
LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets (Continued)

(unaudited)

	March 31, 2018	December 31, 2017
	amounts in millions, except share amounts	
Stockholders' equity:		
Preferred stock, \$.01 par value. Authorized 50,000,000 shares; no shares issued	—	—
Series A Liberty SiriusXM common stock, \$.01 par value. Authorized 2,000,000,000 shares; issued and outstanding 102,726,319 shares at March 31, 2018 and 102,701,972 shares at December 31, 2017 (note 3)	1	1
Series A Liberty Braves common stock, \$.01 par value. Authorized 200,000,000 shares; issued and outstanding 10,243,448 shares at March 31, 2018 and 10,243,259 shares at December 31, 2017 (note 3)	—	—
Series A Liberty Formula One common stock, \$.01 par value. Authorized 500,000,000 shares; issued and outstanding 25,652,457 shares at March 31, 2018 and 25,649,611 shares at December 31, 2017 (note 3)	—	—
Series B Liberty SiriusXM common stock, \$.01 par value. Authorized 75,000,000 shares; issued and outstanding 9,821,531 shares at March 31, 2018 and December 31, 2017 (note 3)	—	—
Series B Liberty Braves common stock, \$.01 par value. Authorized 7,500,000 shares; issued and outstanding 981,860 shares at March 31, 2018 and December 31, 2017 (note 3)	—	—
Series B Liberty Formula One common stock, \$.01 par value. Authorized 18,750,000 shares; issued and outstanding 2,454,448 shares at March 31, 2018 and December 31, 2017 (note 3)	—	—
Series C Liberty SiriusXM common stock, \$.01 par value. Authorized 2,000,000,000 shares; issued and outstanding 222,965,783 shares at March 31, 2018 and 222,588,953 shares at December 31, 2017 (note 3)	2	2
Series C Liberty Braves common stock, \$.01 par value. Authorized 200,000,000 shares; issued and outstanding 39,734,701 shares at March 31, 2018 and 39,723,440 shares at December 31, 2017 (note 3)	—	—
Series C Liberty Formula One common stock, \$.01 par value. Authorized 500,000,000 shares; issued and outstanding 202,790,466 shares at March 31, 2018 and 202,720,588 shares at December 31, 2017 (note 3)	2	2
Additional paid-in capital	3,764	3,892
Accumulated other comprehensive earnings (loss), net of taxes	(39)	(35)
Retained earnings	13,247	13,081
Total stockholders' equity	16,977	16,943
Noncontrolling interests in equity of subsidiaries	5,498	5,631
Total equity	22,475	22,574
Commitments and contingencies (note 12)		
Total liabilities and equity	\$ 42,540	41,996

See accompanying notes to condensed consolidated financial statements.

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements Of Comprehensive Earnings (Loss)
 (unaudited)

	Three months ended	
	March 31,	
	2018	2017
	amounts in millions	
Net earnings (loss)	\$ 213	44
Other comprehensive earnings (loss), net of taxes:		
Foreign currency translations		

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(1) Basis of Presentation

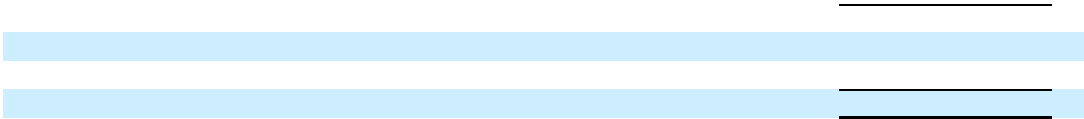
The accompanying condensed consolidated financial statements include all the accounts of Liberty Media Corporation and its controlled subsidiaries ("Liberty," the "Company," "we," "us," or "our" unless the context otherwise requires). All significant intercompany accounts and transactions have been eliminated.

Liberty, through its ownership of interests in subsidiaries and other companies, is primarily engaged in the media, communications and entertainment industries globally. Liberty's significant subsidiaries include SIRIUS XM Holdings Inc. ("SIRIUS XM"), Delta Topco Limited (the parent company of Formula 1) ("Delta Topco") and Braves Holdings, LLC ("Braves Holdings"). Our most significant investment accounted for under the equity method is Live Nation Entertainment, Inc. ("Live Nation").

The accompanying (a) condensed consolidated balance sheet as of December 31, 2017, which has been derived from audited financial statements, and (b) condensed consolidated income statement for the three months ended December 31, 2017, which has been derived from unaudited financial statements, are included in this report.







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

stated base amount during the lease term. Overage rents are only recognized when each tenant's sales exceed the applicable sales threshold. Tenants reimburse Braves Holdings for a substantial portion of Braves Holdings operating expenses, including common area maintenance, real estate taxes and property insurance. Braves Holdings accrues reimbursements from tenants for recoverable portions of all these expenses as revenue in the period the applicable expenditures are incurred. Braves Holdings recognizes differences between estimated recoveri sles

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

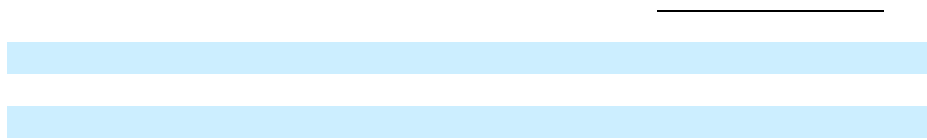
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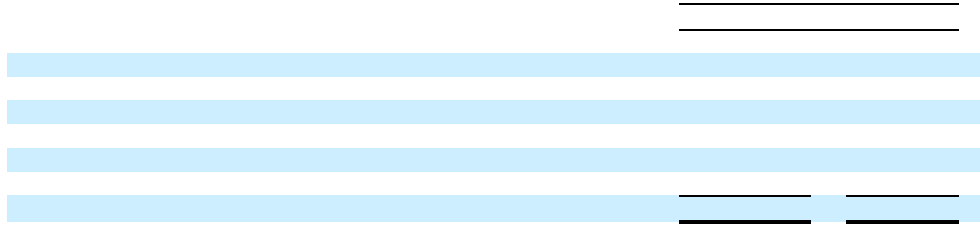
guidance during the first quarter of 2018, and there was no significant effect of the standard on its condensed consolidated financial statements.

In October 2016, the FASB issued new accounting guidance on income tax accounting associated with intra-entity transfers of assets other than inventory. This accounting update, which is part of the FASB's simplification initiative, is intended to reduce s



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

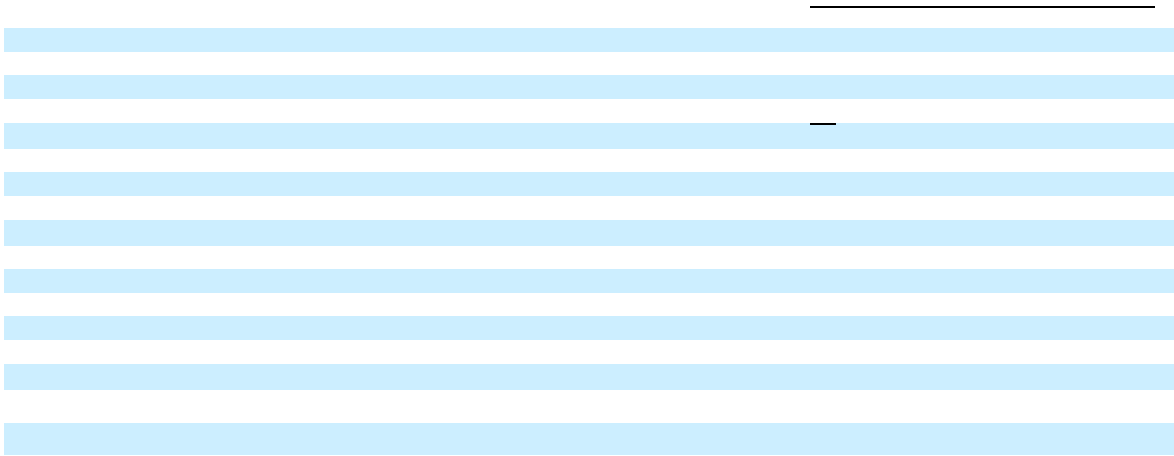
Liberty Formula One

	Series A			Series C				
	Liberty Awards (000's)	WAEP	Weighted average remaining life	Aggregate intrinsic value (millions)	Liberty Awards (000's)	WAEP	Weighted average remaining life	Aggregate intrinsic value (millions)
Outstanding at January 1, 2018	400	\$ 11.69			4,760	\$ 24.59		
Granted	—	\$ —			2,026	\$ 31.56		
Exercised	(8)	\$ 11.68			(14)	\$ 11.18		



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

shares representing the intergroup interest have no impact on the basic earnings per e



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

(unaudited)

(9) Investments in Affiliates Accounted for Using the Equity Method

Liberty has various investments accounted for using the equity method. The following table includes the Company's carrying amount and percentage ownership of the more significant investments in affiliates at March 31, 2018 and the carrying amount at December 31, 2017:

	Percentage ownership	March 31, 2018		December 31, 2017	
		Fair Value (Level 1)	Carrying amount	Carrying amount	Carrying amount
dollar amounts in millions					
Liberty SiriusXM Group					
SIRIUS XM Canada	70 %	\$ NA	\$ 651		672
Total Liberty SiriusXM Group			651		672
Braves Group					
Other	various	NA	97		145
Total Braves Group			97		145
Formula One Group					
Live Nation (a)	34 %	\$ 2,935	743		756
Other	various	NA	167		177
Total Formula One Group			910		933
Consolidated Liberty			\$ 1,658		1,750

- (a) See note 11 for details regarding the number and fair value of shares pledged as collateral pursuant to the Live Nation Margin Loan as of March 31, 2018.

The following table presents the Company's share of earnings (losses) of affiliates:

	Three months ended	
	March 31,	
	2018	2017
amounts in millions		
Liberty SiriusXM Group		
SIRIUS XM Canada	\$ 1	3
Total Liberty SiriusXM Group	1	3
Braves Group		
Other	3	3
Total Braves Group	3	3
Formula One Group		
Live Nation	(16)	(15)
Other	4	5
Total Formula One Group	(12)	(10)
Consolidated Liberty	\$ (8)	(4)

On May 25, 2017, SIRIUS XM completed a recapitalization ^{ay} ₀ »



LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

elect to settle its delivery obligation under the Warrant Transactions with cash. Liberty entered into amendments to the Warrant Transactions with each of the option counterparties (“Amended Warrant Transactions”). As of April 15, 2016, the Amended Warrant Transactions covered, in the aggregate, 5,271,475 shares of Series A Liberty Formula One common stock, 21,085,900 shares of Series A Liberty SiriusXM common stock and 2,108,590 shares of Series A Liberty Braves common stock, subject to anti-dilution adjustments. The aggregate number of shares of Series 'tionries

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

stock and mature on January 30, 2023 (the “1% Cash Convertible Notes due 2023”). The initial conversion rate for the notes will be 27.1091 shares of Series C Liberty Formula One common stock per \$1,000 principal amount of notes, equivalent to an initial conversion price of approximately \$36.89 per share of Series C Liberty Formula One common stock. The conversion of the 1% Cash Convertible Notes due 2023 will be settled solely in cash, and not through the delivery of any securities. As discussed in note 4, Liberty used a portion of the net proceeds of the 1% Cash Convertible Notes due 2023 to increase the cash consideration payable to the selling shareholders of Formula 1 by approximately \$400 million.

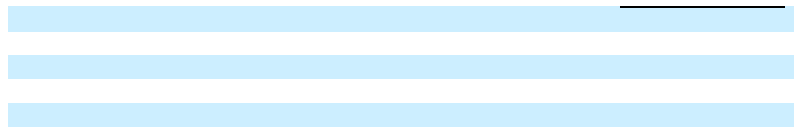
On March 6, 2018, Liberty closed a private offering of approximately \$400 million aggregate principal amount of its 2.125% exchangeable senior debentures due 2048 (the “2.125% Exchangeable Senior Debentures due 2048”). Upon an exchange of debentures, Liberty, at its option, may deliver SIRIUS XM common stock, cash or a combination of SIRIUS XM common stock and cash. The number of shares of SIRIUS XM common stock attributable to a debenture represents an initial exchange price of approximately \$8.02 per share. A total of approximately 49.9 million shares of SIRIUS XM common stock are attributable to the debentures. Interest is payable quarterly on March 31, June 30, September 30 and December 31 of each year, commencing June 30, 2018. The debentures may be redeemed by Liberty, in whole or in part, on or after April 7, 2023. Holders of the debentures also have the right to require Liberty to purchase their debentures on April 7, 2023. The redemption and purchase price will generally equal 100% of the adjusted principal amount of the debentures plus accrued and unpaid interest. The debentures, as well as the associated cash proceeds, were attributed to the Liberty Sirius XM Group. Liberty has elected to account for the debentures using the fair value option. Accordingly, changes in the fair value of these instruments are recognized as unrealized gains (losses) in the condensed consolidated statements of operations.

\$1.35 Billion Margin Loan due 2020

In March 2018, Liberty refinanced a margin loan agreement for a similar financial instrument with a \$250 million term loan, \$500 million revolving line of credit and a \$600 million delayed draw term loan, which is scheduled to mature during March 2020. The new term loan



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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

(12) Commitments and Contingencies

In connection with agreements for the sale of assets by the Company or its subsidiaries, the Company may retain liabilities that relate to events occurring prior to its sale, such as tax, environmental, litigation and employment matters. The Company generally indemnifies the purchaser in the event that a third party asserts a claim against the purchaser that relates to a liability retained by the Company. These types of indemnification obligations may extend for a number of years.



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

Other Information

	March 31, 2018		
	Total assets	Investments in affiliates	Capital expenditures
amounts in millions			
Liberty SiriusXM Group			
SIRIUS XM	\$ 27,860	651	82
Corporate and other	1,098	—	—
Total Liberty SiriusXM Group	<u>28,958</u>	<u>651</u>	<u>82</u>
Braves Group			
Corporate and other	1,947	97	6
Total Braves Group	<u>1,947</u>	<u>97</u>	<u>6</u>
Formula One Group			
Formula 1	9,433	—	1
Corporate and other	2,409	910	—
Total Formula One Group	<u>11,842</u>	<u>910</u>	<u>1</u>
Elimination (1)	(207)	—	—
Consolidated Liberty	<u>\$ 42,540</u>	<u>1,658</u>	<u>89</u>

(1) This is primarily the intergroup interest in the Braves Group held by the Formula One Group, as discussed in note 3. The intergroup interest attributable to the Formula One Group is presented as an asset and the intergroup interest attributable to the Braves Group is presented as a liability in the attributed financial statements and the offsetting amounts between tracking stock groups are eliminated in consolidation.

The following table provides a reconciliation of Consolidated segment Adjusted OIBDA to Operating income (loss) and Earnings (loss) before income taxes:

	Three months ended	
	March 31,	
	2018	2017
amounts in millions		
Consolidated segment Adjusted OIBDA	\$ 489	467
Stock-based compensation	(46)	(44)
Depreciation and amortization	(216)	(164)
Operating income (loss)	227	259
Interest expense	(150)	(140)
Share of earnings (losses) of affiliates, net	(8)	(4)
Realized and unrealized gains (losses) on financial instruments, net	153	(12)
Other, net	6	17
Earnings (loss) before income taxes	<u>\$ 228</u>	<u>120</u>

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-



Our consolidated revenue increased \$122 milli 3



The following table presents our share of earnings (losses) of affiliates:

Changes in ou

	Three months ended	
	March 31,	
	2018	2017
	amounts in millions	
Liberty SiriusXM Group		
SIRIUS XM Canada	\$ 1	3
Total Liberty SiriusXM Group	<u>1</u>	<u>3</u>
Braves Group		
Other	3	3
Total Braves Group	<u>3</u>	<u>3</u>
Formula One Group		
Live Nation	(16)	(15)
Other	4	5
Total Formula One Group	<u>(12)</u>	<u>(10)</u>
Consolidated Liberty	<u>\$ (8)</u>	<u>(4)</u>

are comprised of changes in the fair value of the following:

Realized and unrealized gains (losses) on financial instruments

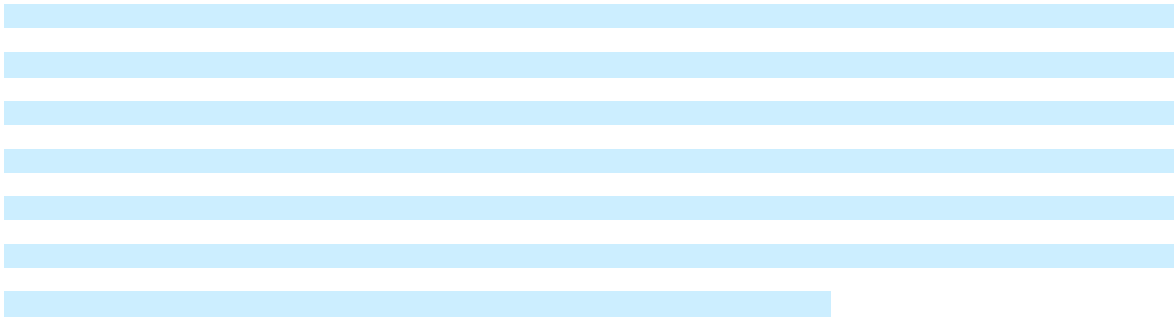
	Three months ended	
	March 31,	
	2018	2017
	amounts in millions	
Debt and equity securities	\$ 74	30
Debt measured at fair value	30	(116)
Change in fair value of bond hedges	2	¥ j
	<u></u>	<u></u>

for stock-based compensation, partially offset by expense for state income taxes. Tax expense for the three months ended March 31, 2017 was higher than the federal tax rate of 35% (which was effective for tax years prior to 2018) primarily due to losses in foreign jurisdictions taxed at rates lower than the 35% U.S. federal tax rate and the impact of state income taxes.

We had net earnings of \$213 million and \$44 million for the three months ended March 31, 2018 and 2017, respectively. The change in net earnings was the result of the above-described fluctuations in our revenue, expenses and other gains and losses.

Material Changes in Financial Condition

	Three months ended	
	March 31,	
	2018	2017
	amounts in millions	
Cash Flow Information		
Liberty SiriusXM Group cash provided (used) by operating activities	\$ 393	304
Braves Group cash provided (used) by operating activities	52	12
Formula One Group cash provided (used) by operating activities	179	87
Net cash provided (used) by operating activities	\$ 624	403
Liberty SiriusXM Group cash provided (used) by investing activities	\$ (471)	(61)
Braves Group cash provided (used) by investing activities	31	(86)
Formula One Group cash provided (used) by investing activities	16	(1,650)
Net cash provided (used) by investing activities	\$ (424)	(1,797)
Liberty SiriusXM Group cash provided (used) by financing activities	\$ 121	(200)
Braves Group cash provided (used) by financing activities	(82)	97



[Table of Contents](#)

- *Customer Service and Billing* includes costs associated with the operation and management of SIRIUS XM's internal and third party customer service centers and SIRIUS XM's subscriber management systems as well as billing and collection costs, bad debt expense and transaction fees. Customer service and billing expense decreased 3% for the three months ended March 31, 2018, as compared to the corresponding period in the prior year. The decrease was driven by lower call center costs due to lower agent rates, contact rates and bad debt expense.
 - *Other* includes costs associated with the operation and maintenance of SIRIUS XM's terrestrial service.
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place on various circuits with various Events. Formula 1 is responsible for the commercial exploitation and development of the World Championship as well as various aspects of its management and administration. Formula 1 derives the majority of its revenue from race promotion, broadcasting and advertising and sponsorships.

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has not impacted the recognition of fees under race promotion, broadcasting and some advertising and sponsorship contracts, although changes have been made to the recognition of certain elements of rights granted under Global Partner and Official Supplier contracts. The fees for these elements were historically recognized by spreading the full season income on a pro-rata basis over the total number of Events on the relevant World Championship calendar. Pursuant to ASC 606, certain rights are being recognized evenly over the calendar year and others will be recognized over a smaller number of specific events, as opposed to every Event on the race calendar. Advertising and sponsorship fees were also higher as a result of fee inflation in underlying contracts. Higher race promotion fees derived from the Event in the current period as compared to Event in the corresponding period in the prior year, were partially offset by lower broadcasting revenue. Broadcasting revenue decreased during the three months ended March 31, 2018 as compared to the same period in the prior year due to the impact of slightly lower proportionate recognition of season-based income during the current period. 1/21 (4.8%) of broadcasting revenue was recognized during the three months ended March 31, 2018, compared to 1/20 (5.0%) during the three months ended March 31, 2017.

Other Formula 1 revenue is generated from the operation of the Paddock Club at most Events, freight and related logistical and , Can(n%) o

Selling, general and administrative expenses include personnel costs, legal, professional and other advisory fees, bad debt expense, rental expense, information technology costs, non-Event-related travel costs, insurance premiums, maintenance and utility costs and other general office administration costs. Selling, general and administrative expenses increased \$10 million during the three months ended March 31, 2018, as compared to pro forma selling, general and administrative expenses in the corresponding period in the prior year. The increases in selling, general and administrative expense during 2018 were primarily driven by higher personnel, property, marketing and research costs and professional fees as a result of the acquisition by Liberty of Formula 1.

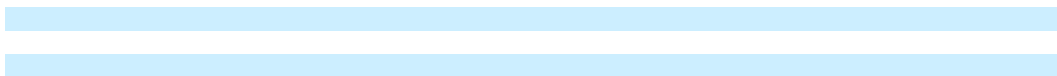
Stock-based compensation expense relates to costs arising from grants of Series C Liberty Formula One common stock options and restricted stock units to members of Formula 1 management during March 2017, subsequent to the acquisition of Formula 1 by Liberty.

Depreciation and amortization includes depreciation of fixed assets and amortization of intangible assets. Depreciation and amortization increased \$1 million during the three months ended March 31, 2018, as compared to pro forma depreciation and amortization in the corresponding period in the prior year.

Braves Holdings is our wholly-owned subsidiary that indirectly owns and operates the Atlanta Braves Major League Baseball club and five minor league baseball clubs (the Gwinnett Stripers, the Mississippi Braves, the Rome Braves, the Danville Braves and the GCL Braves). Braves Holdings also operates a baseball academy in the Dominican Republic and leases a baseball facility from a third party in connection with its academy. Effective for the 2017 season, the Braves relocated into a new ballpark located in Cobb County, a suburb of Atlanta. The facility is leased from Cobb County, Cobb-Marietta Coliseum and Exhibit Hall Authority and offers a range of activities and eateries for fans. Braves Holdings participated in the construction of the new stadium and is participating in the construction of

Other operating expenses primarily include costs associated with baseball and stadium operations. For the three months ended March 31, 2018, other operating expenses increased \$23 million, as compared to the corresponding period in the prior year. The increase was driven by higher player salaries and the acceleration of player salary expense as a result of released and injured players during the current period.

Selling, general and administrative expense includes costs of marketing, advertising, finance and related personnel costs. For the three months ended March 31, 2018, selling, general and administrative expense increased \$5 million, as compared to the corresponding period in the prior year. The increase was primarily driven by higher facilities, marketing and advertising costs of release



SIGNATURES

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

LIBERTY MEDIA CORPORATION

Date: May 9, 2018

By: /s/ GREGORY B. MAFFEI
Gregory B. Maffei
President and Chief Executive Officer

Date: May 9, 2018

By: /s/ MARK D. CARLETON
Mark D. Carleton
Chief Financial Officer
(Principal Financial Officer and Principal Accounting
Officer)

I, Mark D. Carleton, 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 the report.

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Unaudited Attributed Financial Information for Tracking Stock Groups

The following tables present our assets and liabilities as of March 31, 2018 and revenue and expenses for the three months ended March 31, 2018 and 2017 and cash flows for the three months ended March 31, 2018 and 2017. The tables further present our assets, liabilities, revenue, expenses and cash flows that are intended to represent revenue



[Redacted]

[Redacted]

Formula One Group

Summary Balance Sheet Data:

**March 31,
2011**

December 31,



