

Report of Independent Registered Public Accounting Firm

The Plan Committee
Liberty Media 401(k) Savings Plan:

We have audited the accompanying statements of net assets available for benefits of the Liberty Media 401(k) Savings Plan (the Liberty Plan) as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Liberty Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the assertions of management.



LIBERTY MEDIA 401(k) SAVINGS PLAN

Notes to Financial Statements

December 31, 2012 and 2011

Benefit Payments

Distributions from the Liberty Plan may be made to a participant upon attaining the age of 59-1/2, death, total disability, financial hardship or termination of employment. Distributions and other withdrawals are processed on a daily basis.

Vesting

Participant contributions are always fully vested. Participants acquire a vested right in employer matching contributions, other than employer contributions transferred from other plans, as follows:

<u>Years of service</u>	<u>Vesting percentage</u>
Less than 1	0 %
1 year	33 %
2 years	66 %
3 years	100 %

Employer matching contributions transferred from other plans vest according to the terms specified in the transferor plans.

Plan Termination

Although Liberty has not expressed any intent to terminate the Liberty Plan, it may do so at any time, subject to the provisions of ERISA. The Liberty Plan provides for full and immediate vesting of all participant accounts upon termination of the Liberty Plan.

Risks and Uncertainties

The Liberty Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

The Liberty Plan has concentrations of investments in the Liberty Capital Common Stock, Liberty Interactive Common Stock, and Liberty Ventures Common Stock as of December 31, 2012 and concentrations of investments in the Liberty Capital Common Stock and Liberty Interactive Corporation Common Stock as of December 31, 2011 and 2010. As of December 31, 2012, the Liberty Plan had investments in Liberty Capital Common Stock of \$1,000,000, Liberty Interactive Common Stock of \$1,000,000, and Liberty Ventures Common Stock of \$1,000,000. As of December 31, 2011, the Liberty Plan had investments in Liberty Capital Common Stock of \$1,000,000, Liberty Interactive Common Stock of \$1,000,000, and Liberty Ventures Common Stock of \$1,000,000. As of December 31, 2010, the Liberty Plan had investments in Liberty Capital Common Stock of \$1,000,000, Liberty Interactive Common Stock of \$1,000,000, and Liberty Ventures Common Stock of \$1,000,000.



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Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus accrued but unpaid interest. Delinquent participant loans are reclassified as a distribution based upon the terms of the Liberty Plan documents.

Distributions to Participants

Distributions requested by participants are recorded when paid.

Income Taxes

The Internal Revenue Service (the "IRS") has determined and informed Liberty by a letter dated December 18, 2012 (the "IRS Determination Letter"), that the Liberty Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Once qualified, the Liberty Plan is required to operate in conformity with the IRC to maintain its qualification. Although the Liberty Plan has been subsequently amended, the Liberty Plan administrator believes that the Liberty Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the plan has taken an uncertain position that more likely than not would not be sustained upon audit.

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December 31, 2011 and 2010

As discussed in note 4, during the fourth quarter of 2012, Liberty Interactive Corporation completed a rights offering pursuant to which existing shareholders, including the Liberty Plan, received a subscription right to acquire one additional series A Liberty Ventures share for every three shares of series A Liberty Ventures tracking stock they received in the recapitalization. Liberty Plan participants, other than Section 16 directors and officers, could elect to exercise the rights attributable to the common stock in their accounts, or they could sell those rights, subject to certain limitations. For Liberty Plan participants who did not make an election to exercise or sell their rights during the transaction window, the Trustee sold the rights held by those participants' accounts at market value. Because the rights were not "qualifying employer securities" under ERISA, the distribution of the rights to the Liberty Plan and the exercise and/or sale of those rights by Liberty Plan Trustee resulted in the

LIBERTY MEDIA 401(k) SAVINGS PLAN

EXHIBIT INDEX

Shown below are the exhibits which are filed as a part of this Report -

23.1 - Consent of KPMG LLP

Consent of Independent Registered Public Accounting Firm

The Plan Committee

Liberty Media 401(k) Savings Plan:

We consent to the incorporation by rr