

The date of this prospectus supplement is July , 2017.

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PROSPECTUS SUPPLEMENT SUMMARY

The following summary highlights selected information included or incorporated by reference in this prospectus to help you understand our Company, shares of FWONK and this offering. This summary is not complete and does not contain all the information you should consider before investing in shares of FWONK. For a more complete understanding of our Company, shares of FWONK and this offering, we encourage you to read this entire document, including the accompanying base prospectus, and the information incorporated by reference herein, including the financial statements of the Company and the notes thereto. All references 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.

OUR COMPANY

Our Capital Structure

Under our current amended and restated certificate of incorporation (our " **current charter**"), our common stock is comprised of three tracking stocks, with each tracking stock divided into three series. Our tracking stocks, which are designated the Liberty SiriusXM common stock, the Liberty Braves common stock and the Liberty Formula One common stock, are intended to track and reflect the separate economic performance of the businesses, assets and liabilities attributed to the SiriusXM Group, the Braves Group and the Formula One Group, respectively. While each group has a separate collection of businesses, assets and liabilities attributed to it, none of these groups is a separate legal entity and therefore cannot own assets, issue securities or enter into legally binding agreements. Hence, holders of our Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Formula One common stock have no direct claim to the relevant group's assets, and are not represented by a separate board of directors. Instead, holders of those stocks are stockholders of Liberty Media Corporation, with a single board of directors and subject to all of the risks and liabilities of Liberty Media as a whole.

At a special meeting of stockholders of the Company held on January 17, 2017, our stockholders approved the adoption of an amendment and restatement of our then-existing charter (1) to change the name of the "Media Group" to the "Formula One Group," (2) to change the name of the "Liberty Media common stock" to the "Liberty Formula One common stock," (3) to reclassify each share of each series of our then-existing Liberty Media common stock into one share of the corresponding series of Liberty Formula One common stock solely to effect the name change and (4) to make certain conforming changes (the "**group name change**"). The current charter was filed with the Secretary of State of the State of Delaware on January 24, 2017, and gave effect to the group name change.

The Liberty SiriusXM common stock tracks and reflects the separate economic performance of the businesses, assets and liabilities attributed to the SiriusXM Group, which includes, among other things, Liberty Media's approximate 67.5% interest in Sirius XM as of March 31, 2017. The Liberty Braves common stock tracks and reflects the separate economic performance of the businesses, assets and liabilities attributed to the Braves Group, which includes, among other things, Liberty Media's wholly owned subsidiary Braves Holdings, which indirectly owns the Atlanta Braves Major League Baseball club. The Liberty Formula One common stock, which includes FWONK, tracks and reflects the separate economic performance of the businesses, assets and liabilities attributed to the Formula One Group, which includes the remainder of Liberty Media's businesses, assets and liabilities not attributed to the SiriusXM Group or the Braves Group, including, in addition to Liberty Media's consolidated subsidiary, Formula 1 (as discussed herein), among other things, Liberty Media's approximate 34% interest in Live Nation Entertainment, Inc. ("**Live Nation**") as of March 31,

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2017, Liberty Media's minority investments in Time Warner, Inc. ("**Time Warner**") and Viacom, Inc. ("**Viacom**"), and its 15.5% inter-g 6 t

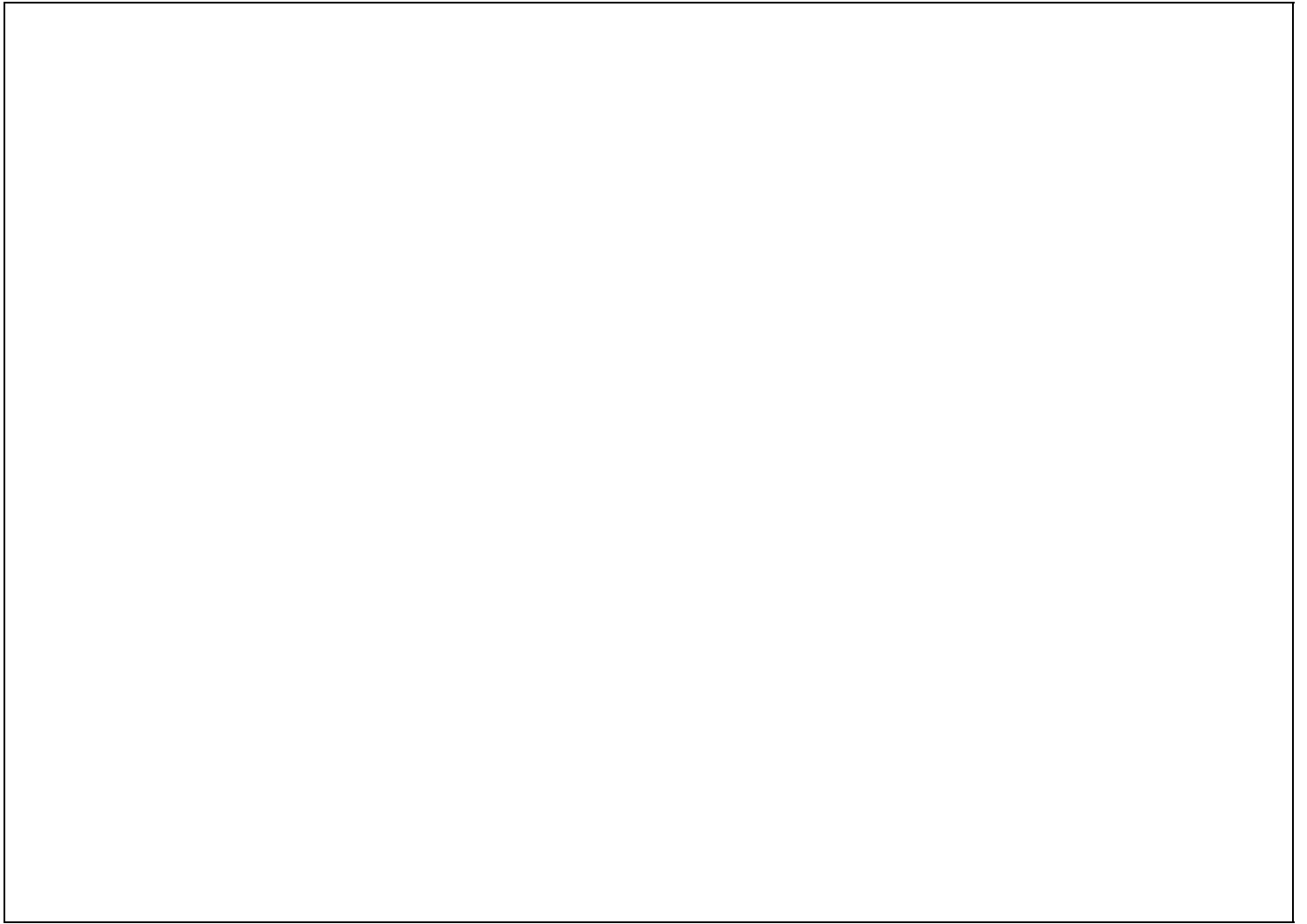


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of the group of companies that exploit exclusive commercial rights pertaining to the Fédération Internationale de l'Automobile (" **FIA**") Formula One World Championship® (the "**World Championship**") (such companies, together with Delta Topco, "**Formula 1**"), 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 race-based competition in which teams (the "**Teams**") compete for the Construc

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF LIBERTY MEDIA

The following tables set forth our historical balance sheet data as of March 31, 2017 and December 31, 2016, 2015, 2014, 2013 and 2012, and our historical statement of operations for the three months ended March 31, 2017 and 2016 and for each of the years in the five-year period ended December 31, 2016. The following information is qualified in its entirety by, and should be read in conjunction with, our audited financial statements and notes thereto for the periods presented that are included in our Annual Report on Form 10-K for the year ended December 31, 2016, which is incorporated by reference herein. See "Where ^{here} _{eri}



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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.

USE OF PROCEEDS

The Selling Stockholders will receive all of the net proceeds from the sale of their 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 "**Securities Act**"), 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.



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stock continue to trade on the Nasdaq Global Select Market and the Series B Liberty Formula One common stock continues to be quoted on the OTC Markets. Although the Second Closing, and the corresponding tracking stock name and the ticker symbol change, were not completed until January 23 and January 24, 2017, respectively, historical information of the Media Group and Liberty Media common stock is referred to herein as the Formula One Group and Liberty Formula One common stock, respectively.

Our Series C Liberty Formula One common stock (formerly named Series C Liberty Media common stock) is listed on the Nasdaq under the symbol "FWONK." The following table sets forth, for the calendar quarters indicated, the range of high and low sales prices for FWONK as reported on the Nasdaq. The prices reflect Liberty Media's recapitalization into three tracking stock groups on April 15, 2016.

The follow on the Nai W

	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	\$ 25.64	16.52	25.80	21.00	25.38	16.18
Third quarter (Through July 3, 2017)	\$ 24.08	23.69	24.87	24.87	24.18	23.57

The last reported sale price of FWONK on the Nasdaq on July 3, 2017 was \$36.34 per share.

Dividend Policy

The declaration and payment of any dividends are at the discretion of our board of directors and depends 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.

SELLING STOCKHOLDERS

This prospectus supplement and the accompanying base prospectus relate in part to the offer and sale by the Selling Stockholders of 12,500,000 shares of FWONK, 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 transaction ~~Foot~~ ~~Foot~~.

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Notice to Prospective Investors in Bermuda

Shares of FWONK may be offered or sold in Bermuda only in compliaT 1m



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Liberty Media, the Selling Stockholders, the underwriters and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgments and agreements.

This prospectus supplement and the accompanying base prospectus have been prepared on the basis that any offer of shares of FWONK in any Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of shares of FWONK. Accordingly, any person making or intending to make an offer in that Member State of shares of FWONK which are the subject of the offering contemplated in this prospectus supplement and the accompanying base prospectus may only do so in circumstances in which no obligation arises for Liberty Media, the Selling Stockholders or the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither Liberty Media, the Selling Stockholders, nor the underwriters have authorized, nor do they authorize, the making of any offer of shares of FWONK in circumstances in which an obligation arises for Liberty Media, the Selling Stockholders, or the underwriters to publish a prospectus for such offer.

For the purposes of this provision, the expression an "offer of shares to the public" in relation to any shares of FWONK in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares of FWONK to be offered so as to enable an investor to decide to purchase or subscribe the shares of FWONK, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in each Member State.

Notice to Prospective Investors in Hong Kong

The contents of this prospectus supplement and the accompanying base prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer of shares of FWONK pursuant to this prospectus supplement and the accompanying base prospectus. If you are in any doubt about any of the contents of this prospectus supplement and the accompanying base prospectus, you should obtain independent professional advice. Please note that (i) shares of FWONK may not be offered or sold in Hong Kong, by means of this prospectus supplement and the accompanying base prospectus or any document other than to "professional investors" within the meaning of Part I of Schedule 1 of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) ("**SFO**") and any rules made thereunder, or in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong) ("**CO**") or which do not constitute an offer or invitation to the public for the purpose of the CO or the SFO, and (ii) no advertisement, invitation or document relating to shares of FWONK may be issued to or may be in the possession of any person for the purpose of issue (in each case, whether in Hong Kong or elsewhere) which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the shares of FWONK which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made thereunder.

Notice to Prospective Investors in Japan

The shares of FWONK have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the "**Financial Instruments and Exchange Law**") and our shares of FWONK will not be offered or sold, directly or indirectly, in Japan, or to, or for the benefit of, any resident of Japan (which

Notice to Prospective Investors in Switzerland

This prospectus supplement and the accompanying base prospectus do not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations ("CO") and the shares of FWONK will not be listed on the SIX Swiss Exchange. Therefore, this prospectus supplement and the accompanying base prospectus may not comply with the disclosure standards of the CO and/or the listing rules (including any prospectus schemes) of the SIX Swiss Exchange. Accordingly, the shares of FWONK may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors, which do not subscribe to the shares of FWONK with a view to distribution.

Notice to Prospective Investors in Taiwan

The shares of FWONK have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan is authorized to offer or sell securities of FWONK in Taiwan.



LEGAL MATTERS

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.

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 a change in the method of accounting for share-based payments due to the Company's adoption of FASB Accounting Standards Codification 718, Compensation—Stock-Based Compensation.

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- Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017, filed on May 9, 2017;
- Current Reports on Form 8-K (other than any portion thereof furnished or deemed furnished), filed on January 19, 2017, May 16, 2017, May 24, 2017, May 30, 2017 and July 5, 2017; and
- The description of our capital stock contained in our Form 8-A filed under the Exchange Act on April 14, 2016, as amended by Amendment No. 1 on Form 8-A/A filed under the Exchange Act on January 24, 2017, and any amendment or report filed for the purpose of updating such description.

Any statement, including financial statements, contained in the filings (or portions of the filings) incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus supplement and accompanying base prospectus to the extent that a statement contained in this prospectus or any supplement or amendment to this prospectus modifies, conflicts with or supersedes such statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement and accompanying base prospectus.

You may request a copy of these filings, at no cost, by writing or telephoning us at the following address or phone number:

Liberty Media Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112
Telephone: (720) 875-5400
Attention: Investor Relations

Our annual, quarterly and current reports and other information are on file with the Commission. You may read and copy any document that we file at the Public Reference Room of the Securities and Exchange Commission at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the Securities and Exchange Commission at 1-800-SEC-0330. Our SEC filings are also available to the public from the Commission's website at <http://www.sec.gov> and can be found by searching the EDGAR archives on the website. In addition, our SEC filings may be obtained from our website at www.libertymedia.com.

APPENDIX: BUSINESS AND FINANCIAL INFORMATION OF FORMULA 1

BUSINESS

Summary

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Advertising and Sponsorship

Formula 1 sells Event-based advertising and sponsorship in the form of trackside advertising and race title sponsorship packages. In addition, advertisers can acquire status as a Global Partner of Formula 1 and/or Official Supplier to Formula 1. These advertiser and sponsor contracts typically have a term of three to five years (but may on occasion be of longer duration). Payments often increase each year based on a fixed amount, a fixed percentage or in accordance with the United States or European consumer price index or another agreed metric. Separately, the Teams sell sponsorship rights primarily in the form of logo displays on cars, equipment and driver and Team uniforms, although Formula 1 does not derive any revenue from such sales. Formula 1's revenue from advertising and sponsorship contracts in 2016, 2015 and 2014 represented 14.6%, 14.4% and 15.3%, respectively, of total revenue.

Other Revenue

Formula 1 also generates revenue from a variety of other sources, including the operation of the Paddock Club race-based corporate hospitality program at most Events, freight and related logistical and travel services, support races at Events (either from the direct operation of the F2 and GP3 series which are owned by Formula 1 or from the licensing of other third party series or individual race events), various television production and post-production activities, and other Formula 1 ancillary operations. Formula 1's revenue from these other sources in 2016, 2015 and 2014 represented 16.4%, 18.0% and 19.3%, respectively, of its total revenue, and in each year includes approximately 5%-7% generated from the Teams' purchase of services from Formula 1.

Formula 1's business is global and diversified across six of the seven major regions in the world. In 2016, Europe, Asia, the Americas and the Middle East/Other accounted for 60.5%, 16.9%, 10.4% and 12.1%, respectively, of Formula 1's total revenue based on the location of the relevant trading counterparty's headquarters. Formula 1 has significantly expanded its business activities throughout the world by entering into additional broadcasting contracts and adding new Events such as those in Mexico, Singapore, Abu Dhabi, the United States, Russia and Azerbaijan.

FIA and the Teams

Formula 1's business is built on a number of key relationships — those with the FIA, the Teams and Formula 1's principal commercial partners. See "— Key Commercial Agreements" below for more information about Formula 1's relationships with the FIA and the Teams.

FIA

The FIA is the governing body for world motor sport and as such, is solely responsible for regulating the sporting, technical and safety aspects of the World Championship, including race circuits to be used by race promoters, through the FIA's F1 Commission and World Motor Sport Council. The FIA regulates a number of motor sports, with the World Championship being the most prominent. The FIA owns the World h the Wo

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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 excb

Circuit Rights Agreements

Under circuit rights agreements (the "**Circuit Rights Agreements**"), 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 three Events) 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.

Competition

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 Indianapolis 500 race and NASCAR in the United States.

Regulatory Matters — Competition Laws

The operations and business of Formula 1 are subject to European and national competition laws which require Formula 1 at all times to ensure its business practices and agreements are consistent with the operation of competitive markets. Following an investigation by the EC into the commercialization of Formula 1 and related agreements in 1999, Formula 1 modified certain of its business practices and changed the terms of a number of its commercial contracts with Teams, broadcasters, promoters and the FIA. In October 2001, the EC issued two comfort letters to Formula 1 stating that it was no longer under investigation. Comfort letters are not binding on the EC and if it believes that there has been a material change in circumstances, further enforcement action could be taken. The EC issued a press release in October 2003 stating that it was satisfied that Formula 1 had complied with the modified practices and terms that had led to its issuing the 2001 comfort letters and that it had ended its monitoring of Formula 1's compliance.

Intellectual Property

Formula 1 is the registered owner of a portfolio of trade mark registrations and applications, including for the F1 logo, the World Championship logo (which is used only in sporting contexts), "Formula One," "Formula 1," "F1" and "Grand Prix" when used in connection with any of the aforementioned and most of the official Event titles where they are capable of registration.

Formula 1 owns the copyright on footage of each Event since 1981. Ownership of this copyright enables Formula 1 to license that footage to broadcasters and to take legal action against infringers of that copyright. Under the Current Concorde Arrangements, Formula 1 also has the exclusive right, subject to limited exceptions, to use each Team's intellectual property rights (including image rights) to portray the World Championship and/or any Event in any visual form.

Licenses and Permits

Formula 1 is required to obtain permits for the allocation and use of radio frequencies which are necessary for the operation of live camera and other equipment used in the production of live television images and also in live radio communications used by Formula 1, the FIA, the Teams (including car to pit radio transmissions) and the emergency services. Such radio frequency permits

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are obtained by a dedicated unit in the television production team, with assistance from the local race promoter. Typically, such radio frequency permits are obtained from the relevant governmental authority responsible for licensing the use of radio frequencies in the host country of the relevant Event. The requirements and procedures for obtaining such permits vary by country and they may involve the completion of written formalities or the inspection by the relevant governmental authority 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

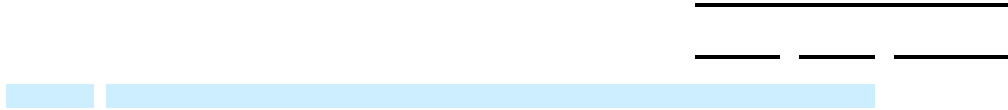
As of March 31, 2017, Formula 1 had 390 employees, almost all of whom are based in England. To Formula 1's knowledge, none of Formula 1's employees are represented by a union. Formula 1 does not have a significant number of temporary employees. Formula 1 does engage a number of seasonal independent contractors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

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

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 in conjunction with Liberty Media's Annual Report on Form 10-K for the year ended December 31, 2016, including the definition of Adjusted OIBDA (with the addition of adding back amortization of prepaid contract rights). Formula 1 stand-alone operating results, as adjusted, were as follows:



Formula 1 revenue

Primary Formula 1 revenue

Primary Formula 1 revenue represents the majority of Formula 1's revenue and is derived from the following streams:

- race promotion fees earned from granting the rights to host, stage and promote each Event on the World Championship calendar;
- broadcasting fees earned from licensing the right to broadcast Events on television and other platforms, including the internet; and
- advertising and sponsorship fees earned from the sale of World Championship and Event-related advertising and sponsorship rights.

Primary Formula 1 revenue accounted for 84%, 82% and 81% of total revenue for the years ended December 31, 2016, 2015 and 2014, respectively.

Formula 1 has entered into long term contracts for its race promotion, broadcasting and advertising and sponsorship businesses. Such contracts typically have high credit quality

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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 Event.



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Selling, general and administrative expense

	For the year ended December 31,		
	2016	2015	2014 (unaudited)
	(amounts in USD millions)		
Administrative expense	\$ 214	213	190
Less: Depreciation of property, plant, and equipment*	(2)	(3)	(4)
Less: Amortization of intangible assets*	(16)	(16)	(16)
Less: Stock-based compensation expense	(95)	(98)	(76)
Less: Reclassification of cumulative foreign currency exchange differences	—	—	—
	<u> </u>	<u> </u>	<u> </u>

Selling, general and administrative expenses include personnel costs, legal, professional and other advisory fees, bad debt expense, rental expense, IT costs, non-Event-related travel costs, insurance premiums, maintenance and utility costs and other general office administration costs.

Selling, general and administrative expenses increased \$6 million during the year ended December 31, 2016 as compared to 2015. The increase in selling, general and administrative expense during 2016 was driven by approximately \$11 million of advisory and other costs incurred primarily in connection with Liberty's acquisition of Formula 1 and a \$6 million increase in foreign exchange losses, the majority of which arose from translating Formula 1's GBP denominated cash and other assets following the UK's EU referendum vote on June 23, 2016. These increases were partially offset by an \$8 million decrease in the allowance for doubtful accounts and \$3 million of lower personnel and other net overhead costs.

Selling, general and administrative expenses increased \$1 million during the year ended December 31, 2015 as compared to 2014. The increase in selling, general and administrative expense during 2015 was due to \$10 million in higher provisions for doubtful accounts, which was partially offset by \$4 million in lower personnel costs, \$3 million savings in legal, advisory and other professional fees and \$2 million of other overhead savings, driven by the impact of weaker foreign exchange rates on the translation of largely GBP denominated costs.

Adjusted OIBDA

Formula 1's Adjusted OIBDA decreased \$23 million and \$15 million for the years ended December 31, 2016 and 2015, respectively as compared to the corresponding prior years. The change in Adjusted OIBDA was the result of the above-described fluctuations in revenue, cost of sales and selling, general and administrative expenses (excluding stock-based compensation).

Stock-based compensation expense

Stock-based compensation expense is related to costs arising from the Delta Topco Option Scheme. During the years ended December 31, 2016 and 2015, stock-based compensation expense decreased \$3 million and increased \$22 million, respectively, as compared to the corresponding prior years. While vesting charges significantly decreased in 2016 as compared to 2015, as awards under the plan had largely vested by the end of 2015, overall stock-based compensation expense only decreased \$3 million during 2016 due to the recognition of costs associated with additional cash awards granted to plan members to align their interests with

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Report of Independent Auditors

**The Board of Directors
Delta Topco Limited**

We have am



Delta Topco Limited and Subsidiaries



Delta Topco Limited and Subsidiaries

Consolidated Statement of Financial Position as at 31 December

	Note	2016 Audited \$ 000	2015 Audited \$ 000
Assets			
Non-current assets			
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
		<u>4,624,438</u>	<u>4,661,663</u>
Current assets			
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
		<u>961,841</u>	<u>734,424</u>
Total assets		<u>5,586,279</u>	<u>5,396,087</u>
Equity			
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		<u>(7,720,156)</u>	<u>(7,308,757)</u>
Total equity		<u>(4,220,062)</u>	<u>(3,812,130)</u>
Non-current liabilities			
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	—
		<u>4,487,355</u>	<u>8,820,334</u>

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

Delta Topco Limited and Subsidiaries
Consolidated Statement of Changes in Equity for the Year Ended 31 December

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Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of the foreign subsidiaries.

The notes on pages F-110 to F-112 are integral parts of these financial statements.

Delta Topco Limited and Subsidiaries

Consolidated Statement of Changes in Equity for the Year Ended 31 December (Continued)

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.

Delta Topco Limited and Subsidiaries
Consolidated Statement of Cash Flows for the Year Ended 31 December (Continued)

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

Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016

1 General information

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.

2 Basis of preparation

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



Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

4 Accounting policies (Continued)

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.

Finance income

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.

Tax

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 tax.

Delta Topco Limited and Subsidiaries**Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)****4 Accounting policies (Continued)****Property, plant and equipment**

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and impairment losses. The carrying value of such assets is reviewed for impairment when events or changes in circumstances indicate the value may not be recoverable. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in the income statement as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, over their estimated useful lives as follows:

Asset class	Depreciation method and rate
Leasehold improvements	straight-line over the remaining term of the lease
Plant, machinery and vehicles	25% reducing balance basis
Furniture, fittings and equipment	25% reducing balance basis
Aircraft	over 10 years on a straight-line basis

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. The group's only intangible asset with an indefinite life is goodwill.

Intangible assets with finite lives are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the

Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

4 Accounting policies (Continued)

amortisation period or 5⁵

Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

4 Accounting policies (Continued)

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 December) and when circumstances indicate that the carrying value may be impaired (see note 17).

Financial assets

Classification

Financial assets within the scope of IAS 39 are classified as derivative financial assets at fair value through profit or loss (see derivatives policy below), loans and receivables, or held-to-maturity investments. The group determines the classification of its financial assets at initial recognition.

The group's financial assets include cash and cash equivalents, trade and other receivables, loans and other receivables, held-to-maturity investments and derivative financial instruments.

Recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss (see derivatives policy below).



Delta Topco Limited and Subsidiaries

Notes to the



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Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

4 Accounting policies (Continued)

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term.

Foreign currency transactions and balances

Each company in the group determines its own functional currency and items included in the financial statements of each entity are measured using the functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the group entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date.

All differences arising on settlement or translation of monetary items are taken to the income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or the income statement, are also recognised in other comprehensive income or income statement, respectively).

Group companies

On consolidation, the assets and liabilities of group companies with a non-US dollar reporting currency are translated into US dollars at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

Delta Topco Option Scheme (see notes 32 and 37)

Equity-settled transactions — Manager Shares and Manager Share Options

Benefits arising to certain of the group's directors and senior management ("the Participants") under the Delta Topco Option Scheme ("the Option Scheme") in respect of the award of Managed it 52 of thenaged it 52 on



Delta Topco Limited and Subsidiaries

Notes to the



Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

4 Accounting policies (Continued)

The total expense for

Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

5 Changes in accounting policy (Continued)

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 classified as debt instruments.



Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

6 Judgements and key sources of estimation uncertainty (Continued)

However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the group's accounting policies management have made certain judgements which are considered to have a significant effect on the amounts recognised in the consolidated historical financial information:

Intangible assets

The treatment of intangible assets is dependent on an assessment of whether asset lives are deemed to be finite or indefinite and therefore management exercises judgement when assessing useful lives (see note 17).

Determination of cash-generating units

The group tests whether goodwill has suffered any impairment in accordance with the accounting policy stated. Management exercises judgement when determining the identity of cash-generating units or groups of cash-generating units and how goodwill and any corporate assets will be allocated to them. For details of the cash-generating units and groups of cash-generating units see note 17.

Option Scheme

The ultimate cost and related obligation arising from the elements of the Option Scheme was dependent on the occurrence and timing of exit events that could trigger full vesting. Management exercised judgement when considering the likelihood of such exit events in determining the amount charged and obligation to record (see note 32).

Trade receivables

Management assesses the potential impairment of trade receivables on an ongoing basis. An impairment allowance is raised against trade receivables when their collectibility is considered to be doubtful. Management believe that the impairment adjustment is conservative and there are no significant trade receivables that are doubtful and have not been impaired or allowance provided for. In determining whether a particular receivable could be doubtful, the age, customer current financial status and disputes with the customer are taken into consideration.

Estimates and assumptions

At the statement of financial position date, the key assumptions concerning the future and other key sources of e.riige note 17 ol ance e e p t 1n



Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

10 Reconciliation of non-GAAP measures (Continued)

The specific items excluded from operating profit to measure Adjusted EBITDA include depreciation and amortisation charges, amortisation charges for historic contractual payments which were fully cash settled in past periods, stock-based compensation expenses of the Delta Topco Of the Del I

Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

10 Reconciliation of non-GAAP measures (Continued)

(a) *Adjusted Cost of Sales*

Adjusted Cost of Sales is defined as cost of sales adjusted for the specific items included within cost of sales as discussed above. This measure is n1&smr l j







Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

12 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2016	2015	2014
	\$ '000	\$ '000	\$ '000
Wages and salaries	3,024,089	3,108,933	3,108,933
	_____	_____	_____
	=====	=====	=====

The average number of persons employed (including executive directors) during the year, analysed by category, was as follows:

13 Directors' remuneration

The directors' remuneration for the year and that paid in the prior periods was as follows:

The directors' remuneration table above includes remuneration for services to the group paid to 3 executive directors who served throughout the year (2015-2; 2014-2) and, in 2015, includes remuneration paid to a third executive for services to the Group earned only in the period of the year when they were serving as a director of the company (2014-1). Remuneration also includes directors' fees paid to seven additional non-executive directors (2015-7; 2014-9).

The other directors who served the group during the period received no emoluments for their services.

During the year no directors who are Participants in the Delta Topco Option Scheme (see note 32) were granted further Awards over Manager Share Options or Manager Loan Note Options (2015-Nil; 2014-\$Nil), and 5 directors exercised elements of such Awards (2015-Nil; 2014-4). During the year 5 directors became entitled to an additional cash award (2015-Nil; 2014-Nil) (see note 32).



Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

15 Taxation (Continued)

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:

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.

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

15 Taxation (Continued)

Deferred tax movement during the year

There are no

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Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

18 Investments (Continued)

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. The disposals were a preliminary step to the

Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

21 Trade and other receivables

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."

~~Details of non-current trade and other receivables~~ commitments, and which are being amortised to the income statement in line with the underlying terms of

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

22 Prepayments

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 defined amounts in non-current assets totalling \$119.2m at 31 December 2016 (31 December 2015 — \$10p.0m) included payments made to the

Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

22 Prepayments (Continued)

(31 December 2015 — \$24.1m) in respect of the other team and FIA related agreements discussed above, which are to be amortised within the next 12 months.

23 Cash and cash equivalents

	2016	2015	2014
	\$ 000	\$ 000	\$ 000
—			
Cash at bank and on hand	624,405	452,428	403,628
Short-term deposits	—		
	<u> </u>	<u> </u>	<u> </u>

Non-cash transactions excluded from the cash flow statement

On 31 December 2016 \$444.0m of PIK interest was capitalised to shareholder loan balances (2015 — \$395.6m; 2014 — \$359.4m).

24 Share capital

Allotted, called up and fully paid shares

During the year 108,811,183 ordinary shares with an aggregate nominal value of 1,088,111.83 were allotted at par. These shares were issued on 27 October 2016 following the exercise of Manager Share Options as part of the first stage of the Liberty acquisition (see notes 32 and 37).

The \$0.01 redeemable ordinary share has been issued to the longest serving team participating in the Championship and ranks pari passu with the other ordinary shares. The share carries the right to appoint the longest serving team director. The company has the option to

Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

24 Share capital (Continued)

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.

25 Finance leases

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).

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Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the year ended 31st March 2020



Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

26 Loans and borrowings (Continued)

approval was given by the lenders. Any redemption or repurchase of the notes prior to that date or, otherwise on a change in control of the company, required investor consent to be given by funds managed and/or advised by CVC Capital Partners SICAV — FIS S.A., its subsidiaries and affiliates (see note 36).

During 2016 the company made no repayments of PIK loan notes (2015 — \$Nil) nor repayments of uncapitalised accrued interest on the notes (2015 — \$Nil).

As discussed in more detail in note 37, on 23 January 2017 \$4,793.7mf ad

Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

27 Other provisions

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



Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

29 Dividends

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

30 Obligations under leases and hire purchase contracts

Operating leases

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:

31 Commitments

Capital commitments

Capital commitments are amounts contracted but not provided for

Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

32 Delta Topco Option Scheme (Continued)

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Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

32 Delta Topco Option Scheme (Continued)

For the further Awards granted in 2012, again certain Awards vested on issue, and other Awards vested according to a vesting schedule. The vesting for those other Awards was either deemed to commence on 25 May 2012 or, in other cases, commenced on 22 October 2012, with 20% of the Awards conditionally vesting on grant and 20% of the Awards conditionally vesting on each anniversary.

For any Awards not vesting fully on issue and not fully vested under the vesting schedule, those Awards were to vest unconditionally, and in full, on the date the company's controlling party, CVC Capital Partners SICAV — FIS S.A. (see note 36) ceased to hold, directly or indirectly, any shares in the company, or at any such date as determined by designated directors of the company who represent the controlling party ("I Directors").

Participants in the Option Scheme were not entitled to exercise fully vested Awards, and did not become entitled to receive any cash, assets or other benefits following the exercise of vested interests, until the later of the date upon which they vested and the completion of an IPO of the company or change in the ultimate controlling party of the company. Awards could also be exercised on the completion of any sale, transfer, disposal, exchange, cancellation, redemption or reorganisation of not less than 5% of the controlling party's interest, or at a date determined by an I Director.

In the event that a Participant ceased to be employed by, or otherwise engaged to provide services to, the company or the group, the company, at its sole discretion, could require the Participant to return its interest in the Awards. In such circumstances, the price payable to the Participant for their interests was dependent on the extent to which Awards were deemed to have vested, with vested Awards transferred at fair value and unvested Awards transferred at the lower of fair value and cost to the Participant.

Accounting for the Option Scheme and developments in the period

Prior to 2012, the Manager Shares element of the Awards was accounted for by the company by applying the provisions of IFRS 2 Share-based Payments in respect of cash-settled transactions, on the basis that full vesting (which is conditional on an exit through sale or IPO) was sufficiently uncertain that an estimate of the likely vesting period could not be determined.

Developments during 2012, which saw a number of placements of the company's shares and preparation work for a potential IPO, led the directors of the company to conclude that an event that would trigger the vesting and/or exercise of Awards under the Option Scheme would occur. As developments enabled the directors to determine a reasonable assessment of the likely vesting period, IFRS 2 now requires elements of the scheme to be accounted for as equity-settled rather than cash-settled. As a result of this change the Manager Shares and Manager Share Option elements of the Option Scheme have been accounted for as equity-settled.

The Manager Loan Note Options have been accounted for in accordance with IAS 19 (see note 27). Full vesting of the Manager Loan Note Options under the Option Scheme was also conditional on an exit, as per the provisions noted above in respect of Manager Shares and Manager Share Options. Therefore, prior to 2012, as there was significant uncertainty over the occurrence and timing of an exit, and to the extent that no exit was regarded as probable, then no charge or liability was recorded. Following the developments in 2012, as it was now considered

Delta To



Delta Topco Limited and Subsidiaries**Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)****32 Delta Topco Option Scheme (Continued)**

corresponding provision carried on the balance sheet (see note 27). The expense includes interest accruing at an annually compounded rate of 10% under the terms of the options.

During the year, to maintain alignment between the Participants in the scheme and the company's other shareholders, the Participants were awarded one-off additional cash awards totaling \$67.7m, to provide them with an equivalent distribution to the cash dividends paid to the shareholders in 2014 and 2015, and which could not be paid to escrow arrangements on behalf of the Participants at the time on the basis that their interest was held through unexercised Manager Share Options. The cost of this distribution has been accrued in the income statement as a specific item included within administrative expenses (see note 10), consistent with the historic treatment of the other costs of the Option Scheme. These amounts were settled in cash in January 2017.

The expense arising from estimated applicable UK national insurance contributions based on the charges taken in respect of interests of Participants who hold, or held, UK-based employment within the group, has also been recognised in the income statement as a specific item included within administrative expenses (see note 10) with a corresponding provision carried on the balance sheet (see note 27). As at 31 December 2016 the final liability has been assessed based on the post-balance sheet date crystallisation of the Option Scheme as a result of the acquisition of the group by Liberty Media Corporation (see note 37), and a credit has been taken to the Income Statement to release excess charges that had previously been provided for and would not now crystallise.

Provision in respect of the Option Scheme

The table below shows the movement in the provision created for the IAS 19 costs of the Manager Loan Note Options recognised in the period and UK national insurance contributions payable and applicable to the Option Scheme.

	Manager Loan Note Options	Additional cash awards	National Insurance Contribution	Total
	\$ 000	\$ 000	\$ 000	\$ 000
At 1 January 2016	295,828	—	38,537	334,365
Charge in the period in respect of Manager Loan Note Options and UK national insurance contributions payables	29,499	67,747	(2,839)	94,407
Loan note options exercised	(85,598)	—	—	(85,598)
National Insurance contributions on loan note options exercised	—	—	(6,533)	(6,533)
Increase (decrease) due to foreign exchange differences	—	—	86	86
At 31 December 2016	<u>239,729</u>	<u>67,747</u>	<u>29,251</u>	<u>336,727</u>

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Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

32 Delta Topco Option Scheme (Continued)

Unexercised Awards outstanding

As at 31 December 2016, 183,832,843 (2015-292,644,026; 2014-292,644,026) Manager Share Options and 152,223,801 (2015-207,473,138; 2014-207,473,138) Manager Loan Note Options remain unexercised.

Manager Share Options and Manager Loan Notes

The table below shows the number of Manager Share Options and Manager Loan Notes granted and exercised during the period, and the number outstanding as at 31 December 2016.

	Manager Share Options			Manager Loan Note Options		
	2016 No.	2015 No.	2014 No.	2016 No.	2015 No.	2014 No.
Outstanding as at 31 Dec						

Impact of Liberty transaction

Liberty's acquisition of the remainder of the company on 23 January 2017 allowed for Participants to exercise in full the remainder of their Manager Share Options and Manager Loan Note Options to participate in the transaction (see note 37).

33 Financial instruments

Financial assets

Loans and receivables

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Delta Topco Limited and Subsidiaries

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Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

34 Financial risk management and impairment of financial assets

The group's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables, the main purpose of which is to finance the group's operations. The group has loan and other receivable and other receivable.



Delta Topco Limited and Subsidiari





Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

34 Financial risk management and impairment of financial assets (Continued)

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).

Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

34 Financial risk management and impairment of financial assets (Continued)

Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

35 Related party transactions (Continued)

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). The number of Manager Share Options and Manager Loan Note Options held by directors who were Participants in the Option scheme, and which were outstanding at each year end were:

	<u>2016 Number</u>	<u>2015 Number</u>	<u>2014 Number</u>
Manager Share Options			

Summary of transactions with other related parties

Other related parties include:

- Companies controlled by Mr B C Ecclestone, who was until 23 January 2017 a director of the company
- Companies controlled by close family members of Mr B C Ecclestone
- Close family members of Mr B C Ecclestone
- Companies related to funds managed and/or advised by CVC Capital Partners SICAV — FIS S. A., its subsidiaries or affiliates (see note 36)
- Companies within the Liberty Media Corporation Group (see note 36)

Transactions with other related parties include travel sales, recharged expenses, rent charges, insurance and other property charges and monitoring fees, and where applicable are conducted at the same rates, and under the same terms, as similar transactions with third parties.

Other than loans, outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash. All outstanding balances with other related parties were cleared subsequent to the balance sheet date. There have been no guarantees provided or received for any related party receivables or payables.

Shareholder loan notes are discussed in note 26.

Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

35 Related party transactions (Continued)

Income and receivables from related parties

<u>2016</u>	<u>Key management</u>	<u>Other related parties</u>

Expenditure with and payables to related parties

Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

35 Related party transactions (Continued)

36 Parent and ultimate parent undertaking

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.

37 Non adjusting events after the financial period

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 subject to obtaining certain necessary approvals.

The completion of the full acquisition was subject to the satisfaction of certain conditions, including the receipt of: (i) certain clearances and approvals by anti-trust and competition law authorities in various countries, (ii) certain third-party consents and approvals, including that of the FIA, and (iii) the approval of Liberty's stockholders. With those approvals obtained, Liberty completed the 100% acquisition of the company on 23 January 2017.

Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

37 Non adjusting events after the financial period (Continued)

Transaction costs

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.

Delta Topco Limited and Subsidiaries

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

37 Non adjusting events after the financial period (Continued)

Subsequent to the exercise of those rights and the related transaction, in the post balance sheet period provisions taken in respect of the Option Scheme have been utilised as the associated shareholder loan notes were issued to Participants following exercise of their options, the additional awards totalling \$67.7m accrued in 2016 have been settled in cash and \$29.2m UK national insurance contributions arising from the transactions have been settled. As the provisions relating to the Delta Topco Option Scheme have been settled in full in the period after the balance sheet date the \$336.7m provision has been reclassified from non-current to current liabilities.

Changes to management

On 23 January 2017 the Liberty acquisition was completed and concurrently it was announced that the group's long-serving Chief Executive and director of the company Bernard Ecclestone was to stand down and that a number of new senior executives were joining the group to work with the other existing members of the group's senior management.

Property commitment

Subsequent to the completion of the acquisition of the company, and the changes to its management, the group has initiated plans to relocate its head office in order to facilitate the implementation of the new management team's strategic and operational plans and to allow for a related substantial increase in headcount. As a result on 24 February 2017 Formula One Management Limited, a group company, signed a lease agreement for new office premises which requires fit out and is expected to be available for occupation later in 2017. The lease has a term of 15 years with a tenant only break option after 10 years.

Debt amend and extend

On 2 March 2017, the group agreed terms with its lenders to amend and extend the terms of its Senior Loan facilities (see note 26). Under the revised terms, interest margins incurred on the USD elements of the loans have been reduced from LIBOR + 3.75% to LIBOR + 3.25%, and the maturity of the Senior Loan facilities has been extended to 1 February 2024. As part of the arrangements the group has also repaid \$300.0m of its \$1,000.0m Second Lien facilities from surplus balance sheet cash.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**Introduction**

The following unaudited pro forma consolidated financial information and related notes present the historical financial statements of Liberty Media Corporation ("Liberty Media") and Formula 1 as if the completion of Liberty Media's acquisition of Delta Topco, the holding company for the Formula 1 business, had previously occurred on the dates specified below. In addition, the unaudited pro forma consolidated financial data reflects borrowings under a new margin loan agreement and other adjustments related to the business combination as detailed in the notes hereto.

Pro Forma Information

The unaudited pro forma financial information reflects the estimated aggregate consideration of approximately \$4.7 billion for the acquisition of Formula 1, as calculated below (in millions):

Cash ⁽¹⁾	\$ 3,050
Fair value of Series C Liberty Formula One Group tracking stock issued to sellers ⁽²⁾	1,617
	<u>\$ 4,667</u>

(1) On September 7, 2016, Liberty Media paid \$746 million cash in order to purchase a nearly 20% interest in Formula 1. On October 27, 2016, Liberty Media acquired an additional \$13 million 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. \$1.55 billion of the cash payment was funded by cash raised from the issuance of 62 million shares 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, as defined and discussed in note 3(e) to fund an increase to the cash consideration payable to the selling shareholders of Formula 1 by approximately \$400 million related to approximately 19 million shares that would otherwise have been issuable to the selling shareholders which have been reserved for issuance to Formula 1 teams. The remaining \$341 million cash payment was funded by the issuance of a New Margin Loan (note 3(d)) and cash on hand.

(2) The fair value is based on the issuance of approximately 56 million shares of Series C Liberty Formula One common stock, which were delivered to the sellers of Formula 1, based on the closing share price on January 23, 2017.

The unaudited pro forma financial information related to the Formula 1 business combination was prepared using the acquisition method of accounting and is based on the assumption that the business combination of Formula 1 took place as of December 31, 2016 for purposes of the unaudited pro forma balance sheet and as of January 1, 2016 for purposes of the unaudited pro forma consolidated statement of operations for the year ended December 31, 2016.

In accordance with the acquisition method of accounting, the actual consolidated financial statements of Liberty Media will reflect the Formula 1 business combination only from and after the date of the completion of the acquisition. Liberty Media is currently undertaking a detailed analysis of the fair value of Formula 1's assets and liabilities. The purchase price allocated related to the Formula 1 business combination is not yet finalized. Accordingly, the unaudited pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma consolidated financial information. Differences between these preliminary estimates and the final acquisition accounting may occur and these differences could be material. Additionally, the differences, if any, could have a material impact on the accompanying unaudited pro forma consolidated financial statements and Liberty Media's future results of operations and financial position.

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The unaudited pro forma condensed consolidated 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 or its subsidiaries would have been had the transactions described herein been completed on the dates indicated.



Liberty Media Corporation
Pro Forma Consolidated Balance Sheet
As of December 31, 2016
(unaudited)

Notes to Unaudited Pro Forma Condensed Consolidated Financial Information (Continued)

(3) Pro forma adjustments (Continued)

Series C L5

Notes to Unaudited Pro Forma Condensed Consolidated Financial Information (Continued)**(3) Pro forma adjustments (Continued)***(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)
	<u>\$ 4,667</u>

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.

Notes to Unaudited Pro Forma Condensed Consolidated Financial Information (Continued)

(3) Pro forma adjustments (Continued)

(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 of the offering.

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.

Our Capital Structure

Under our current restated certificate of incorporation (our "**current charter**"), our common stock is comprised of three tracking stocks, with each tracking stock divided into three series. Our tracking stocks, which are designated the Liberty SiriusXM common stock, the Liberty Braves common stock and the Liberty Formula One common stock, are intended to track and reflect the separate economic performance of the businesses, assets and liabilities attributable to the Liberty SiriusXM Group, the Braves Group and the Formula One Group, respectively. While each group has a separate collection of businesses, assets and liabilities attributed to it, none of these groups is a separate legal entity and therefore cannot own assets, issue securities or enter into legally binding agreements. Hence, holders of our Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Formula One common stock have no direct claim to the relevant group's assets, and are not represented by a separate board of directors. Instead, holders of the tracking stocks are stockholders of Liberty Media Corporation, with a single board of directors and subject to all of the risks and liabilities of Liberty Media as a whole.

As a special limited,



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outstanding on the closing of the purchase of the additional securities (the "**Additional Closing**"). The aggregate purchase price paid at the Additional Closing was



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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 overall value of Formula 1 as a sport and its financial performance. Key factors of this strategy include:

- continuing to seek and identify opportunities to expand and develop the Event calendar and bring Events to attractive and/or strategically important new markets outside of Europe, which typically have higher race promotion fees, while continuing to build on the foundation of the sport in Europe;
- developing advertising and sponsorship revenue, including increasing sales of Event-based packages and under the Global Partner program, and exploring opportunities in underexploited product categories;
- capturing opportunities created by media's evolution, including the growth of social media and the development of Formula 1's digital media assets; and
- building up the entertainment experience for fans and engaging with new fans on a global basis to further drive race attendance and television viewership.

Financial Profile

For the year ended December 31, 2016, Formula 1 recorded total revenue of \$1.8 billion, Adjusted OIBDA of \$439 million and cash provided by operating activities of \$428 million. For the year ended December 31, 2015, Formula 1 recorded total revenue of \$1.7 billion, Adjusted OIBDA of \$462 million and cash provided by operating activities of \$492 million.

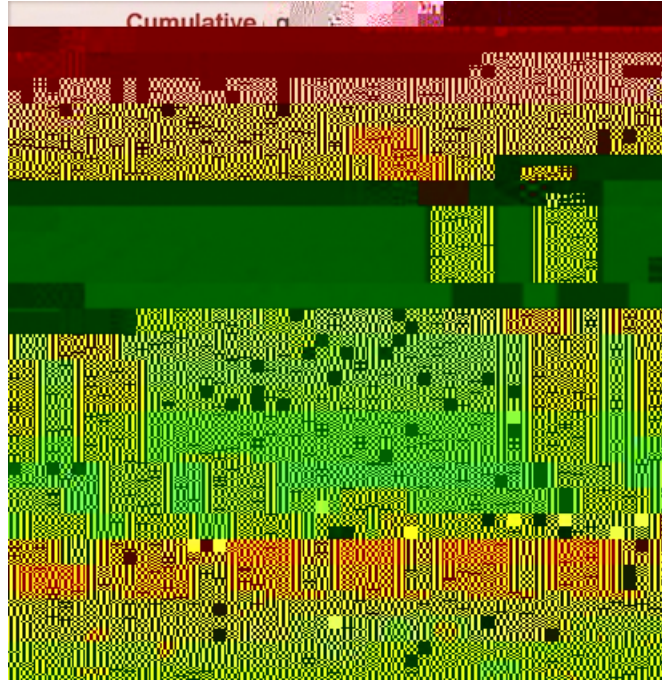
Sources of Revenue

Formula 1 derives the majority of its revenue from race promotion, broadcasting and advertising and sponsorship arrangements, which we refer to as "primary F1 revenue." A significant majority of the race promotion, broadcasting and advertising and sponsorship contracts specify payments in advance and annual increases in the fees payable over the course of the contracts. The Formula 1 business has been characterized by strong revenue growth in expansionary years of the economic cycle and stability over the recent global financial crisis. As of May 10, 2017, Formula 1 had long-term contracted revenue of \$7.7 billion, which amount is based on revenue receivable beginning January 1, 2017 under long-term contracts (after giving effect to recent contract renewals) and uses 1, 2s giving a nt gng



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global audience, in millions, of several high profile global sporting events, including Formula 1, during calendar year 2014.



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, Korea, Mexico, Russia, Spain, USA and UK.

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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 leadms gms g oöre hmanre

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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.

After the acquisition of Formula 1 by Liberty Media, 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.



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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 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 financial



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USE OF PROCEEDS

Unless we inform you otherwise, the proceeds from the sale of the securities described in this prospectus will be used for the purposes set forth below.

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 of FWONK. A 6



PLAN OF DISTRIBUTION

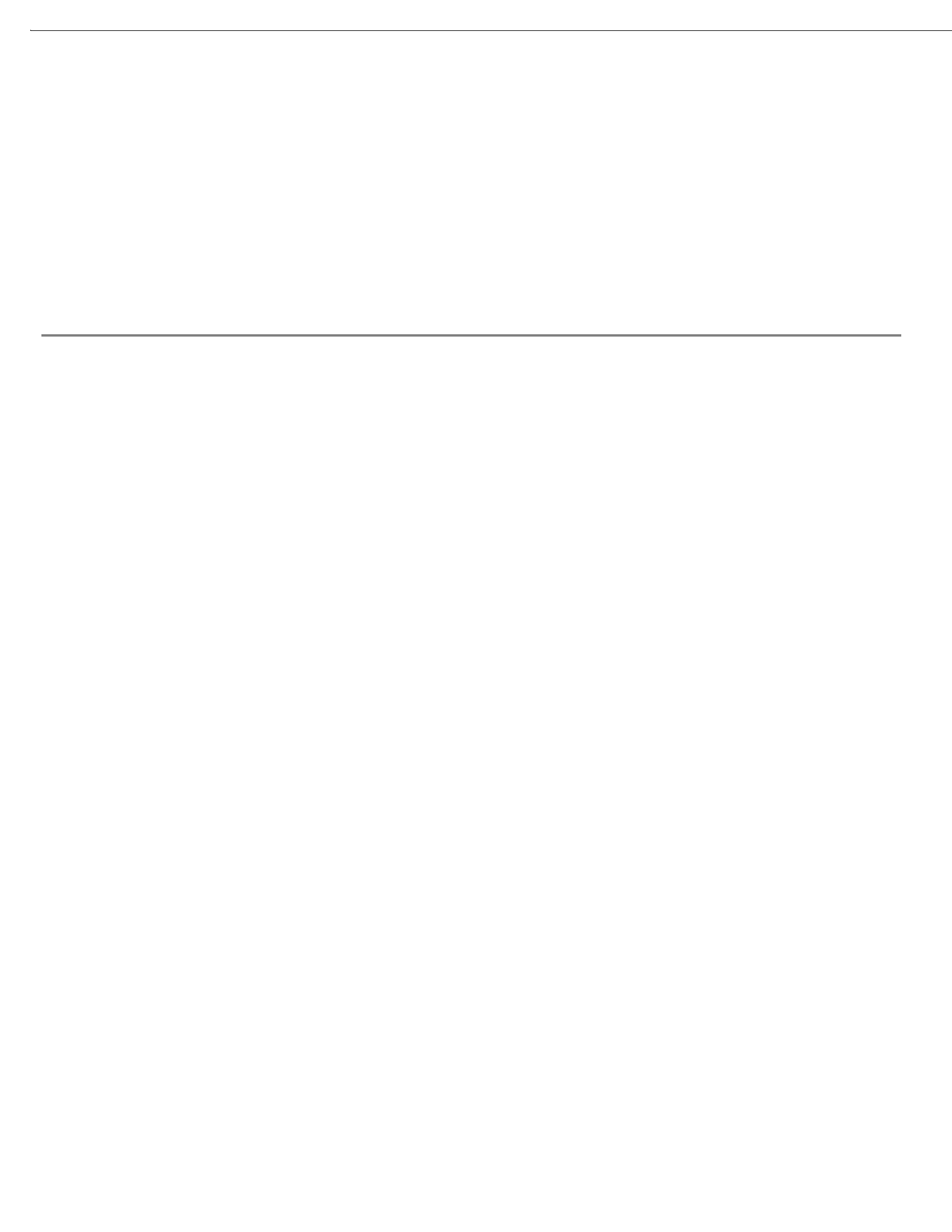
We and the Selling Stockh



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supplement or free w^f







12,500,000 Shares of
Series C Liberty Formula One Common Stock

PROSPECTUS SUPPLEMENT 2
