



**Item 2.02. Results of Operations and Financial Condition.**

On February 28, 2017, Liberty Media Corporation (the "Company") issued a press release (the "Earnings Release") setting forth information, including financial information, which is intended to supplement the financial statements and related Management's Discussion and Analysis of Financial Condition y a

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 1, 2017

LIBERTY MEDIA CORPORATION

By: /s/ Wade Haufschild

Name: Wade Haufschild

Title: Vice President

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated February 28, 2017.



## LIBERTY MEDIA CORPORATION REPORTS FOURTH QUARTER AND YEAR END 2016 FINANCIAL RESULTS

Englewood, Colorado, February 28, 2017 - Liberty Media Corporation ("Liberty Media" or "Liberty") (NASDAQ: LSXMA, LSXMB, LSXMK, BATRA, BATRK, FWONA, FWONK) today reported fourth quarter and year end 2016 results. Highlights include<sup>(1)</sup>:

- Attributed to Liberty SiriusXM Group
  - SiriusXM reported strong full-year 2016 results
    - 2016 revenue climbed 10% to \$5.0 billion
    - Net subscriber growth in 2016 of 1.75 million
    - SiriusXM beat 2016 guidance on all metrics
    - Net income rose 46% to \$746 million and adjusted EBITDA<sup>(2)</sup> grew 13% to \$1.88 billion in 2016
    - 2016 operating cash flow grew 38% to \$1.72 billion and free cash flow<sup>(3)</sup> rose 15% to \$1.51 billion
  - Liberty Media's ownership of SiriusXM stood at 67.1% as of January 31<sup>st</sup>
- Attributed to Braves Group
  - SunTrust Park and Battery Atlanta projects progressing well and on-budget; ballpark will be ready for opening day on April 14<sup>th</sup>
  - Braves minor league system top ranked heading into 2017 season
  - MLB agreed to new five-year collective bargaining agreement in December
- Attributed to Formula One Group
  - Completed acquisition of Formula 1 ("F1") on January 23<sup>rd</sup>
  - Appointed Chase Carey CEO of F1
  - Issued \$450 million convertible notes and used portion of proceeds to reserve FWONK shares for potential issuance to F1 teams
  - Received commitments for refinancing \$3.1 billion of F1 debt, estimated to reduce annual interest expense 50bps and increase term up to 2.5 years; closing expected during first quarter





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In the interim, the following discussion provides preliminary information concerning the results of operations of F1. This discussion should be read in conjunction with the F1 financial statements included in the F1 Proxy and the notes thereto.

Due to the contractual nature of F1's revenue streams, F1 recognizes revenue specific to events upon occurrence of the event, such as race promotion fees or event-based advertising revenue, and recognizes season-based fees, such as broadcast fees or Global Partner and Official Supplier sponsorship contracts, by recognizing the full season revenue pro rata across the total number of events on the relevant World Championship calendar. As such, with 21 events on the World Championship calendar in 2016, revenue recognized during the nine months ended September 30, 2016 included 15/21 (71.4%) of the 2016 season-based revenue whereas revenue recognized during the nine months ended September 30, 2015 included 14/19 (73.7%) of the 2015 season-based revenue due to the 2015 World Championship calendar having 19 events. In addition, F1 recognized different event-specific revenue in each period, reflecting the events that had taken place year to date.

In the fourth quarter of 2016, primary F1 revenue increased primarily due to variances in the race calendar, with six races in the fourth quarter of 2016 compared to five in the fourth quarter of 2015. This drove higher promotion fees, higher pro rata recognition of the increased full year broadcast fees and higher pro rata recognition of season based advertising and sponsorship fees. Advertising and sponsorship fees increased further due to a multiyear sponsorship contract agreed to with Heineken earlier in 2016, whose spend was weighted towards events in the fourth quarter of 2016. The growth in primary F1 revenue in the fourth quarter was partially offset by a modest reduction in other F1 revenue, primarily due to the impact of calendar differences on the recognition of GP2 race fees and lower hospitality income, partially offset by higher freight and TV production revenue. The largest component of F1's cost structure, team payments, increased in the fourth quarter of 2016 also due to higher pro rata recognition of full year team payments.

For the full year 2016, primary F1 revenue increased primarily as a result of increased promotion fees driven by variances in the race calendar, with 21 events taking place in 2016 compared to 19 in 2015. Additionally, broadcast revenue increased as a result of several positive renewals and other contractual uplifts in season fees, partially offset by the impact of the structure, t ct

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Total debt attributed to Liberty SiriusXM Group decreased \$260 million during the fourth quarter primarily as a result of the redemption of SiriusXM's \$650 million 5.875% Senior Notes due 2020 for an approximate purchase price of \$669 million, including premium. This decrease was partially offset by the redemption of \$100 million of SiriusXM's cash and cash equivalents and \$310 million of borrowings under SiriusXM's Credit Facility.

Total cash and liquid investments attributed to Braves Group were flat during the fourth quarter, as additional borrowings were offset by capital expenditures related to the construction of the new ballpark and adjacent mixed-use development.

Total capital expenditures for Braves Group were \$180 million during the fourth quarter primarily as a result of additional borrowings, net of repair and





Notes’’). The conversion of the 1% Convertible Notes will be settled solely in cash, and not through the delivery of any securities, based on the trading prices of the underlying FWONK shares. Liberty used a portion of the net proceeds to fund an increase to the cash consideration paid to the selling shareholders of F1 by approximately \$400 million (the remaining proceeds are held on the balance sheet as cash) and retained in treasury the approximately 19 million FWONK shares that otherwise would have been issued to the selling shareholders (based on the per share purchase price of \$21.26). These FWONK shares will be reserved for possible sale to the F1 teams. To the extent such shares are not sold to F1 teams within six months following the second closing, the shares will be retired.

In February, Liberty launched a process to refinance a portion of F1’s \$3.1 billion first lien term loan. The proposed terms (subject to closing, which is expected during the first quarter) provide for, among other things, a 50 bps reduction in margin from 3.75% to 3.25% and an extension of the debt maturity from July 2021 to the earlier of (i) February 2024 or (ii) six months prior to the maturity of the second lien

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**NON-GAAP FINANCIAL MEASURES**

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