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**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES****Condensed Consolidated Balance Sheets****(unaudited)**

	<u>March 31, 2016</u>	<u>December 31, 2015</u>
	<u>amounts in millions</u>	
<i>Assets</i>		
Current assets:		
Cash and cash equivalents	\$ 602	201
Trade and other receivables, net	244	247
Short term marketable securities (note 5)	61	15
Other current assets	257	228
Total current assets	<u>1,164</u>	<u>691</u>
Investments in available-for-sale securities and other cost investments (note 6)	560	533
Investments in affiliates, accounted for using the equity method (note 7)	1,120	1,115
Property and equipment, at cost	2,698	2,587
Accumulated depreciation	(748)	(708)
	<u>1,950</u>	<u>1,879</u>
Intangible assets not subject to amortization (note 8):		
Goodwill	14,345	14,345
FCC licenses	8,600	8,600
Other	1,073	1,073
	<u>24,018</u>	<u>24,018</u>
Intangible assets subject to amortization, net (note 8)	1,080	1,097
Other assets	434	465
Total assets	<u>\$ 30,326</u>	<u>29,798</u>

(continued)

See accompanying notes















**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Condensed Consolidated Financial Statements (Continued)**

(unaudited)

(except those accounted for under the equity method of accounting or those that result in consolidation) to be measured at fair value with changes in fair value recognized in net income and simplifies the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment. The new standard is effective for the Company for fiscal years and interim periods beginning after December 15, 2017. The Company has not yet determined the effect of the standard on its ongoing financial reporting.

In May 2014, the FASB issued new accounting guidance on revenue from contracts with customers. The new guidance requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This new guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. In March 2016, the FASB issued additional guidance which clarifies principal versus agent considerations, and in April 2016, the FASB issued further guidance which clarifies the identification of performance obligations and the implementation guidance for licensing.

~~The new guidance will be applied prospectively to contracts entered into or modified after the effective date of the guidance. The new guidance is effective for the Company for fiscal years and interim periods beginning after December 15, 2017. The Company has not yet determined the effect of the standard on its ongoing financial reporting.~~

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**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES****Notes to Condensed Consolidated Financial Statements (Continued)****(unaudited)****(3) Stock-Based Compensation**

Liberty grants, to certain of its directors, employees and employees of its subsidiaries, restricted stock, restricted stock units and stock options to purchase shares of its common stock (collectively, "Awards"). The Company measures the cost of employee services received in exchange for an equity classified Award (such as stock options and restricted stock) based on the grant-date fair value of the Award, and recognizes that cost over the period during which the employee is required to provide service (usually the vesting period of the Award). The Company measures the cost of employee services received in exchange for a liability classified Award based on the current fair value of the Award, and remeasures the fair value of the Award at each reporting date.

In connection with the Recapitalization, all outstanding Awards with respect to Liberty common stock ("Liberty Awards") will be adjusted pursuant to the anti-dilution provisions of the incentive plans under which the equity awards were granted, such that a holder of a Liberty Award received new corresponding equity awards relating to shares of one or more of Liberty SiriusXM common stock (a "Liberty Sirius XM Award"), Liberty Braves common stock (a "Liberty Braves Award") and Liberty Media common stock (a "Liberty Media Award") (collectively, the "Adjusted Liberty Awards").

The exercise prices and number of shares subject to the Adjusted Liberty Awards will be determined based on 1) the exercise prices and number of shares subject to the Liberty Award, 2) the distribution ratios, 3) the pre-Recapitalization trading price of Liberty common stock and 4) the post-Recapitalization trading prices of Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Media common stock, such that all of the pre-Recapitalization intrinsic value of the Liberty Awards was allocated among the Adjusted Liberty Awards.

Included in the accompanying condensed consolidated statements of operations are the following amounts of stock-based compensation, a portion of which relates to SIRIUS XM, as discussed below:

	Three months ended	
	March 31,	
	2016	2015
	(amounts in millions)	
Cost of subscriber services:		
Programming and content	\$ 4	4
Customer service and billing	1	1
Other	1	2
Other operating expense	3	4
Selling, general and administrative	25	33
	<u>\$ 34</u>	<u>44</u>

During the three months ended March 31, 2016, the Company granted a total of approximately 785 thousand options to purchase shares of Series C common stock. A portion of the options granted was comprised of 10 thousand options with a weighted average grant-date fair value ("GDFV") of \$8.33 per share that vest semi-annually over 4 years.

In connection with our CEO's employment agreement, Liberty granted approximately 775 thousand options of Series C common stock and 39 thousand performance-based restricted stock units of Series C common stock. Such options and restricted stock units had a grant-date fair value of \$8.91 per share of \$8

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

The Company did not grant any options to purchase Series A or Series B common stock during the three months ended March 31, 2016.

Liberty calculates the GDFV for all of its equity classified awards and the subsequent remeasurement of its liability classified and certain performance-based Awards using the Black-Scholes Model. Liberty estimates the expected term of the Awards based on historical exercise and forfeiture data. The volatility used in the calculation for Awards is based on the historical volatility of Liberty common stock and the implied volatility of publicly traded Liberty options. Liberty uses a zero dividend rate and the risk-free rate for Treasury Bonds with a term similar to that of the subject Awards.

**Liberty—Outstanding Awards**

The following tables present the number and weighted average exercise price ("WAEP") of Awards to purchase Liberty common stock granted to certain officers, employees and directors of the Company and certain Awards of employees of Starz.

	Series A			
	Liberty Awards (000's)	WAEP	Weighted average remaining life	Aggregate intrinsic value (millions)
Outstanding at January 1, 2016	2,360	\$ 23.36		
Granted	—	\$ —		
Exercised	(159)	\$ 22.73		
Forfeited/Cancelled	—	\$ —		
Outstanding at March 31, 2016	<u>2,201</u>	\$ 23.40	2.9 years	\$ 34
Exercisable at March 31, 2016	<u>2,117</u>	\$ 23.29	2.8 years	\$ 32

	Series C			
	Liberty Awards (000's)	WAEP	Weighted average remaining life	Aggregate intrinsic value (millions)
Outstanding at January 1, 2016	10,613	\$ 30.09		
Granted	785	\$ 37.66		
Exercised	(369)	\$ 22.51		
Forfeited/Cancelled	—	\$ —		
Outstanding at March 31, 2016	<u>11,029</u>	\$ 30.88	5.0 years	\$ 81
Exercisable at March 31, 2016	<u>4,960</u>	\$ 25.17	3.3 years	\$ 64

As of March 31, 2016, the total unrecognized compensation cost related to unvested Awards was approximately \$62 million. Such amount will be recognized in the Company's condensed consolidated statements of operations over a weighted average period of approximately 2.3 years.

As of March 31, 2016, Liberty reserved 13.2 million shares of Series A and Series C common stock for issuance under exercise privileges of outstanding stock Awards.





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

(unaudited)

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

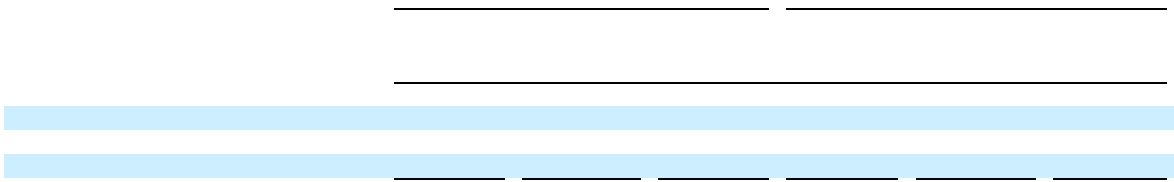
Table with 2 columns: Fair Value Measurements at March 31, 2016 (Quoted) and Fair Value Measurements at December 31, 2015. The table contains multiple rows of data, many of which are redacted with blue bars.











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

**(9) Long-Term Debt**

Debt is summarized as follows:

	Outstanding Principal March 31, 2016	Carrying value	
		March 31, 2016	December 31, 2015
amounts in millions			
<b>Liberty SiriusXM Group</b>			
Corporate level notes and loans:			
Margin Loans	\$ 250	250	250
Subsidiary notes and loans:			
SIRIUS XM 5.875% Senior Notes due 2020	650	645	645
SIRIUS XM 5.75% Senior Notes due 2021	600	596	596
SIRIUS XM 5.25% Senior Secured Notes due 2022	400	406	406
SIRIUS XM 4.25% Senior Notes due 2020	500	496	496
SIRIUS XM 4.625% Senior Notes due 2023	500	496	496
SIRIUS XM 6% Senior Notes due 2024	1,500	1,485	1,485
SIRIUS XM 5.375% Senior Notes due 2025	1,000	990	989
SIRIUS XM Credit Facility	600	600	340
SIRIUS XM leases	18	18	13
Less deferred financing costs	(7)	(7)	(7)
Total Liberty SiriusXM Group	<u>6,011</u>	<u>5,975</u>	<u>5,709</u>
<b>Liberty Braves Group</b>			
Subsidiary notes and loans:			
Notes and loans	115	115	147
Less deferred financing costs	(7)	(7)	(8)
Total Liberty Braves Group	<u>108</u>	<u>108</u>	<u>139</u>
<b>Liberty Media Group</b>			
Corporate level notes and loans:			
Liberty 1.375% Cash Convertible Notes due 2023	1,000	998	995
Other	37	37	38
Total Liberty Media Group	<u>1,037</u>	<u>1,035</u>	<u>1,033</u>
Total debt	<u>\$ 7,156</u>	<u>7,118</u>	<u>6,881</u>
Less debt classified as current		<u>(256)</u>	<u>(255)</u>
Total long-term debt		<u>\$ 6,862</u>	<u>6,626</u>

**Liberty 1.375% Cash Convertible Notes due 2023**

On October 17, 2013, Liberty issued \$1 billion aggregate principal amount of 1.375% Cash Convertible Senior Notes due 2023 ("Convertible Notes"). The Convertible Notes will mature on October 15, 2023 unless earlier repurchased by us or converted. Interest on the Convertible Notes is payable semi-annually in arrears on April 15 and October 15 of each year at a rate of 1.375% per annum. All convertible debt classified as current



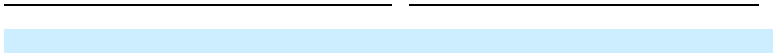
**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Condensed Consolidated Financial Statements (Continued)**

**(unaudited)**

adjusted to 21.0859 shares of Series A common stock per \$1,000 principal amount of Convertible Notes and an adjusted conversion price of \$47.43 per share of Series A Liberty common stock. Holders of the Convertible Notes may convert their notes at their option at any time prior to the close of business on the second business day immediately preceding the maturity date of the notes under the following circumstances: (i) during any fiscal quarter after the fiscal quarter ending December 31, 2013, if the last reported sale price of Series A Liberty common stock for a consecutive 120 trading days in the period of 180 consecutive trading days ending on the last trading day of the immediately preceding fiscal year.





**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**  
**Notes to Condensed Consolidated Financial St3ci Conso**







**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Condensed Consolidated Financial Statements (Continued)**

(unaudited)

estimate of any loss or range of loss cannot be made. In the opinion of management, it is expected that amounts, if any, which may be required to satisfy such contingencies will not be material in relation to the accompanying condensed consolidated financial statements.

In connection with a commercial transaction that closed during 2002 among Liberty, Vivendi Universal S.A. (“Vivendi”) and the former USA Holdings, Inc., Liberty brought suit against Vivendi and Universal Studios, Inc. in the United States District Court for the Southern District of New York, alleging, among other things, breach of contract and fraud by Vivendi. On June 25, 2012, a jury awarded Liberty damages in the amount of €75 million, plus prejudgment interest, in connection with a finding of breach of contract and fraud by the defendants. On January 17, 2013, the court entered judgment in favor of Liberty in the amount of approximately €45 million, including prejudgment interest. The parties negotiated a stay of the execution of the judgment during the pendency of the appeal. Vivendi has filed notice of its appeal of the judgment to the United States Court of Appeals for the Second Circuit. During the first quarter of 2016, Liberty entered into a settlement with Vivendi which resulted in a \$775 million payment to settle all claims related to the dispute described above. Following the payment of a contingency fee to our legal counsel, as well as amounts payable to Liberty Global plc, an additional plaintiff in the action, Liberty recognized a net pre-tax gain on the legal settlement of approximately \$511 million. This settlement resulted in a dismissal of all appeals and mutual releases of the parties.

SIRIUS XM is a defendant in several purported class action suits that allege that SIRIUS XM, or call center vendors acting on its behalf, made numerous calls which violate provisions of the Telephone Consumer Protection Act of 1991 (the “TCPA”). The plaintiffs in these actions allege, among other things, that SIRIUS XM called mobile phones using an automatic telephone dialing system without the consumer’s prior consent or, alternatively, after the consumer revoked his or her prior consent. In one of the actions, the plaintiff alleges that SIRIUS XM violated the TCPA’s call time restrictions, and in one of the other actions, the plaintiff also alleges that SIRIUS XM violated the TCPA’s do not call restrictions. These purported class action cases are titled Erik Knutson v. Sirius XM Radio Inc., No. 12-cv-0418-AJB-NLS (S.D. Cal.), Francis W. Hooker v. Sirius XM Radio Inc., No. 4:13-cv-3 (E.D. Va.), Yefim Elikman v. Sirius XM Radio Inc. and Career

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

Board rather than the district court. In December 2014, SoundExchange filed a petition with the Copyright Royalty Board requesting an order interpreting the applicable regulations.

This matter is titled SoundExchange, nc. n.



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

disposal of its businesses, including each business's ability



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

**Other Information**

	March 31, 2016		
	Total assets	Investments in affiliates	Capital expenditures
	amounts in millions		
Liberty SiriusXM Group			
SIRIUS XM	\$ 26,983	168	30
Total Liberty SiriusXM Group	26,983		


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**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

Certain statements in this Quarterly Report on Form 10-Q constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our business, product and marketing strategies; new service offerings; revenue growth and subscriber trends at SIRIUS XM Holdings Inc. ("SIRIUS XM"); the recoverability of our goodwill and other long-lived assets; the performance of our equity affiliates; our projected sources and uses of cash; SIRIUS XM's stock repurchase program; and the anticipated non-material impact of certain contingent gn





not represented by separate boards of directors. Instead, holders of tracking stock are stockholders of the parent corporation, with a single board of directors and subject to all of the risks and liabilities of the parent corporation.

The term "Liberty SiriusXM Group" does not represent a separate legal entity, rather it represents those businesses, assets and liabilities that have been attributed to that group. Following the Recapitalization, the Liberty SiriusXM Group is primarily comprised of Liberty's subsidiary, SIRIUS XM, corporate cash of \$50 million and a margin loan obligation incurred by a wholly-owned special purpose subsidiary of Liberty.

The term "Liberty Braves Group" does not represent a separate legal entity, rather it represents those businesses, assets and liabilities that have been attributed to that group. Following the Recapitalization, the Liberty Braves Group is primarily comprised of Braves Holdings, which indirectly owns the Atlanta Braves Major League Baseball Club ("ANLBC") and certain assets and liabilities associated with ANLBC's stadium and mixed use development project (the "Development Project"), corporate cash of \$50 million and all liabilities arising under a note from Braves Holdings to Liberty, with a total capacity of up to \$165 million of borrowings by Braves Holdings (the "Intergroup Note") relating to funds to be borrowed and used for investment in the Development Project. As of March 31, 2016, and December 31, 2015, \$101 million and \$31 million, respectively, was outstanding under the Intergroup Note. Liberty also intends to issue subscription rights to acquire shares of Series C Liberty Braves tracking stock to raise capital to repay the Intergroup Note and for working capital purposes. The subscription rights will enable the holders to acquire shares of Series C Liberty Braves tracking stock at a 20% discount to the volume weighted average trading price of the Series C Liberty Braves tracking stock. Liberty expects the subscription rights to be publicly traded, once the exercise price has been established and the rights offering to expire twenty trading days following its commencement. The rights offering is subject to various conditions. Any remaining proceeds from the rights offering will be attributed to the Liberty Braves Group.

The term "Liberty Media Group" does not represent a separate legal entity, rather it represents those businesses, assets and liabilities that have been attributed to that group. Following the Recapitalization, the Liberty Media Group is primarily comprised of all of the businesses, assets and liabilities of Liberty other than those specifically attributed to the Liberty SiriusXM Group or the Liberty Braves Group, including Liberty's interests in Live Nation, minority equity investments in Time Warner, Inc. and Viacom, Inc., the Intergroup Note, the recovery received in connection with the Vivendi lawsuit and cash, as well as Liberty's 1.375% Cash Convertible Notes due 2023 and related financial instruments. Following the creation of the tracking stocks, the Liberty Media Group also holds an approximate 20% inter-group interest in the Liberty Braves Group.



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[Redacted content]

[Redacted content]

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Additionally, revenue share and royalties for the three months ended March 31, 2016 includes \$10 million attributable to the amortization in connection with the Capitol Records lawsuit settlement.

· *Programming and Content*<sup>6 t</sup>







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**Item 3. Quantitative and Qualitative Disclosures about Market Risk**

We are exposed to market risk in the normal course of business. The normal course of business includes the risk of changes in the price of securities, interest rates, foreign exchange rates, and other market factors.

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in statutory damages of up to five hundred dollars per call for inadvertent violations and up to fifteen hundred dollars per call for knowing or willful violations. Given the significant number of communications SIRIUS XM's call center vendors make to consumers and its subscribers, a determination that SIRIUS XM, or its call center vendors acting on its behalf, have violated the TCPA could expose SIRIUS XM to statutory damages and, if incurred, could, individually or in the aggregate, have a material adverse impact on its operations and financial condition. Further, if any indemnification claims SIRIUS XM has against its call center vendors are unsuccessful, SIRIUS XM may be required to pay the full amount of any damages.

The outcome of these proceedings may not be favorable, and one or more unfavorable outcomes could have a material adverse impact on SIRIUS XM's financial condition, which in turn would materially adversely impact the Liberty SiriusXM Group. Beyond these current proceedings, if, going forward, SIRIUS XM fails to ensure that the telemarketing efforts of its call center vendors are TCPA-compliant, and it is held responsible for these vendors' acts, SIRIUS XM may be subject to further litigation and could be required to pay significant statutory damages. See "Part II, Item 1. Legal Proceedings" above.

***Our businesses attributed to the Liberty SiriusXM Group and the Liberty Media Group, such as SIRIUS XM and Live Nation, may not realize the benefits of acquisitions or other strategic initiatives.*** Our business strategy and that of our subsidiaries and business affiliates, including SIRIUS XM and Live Nation, may include selective acquisitions or other strategic initiatives focused on business expansion. The success of any acquisitions depends on effective integration of acquired businesses and assets into the acquirer's operations, which is subject to risks and uncertainties, including realization of any anticipated synergies and cost savings, the ability to retain and attract personnel, the diversion of management's attention from other business concerns, and undisclosed or potential legal liabilities of acquired businesses or assets.

***Weak economic conditions may reduce consumer demand for products and services offered by the subsidiaries and business affiliates attributed to our groups.*** A weak economy in the United States could adversely affect demand for our products and services. A substantial portion of our revenue is derived from discretionary spending by individuals, which typically falls during times of economic instability. A reduction in discretionary spending could adversely affect revenue through potential downgrades by satellite radio subscribers, affecting SIRIUS XM and the Liberty SiriusXM Group, reduced live-entertainment expenditures, affecting Braves Holdings and the Liberty Braves Group, and Live Nation affecting the Liberty Media Group. A slowdown in auto sales (which is an important source of satellite radio subscribers) could adversely affect revenue of SIRIUS XM and revenue attributed to the Liberty SiriusXM Group. Accordingly, the ability of the subsidiaries and business affiliates that are attributed to our groups to increase or maintain revenue and earnings could be adversely affected to the extent that relevant economic environments remain weak or decline further. We currently are unable to predict the extent of any of these potential adverse effects.

***The business of SIRIUS XM depends in large part upon the auto industry.*** A substantial portion of SIRIUS XM's revenue is derived from

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a company's vulnerability to general adverse economic and industry conditions, require it to dedicate a portion



***Our subsidiary, SIRIUS XM, and our other businesses face substantial competition, which may increase over time.*** SIRIUS XM faces substantial competition from other providers of music and talk radio and other audio services and its ability to retain and attract subscribers depends on its success in creating and providing popular or unique music, entertainment, news and sports programming. SIRIUS XM's subscribers can obtain certain similar content for free through terrestrial radio stations, Internet radio services and Internet streaming services. Audio content delivered via the Internet, including through mobile devices in vehicles, is increasingly competitive with our services. Compensation could result in lower subscription, advertising or other revenue or an increase in our marketing, promotion or other expenses and, consequently, lower SIRIUS XM's earnings and free cash flow. We cannot assure that you SIRIUS XM will be able to compete successfully with our existing or future competitors or that competition will not have a material adverse effect on SIRIUS XM's operations or financial condition, which in turn would adversely impact the Liberty SiriusXM Group.

***The success of SIRIUS XM and Live Nation, in part, depends on the integrity of their systems and infrastructures and the protection of consumer data.*** The businesses attributed to the Liberty SiriusXM Group and the Liberty Media Group, including, for example, SIRIUS XM and Live Nation, involve the receipt and storage of personal information about consumers. While the receipt and storage of such information is subject to regulation by international, federal and state law, and although SIRIUS XM and Live Nation may take steps to protect personal information, these companies could experience a data security breach, which could result in a disruption of operations and potential violations of applicable privacy laws and other laws or standards which could result in government enforcement actions and private litigation and/or the loss of consumer trust.

***We do not have the right to manage our business affiliate, Live Nation, which means we are not able to cause it to operate in a manner that is favorable to us.*** We do not have the right to manage the businesses or affairs of our business affiliate Live Nation, which is attributed to the Liberty Media Group. Rather, our rights take the form of representation on the board of directors and board committees. Although our board representation rights may enable us to exercise influence over the management or policies of Live Nation, they will not enable us to cause Live Nation to take any actions we believe are favorable to us (such as paying dividends or distributions).

***Our equity method investment in Live Nation may have a materiality threshold***



disclosure controls and procedures or internal control over financial reporting (as required by U.S. federal securities laws and regulations) until we have fully integrated them.

*The financial s*







operating problems arising out of the presence of certain construction materials, acts of God, uninsurable losses and other factors which are beyond the control of the developer and may make the underlying investments economically unattractive. In addition, development activities involve the risk that construction may not be completed within budget or on schedule because of cost overruns, work stoppages, shortages of building materials, the inability of contractors to perform their obligations under construction contracts, defects in plans and specifications or various other factors, including natural disasters. Any of these risks could result in substantial unanticipated delays or expenses associated with the Development Project, which could have an adverse effect on the Liberty Braves Group's financial condition and suppress the value of the Liberty Braves common stock.

*The Liberty Braves Group has no operating history managing mixed use development projects.* Management of Braves Holdings has a long history as an operator of a professional baseball franchise, but has never before managed a mixed use development project similar to the Development Project. As with any expansion into a new business area, management of Braves Holdings may not initially have the expertise necessary to fully realize the projected benefits of the mixed use development. This lack of relevant experience, among other

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### **Risks Relating to the Ownership of Our Common Stock Due to Our Tracking Stock Capitalization**

*Holders of Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Media common stock are common stockholders of our company and, therefore, are subject to risks associated with an investment in our company as a whole, even if a holder does not own shares of common stock of all of our groups.* Even though we have attributed, for financial reporting purposes, all of our consolidated assets, liabilities, revenue, expenses and cash flows among the Liberty SiriusXM Group, the Liberty Braves Group and the Liberty Media Group in order to prepare the separate financial statement schedules for each of those groups, we will retain legal title to all of our assets and our tracking stock capitalization will not limit our legal responsibility, or that of our subsidiaries, for the liabilities included in any set of financial statement schedules. Holders of Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Media common stock will not have any legal rights related to specific assets attributed to their associated group and, in any liquidation, holders of Liberty SiriusXM common stock, holders of Liberty Braves common stock and holders of Liberty Media common stock will be entitled to receive a pro rata share of our available net assets based on their respective numbers of liquidation units.

*Our board of directors' ability to reattribute businesses, assets and expenses between and among tracking stock groups may make it difficult to predict the future prospects of our tracking stock groups based on past performance.* Our board of directors is vested with discretion to reattribute businesses, assets





- decisions as to the terms of any business relationships that may be created between groups, such as between the Liberty SiriusXM Group and the Liberty Braves Group or between the Liberty SiriusXM Group and the Liberty Media Group;
- the terms of any reattributions of assets between one or more groups;
- decisions as to the allocation of consideration among the holders of Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Media common stock, or among the series of stocks relating to our groups, to be received in connection with a merger involving our company;
- decisions as to the allocation of corporate opportunities between the groups, especially where the opportunities might meet the strategic business objectives of more than one group;
- decisions as to operational and financial matters that could be considered detrimental to one or more groups but beneficial to another;
- decisions as to the conversion of shares of common stock of one group into shares of common stock of another;
- decisions regarding the creation of, and, if created, the subsequent increase or decrease of any inter-group interest that one group may own in another group;
- decisions as to the internal or external financing attributable to businesses or assets attributed to any of our groups;
- decisions as to the dispositions of assets of any of our groups; and
- decisions as to the payment of dividends on the stock relating to any of our groups.

*Our directors and officers' equity ownership may create or appear to create conflicts of interest.* If directors or officers own a disproportionate (beneficial) interest in any of our securities, it may be considered a conflict of interest. If directors or officers own a disproportionate (beneficial) interest in any of our securities, it may be considered a conflict of interest.

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*Our board of directors may change the management and allocation policies following their implementation to the detriment of one or more groups without stockholder approval.* Our board of directors intends to adopt certain management and allocation policies described in this proxy statement/prospectus to serve as guidelines concerning the relationships among the Liberty SiriusXM Group, the Liberty Braves Group and the Liberty Media Group with respect to matters such as tax liabilities and benefits, inter-group loans, inter-group interests, attribution of assets, financing alternatives, corporate opportunities and similar items. These policies also set forth the initial focuses and strategies of these groups and the initial attribution of our businesses, assets and liabilities among them. These policies will not be included in the restated charter. Our board of directors may at any time change or make exceptions to these policies. Because these policies relate to matters concerning the day-to-day management of our company as opposed to significant corporate actions, such as a merger involving our company or a sale of substantially all of our assets, no stockholder approval is required with respect to their adoption or amendment. A decision to change, or make exceptions to, these policies or adopt additional policies could disadvantage one or more groups while advantaging the other(s).

*Holders of shares of stock relating to a particular group may not have any remedies if any action by our directors or officers has an adverse effect on only that stock, or on a particular series of that stock.* Principles apply



If we dispose of all or substantially all of the assets attributed to any group (which means, for this purpose, assets representing 80% of the fair market value of the total assets of the disposing group, as determined by our board of directors), we would be required under the terms of our restated charter, if the disposition is not an exempt disposition under the terms of our restated charter, to choose one or more of the following three alternatives:

- declare and pay a dividend on the disposing group's common stock;
- redeem shares of the disposing group's common stock in exchange for cash, securities or other property; and/or
- convert all or a portion of the disposing group's outstanding common stock into common stock of another group.

In this type of a transaction, holders of the disposing group's common stock may receive less value than the value that a third-party buyer might pay for all or substantially all of the assets of the disposing group.

Our board of directors will decide, in its sole discretion, how to proceed and is not required to select the option that would result in the highest value to holders of any stock related to a part f an w'sf ian



our board of directors may effect such a conversion at a time when the market value of our different stocks could cause the stockholders of one group to be disadvantaged.

***Holders of Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Media common stock will vote together and will have limited separate voting rights.*** Holders of Series A and Series B Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Media common stock will vote together as a single class, except in certain limited circumstances prescribed by our restated charter and under Delaware law. Each share of Series B common stock of each group will have ten votes per share, and each share of Series A common stock of each group will have one vote per share. Holders of Series C common stock of each group will have no voting rights, other than those required under Delaware law. When holders of Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Media common stock vote together as a single class, holders having a majority of the votes will be in a position to control the outcome of the vote even if the matter involves a conflict of interest of stockholders of one or more of the groups.

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obstacles, financial and otherwise, to an acquiring person that are not present in companies that do not have a capital structure similar to ours.

*Certain provisions of our restated charter and bylaws may discourage, delay or prevent a change su*





**Item 6. Exhibits**

(a) Exhibits

Listed below are the exhibits whicie

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## CERTIFICATION

I, Gregory B. Maffei, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty Media Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements and other financial information included in this quarterly report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and
  - d) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2016

/s/ GREGORY B. MAFFEI

Gregory B. Maffei  
President and Chief Executive Officer

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## Certification

**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002  
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Liberty Media Corporation, a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the period ended March 31, 2016 (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 9, 2016

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/s/ GREGORY B. MAFFEI

Gregory B. Maffei  
*President and Chief Executive Officer*

Dated: May 9, 2016

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/s/ CHRISTOPHER W. SHEAN

Christopher W. Shean  
*Senior Vice President and Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)*

The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Form 10-Q or as a separate disclosure document.

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**SUMMARY ATTRIBUTED FINANCIAL DATA**

**Liberty SiriusXM Group**

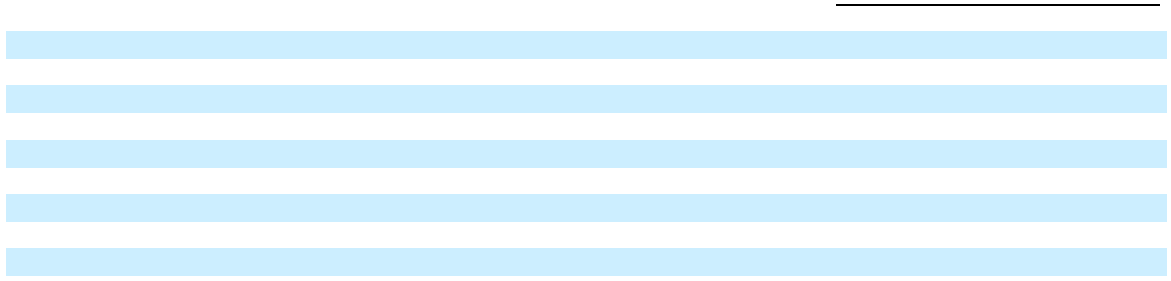
*Summary Balance Sheet Data:*

	<b>March 31,</b>	<b>December 31,</b>
	<b>2016</b>	<b>2015</b>
	<b>amounts in millions</b>	
Cash and cash equivalents	\$ 102	112
Investments in affiliates, accounted for using the equity method	\$ 168	153
Intangible assets not subject to amortization	\$ 23,695	23,695
Intangible assets subject to amortization, net	\$ 1,013	1,027
Total assets	\$ 26,983	27,001
Deferred revenue	\$ 1,797	1,769
Long-term debt, including current portion	\$ 5,975	5,709
Deferred tax liabilities	\$ 1,724	1,622
Attributed net assets	\$ 9,706	9,599
Noncontrolling interest	\$ 6,695	7,198

*Summary Statement of Operations Data:*

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2016</b>	<b>2015</b>
	<b>amounts in millions</b>	
Revenue	\$ 1,200	1,076
Cost of subscriber services (1)	\$ (467)	(398)
Other operating expenses (2)	\$ (19)	(17)
Selling, general and administrative expense (3)	\$ (167)	(172)
Operating income (loss)	\$ 336	290
Interest expense	\$ (81)	(73)
Income tax (expense) benefit	\$ (100)	(125)
Net earnings (loss) attributable to noncontrolling interests	\$ 62	38
Earnings (loss) attributable to Liberty Media Corporation stockholders	\$ 101	47

- (1) Includes stock-based compensation of \$6 million and \$7 million for the three months ended March 31, 2016 and 2015, respectively.
- (2) Includes stock-based compensation of \$3 million and \$4 million for the three months ended March 31, 2016 and 2015, respectively.
- (3) Includes stock-based compensation of \$15 million and \$26 million for the three months ended March 31, 2016 and 2015, respectively.





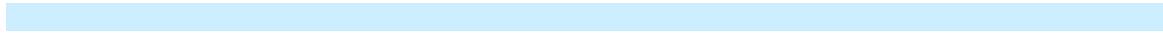
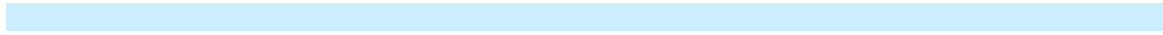
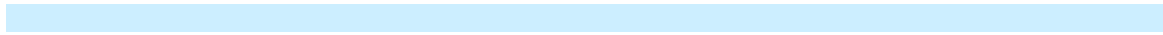
**Liberty Media Group**

*Summary Balance Sheet Data:*

March 31,

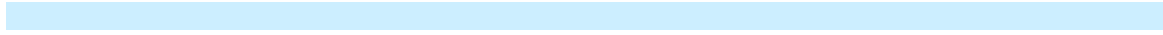
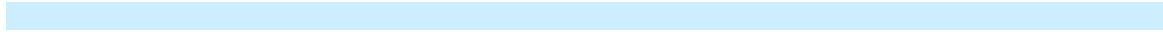
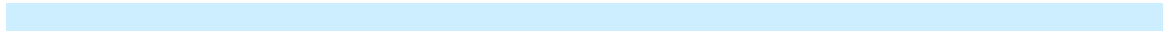
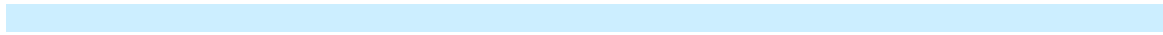
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**Notes to Attributed Financial Information (Continued)**  
(unaudited)

- (2) Investments in AFS securities, which are recorded at their respective fair market values, and other cost investments are summarized as follows:

	<b>March 31, 2016</b>	<b>December 31, 2015</b>
amounts in millions		
<b>Liberty SiriusXM Group</b>		
Other AFS and cost investments	\$ —	—
<b>Total attributed Liberty SiriusXM Group</b>	<b>—</b>	<b>—</b>
<b>Liberty Braves Group</b>		
Other AFS and cost investments	8	8
<b>Total attributed Liberty Braves Group</b>	<b>8</b>	<b>8</b>
<b>Liberty Media Group</b>		
<b>Fair Value Option Securities</b>		
Time Warner, Inc. (a)	309	275
Viacom, Inc. (b)	76	76
Other equity securities	66	74
Other debt securities	23	25
<b>Total Fair Value Option Securities</b>	<b>474</b>	<b>450</b>
<b>AFS and cost investments</b>		
Live Nation debt securities	24	24
Other AFS and cost investments	54	51
<b>Total AFS and cost investments</b>	<b>78</b>	<b>75</b>
<b>Total attributed Liberty Media Group</b>	<b>552</b>	<b>525</b>
<b>Consolidated Liberty</b>	<b>\$ 560</b>	<b>533</b>

- (a) Shares of Time Warner, Inc., which are attributed to the Liberty Media Group, are pledged as collateral pursuant to the Braves Holdings mixed-use development facility, which is attributed to the Liberty Braves Group. See note 4 below for details regarding the number and fair value of shares pledged as collateral pursuant to the Braves Holdings mixed-use development facility as of March 31, 2016.
- (b) During the three months ended March 31, 2015, Liberty sold 1.3 million shares of Viacom, Inc. common stock for approximately \$86 million in proceeds.



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**Notes to Attributed Financial Information (Continued)**  
**(unaudited)**

As of March 31, 2016, the values of shares pledged as collateral pursuant to the \$1.25 billion margin loan due 2016 is as follows:

**Number of Shares Pledged  
as Collateral as of**

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