

Subject Company: Liberty Media Corporation
Commission File No. 001-35707

Subject Company: Sirius XM Holdings Inc.
Commission File No. 001-34295

So just to review what we are proposing to do in this transaction, we will exchange newly issued Liberty C shares for the remaining outstanding stock of Sirius that the public holds. Immediately prior to the exchange, we will dividend out C shares tax-free to our [current] Liberty holders at a ratio of two new C shares for every A share or B share.

The exchange ratio of Liberty to Sirius is based on the relative trading over a specified period of time, 90 days, and before the dividend, pro forma for the dividend rather is 0.0760, and prior to the dividend it's 0.0253. And based on today's close, that's a 3.1% premium. But if you look at yesterday's close, for example, it's a 4.5% premium. But we really looked at it as effectively where we traded with them over the last 90 days.

This deal obviously is conditioned upon the approval by Sirius's special committee. If their special committee doesn't approve the deal, we're not going to go forward with it. And [the deal is also conditioned upon] a majority vote of the minority non-Liberty Sirius shareholders, and we wouldn't go forward without their approval as well.

Liberty's shareholders will have to approve the issuance of these C shares to the Sirius holders because we're issuing more than 20% of our stock, as required under the NASDAQ rules. Post-close, Sirius will hold 48.6% of the C shares. They're at 39% of the new Liberty total equity market cap based on today's close.

I would note; this is not a change of control. We already control Sirius XM, nor is it a minority squeeze-out because the Sirius shareholders are going to receive equity in which they are the largest piece, and they will continue to benefit from the upside of Sirius XM.

So why are we doing this? What's our rationale? First is we want to simplify our capital structure and have a parent-only structure, eliminate some ambiguity around our long-term relationship between Sirius and Liberty. We also think it increases our financial flexibility and strategic flexibility. It optimizes our capital structure. It allows the Sirius shareholders to benefit from capital deployment and organic and strategic investments and return of capital across the whole Liberty portfolio. We believe it will enhance Liberty's access to capital to support the pursuit of other potential attractive investment opportunities.

It aligns our management and the Sirius XM management more closely in recognizing that [Sirius XM represents] nearly 70% of [Liberty's] operational value. And as I noted, it's neither a change of control nor minority squeeze-out. All it does is move the Sirius XM shareholders in the position of a non-controlling economic stake at the [subsidiary] level to a similar non-controlling economic position in new Liberty at the parent company level.

So those are some of the reasons we think it's attractive, and we also think it will be attractive similarly for our shareholders to have access to the Sirius XM cash flow to optimize, as I said, the combined capital structure, and to be able to pursue other economic opportunities.

I would note a couple of things here; that because of the issuance of those C shares, the new Liberty pro forma equity market cap will be \$27 billion. And that will be a very liquid shareholding, a very liquid stock, and one we think will trade very well.

So with that, I'm happy to open it up to questions, if there are any.

Barton Crockett, Analyst, FBR Capital Markets

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Barton Crockett
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No, I guess...

. . .  Gregory Maffei

.. Look, the Sirius buyback program becomes the Liberty buyback program.

. . . *Kaman Venkateshwar*

No, that's true. But purely in terms of who's driving that buyback program, it's slightly different.

. . .  Gregory Maffei

Who do you think drives it today? Liberty owns 52% of the company. Believe me, if Liberty wasn't endorsing a buyback program at Sirius, it wouldn't be happening.

. . . *Kaman Venkateshwar*


Okay, so I guess the logical assumption then to make it ~~the~~ Believe

 Gregory Maffei

It has only been offered at the company, which the special committee will have to rule on and look at.

Sachin Shah


Okay. But are they aware of this, aside from the letter? This could have been done behind the scenes and you could have announced the...

 Gregory Maffei

My understanding is, given our large position, when we changed our intent and made the decision to make an offer, we were obligated to make a 13-D filing and make the offer public.

Sachin Shah

Okay. And so they're aware . . .

 Gregory Maffei

Sorry, they're aware? I didn't hetyhs gedhetyD p p

involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including, without limitation, the ability of Liberty to negotiate mutually satisfactory definitive transaction documents with Sirius, the ability of Liberty and Sirius to complete any such proposed transaction, the ability of Liberty to ~~complan~~

