29.65	18.62
Fourth quarter	$ 33.28	26.95	33.32	26.75	33.15	26.44
2017						
First quarter	$ 33.63	27.63	32.81	28.25	35.20	27.55
Second quarter (Through May 18, 2017)	$ 34.34	30.01	34.00	30.60	35.40	30.77

As discussed above and in the consolidated financial statements of Liberty Media incorporated by referenced in this prospectus supplement, the Recapitalization of the Company's stock into tracking stock groups was completed on April 15, 2016 and the newly issued shares commenced trading or quotation in the regular way on the Ngroy e4med trd S tr4g

The last reported sale price of FWONK on the Nasdaq on May 18, 2017 was $31.30 per share.

Dividend Policy

The declaration and payment of any dividends are at the discretion of our board of directors and depend upon our earnings, financial condition and other considerations deemed relevant by our board of directors. We have not paid any cash dividends on our Series C Liberty Formula One common stock, and we have no present intention of paying cash dividends on our Series C Liberty Formula One common stock in the future.

This prospectus supplement and the accompanying base prospectus relate in part to the offer and sale by the Selling Stockholders of 27,096,775 shares of FWONK (or up to 33,096,775 shares of FWONK if the underwriters exercise their option to purchase additional shares of FWONK in full), which constitute shares of FWONK issued to the Selling Stockholders at the Second Closing of the Formula 1 Acquisition. The shares of FWONK offered pursuant to this prospectus supplement and the accompanying base prospectus were issued to the Selling Stockholders in transactions that were exempt from the registration requirements of the Securities Act. See "The Company — Description of the Formula 1 Acquisition" in the base prospectus for additional information regarding the Formula 1 Acquisition.

In connection with the closing of the Formula 1 Acquisition, we entered into the Shareholders Agreement with the Formula 1 Selling Shareholders. Pursuant to the Shareholders Agreement, we agreed to file the registration statement of which this prospectus supplement and the accompanying base prospectus form a part covering the resale of the shares of FWONK offered by the Selling Stockholders. See "— The Shareholders Agreement" for additional information regarding the Shareholders Agreement. We have agreed to reimburse the Selling Stockholders for certain costs incurred in connection with the offering.

In the table below, the percentages of outstanding shares of FWONK held by each Selling Stockholder prior to this offering are based on 173,916,106 shares of FWONK issued and outstanding as of April 30, 2017. The percentages of outstanding shares of FWONK held by each Selling [illegible] based on 186,819,331 shares of FWONK issued and outstanding as of April 30, 2017, adjusted for the sale by us of 12,[illegible] newly-issued FWONK offered [illegible]

Tab

Shareholders Agreement, which is incorporated by reference as Exhibit 10.59 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

Lock-Upt-

We and the Selling Stockholders are offering the shares of FWONK described in this prospectus supplement through a number of underwriters. Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC are acting as representatives of the underwriters. We and the Selling Stockholders have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we and the Selling Stockholders have severally agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus supplement, the number of shares of FWONK listed next to its name in the following table:

The underwriters are committed to purchase all of the shares of FWONK offered by us and the Selling Stockholders if they purchase any shares. The offering of the shares of FWONK by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the shares of FWONK directly to the public at the initial public offering price set forth on the cover page of this prospectus supplement and to certain dealers at that price less a concession not in excess of $0.52425 per share. Any such dealers may resell shares of FWONK to certain other brokers or dealers at a discount of up to $0.17475 per share from the initial public offering price. After the initial offering of the shares of FWONK to the public, the offering price and other selling terms may be changed by the underwriters. Sales of shares of FWONK made outside of the United States may be made by affiliates of the underwriters.

The underwriters have an option to buy up to 6,000,000 additional shares of FWONK from the Selling Stockholders at the public offering price listed on the cover page of this prospectus supplement. The underwriters have 30 days from the date of this prospectus supplement to exercise this option to purchase additional shares of FWONK. If any shares of FWONK are purchased with this option to purchase additional shares, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares of FWONK are purchased, the underwriters will offer the additional shares of FWONK on the same terms as those on which the shares of FWONK are being offered by this prospectus supplement and the accompanying base prospectus.

The underwriting fee is equal to the public offering price per share of FWONK less the amount paid by the underwriters to us and the Selling Stockholders per share of FWONK. The underwriting fee is $0.87375 per share. The following table shows the per share and total underwriting discounts

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directly or indirectly, (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, or otherwise dispose of or transfer any shares of FWONK or any securities convertible into or exchangeable or exercisable for shares of FWONK, whether owned at the date of such lock-up agreement or thereafter acquired by such person or entity or with respect to which such person or entity had or thereafter acquires the power of disposition, or public, (" n o ires the the Ďpbw

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FWONK you undertake to us that, for a period of 12 months from the date of issue of the shares of FWONK, you will not transfer any interest in the shares of FWONK to any person in Australia other than to a person who does not require disclosure under Part 6D.2 and who is a wholesale client.

Notice to Prospective Investors in Bermuda

Shares of FWONK may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 of Bermuda which [illegible]

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"   "). The shares of FWONK are not being offered or sold directly or indirectly in the PRC to or for the benefit of, legal or natural persons of the PRC.

Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the shares of FWONK or any beneficial interest therein without obtaining all prior PRC's governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this document are required by the issuer and its representatives to observe these restrictions.

Notice to Prospective Investors in Dubai

This prospectus supplement and the accompanying base prospectus relate to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("   "). This prospectus supplement and the accompanying base prospectus are intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. This prospectus supplement and the accompanying base prospectus must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement and the accompanying base prospectus nor taken steps to verify the information set forth herein and has no responsibility for this prospectus supplement and the accompanying base prospectus. The shares of FWONK to which this prospectus supplement and the accompanying base prospectus relate may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares of FWONK offered should conduct their own due diligence on the shares of FWONK. If you do not understand the contents of this prospectus supplement and the accompanying base prospectus you should consult an authorized financial advisor.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area, no offer of shares of FWONK which are the subject of the offering has been, or will be, made [illegible] the following exemptions under the Prospectus Directive:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 [illegible]

Notice to Prospective Investors in Switzer

underwriters and their affiliates have provided in the past to us and our affiliates and certain of the Selling Stockholders, and may provide from time to time in the future, certain commercial banking, financial advisory, investment banking and other services for us and such affiliates and certain Ting, finangtm

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Certain legal matters with respect to the validity of the securities that may be sold pursuant to this prospectus supplement and accompanying base prospectus will be passed upon for us by Baker Botts L.L.P., New York, New York. Certain legal matters in connection with the shares of FWONK offered hereby will be passed upon for the underwriters by Sidley Austin LLP. Certain legal matters will be passed upon for the Selling Stockholders by Freshfields Bruckhaus Deringer US LLP.

The consolidated financial statements of Liberty Media Corporation as of December 31, 2016 and 2015, and for each of the years in the three-year period ended December 31, 2016, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2016 have been incorporated by reference herein and in the registration statement on Form S-3 in reliance upon the reports of KPMG LLP, independent registered public accounting firm, and upon the authority of said firm as experts in accounting and auditing. The audit report covering the December 31, 2016 consolidated financial statements refers to a change in the method of accounting for share-based payments due to the Company's adoption of FASB ASU 2016-09,
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For the year ended December 31, 2011

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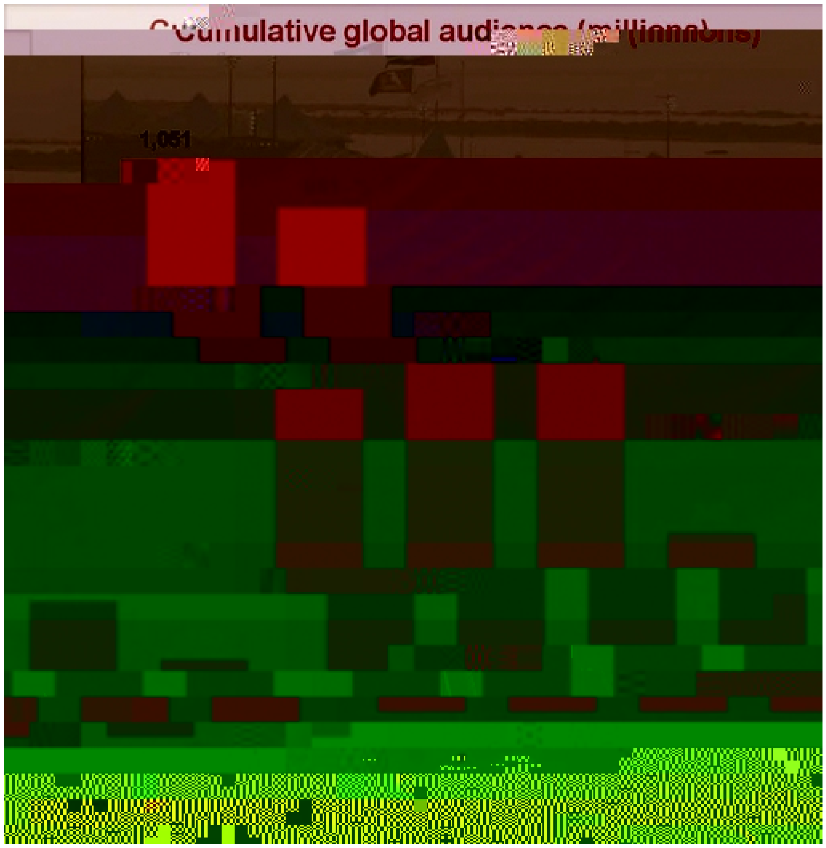

Source: Formula 1, Nielsen Sports 2015 'Sports Comparison Report' covering calendar year 2014.

Note: The audiences shown relate to 12 major sporting markets where TV ratings are readily available: Brazil, Canada, France, Germany, Italy, Japan, Mexico, Russia, South Korea, Spain, UK & USA.

Viewership in a specific country can be influenced significantly by the performance of local drivers. For example, the previously very high viewership in Germany dropped after Michael Schumacher's original retirement in 2006 but increased in 2010 and 2011 because of Sebastian Vettel winning the Drivers' Championship in those years. More recently, audience reach in the Netherlands significantly increased as Max Verstappen made his debut for Toro Rosso in 2015. Formula 1 is able to suggest (subject to FIA approval) race times to maximize the sport's global viewership, including by introducing late afternoon and night races for Middle East and Asian Events to maximize the core European viewership.

In addition to seeking growth in television viewership, Formula 1 believes that it has significant opportunity to enhance its global appeal by developing its media assets, including social media and digital media assets. Formula 1 management estimates that it owns over 55,000 hours of owned library content. In 2016, Formula 1's publicly available digital media content was viewed approximately 270 million times and its social media channels received over 3.5 billion impressions.

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to start out in Formula 1 with a fully resourced Team, pre-developed technology and facilities and, in some cases, an established brand name with existing Prize Fund performance qualifications under the Current Concorde Arrangements.

All Teams compete in the World Championship with the ambition to finish as high in the Constructors' and Drivers' Championships as possible. Some Teams exist solely to race in Formula 1, whereas others may be used as a marketing opportunity for its parent company's core business. Car manufacturers may also invest in a Team to develop technology that will be used in their road cars for the retail market. Many Teams, including manufacturer owned Teams, participate to promote their brand.

Teams competing in Formula 1 require significant financial resources. In addition to its drivers, a Team employs a technical staff of mechanics, engineers and car designers together with a large support staff operation. Teams also incur costs in relation to their cars, equipment, testing and development.

The Teams generate the majority of their revenue from corporate sponsorship (which in some instances comes from parent companies) and Team payments from Formula 1. In addition, the leading Teams benefit from the sale of technology to other Teams or exploitation of their technology outside motor sport. Teams also raise some revenues from merchandising and licensing activities. Total revenues vary significantly from Team to Team but are principally driven by their performance in the World Championship and their attractiveness as an advertising and sponsorship platform.

Corporate sponsorship can consist of both monetary payments and contributions in-kind from suppliers. Team sponsors represent a variety of industries and include luxury automobiles, technology, telecommunications, financial services, energy and soft drinks.

The primary form of corporate exposure is through logo displays on cars, equipment and driver and Team uniforms, which are then on display during the live television broadcast and other media coverage of Events. For engine and other automotive related sponsors (such as tires, fuel, oil and engines), Formula 1 believes that Formula 1 sponsorship can create a heightened perception of engineering and technological proficiency and is likely to form a part of the sponsor's own research and development efforts.

One of the distinctive features of the World Championship is the celebrity and diversity of its drivers. Differences in nationalities, temperaments and racing styles form part of the attractive mosaic of Formula 1.

The success of a local driver also impacts the television viewership and revenue generated from that country or region. World Champions from Germany (Vettel), Spain (Alonso) and the United Kingdom (Button and Hamilton) have helped grow and sustain the Formula 1 business in those countries. For this reason, Formula 1 encourages the development of drivers from other strategic markets. F2 and GP3 provide the training ground and stepping stones to Formula 1 for these drivers.

To participate in Formula 1, all drivers are required to hold an FIA Super Licence, which is issued by the FIA only after the driver has met specific qualif[illegible]n, all drivers s, 4e3sskryb co imissued by b d i [illegible] te tnffA To paruali

Team Agreements

As discussed above, Formula 1 and each of the Teams have entered into separate Team Agreements that establish a Prize Fund, establish procedures for setting the World Championship calendar, give the Teams the right to nominate and, in some cases, appoint directors to Delta Topco's board, and provide for certain termination rights.

The Team Agreements establish the Prize Fund to be paid to the Teams that is funded with a certain percentage of Formula 1's Prize Fund Adjusted EBITDA plus additional amounts that Formula 1 expects to range from $120 million to $175 million. The majority of the Prize Fund is paid to individual Teams based on their results in prior Constructors' Championships, and the balance paid to Teams that have achieved certain milestones based on Formula 1's principles and measures of performance. Independent auditors perform certain agreed-upon procedures to provide a report to the Teams on the calculation, and allocation thereof, of all Team payments under the Prize Fund. See "Appendix: Business and Financial Information of Formula One — Management's Discussion and Analysis of Financial Condition and Results of Operations for the Years Ended December 31, 2016, 2015 and 2014 — Cost of Formula 1 Revenue" for additional description of the factors for determining the Prize Fund payments.

Under the Team Agreements, the consent of a majority of certain Teams is required if there are more than 20 Events in a season or more than 17 Events are held in a season and the number of Events that are held outside Europe, the US or Canada exceeds 60% or more of the total number of Events in that season.

[illegible] with McLaren and Mercedes gran [illegible]

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Circuit Rights Agreements

Under circuit rights agreements (the "   "), Formula 1 acquires from race promoters certain rights to commercially exploit the Events, including the rights to sell trackside and "official supplier" advertising and title sponsorship, a space in which to operate the Paddock Club (other than at [illegible] and commercial use of the name of the Event and circuit. In a few cases a cash payment is made for the grant of these circuit rights and in others Formula 1 offers a commission or share of revenue to a race promoter where they have been instrumental in introducing a new sponsor from its territory that purchases a title sponsorship or trackside advertising. Circuit Rights Agreements typically have a term that is tied to the relevant race promoter contract.

The World Championship competes with many alternative forms of entertainment, such as other sporting and live events, for television viewership, live attendance and advertising. For example, Formula 1 competes for broadcasting and advertising revenue with other global and regional Tier 1 sports, including the Olympic Games, FIFA World Cup, Champions League and Premier League. Within national markets, Formula 1 competes with local racing events, such as the [illegible]

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The following discussion and analysis provides information concerning the results of operations and financial condition of Formula 1. This discussion should be read in conjunction with the accompanying Formula 1 financial statements and the notes thereto. Additionally, the following discussion should be read [illegible] counterparties, are for multi-year terms, have built in annual fee escalators and require payment in advance. Additionally, Formula 1's primary revenue is spread over a large number of contracts with staggered expiration dates such that renewals occur on a rolling basis and are not overly concentrated in any one year. Historically, Formula 1's primary revenue has been largely contracted at the start of any year, and those contracts have generally translated into actual revenue by year end. The majority of Formula 1's contracts are denominated in US Dollars, but Formula 1 also has a small number of contracts denominated in foreign currencies.

The fees received from race promoters under multi-year contracts that typically have an initial term of five to seven years and often include an option, exercisable by Formula 1, to extend the contract for up to an additional five years, are for a fixed amount per Event and are not typically tied to the race promoter's own income levels. For established Events, the duration of the contract is more variable according to local market conditions. These contracts may allow for flat fees over the term, but more typically they include annual fee escalators over the life of the contract, which are typically based on annual movement in a selected consumer price index or fixed percentages of up to 5.0% per annum. Payments are often received in advance of the Event, with fees for Events outside Europe typically due three months before the relevant Event. The number and mix of Events has a material impact on Formula 1's race promotion fees. The World Championship calendar consisted of 21 events in 2016 and 19 events in 2015 and 2014, including 13, 12 and 11 Events outside Europe in 2016, 2015 and 2014, respectively. A new Event was added in Azerbaijan and the German Grand Prix™ returned to the Event calendar in 2016. In 2015, a new Event was added in Mexico and the German Grand Prix™ did not take place. Over time, Formula 1 has continuously revised and broadened the geographical mix of Events on the World Championship calendar, and this has seen some of the lower yielding historic European Events replaced by Events outside Europe, which typically attract higher race promotion fees.

Formula 1 has TRAs covering all significant countries and regions globally. Under the TRAs, Formula 1 receives annual fees from broadcasters under contracts that are typically three to five years in duration. These contracts may allow for flat fees over the term, but more typically they include annual fee escalators over the life of the contract, which are typically based on annual movement in a selected consumer price index or fixed percentages of up to 10.0% per annum. Fees are typically paid to Formula 1 in a series of installments starting at the beginning of each year and running in advance of the progression of the Events on the World Championship calendar. In addition to factors arising from the prevailing global economic climate, Formula 1's ability to renew or enter into new TRAs is influenced, among other reasons, by other factors such as the appreciation of live premium sports rights, viewership, active calendar management and the provision of new and enhaCnnĎo"

Additionally, local factors, such as local broadcast marvet dynamics and competition, local driver

Advertising and sponsorship revenue is driven by change, and growth, in the World Championship calendar, the abia eabia eaia eabiaa

	For the year ended December 31,		
	2016	2015	2014 (unaudited)
	(amounts in USD millions)		
Team payments	$ 986	904	863
Other costs of Formula 1 revenue	297	263	296
Total cost of Formula 1 revenue per Formula 1 financial statements	1,283	1,167	1,159
Amortization of Formula 1 prepaid contract rights*	(27)	(27)	(28)
Cost of Formula 1 revenue	$ 1,256	1,140	1,131

* Includes Team payment amortization, championship rights amortization and other cont(

Cost of Formula 1 revenue consists of Team payments and Other costs of Formula 1 revenue. Cost of Formula 1 revenue increased $116 million and $9 million during the years ended December 31, 2016 and 2015, respectively, as compared to the corresponding prior years.

Team payments are Formula 1's most significant cost and represent the total Prize Fund payments Teams are entitled to receive from Formula 1 based on their participation and performance in the Constructors' Championship and other principles and measures of performance, which include: (i) results, meaning a Team's record in past Constructors' Championships; (ii) success, meaning the long-term standing of a Team within the World Championship and its reputation within the sport; (iii) heritage, reflecting the extent of a Team's brand presence and perceived value to the World Championship over time; (iv) longevity, measuring the contribution of a Team by reference to the length of time a Team has been participating in the World Championship; and (v) commitment, recognizing anticipated ongoing participation and investment of a Team, including preparedness to provide a meaningful parent company guarantee, in order to secure medium- to long-term participation of Teams, and therefore the ongoing viability of the business. While there are some fixed fees (there were $80 million in fixed team costs in 2016), most of the Prize Fund elements are variable and are measured based on Formula 1's underlying financial performance prior to taking account of the Team payments.

Team payments increased by $82 million during the year ended December 31, 2016, as compared to 2015. The increase in Team payments was driven by an increase in the variable prize fund elements measured with reference to Formula 1's underlying financial performance (pre-team payments) and an additional fixed payment made to one team that qualified for an additional performance-related Prize Fund element in 2016 under the terms agreed for the period from 2013 to 2020.

Team payments increased by $41 million during the year ended December 31, 2015, as compared to the 2014. The increase in Team payments during 2015 was attributable to the $19 million increase in the variable Prize Fund payments measured by reference to Formula 1's financial performance and a $22 million higher fee paid to one Team, as it qualified for an additional performance related Prize Fund element.

Other costs of Formula 1 revenue include hospitality costs, which are principally related to catering and other aspects of the production and delivery of the Formula 1 Paddock Club, and circuit rights' fees payable under various agreements with race promoters to acquire certain commercial rights at Events, including the right to sell advertising, hospitality and support race

Formula 1's institutional shareholders prior to the acquisition by Liberty. The $22 million increase in stock-based compensation during 2015, as compared C Ď }

We have audited the accompanying consolidated financial statements of Delta Topco Limited and subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board; this includes the design, implementation and maintenance of internal control

	Notes	2016	2015	2014
		Audited $000	Audited $000	Unaudited $000
	7	1,795,865	1,697,370	1,702,041
Team payments		(985,452)	(903,826)	(863,133)
Other cost of sales		(297,215)	(263,148)	(295,488)
		(1,282,667)	(1,166,974)	(1,158,621)
		513,198	530,396	543,420
Administrative expenses		(213,853)	(212,817)	(189,739)
Other losses	8	(23)	(126)	31
	9	299,322	317,453	353,712
Finance income	11	27,000	1,940	3,222
Finance costs	11	(269,381)	(280,028)	(383,256)
Non26 41				

The above results were derived from continuing operations.

The notes on pages F-11 to F-70 form an integral part of these financial statements.

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	Note	2016 Audited $ 000	2015 Audited $ 000
Property, plant and equipment	16	6,829	10,016
Intangible assets	17	4,188,175	4,204,208
Trade and other receivables	21	1,394	—
Prepayments	22	418,547	436,759
Other non-current financial assets	19	9,493	4,816
Deferred tax assets	15	—	5,864
		4,624,438	4,661,663
Inventories	20	231	130
Trade and other receivables	21	286,805	210,896
Prepayments	22	48,176	68,615
Income tax asset		446	805
Other current financial assets	19	1,778	1,550
Cash and cash equivalents	23	624,405	452,428
		961,841	734,424
Total assets		5,586,279	5,396,087
Share capital	24	43,950	42,862
Share premium		3,165,620	3,165,620
Foreign currency translation reserve		11,280	9,801
Share-based payment reserve		278,769	278,285
Other reserves		475	59
Retained earnings		(7,720,156)	(7,308,757)
Total equity		(4,220,062)	(3,812,130)
Loans and borrowings	26	4,486,459	8,484,853
Provisions	27	—	334,365
Other non-current financial liabilities	19	56	1,116
Deferred tax liabilities	15	840	—
		4,487,355	8,820,334

The notes on pages F-11 to F-70 form an integral part of these financial statements.

	Note	2016 Audited $ 000	2015 Audited $ 000
Trade and other payables	28	158,915	140,211
Loans and borrowings	26	4,520,834	(1,604)
Income tax liability		15,800	1,000
Other current financial liabilities	19	15,828	29,338
Deferred income		270,526	218,703
Provisions	27	337,083	235
		5,318,986	387,883
Total liabilities		9,806,341	9,208,217
Total equity and liabilities		5,586,279	5,396,087

The notes on pages F-11 to F-70 form an integral part of these financial statements.

Other reserves

The reserve is used to account for the recognition of Luxembourg net worth tax in relation to Delta 2 (Lux) S.à r.l.

Share-based payment reserve

The share-based payment reserve is used to recognise the fair value of equity-settled share-based payment transactions (see note 32).

The notes on pages F-11 to F-70 form an integral part of these financial statements.

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The notes on pages F-11 to F-70 form an i ì קּ ɞ Ĉ Ď Þ ض

The company is a private company limited by share capital, and is incorporated and domiciled in Jersey.

The address of its registered office is:

1 Waverley Place
Union Street
St Helier
Jersey
JE1 1SG

These financial statements were authorised for issue by the Board on 12 May 2017.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and under historical cost accounting rules, except for derivative financial instruments that have been measured at fair value. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies.

The group financial information is presented in US dollars and all values are rounded to the nearest thousand ($000) except where otherwise indicated. The parent company's functional currency is also US dollars.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2016.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Intra-group transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full. Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

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Following the Liberty transaction, the group's net current asset position continues to include a significant cash balance, which was $624.4m at 31 December 2016. The group also has access to currently undrawn material revolving credit facilities under its external borrowing arrangements, and thus the directors anticipate being able to settle all payables as they fall due.

The directors have satisfied themselves that the group is in a sound financial position. It has access to sufficient financial resources and it can be reasonably expected that those financial resources will be made available to the group in order to meet their foreseeable cash requirements and to service their existing banking arrangements and other commitments.

The directors therefore consider that the group has adequate financial resources to enable it to continue operating for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the consolidated financial statements.

The group financial statements have been prepared in accordance with IFRS.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding sales tax.

Revenue recognition criteria

The specific recognition criteria described below must also be met before revenue is recognised.

Revenue is principally derived from the sale of broadcasting, race promotion and advertising rights in connection with the FIA Formula One World Championship ® (the "Championship") and its events. The revenue in any year derived from the sale of rights to (i) broadcast that year's Championship events and (ii) advertise under rights licensed through the Group's Global H[illegible] from the sale of tickets to the Formula One Paddock Club™ event-based hospitality, various TV production and post-production activities, and revenue from other licensing of the Formula One brand. To the extent revenues relate to services provided or rights associated with a specific event, they are also recognised on occurrence of the related event. Otherwise, other revenues are recognised when general recognition criteria are satisfied.

Income is recognised as interest accrues using the effective interest rate ("EIR") method; that is, the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

The tax expense for the period comprises current and deferred tax. Tax is charged or credited to the income statement except where it relates to items charged or credited to other comprehensive income or directly to equity, in which case the tax is recognised in other comprehensive income or in equity.

Current tax is the expected tax payable for the year based on tax rates and laws enacted or substantively enacted at the balance sheet date plus any adjustments to tax payable in respect of previous periods.

Tax assets and liabilities are offset only when there is a legally enforceable right to set off current tax assets against current tax liabilities, and the taxes relate to the same taxation authority and to the same taxable entity or to different entities which intend to settle the current tax assets and liabilities on a net basis.

Deferred tax is recognised on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and amounts relevant for tax purposes. Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the underlying temporary differences, carried forward tax credits or tax losses can be utilised.

Uncertain tax provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date.

Deferred tax is not recognised on temporary differences that arise on the initial recognition of goodwill or on the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. Deferred tax is not recognised in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset, being either cost of sales or administrative expenses.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Business combinations have been accounted for using the acquisition method. Any excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised in the statement of financial position as goodwill and is not amortised. To the extent that the net fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities is greater than the cost of the investment, a gain is recognised immediately in the income statement.

After initial recognition, goodwill is stated at cost less any accumulated impairment losses, with the carrying value being reviewed for impairment, at least annually and [illegible]

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inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. The group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of more than five years. Beyond this, a long-term growth rate is calculated and applied to project future cash flows after the final year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the income statement in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

Goodwill is tested for impairment annually (as at 31 DecsĎr}ineft r ή

characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement.

0 The group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings and derivative financial instruments. The group does not have an

The group occasionally uses derivative financial instruments, such as forward currency contracts and interest rate swaps, tosts S ⊨

The total expense for Manager Loan Note Options in respect of all Participants, regardless of whether they had an employment or service contract with a subsidiary company, was recognised by the company under IAS 19.

Other than mentioned below, no other standards, interpretations and amendments which are effecti collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, the group expects that these will continue to be measured at amortised cost under IFRS 9. However, the group will analyse the contractual cash flow characteristics of those instruments in more detail before concluding whether all those instruments meet the criteria for amortised cost measurement under IFRS 9.

(b) Impairment

IFRS 9 requires the group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. The group expects some negative impact on its equity due to the unsecured nature of its loans and receivables, but it will need to perform a more detailed analysis which considers all reasonable and supportable informationenetapgh fle utioD o et r a flf

from media rights, race promotion fees and advertising and sponsorship sales. Services rendered includes income generated from the sale of premium event hospitality, freight and travel services, and television production and post-production activities.

The group is exempt from the requirements of IFRS 8 to disclose segmental information.

The analysis of the group's other gains and losse4a

(a) Adjusted Cost of Sales

Adjusted Co [illegible]

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(c) Adjusted EBITDA

As noted the Adjusted EBITDA measure is provided to assist in analysing the underlying performance of the group. The measure is non-GAAP in nature and the table below reconciles its calculation to operating profit, taking into account the items discussed in notes 10 (a) and (Ď Ğ

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Derivatives

The net gain on derivatives in the year of $21.3m (2015-net loss of $4.2m; 2014-net loss of $21.7m) represents movement in the fair value of interest rate swaps and foreign exchange forward contracts and options.

The group is party to a portfolio of interest rate swaps which terminate concurrently on 31 December 2019. The interest rate swaps are not designated hedges, being used to manage interest rate exposure on $2,700.0m (65%) of the group's external debt, which has floating rate interest terms (see note 26).

The most material exposure to movements in the mark to market valuation of derivatives is associated with the interest rate swaps. Mark to market values for the swaps are provided by the counterparty banks, and are determined by applying future interest rate expectations to the swaps through to 31 December 2019. Given the magnitude of the swap portfolio, small changes in banks' interest rate expectations can have a significant impact on the mark to market valuation, and can result in significant period by period volatility in the net gain or loss recognised.

The group is also party to various foreign exchange forward contracts and options which mature ovedited

will be dependent on the outcome of ongoing discussions, both directly with the Indian tax authorities, and, between the UK and Indian Competent Authorities, to determine how the terms of the UK-India treaty should be properly applied in calculating the amounts chargeable to Indian tax.

The differences are reconciled below:

	2016	2015	2014
	$ 000	$ 000	$ 000
Loss before tax	(380,587)	(356,036)	(392,747)
Corporation tax at standard rate	(76,118)	(72,086)	(84,414)
Effect of revenues exempt from taxation	(200,062)	(158,740)	(157,566)
Effect of expense not deductible in determining taxable loss	226,591	196,090	204,809
Loss on disposal of investment	—	273	—
Deferred tax not recognised in respect of unrelieved tax losses	89,339	48,026	41,084
Deferred tax not recognised in respect of other temporary differences	(35,007)	(13,485)	(8,263)
Effect of other permanent differences	—	—	(499)
Effect of foreign taxes	8,579	6,457	10,734
Effect of foreign taxes relating to prior periods	14,800	—	—
Deferred tax expense relating to changes in tax rates or laws	—	—	308
Effect of adjustments relating to prior periods	—	—	(80)
Effect of higher overseas tax rates	2,274	—	—
Total tax charge	30,396	6,535	6,113

During the prior year the main rate of UK corporation tax reduced from 21% to 20% effective 1 April 2015. Following the UK Budget of 8 July 2015, it was announced that the main rate of UK corporation tax would reduce to 19% effective 1 April 2017 and 18% effective 1 April 2020. This was substantively enacted on 26 October 2015 in Finance No.2 Bill 2015. Subsequently at the Budget held on 16 March 2016 a further reduction to 17% for the main rate of Corporation Tax was announced with effect from 1 April 2020. This was substantively enacted on 15 September 2016 in Finance Bill 2016.

The deferred tax balances in the year have been recognised at 17% (2015-18%; 2014-20%), being the rate at which they are expected to unwind.

	2016			2015		
	Asset	Liability	Net	Asset	Liability	Net
	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000
Derivatives	—	2,801	2,801	8,832	—	8,832
Other temporary differences	—	(3,641)	(3,641)	(2,968)	—	(2,968)

	Derivatives	Other items	Net tax assets/ (liabilities)
	$ 000	$ 000	$ 000
At 1 January 2015	5,713	39	5,752
Recognised in income	3,119	(3,007)	112
At 31 December 2015	8,832	(2,968)	5,864
Recognised in income	(6,031)	(673)	(6,704)
At 31 December 2016	2,801	(3,641)	(840)

There are $4,646.4m of deductible temporary differences (2015 — $2,552.6m; 2014 — $313.2m) and $1,541.5m of unused tax losses (2015 — $979.4m; 2014 — $742.8m) for which no deferred tax asset is recognised in the Statement of Financial Position. No deferred tax asset has been recognised in respect of these amounts as the relevant subsidiaries are not expected to generate sufficient taxable profits against which the amounts could be offset in the foreseeable future, nor can they be used to offset taxable profits in other group companies. At 31 December 2016, there was no recognised deferred tax liability (2015 — $Nil; 2014 — $Nil) for taxes that would be payable on the unremitted earnings of certain of the group's subsidiaries. In the event of any future payment of intra-group dividends no withholding tax would fall due and the dividend would not be taxable in the hands of the group companies receiving such dividends.

New UK tax legislation was proposed as a part of Finance Bill 2017 which, if enacted, would take effect on 1 April 2017 and would limit the amount of interest that is deductible for UK corporation tax purposes within UK tax groups. Broadly, the effect of these proposals would be to limit the amount of interest deductible in a UK tax group to a percentage of the UK group's EBITDA (subject to certain adjustments set out in the proposals). That percentage is set by the proposals at either 30% or, if greater, the ratio of interest to EBITDA for the worldwide group of which the UK group is a part.

Prior to the dissolution of Parliament ahead of the General Election scheduled for 8 June 2017, the proposed restrictions on corporate interest deductibility, along with a number of other provisions, were removed from the Finance Bill. However, it is currently expected that these proposals will be reintroduced following the General Election, regardless of the result. Despite the delay in introduction of the legislation, all consultation processes leading up to the drafting of the proposals suggest that, once the legislation is enacted, it will be effective from 1 April 2017.

At the balance sheet date, the draft legislation was not substantively enacted and so its impact is not reflected in the group's reported tax charge or balances. Based on the proposals as currently drafted, it is likely that the proposed changes, if introduced, will result in an increase in the group's tax charge and cash tax payments in future periods.

	Goodwill	Other intangible assets	Total
	$ 000	$ 000	$ 000

The table below shows the carrying value of individual intangible assets as at 31 December 2016:

Table

These represent the lowest levels within the group at which goodwill is monitored for internal management purposes.

Alpha, Beta and Omega CGUs

In each case the recoverable amount of the Alpha CGU, the Beta CGU and the Omega CGU has been assessed with reference to the value in use ("VIU") bas

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	2016	2015
	$ 000	$ 000
Trade receivables	302,712	212,476
Provision for impairment of trade receivables	(29,666)	(23,517)
Net trade receivables	273,046	188,959
Receivables from related parties	155	731
Accrued income	7,262	10,205
Finance lease receivables	2,542	

The fair value of those trade and other receivables classified as financial instrument loans and receivables is disclosed in note 33 "Financial instruments."

The group's exposure to credit and market risks, including impairments and allowances for credit losses, relating to trade and other receivables is discussed in note 34 "Financial risk management and impairment of financial assets."

$1.4m (2015 — $Nil) of finance lease receivables are classified as non-current.

At 31 December 2016, $418.5m (31 December 2015 — $436.8m) of prepayments are classified as non-current.

Non-current prepayments at 31 December 2016 include amounts totalling $298.6m in respect of payments made to acquire the commercial interests in the Championship from the FIA for a 100 year period beginning on 1 January 2011 and ending 31 December 2110 (31 December 2015 — $301.8m). Those payments are being amortised to the income statement over the 100 year period.

Other prepaid amounts in non-current assets totalling $119.9m at 31 December 2016 (31 December 2015 — $135.0m) included payments made to the teams and the FIA in respect of various contractual commitments, and which are being amortised to the income statement in line with the underlying terms of the agreements to which they relate.

At 31 December 2016 $48.2m (31 December 2015 — $68.6m) of prepayments are classified as current.

The current prepayment balance includes amounts totalling $3.2m (31 December 2015 — $3.2m) in respect of the Championship rights' prepayment, and amounts totalling $24.1m

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redeem the share on an Initial Public Offering, if the related team agreement expires or if the longest serving team ceases to participate in the Championship.

The group acts as lessor in connection with finance leases relating to the leasing of engines for use by the participant teams in the FIA Formula 2 Championship™ (formerly GP2 Series™) and GP3 Series™. The group recognises a receivable in the amount of the net investment in the lease. The lease payment made by the lessees are split into an interest component and a principal component using the effective interest method. The lease receivable is reduced by the principal received. The interest component of the payments is recognised as finance income in the income statement.

The amount of the net investment in a finance lease is determined as shown in the following table:

The gross investment amount and the present value of payable minimum lease payments are shown in the following table:

The cost of the assets acquired for the purpose of letting under finance leases was $9.5m (2015 — $7.4m).

Aggregate rentals receivable during the year in respect of finance leases were $9.7m (2015 — $9.7m).

	Optiop dS	Ŏ	d

The provision for the Delta Topco Option Scheme (see note 32) represents the total charges of the Manager Loan Note Options taken to date and UK national insurance contributions payable and applicable to the Option Scheme. Other provisions represent a provision carried to reflect unused holidays which have accrued at the end of the reporting period. Management encourages employees to use any carry-forward holiday in the following calendar year.

As discussed in note 37, the Liberty acquisition resulted in the Delta Topco Option Scheme crystallising in full and as such all provisions relating to the Option Scheme have materialised and been settled in full after the balance sheet date. Manager Loan Note options were exercised in full as part of this exercise and subsequently converted into ordinary shares or exchangeable notes as part of the recapitalisation of the company. The final liability for UK national insurance contributions was settled in full in February 2017.

The fair values of the trade and other payables classified as financial instruments are disclosed in note 33 "Financial instruments." The group's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables is disclosed in note 34 "Financial risk management and impairment of financial assets."

During 2016 no dividends were declared or paid (2015 — $196.6m; 2014 — $795.7m).

The group has entered into various commercial leases for the use of technical, IT and TV production equipment, a commercial vehicle fleet and office premises. These leases have an average life of between three and five years. There are no restrictions placed upon the group by entering into these leases.

The total future value of minimum lease payments is as follows:

Capital commitments are amounts contracted but not provided for in these financial statements, in relation to items of property, plant and equipment. The total amount contracted but not provided for in the financial statements was $223,788 (2015-$157,517).

In order to optimise cash flow the group enters into consignment stock arui ign Ď Ā Ď ó directors and the group's other senior managers (the "Participants"), with the group and its shareholders through the award of rights and options over instruments issued by the company, so entitling them to a share in the future growth of the group as a whole.

The collective grant of elements of the Option Scheme to each Participant is defined as an "Award."

Following the establishment of the Option Scheme, Awards were made to the initial Participants on 20 June 2008. Participants were initially granted both an interest in Shares ("Manager Shares") and an option to acquire an interest in the company's Loan Notes ("Manager Loan Note Options").

The company initially issued 90,716,794 Manager Shares to the Participants at a price payable of $0.01 per share. The company also granted options over $398,824,163 loan notes to the Participants. The grant price and exercise price under the options were both set at $0.000001 per $1 loan note.

On 27 April 2012, the terms of the Option Scheme were amended, with some of the previously granted Manager Loan Note Options replaced by an option to acquire an additional interest in the company's Shares ("Manager Share Options"). 316,974,683 Manager Share Options were granted by the company at an exercise price of $Nil, in place of 6,218,649 of the previously issued Manager Loan Note Options.

The company granted further Awards to new and existing Participants during 2012 in the form of Manager Share Options over a further 22,635,000

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possible to determine the expected number of Manager Loan Note Options that were considered more likely than not to vest, an expense has been recorded.

UK national insurance contributions are payable upon exercise of Awards, where any relevant Participant holds, or has held, a UK-based service contract or employment within the group. Therefore, provisions were recognised for the expected national insurance contribution payable based on the estimated value on exercise less any amounts payable on grant or exercise of the Manager Shares, Manager Share Options and Manager Loan Note Options.

In December 2013, the assumption around the vesting period was reassessed and pushed back to a later date, with the resu res4bss determinemsinen

Following the exercise of rights under the Option Scheme during 2013 by Participants with UK based service contracts, an element of the accrued UK national insurance contribution liability totalling $6.1m was paid.

On 26 March 2014 the company offered to repay a proportion of the principal and accrued and unpaid interest on shareholder loan note instruments. No4w4Dhe opporn.u N Participants were offered the opportunity to participate in this repurchase by exercising sufficient Manager Loan Note Options. As a resuo No4asu

Financial assets at fair value through profit or loss

Derivatives

Financial liabilities at amortised cost

Derivative financial liabilities at fair value through profit and loss

Loans and receivables

Loans and receivables are carried at amortised cost, in accordance with the accounting policy. The carrying value might be affected by changes in credit risk of the counterparties.

The fair value of each financial asset is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair value of cash and cash equivalents, trade receivables and other current receivables are considered to approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial assets and liabilities at fair value through profit or loss represent those foreign exchange forward contracts and options that are used to manage foreign currency risk arising from expected sales and purchases, and those interest rate swaps used to reduce the level of floating rate interest risk on loans and

The group's principal financial liabilities, other than deriva li

Loans and receivables credit risk exposure and management

Concentrations of credit risk

The majority of the group's trade receivables are due from large national or multinational companies, or may be due from third parties which are government

Allowances for impairment by credit losses

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Key market risks affecting the group include interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The sensitivity analyses below have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analyses exclude the impact of movements in market variables on the carrying value of provisions and on the non-financial assets and liabilities of foreign operations.

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The group manages its foreign currency risk by entering into intra-group transactions that move foreign currency funds between subsidiaries to minimise foreign currency exposures.

Tabl

In 2016, a 0.5% increase or decrease in interest rates (against the actual LIBOR rates which applied during the year) would decrease or increase the loss before tax by a maximum of $1.6m (2015-decrease or increase the loss before tax by $16.5m). A 1.5% increase in interest rates would decrease the loss before tax by $6.4m (2015-decrease loss before tax by $12.1m). A 2.5% decrease in interest rates would decrease the profit before tax by $14.4m (2015-decrease the loss before tax by $3.6m), with a resulting equivalent impact in equity.

The group's objective is to maintain a balance between continuity of funding and flexibility through the use of revolving credit facilities, bank loans and shareholder loans. The group monitors liquidity on an ongoing basis and enters into well diversified instruments with staggered maturities in response to anticipated liquidity and financing requirements.

Maturity analysis

The table below summarises the maturity profile of the group's financial liabilities (excluding shareholder loan notes) based on contractual undiscounted payments.

2016	Within 1 year	Between 1 and 5 years	After more than 5 years	Total
	$ 000	$ 000	$ 000	$ 000
Trade and other payables	154,021	—	—	154,021
Interest bearing borrowings (excluding shareholder loan notes)	245,794	4,136,021	1,054,406	5,436,221
Derivative financial instruments	15,826	(568)	—	15,258
	415,641	4,135,453	1,054,406	5,605,500

2015	Within 1 year	Between 1 and 5 years	After more than 5 years	Total
	$ 000	$ 000	$ 000	$ 000
Trade and other payables	137,289	—	—	137,289
Interest bearing borrowings (excluding shareholder loan notes)	229,494	916,922	4,312,500	5,458,916
Derivative financial instruments	29,335	—	—	29,335
	396,118	916,922	4,312,500	5,625,540

Shareholder loan notes have accrued annual compound interest at 10% per annum and have been capitalised post year end, with the exception of $350.6m which has been converted into an Exchangeable Loan Note (see notes 26 and 37).

As discussed in note 37 the shareholder loans were converted into ordinary shares and exchangeable notes on 23 January 2017.

The directors consider the capital of the group as most appropriately represented by equity attributable to the shareholders of the parent, shareholder loans and accrued interest on shareholder loans.

In assessing the management of capital, the directors review the current and forecast future projected EBITDA of the business. The level of debt is reviewed annually, with additional interim reviews as necessary where facts and circumstances warrant.

No changes were made in the objectives or processes for managing equity attributable to the shareholders of the parent, shareholder loans and accrued interest on shareholder loans during the year.

The group monitors capital on an absolute basis, as shown below:

	2016	

Key management personnel are considered to be the directors of the group, and their compensation for qualifying services is disclosed within directors' remuneration (see note 13).

Transactions with key management include expense recharges and transactions under the Delta Topco Option Scheme (see note 32) and consultancy fees.

On 18 May 2015 the group transferred six subsidiaries, Beta Principal Limited, Beta Operations Limited, Beta Topco 1 Limited, Beta Topco 2 Limited, Speed Investments Limited and Gamma Topco Limited to Ms Sacha Woodward Hill, a director of the company. These companies were transferred for consideration of either $1 or £2, being the amount of the issued paid up share capital in each company at the time of the disposals. There was no profit or loss on the disposals in the books of their parent companies.

Manager Share Options held by directors did not have an expiry date and all had an exercise price of between $Nil and $0.01 (2015-$Nil and $0.01; 2014-$Nil and $0.01). Manager Loan Note

Options held by directors did not have an expiry date and all have an exercise price of $0.000001 (2015-$0.000001; 2014-$0.000001 0s4Ď 7

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Prior to 23 January 2017 Delta Topco Limited was majority controlled by funds managed and/or advised by CVC Capital Partners SICAV — FIS S.A., its subsidiaries or affiliates. On 23 January 2017 100% of Delta Topco Limited was acquired by a wholly owned subsidiary of Liberty Media Corporation, a Nasdaq listed company incorporated in the United States of America for which financial statements are publicly available.

In the opinion of the directors, the ultimate parent undertaking of the company is Liberty Media Corporation.

On 7 September 2016 it was announced that Liberty had reached agreement to acquire the company in a two stage transaction from its existing shareholders (see note 36). Concurrent with the announcement, Liberty acquired an 18.7% minority stake in the company and agreed terms to acquire the remainder of the company's ordinary share capital in a second transaction eĎd þg

The Liberty acquisition process resulted in the group incurring significant one-off advisory, professional, arrangement and lender consent fees related to the transactions. As at 31 December 2016 the group had accrued $9.0m of costs incurred to date, which have been treated in the Income Statement as a specific item included within administrative expenses (see note 10). Total costs related to the transactions are currently projected to total approximately $63.5m, and the additional $54.5m not accrued in 2016 has been subsequently recognised on completion of the transaction in the post balance sheet period. A proportion of these costs recognised in 2017 has been paid to a related party of the company.

Immediately prior to the completion of the Liberty transaction on 23 January 2017, the company's shareholder loan notes (see note 26) were restructured.

After accruing an additional $30.7m of interest since 31 December 2016, and with $241.2m of additional shareholder loan notes, including accrued interest thereon, issued on 23 January 2017 following exercise of Manager Loan Note Options in connection with participants' rights under the Delta Topco Option Scheme (as discussed below), the balance of the shareholder loan notes had increased by 23 January 2017 to $5,144.3m. Under a capital restructuring immediately prior to the sale of the company to Liberty, $4,793.7m of shareholder loan notes were converted into 4,793.7m ordinary shares and the remaining balance of $350.6m was replaced with new exchangeable notes. Those newly issued ordinary shares not issued to Liberty were then sold to Liberty, together with the remainder of the company's ordinary share capital held by other shareholders to complete the acquisition transaction.

The exchangeable notes are 2% fixed rate unsecured exchangeable redeemable loan notes with a maturity date of 23rd July 2019.

Given the restructuring of the loan notes in January 2017, $4,521.8m of shareholder loan notes as at 31 December 2016, being the total balance of shareholder loan notes less the $350.6m subsequently converted into exchangeable notes, have been reclassified from non-current to current liabilities within the consolidated statement of financial position as at 31 December 2016 which are disclosed herein.

The completion of the Liberty transaction and their 100% acquisition of the company triggered the full crystallisation of the Delta Topco Option Scheme (see note 32) in the post balance sheet period.

Under the agreed terms of the Option Scheme, Participants took up their rights to exercise all remaining Manager Share Options and Manager Loan Note Options. On 23 January 2017, this saw Participants issued with $241.2m of shareholder loan notes, including accrued interest thereon, and 183.8m ordinary shares in the company. As part of the capital restructuring discussed above, Participants exchanged the shareholder loan notes for an additional 306.4m ordinary shares and $22.4m of exchangeable notes, selling all their interests in ordinary shares to Liberty immediately thereafter.

The unaudited pro forma consolidated balance sheet as of December 31, 2016 and the unaudited pro forma consolidated statement of operations for the year ended December 31, 2016 are based on (i) the historical audited consolidated financial statements of Liberty Media Corporation ("Liberty Media" or "we") as of and for the year ended December 31, 2016 contained in Liberty Media's Annual Report on Form 10-K filed with the SEC on February 28, 2017 and (ii) the historical audited consolidated financial statements of Formula 1 as of and for the year ended December 31, 2016. Upon the second closing, Liberty Media began accounting for Formula 1 as a consolidated subsidiary that was attributed to the Liberty Media Group, which was renamed the Liberty Formula One Group shortly after the second closing.

The pro forma adjustments are included only to the extent they are (i) directly attributable to the transactions, (ii) factually supportable and (iii) with respect to the statements of operations, expected to have a continuing impact on the consolidated results.

The unaudited pro forma financial information is presented for illustrative purposes only and does not purport to represent what the results of operations or financial position of Liberty Media would actually have been had the transaction occurred in prior periods, or to project the results of operations or financial position of Liberty Media for any future periods. The unaudited pro forma adjustments are based on available information and certain assumptions that Liberty Media management believes are reasonable. The unaudited pro forma adjustments are directly attributable to the transaction and are expected to have a continuing impact on the results of operations of Liberty Media. In the opinion of Liberty Media management, all adjustments necessary to present fairly the unaudited pro forma consolidated financial information have been made.

Delta Topco is a privately held company based in Jersey, and its principal subsidiaries are privately held companies based in London. Accordingly, Formula 1 does not provide periodic financial reporting materials similar to those filed by a publicly traded U.S. company (such as reports filed with the Securities and Exchange Commission). In addition, Formula 1 financial information is presented or obtained from financial information presented in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board ("IFRS"). A reconciliation of Formula 1's financial statements prepared under IFRS to generally accepted accounting principles in the United States ("US GAAP") has been performed for purposes of these unaudited consolidated financial statements. Such reconciliation adjustments consist of the following:

(a) Goodwill

Formula 1's goodwill is attributable to the acquisition of two separate businesses in 2006 and 2007. Based on the applicable UK GAAP guidance at the time of acquisition, Formula 1 amortized goodwill over a 20 year period, which represented management's estimate of the economic life of the acquired goodwill. Upon transition to IFRS in 2012, Formula 1 elected the IFRS First Time Adoption exemption and assumed that the amortized cost under UK GAAP ($4.0 billion) was the carrying value of goodwill at January 1, 2012. US GAAP guidance provides that goodwill acquired in business combinations after September 30, 2001 shall not be amortized, but rather tested for impairment annually or at an interim date if certain indicators are present. Therefore, the goodwill would not have been amortized under US GAAP and has been restated to the unamortized balance in the condensed consolidated balance sheet.

Additionally, certain reclass adjustments have been made to conform the presentation of Formula 1's financial statements to the presentation of Liberty Media's financial statements, as follows:

(b) FIA Agreements

Formula 1 includes prepayments related to its right to acquire the commercial interests in the Championship from the Fédération Internationale de l'Automobile ("FIA") for the 100 year period beginning on January 1, 2011 in Other current assets and Other assets, depending on the timing of amortization of the prepaid contract rights. Upon acquisition by Liberty Media, these prepaid contract rights will be accounted for as an intangible asset at fair value and amortized straight-line over the remaining term of the contract. Accordingly, we reclassified the amount of the FIA agreement prepayments at December 3[illegible]

Series C Liberty Formula One common stock to certain third party investors, as discussed in note 3(b). Liberty Media used a portion of the net proceeds of the New Convertible Notes (note 3(e)) to fund an increase to the cash consideration payable to the selling shareholders of Formula 1 by approximately $400 million and hold in reserve by the Company for possible sale to Formula 1 teams the approximately 19 million shares of Series C Liberty Formula One common stock that would otherwise have been issuable to the selling shareholders based on the purchase price of $21.26 per share. The remaining $341 million cash payment was funded by the issuance of a New Margin Loan (note 3(d)) and cash on hand.

The $759 million investment in Formula 1, accounted for as a cost investment, was eliminated through Additional paid-in capital in the consolidated pro forma financial statements as of December 31, 2016.

(b) Issuance of Series C Liberty Formula One common stock

On December 13, 2016, Liberty Media entered into certain investment agreements with certain third party investors to purchase 62 million new shares of Series C Liberty Formula One common stock at a price per share of $25.00. The issuance of these shares was consummated concurrently with the completion of the Formula 1 acquisition on January 23, 2017. These proceeds were used to fund the acquisition of Formula 1. Additionally, approximately 56 million shares of Series C Liberty Formula One common stock were issued to the selling shareholders on the date of the second closing.

(c) Issuance of subordinated exchangeable notes

In connection with the transaction, Delta Topco issued $351 million subordinated exchangeable notes upon the conversion of certain outstanding Formula 1 loan notes, exchangeable into cash or shares of Series C Liberty Formula One Group common stock, at Delta Topco's option, by the holders at any time. The exchangeable securities bear interest at 2% per annum and mature 30 months from the completion of the second closing. The conversion option was bifurcated from the debt host component. At the consolidated Liberty Media level, the debt host component of the exchangeable notes is recorded as a long-term liability with the premium amortized over the expected term of the loan, using the effective interest rate method, and the embedded conversion option is recorded in permanent equity, with no adjustment for changes in the fair value each reporting period. The assumed fair value of the Delta Topco exchangeable notes was $504 million upon acquisition. As of December 31, 2016, the fair value of the conversion option would have been approximately $"ĎaĐ the fair 1 t at 2% m t y $Ď2 tholi *(e) Issuance of New Convertible Notes*

In connection with the transaction, Liberty Media issued $450 million convertible notes (the "New Convertible Notes") at an interest rate of 1% per annum. The Company incurred approximately $7 million of debt issuance costs in connection with the issuance of the New Convertible Notes. The conversion of the New Convertible Notes will be settled solely in cash, and not through the delivery of any securities. The Company accounts for the New Convertible Notes at fair value. The notes will mature on January 30, 2023 unless earlier repurchased by Liberty Media or converted. As previously discussed, Liberty Media used a portion of the net proceeds of the New Convertible Notes to fund an increase to the cash consideration payable to the selling shareholders of Formula 1 by approximately $400 million and retain in treasury the approximately 19 million shares that would otherwise have been issuable to the selling shareholders.

(f) Formula 1 purchase price allocation

As discussed above, the acquisition of Formula 1 was funded by a mix of cash on hand, newly issued shares of Series C Liberty Formula One Group tracking stock and a debt instrument exchangeable into shares of Series C Liberty Formula One Group tracking stock.

The following is a pro forma purchase price allocation as if the Formula 1 acquisition had occurred on December 31, 2016 (amounts in millions):

Current assets	$ 862
Property and equipment	7
Goodwill	4,185
Definite-lived intangible assets	5,484
Other assets	130
Deferred income tax liabilities	(1,012)
Current liabilities	(461)
Long-term debt	(4,528)
	$ 4,667

In the preliminary Formula 1 acquisition price allocation that is currently underway, we allocated a portion of the excess basis to the FIA Championship 100 year agreement definite lived intangible asset, which was historically accounted for as a prepaid asset by Formula 1. As a result, the application of purchase accounting resulted in a decrease to Formula 1's existing goodwill. Additionally, a $42 million purchase accounting adjustment was made to step up existing Formula 1 debt to fair value. Formula 1's amortizable intangible assets consist of customer relationships, which were acquired in May 2006 and the FIA Championship 100 year agreement, which was acquired in January 2011. The weighted average remaining useful life of these intangible assets is approximately 27.1 years as of December 31, 2016, resulting in incremental amortization expense of approximately $352 million for the year ended December 31, 2016.

The valuation related to the acquisition of a controlling interest in Formula 1 is not final, and the acquisition price allocation is preliminary and subject to revision. The primary areas of the acquisition price allocation that are not yet finalized are related to certain intangible assets, liabilities and tax balances.

(g) Shareholder loan notes

Shareholder loans represent Payment In Kind ("PIK") loan notes issued by Formula 1 to its shareholders in proportion to the relevant equity holdings of each shareholder. Interest accrues on the balance of the notes at an annual compound rate of 10% payable on December 31 each year. Interest is capitalized to the shareholder loan note balance. These shareholder loan notes were converted to equity in Formula 1 upon the second closing ($4,872 million outstanding at December 31, 2016, including accrued interest). $4,521 million of the shareholder loan notes were included in other current liabilities and $351 million was included in long-term debt as of December 31, 2016. Interest expense on the shareholder loan notes was $438 million for the year ended December 31, 2016.

(h) Stock-based compensation

Formula 1 has historically granted Manager Share Options and Manager Loan Note Options (collectively, "Awards") under its Delta Topco Option Scheme ("Option Scheme") plan. Manager Share Options allow the participants of the Option Scheme to acquire a fixed number of shares of Formula 1 while the Manager Loan Note Options provide an option to participants over an increasing number of loan notes in return for a subscription payment. The Manager Share Options have historically been equity classified awards, and the Manager Loan Note Options are liability classified awards in Formula 1's stand alone financial

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expense) and corresponding liability for the expected national insurance contribution payable based on the estimated value of Award exercises less any amounts payable on grant or exercise of the Awards. Upon the second closing, Formula 1 paid out the UK national insurance contribution for the vested and exercised Awards. Therefore, the $29 million liability related to the accrued UK national insurance contribution has been reversed from Other current liabilities to Retained earnings and reclassified to Additional paid-in capital in the unaudited consolidated pro forma consolidated balance sheet as of December 31, 2016.

Furthermore, Formula 1 has historically declared cash dividends to shareholders. Dividends have been accrued for vested Manager Share Options, although participants are not entitled to receive payment for the dividends until the Manager Share Options become exercisable. As the vested Manager Share Options [illegible]

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You should rely only on the information we have provided or incorporated by reference in this prospectus and any prospectus supplement. Neither we nor the Selling Stockholders have authok1the

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THE COMPANY

The following summary highlights selected information included or incorporated by reference in this prospectus to help you understand our Company and shares of FWONK. For a more complete understanding of our Company and shares of FWONK, we encourage you to read this entire document and the information incorporated by reference herein, including the financial statements of the Company and the notes thereto. All references in this prospectus to the "Company," "Liberty Media," "we," "our" and "us" and words of similar effect refer to Liberty Media Corporation, and, unless the context otherwise requires, its consolidated subsidiaries.

America. Our principal businesses and assets include our consolidated subsidiaries Sirius XM, Braves Holdings and Delta Topco, the parent company of Formula 1. In addition to the foregoing businesses, we hold ownership interests in Live Nation Entertainment, Inc. ("**Live Nation**") and, through Sirius XM, SIRIUS XM Canada, and we maintain investments in "av

Grand Prix at the Silverstone circuit and the Mexican Grand Prix at the Autódromo Hermanos Rodríguez.

For additional information about Formula 1, please see Item 1 ("Business") of Part I of our Annual Report on Form 10-K for the year ended December 31, 2016, which is incorporated by reference herein.

Our consolidated subsidiary Delta Topco is attributed to our Formula One Group.

Live Nation. We beneficially owned approximately 34% of the issued and outstanding shares of Live Nation common stock as of March 31, 2017. Live Nation is considered the world's largest live entertainment company and seeks to innovate and enhance the live entertainment experience for artists and fans before, during and after the show. Live Nation has four business segments: concerts; sponsorship and advertising; ticketing and artist nation.

Our equity affiliate Live Nation is attributed to our Formula One Group.

Time Warner. As of March 31, 2017, we beneficially owned 4,252,831 shares of Time Warner common stock, representing less than 1% of the outstanding common stock of Time Warner. Of the shares we beneficially own, 464,323 have been pledged as collateral to secure obligations of certain subsidiaries of Braves Holdings pursuant to credit facilities entered into by those subsidiaries to fund certain costs of the Development Project.

Our shares of Time Warner common stock are attributed to our Formula One Group.

Description of the Formula 1 Acquisition

The following describes certain material terms of, and documents and agreements related to, the Formula 1 Acquisition (as defined below). This summary is not complete and it is qualified in its entirety by reference to the Second SPA (as defined below), which is incorporated by reference as Exhibit 10.57 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, and the documents and agreements that are incorporated herein by reference.

On September 7, 2016, Liberty Media entered into two definitive stock purchase agreements relating to the purchase by our indirect wholly-owned subsidiary, Liberty GR Cayman Acquisition Company, a company registered in the Cayman Islands (the "**Buyer**"), of 100% of the fully diluted equity interests of Delta Topco, other than a nominal number of equity securities held by the Teams (the "**Formula 1 Acquisition**"). For the purposes of this prospectus, references to "**F1 Shares**" include outstanding ordinary shares in Delta Topco, and references to "**F1 Loan Notes**" include the 10% unsecured loan notes due November 24, 2060, issued by Delta Topco pursuant to an unsecured loan note instrument dated November 24, 2006, as amended and restated from time to time.

On September 7, 2016, Liberty Media, the Buyer, Formula 1 and certain selling shareholders of Formula 1 (the "**Initial Sellers**") entered into the first stock purchase agreement (the "**First SPA**"), pursuant to which the Buyer purchased 18.7% of the fully diluted F1 Shares and F1 Loan Notes from the Initial Sellers for an aggregate purchase price of approximately $746 million (the F1 Shares and the F1 Loan Notes purchased pursuant to the First SPA hereinafter referred to as the "**initial securities**"). The transactions contemplated by the First SPA were consummated on September 7, 2016, immediately following its execution and delivery (the "**First Closing**").

Pursuant to the First SPA, on October 27, 2016, the Buyer purchased additional F1 Shares and F1 Loan Notes (the "**additional securities**") from certain of the Initial Sellers to increase its ownership percentage in Formula 1 to approximately 19.1% of the fully diluted F1 Shares and F1 Loan Notes outstanding on the closing of the purchase of the additiona

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Strategy

Formula 1's goal is to further broaden and increase the global scale and appeal of the World Championship in order to improve the ove[illegible]

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All drivers are employed or contracted by the Teams and have no contractual relationship with Formula 1.

Key Commercial Agreements

100-Year Agreements

Under the 100-Year Agreements entered into by Formula 1 and the FIA in 2001, Formula 1 was granted an exclusive license with respect to all of the commercial rights to the World Championship, including its trademarks, in exchange for a significant one-time fee of $313.6 million in 2001 and annual escalating regulatory fees to the FIA. This license, which took effect on January 1, 2011 and expires on December 31, 2110, maintains Formula 1's exclusive commercial rights to the World Championship which Formula 1 held under previous agreements with the FIA. For 2016, Formula 1 paid the FIA an approximate $26.8 million cash regulatory fee.

The 100-Year Agreements also provide that Formula 1 may appoint a representative to the FIA, subject to the FIA's approval, and that person will be a member of the FIA's F1 Commission and World Motor Sport Council. The FIA may terminate the 100-Year Agreements and Formula 1's exclusive license upon a change of control of Delta Topco, unless either the FIA previously approved the transaction or the transaction falls within one of a number of specified exceptions. Formula 1 obtained the FIA's approval of its acquisition by Liberty Media under the 100-Year Agreements.

In addition, the FIA may terminate Formula 1's license if (i) certain Delta Topco subsidiaries party to the 100-Year Agreements become insolvent; (ii) Formula 1 fails to pay an amount due to the FIA and such non-payment is not cured within 30 days of FIA's demand for payment; (iii) arbitrators declare that Formula 1 materially breached the 100-Year Agreements and Formula 1 has not paid to the FIA certain penalties to cure such breach; or (iv) Formula 1 changes or removes certain of the FIA's rights without its prior consent.

Current Concorde Arrangements

From 1981 until 2012, successive Concorde Agreements governed the relationship between Formula 1, the FIA and the Teams, including the regulation of the World Championship. After the previous Concorde Agreement expired on December 31, 2012, Formula 1 entered into a separate binding agreement with each Team (the "**Team Agreements**"), securing the relevant Team's commitment to continue participating in the World Championship until December 31, 2020. In addition, Formula 1 entered into the 2013 Concorde Implementation Agreement with the FIA in 2013. The 2013 Concorde Implementation Agreement, in addition to making certain modifications to the 100-Year Agreements for the period to end 2030, provides that the FIA agrees to provide certain sporting governance arrangements and regulatory safeguards for the benefit of the Teams, to enter into a ne£ e gtment tof reemesf al

Team Agreements

As discussed above, Formula 1 and each of the Teams have entered into separate Team Agreements that establish a Prize Fund, establish procedures for setting the World Championship calendar, give the Teams the right to nominate and, in some cases, appoint directors to Delta Topco's board, and provide for certain termination rights.

The Team Agreements establish the Prize Fund to be paid to the Teams that is funded with a certain percentage of Formula 1's Prize Fund Adjusted EBITDA plus additional amounts that Formula 1 expects to range from $120 million to $175 million. The majority of the Prize Fund is paid to individual Teams based on their results in prior Constructors' Championships, and the balance is paid to Teams that have achieved certain milestones based on Formula 1's principles and measures of performance. Independent auditors perform certain agreed-upon procedures to provide a report to the Teams on the calculation, and allocation thereof, of all Team payments under the Prize Fund.

Under the Team Agreements, the consent of a majority of certain Teams is required if there are more than 20 Events in a season or more than 17 Events are held in a season and the number of Events that are held outside Europe, the US or Canada exceeds 60% or more of the total number of Events in that season.

The Team Agreements with McLaren and Mercedes grant the corporate parent of each of those Teams (McLaren Group Limited and Daimler AG, respectively) the right to appoint a team director (a "**Team Director**") until December 31

of all equipment to be operated with a radio frequency. Permits are typically issued subject to conditions, which Formula 1 has generally been able to satisfy.

Employees

As of March 31, 2017, Formula 1 had 390 employees, almost all of whom are based in England. To Formula 1's knowledge, none of Formula 1's employees are represented by a union. Formula 1 does not have a significant number of temporary employees. Formula 1 does engage a number of seasonal independent contractors for its technical operations.

Properties

As of the date hereof, Formula 1 owns no material property. Delta Topco is based in Jersey. In addition, as of the date hereof, Formula 1 leases spaces for its offices in London, England and for its television production and technical operations in Kent, England.

Corporate Information

Our principal executive offices are located at 12300 Liberty Boulevard, Englewood, Colorado 80112. Our main telephone number is (720) 875-5400.

RISK FACTORS

An investment in shares of FWONK involves risk. Before investing in shares of FWONK, you should carefully consider the information incorporated by reference or included in this prospectus, including the risk factors described in Item 7 ("Management's Discussion and Analysis of Financial Condition and Results of Operations") of Part II and Item 1A ("Risk Factors") of Part I of our annual report on Form 10-K for the year ended December 31, 2016, together with the matters addressed in the section of this prospectus entitled "Cautionary Note Regarding Forward-Looking Statements." Such risks are not the only ones that relate to our businesses and capitalization. The risks incorporated by reference herein 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 in the documents incorporated by reference herein were to occur, our businesses, prospects, financial condition, results of operations and/or cash flows could be materially adversely affected, which in turn could have a material adverse effect on the value of our common stock, including shares of FWONK. See "*Where to Find More Information*."

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus and in the documents incorporated by reference herein constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our business, product and marketing strategies; new service offerings; revenue growth and subscri}anaman i

- harmful interference our businesses' service may experience from new wireless operations;
- impairments by third-party intellectual property rights;
- our indebtedness could adversely affect the operations and could limit the ability of our subsidiaries to react ta

DESCRIPTION OF CAPITAL STOCK

For a description of the shares of FWONK, please see the description of our capital stock contained in Amendment No. 1 to our Form 8-A filed under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), on January 24, 2017, and any amendment or report filed for the purpose of updating such description, which is incorporated by reference in this prospectus.

SELLING STOCKHOLDERS

This prospectus relates in part to the offer and sale from time to time by the Selling Stockholders of up to 55,368,436 shares of FWONK, which are comprised of (i) certain shares of FWONK issued to the Selling Stockholders at the Second Closing and (ii) certain shares of FWONK issuable upon the exchange of the Exchangeable Notes issued to the Selling Stockholders at the Second Closing. The shares of FWONK offered pursuant to this prospectus were issued to the Selling Stockholders in transactions that were exempt from the registration requirements of the Securities Act. See "*The Company—Description of the Formula 1 Acquisition*" for additional information regarding the Formula 1 Acquisition.

At the Second Closing, we entered into a shareholders agreement with the Selling Stockholders. Pursuant to the shareholders agreement, we agreed to file the registration statement of which this prospectus forms a part covering the resale of the shares of FWONK offered hereby. See "*—The Shareholders Agreement*" for additional information regarding the shareholders agreement.

The Selling Stockholders may offer and sell, pursuant to a prospectus supplement, any or all of such shares of FWONK beneficially owned by them at the time of such offer and sale and offered hereby in accordance with one or more of the methods of distribution described under the caption "*Plan of Distribution*."

Information regarding the Selling Stockholders, the beneficial ownership of shares of FWONK by the Selling Stockholders, the number of shares of FWONK being offered by Selling Stockholders, the number of shares of FWONK and the percentage of the class to be beneficially owned by Selling Stockholders after the applicable offering and whether any of the Selling Stockholders has held any position or office with, has been employed by or otherwise has had a material relationship with us during the prior three years, where applicable, will be set forth in a prospectus supplement, in a post-effective amendment or in filings we make with the Commission under the Exchange Act, which are incorporated by reference.

The Formula 1 Acquisition

The shares of FWONK to be offered and resold by the Selling Stockholders pursuant to this prospectus are comprised of (i) certain shares of FWONK issued to the Selling Stockholders at the Second Closing (the "**Stock Consideration**") and (ii) certain shares of FWONK issuable upon the exchange of the Exchangeable Notes issued to the Selling Stockholders at the Second Closing. The Stock Consideration and the Exchangeable Notes constituted a portion of the purchase price paid to the Selling Stockholders under the Second SPlders at ethe

Exchangeable Notes held by such Noteholder for a number of fully paid shares of FWONK e effect more than one demand registration statem fm

PLAN OF DISTRIBUTION

We and the Selling Stockholders may sell the shares of FWONK covered by this prospectus using one or more of the following methods:

- underwriters in a public offering;
- "at the market offerings" to or through market makers or into an existing market for the securities;
- one or more block trades in which a broker-dealer will attempt to sell the shares of FWONK as agent, but may reposition and resell a portion of the block, as principal, in order to facilitate the transaction;
- purchases by a broker-dealer, as principal, and resale by the broker-dealer for its account;
- ordinary brokerage transactions and transactions in which a broker-dealer solicits purchasers;
- an exchange distribution in accordance with the rules of the applicable exchange;
- broker-dealers who may agree with us or the Selling Stockholders to sell a specified number of such shares of FWONK at a stipulated price per share;
- privately negotiated transactions;
- short sales (including short sales "against the box");
- trading plans entered into by a Selling Stockholder pursuant to Rule 10b5-1 under the Exchange Act that are in place at the time of an offering pursuant to this prospectus and any applicable prospectus supplement hereto that provide for periodic sales of their securities on the basis of parameters described in such trading plans;
- any combination of the foregoing; or
- any other method permitted pursuant to applicable law.

To the extent required by law, this prospectus may be amended or supplemented from time to time to describe a specific plan of distribution. Any prospectus supplement relating to a particular offering of shares of FWONK may include the following information to the extent required by applicable law:

- the terms of the offering;
- the names of any underwriters or agents;
- the purchase price of the shares;
- any delayed delivery arrangements;
- any underwriting discounts and other items constituting underwriters' compensation;
- any initial public offering price; and
- any discounts or concessions allowed or reallowed or paid to dealers.

There can be no assurance that we or the Selling Stockholders will sell any or all of our or their respective shares of FWONK offered by this prospectus.

The aggregate proceeds we and the Selling Stockholders will receive from the sale of our or their, as applicable, respective shares of FWONK will be the purchase price of the shares of FWONK less any discounts or commissions, if any. We and the Selling Stockholders reserve the right to accept and, together with our respective agents, to reject, in whole or in part, any proposed purchase of shares of FWONK to be made directly or through agents. Unless we inform you otherwise in a prospectus

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supplement or free writing prospectus, we intend to use the net proceeds we receive from our sale of shares of FWONK for general corporate purposes, as further described under the heading "*Use of Proceeds*." We will not receive any of the proceeds from the sale of shares of FWONK by the Selling Stockholders.

The Selling Stockholders and any underwriters, broker-dealers or agents that participate in the sale of their respective shares of FWONK may be deemed by the Commission to be "underwriters" within the meaning of Section 2(a)(11) of the Securities Act. Any discounts, commissions, concessions or profit they earn on any resale of the shares may therefore be underwriting discounts and commissions under the Securities Act.

In order to comply with the securities laws of some states, if applicable, shares of FWONK may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in some states shares of FWONK may not be sold unless they have been registered or qualified for sale or an exemption from registration or qualification requirements is available and is complied with.

Underwriters or agents could make sales in privately negotiated transactions and/or any other method permitted by law, including sales deemed to be an at-the-market offering as defined in Rule 415 promulgated under the Securities Act, which includes sales made directly on or through the Nasdaq Global Select Market, the existing trading market for shares of FWONK, or sales made to or through a market maker other than on an exchange.

We will bear the costs relating to the registration and sale of the shares of FWONK offered by this prospectus, other than any underwriting discounts and commissions and transfer taxes applicable to sales by the Selling Stockholders of their respective shares of FWONK, if any. We have agreed to indemnify the Sell ifytoc Wntcoh htintssioa teome , w

LEGAL MATTERS

Certain legal matters with respect to the validity of the securities that may be sold pursuant to this prospectus will be passed upon for us by Baker Botts L.L.P., New York, New York.

EXPERTS

The consolidated financial statements of Liberty Media Corporation as of December 31, 2016 and 2015, and for each of the years in the three-year period ended December 31, 2016, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2016 have been incorporated by reference herein and in the registration statement on Form S-3 in reliance upon the reports of KPMG LLP, independent registered public accounting firm, and upon the authority of said firm as experts in accounting and auditing. The audit report covering the December 31, 2016 consolidated financial statements refers to the adoption of *ASU 2015-17: Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes*.

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40,000,000 Shares
Series C Liberty Formula One Common Stock

May 18, 2017