

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D. C. 20549
FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number 001-35707

LIBERTY MEDIA CORPORATION

(Exact name of Registrant as specified in its charter)

State of Delaware
(State or other jurisdiction of incorporation or organization)

37-1699499
(I.R.S. Employer Identification No.)

12300 Liberty Boulevard
Englewood, Colorado
(Address of principal executive offices)

80112
(Zip Code)

Registrant's telephone number, including area code: (720) 875-5400

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of exchange on which registered
Series A Common Stock, par value \$.01 per share	The Nasdaq Stock Market LLC
Series B Common Stock, par value \$.01 per share	The Nasdaq Stock Market LLC
Series C Common Stock, par value \$.01 per share	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for each shorter period that the Registrant has required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(do not check if smaller reporting company)

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting stock held by non affiliates of Liberty Media Corporation computed by reference to the last sales price of such stock, as of the closing of trading on the last trading day prior to June 30, 2015, was approximately \$10.7 billion.

The number of outstanding shares of Liberty Media Corporation's common stock as of January 31, 2016 was:

Series A	Series B	Series C
102,204,921	9,870,966	222,567,095

Documents Incorporated by Reference

None

LIBERTY MEDIA CORPORATION
2015 ANNUAL REPORT ON FORM 10-K

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PART I.

Item 1. Business.

(a) *General Development of Business*

Liberty Media Corporation (“Liberty”, the “Company”, “we”, “us” and “our”) owns interests in subsidiaries and other companies which are engaged in the media and entertainment industries. Through our subsidiaries and affiliates, we principally operate in North America. Our principal businesses and assets include our consolidated subsidiaries SIRIUS XM (defined below) and the Braves Holdings, LLC (“Braves Holdings”), and our equity affiliate Live Nation Entertainment, Inc. (“Live Nation”).

In September 2011, Liberty Interactive Corporation (“Liberty Interactive” and formerly named Liberty Media Corporation) completed the split-off of its former wholly-owned subsidiary (then known as Liberty Media Corporation) from its Liberty Interactive tracking stock group (the “Split-Off”).

During August 2012, the Board of Directors of Starz (formerly known as Liberty Media Corporation) authorized a plan to distribute to the stockholders of Starz shares of a wholly-owned subsidiary, Liberty (formerly known as Liberty Spinco, Inc.), that held, as of January 11, 2013, all of the businesses, assets and liabilities of Starz not associated with Starz, LLC (with the exception of the Starz, LLC office building) (the “Starz Spin-Off”). The transaction was effected as a pro-rata dividend of shares of Liberty to the stockholders of Starz. The businesses, assets and liabilities not included in Liberty are part of a separate public company which was renamed Starz.

Due to the relative significance of Liberty to Starz (the legal spinor) and senior management's continued involvement with Liberty following the Starz Spin-Off, Liberty was treated as the “accounting successor” to Starz for financial reporting purposes, notwithstanding the legal form of the Starz Spin-Off previously described. Therefore, the historical financial statements of Starz continue to be the historical financial statements of Liberty and Starz, LLC has been treated as discontinued operations upon completion of the Starz Spin-Off in the first quarter of 2013. For purposes of this Form 10-K, Liberty is treated as the spinor for purposes of discussion and as a practical matter for describing all the historical information contained herein.

On January 18, 2013, Liberty, through a wholly-owned subsidiary, purchased 50,000,000 shares of the common stock (“SIRIUS XM Common Stock”), par value \$0.001 per share, of SIRIUS XM Radio, Inc. (now known as Sirius XM Holdings Inc., “SIRIUS XM”) for \$3.1556 per share in a block purchase from a financial institution (the “Block Transaction”). The Company used available cash on hand to acquire the shares of SIRIUS XM Common Stock in the Block Transaction. Additionally, on January 18, 2013 a subsidiary of the Company converted all of its remaining shares of SIRIUS XM's Convertible Perpetual Preferred Stock, Series B-1, par value \$0.001 per share, into 1,293,509,076 shares of SIRIUS XM Common Stock. As a result of these transactions, along with shares of SIRIUS XM Common Stock acquired by the Company and its subsidiaries in the fiscal year ended December 31, 2012, the Company and its subsidiaries hold more than 50% of the capital stock of SIRIUS XM entitled to vote on any matter, including the election of directors. Therefore, Liberty began consolidating SIRIUS XM in the first quarter of 2013.

On October 9, 2013, Liberty entered into a share repurchase agreement with SIRIUS XM pursuant to which SIRIUS XM agreed to acquire approximately 136.6 million SIRIUS XM shares for \$500 million. Approximately 43.7 million shares were repurchased in 2013 for \$160 million in proceeds and the remaining shares were repurchased in 2014 for proceeds of \$340 million. The retirement of SIRIUS XM shares on a consolidated basis did not significantly impact the consolidated results as it only required an adjustment to noncontrolling interest as the shares were repurchased and retired. Additionally, during 2014, SIRIUS XM entered into certain accelerated share repurchase agreements pursuant to which SIRIUS XM repurchased approximately 223.2 million shares for approximately \$756 million. SIRIUS XM repurchased approximately 524.2 million, 423.0 million and 476.5 million shares of SIRIUS XM common stock during the years ended December 31, 2015, 2014 and 2013, respectively, for \$2.0 billion, \$1.4 billion and \$1.6 billion, respectively. Liberty continues to maintain a controlling interest in SIRIUS XM following the completion of the share repurchases.

SIRIUS XM, since the date of our investment, has repurchased approximately 1.8 billion SIRIUS XM shares for approximately \$6.3 billion (including the shares repurchased from Liberty discussed above). As of December 31, 2015 our economic ownership interest in SIRIUS XM is approximately 61%.

During 2014, Liberty's board approved the issuance of shares of its Series C common stock to holders of its Series A and Series B common stock, effected by means of a dividend. On July 23, 2014, holders of Series A and Series B common stock as of 5:00 p.m., New York City time, on July 7, 2014, the record date for the dividend, received a dividend of two shares of Series C common stock for each share of Series A or Series B common stock held by them as of the record date. The impact of the Series C common stock issuance has been reflected retroactively due to the treatment of the dividend as a stock split for accounting purposes. Additionally, in connection with the Series C common stock issuance and the Broadband Spin-Off (defined below), outstanding Series A common stock warrants were adjusted, as well as the number of shares covered by outstanding cash convertible note hedges and purchased call options (the "Bond Hedge Transaction"). There were 21,085,900 warrants with a strike price of \$64.46 outstanding at December 31, 2015. The number of shares covered by the Bond Hedge Transaction was adjusted to 21,085,900 shares of Liberty Series A common stock and the strike price was adjusted to \$47.43 per share, which corresponds to the adjusted conversion price of our 1.375% Cash Convertible Senior Notes due 2023.

On November 4, 2014, Liberty completed the spin-off to its stockholders of common stock of a newly formed company called Liberty Broadband Corporation ("Liberty Broadband") (the "Broadband Spin-Off"). Shares of Liberty Broadband were distributed to the shareholders of Liberty as of a record date of 5:00 p.m., New York City time, on October 29, 2014. Liberty Broadband is comprised of, among other things, (i) Liberty's former interest in Charter Communications, Inc. ("Charter"), (ii) Liberty's former subsidiary TruePosition, Inc. ("TruePosition"), (iii) Liberty's former minority equity investment in Time Warner Cable, Inc. ("Time Warner Cable"), (iv) certain deferred tax liabilities, as well as liabilities related to Time Warner Cable call options and (v) initial indebtedness, pursuant to margin loans entered into prior to the completion of the Broadband Spin-Off. Prior to the completion of the Broadband Spin-Off, Liberty Broadband borrowed funds under margin loans and made a final distribution to Liberty of approximately \$300 million in cash. The Broadband Spin-Off was intended to be tax-free to stockholders of Liberty. In the Broadband Spin-Off, record holders of Liberty Series A, Series B and Series C common stock received one share of the corresponding series of Liberty Broadband common stock for every four shares of Liberty common stock held by them as of the record date for the Broadband Spin-Off, with cash paid in lieu of fractional shares.

During November 2015, Liberty's board of directors authorized management to pursue a reclassification of the Company's common stock into three new tracking stock groups, one to be designated as the Liberty Braves tracking stock, one to be designated as the Liberty Media tracking stock and one to be designated as the Liberty SiriusXM tracking stock, and to cause to be distributed subscription rights related to the Liberty Braves tracking stock following the creation of the new tracking stocks.

In connection with the creation of the new tracking stocks, each outstanding share of Liberty's Series A, Series B and Series C common stock would be cancelled and reclassified by exchanging each such share for newly issued shares of the corresponding series of Liberty Braves tracking stock, Liberty Media tracking stock and Liberty SiriusXM tracking stock. Cash will be paid in lieu of the issuance of any fractional shares. In addition, following the creation of the new tracking stocks, Liberty would distribute to holders of its Liberty Braves tracking stock subscription rights to acquire shares of Series C Liberty Braves tracking stock. The record dates, distribution dates, and distribution ratios for the creation of the new tracking stocks and the distribution of subscription rights will be announced at a later date.

The Liberty Braves tracking stock would be intended to track and reflect the separate economic performance of the businesses, assets and liabilities to be attributed to the Liberty Braves Group. Liberty intends to attribute to the Liberty Braves Group its subsidiary, Braves Holdings, LLC ("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"), cash and all liabilities arising under a note from Braves Holdings to Liberty, with 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. The Intergroup Note is expected to be repaid using proceeds from the proposed subscription rights offering (as described in more detail below). Any remaining proceeds from the rights offering will be attributed to the Liberty Braves Group.

The Liberty SiriusXM tracking stock would be intended to track and reflect the separate economic performance of the businesses, assets and liabilities to be attributed to the Liberty SiriusXM Group. Liberty intends to attribute to the Liberty SiriusXM Group its subsidiary SIRIUS XM, cash and its margin loan obligation incurred by a wholly-owned special purpose subsidiary of Liberty.

The Liberty Media tracking stock would be intended to track and reflect the separate economic performance of the businesses, assets and liabilities to be attributed to the Liberty Media Group. Liberty intends to attribute to the Liberty Media Group all of the businesses, assets and liabilities of Liberty other than those specifically attributed to the Liberty Braves Group or the Liberty SiriusXM Group, including Liberty's interests in Live Nation, minority equity investments in Time Warner, Inc. and Viacom, Inc., the Intergroup Note, any 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 will also hold an approximate 20% inter-group interest in the Liberty Braves Group.

The subscription rights to acquire shares of Series C Liberty Braves tracking stock are expected to be issued to raise capital to repay the Intergroup Note and for working capital purposes. The subscription rights would enable the holders to acquire shares of Series C Liberty Braves tracking stock at a 20% discount to the market 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.

Liberty expects that the Series A, Series B and Series C Liberty Braves Group common stock will trade under the symbols BATRA/B/K respectively, that the Series A, Series B and Series C Liberty Media Group common stock will trade under the symbols LMCA/B/K, respectively, and that the Series A, Series B and Series C Liberty SiriusXM Group common stock will trade under the symbols LSXMA/B/K, respectively. Liberty expects that Series A and Series C of each of the Liberty Braves tracking stock and the Liberty Media tracking stock will trade on the Nasdaq Stock Market and that Series B of each of these stocks will trade on the OTC Markets. In addition, Liberty expects that each series (Series A, Series B and Series C) of the Liberty SiriusXM tracking stock will trade on the Nasdaq Stock Market.

The creation of the new tracking stocks will be subject to various conditions, including the requisite approval of the holders of Liberty's common stock at a stockholders' meeting and the receipt of the opinion of tax counsel. Liberty expects to complete the creation of the new tracking stocks in the first half of 2016. The rights offering will also be subject to various conditions, including the creation of the new tracking stocks.

* * * * *

Certain statements in this Annual Report on Form 10-K 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; 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 liabilities related to legal and tax proceedings and other matters arising in the ordinary course of business. In particular, statements under Item 1. "Business," Item 1A. "Risk-Factors," Item 2. "Properties," Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 7A. "Quantitative and Qualitative Disclosures About Market Risk" contain forward-looking statements. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. The following include some but not all of the factors that could cause actual results or events to differ materially from those anticipated:

- consumer demand for our products and services and our ability to adapt to changes in demand;
- competitor responses to our products and services;
- uncertainties inherent in the development and integration of new business lines and business strategies;
- uncertainties associated with product and service development and market acceptance, including the development and provision of programming for satellite radio and telecommunications technologies;

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- our significant dependence upon automakers;
- our ability to attract and retain subscribers in the future is uncertain;
- our future financial performance, including availability, terms and deployment of capital;
- our ability to successfully integrate and recognize anticipated efficiencies and benefits from the businesses we acquire;
- the ability of suppliers and vendors to deliver products, equipment, software and services;
- interruption or failure of our information technology and communication systems, including the failure of SIRIUS XM's satellites, could negatively impact our results and brand;
- the market for music rights is changing and is subject to significant uncertainties;
- the outcome of any pending or threatened litigation;
- availability of qualified personnel;
- changes in, or failure or inability to comply with, government regulations, including, without limitation, regulations of the Federal Communications Commission and consumer protection laws, and adverse outcomes from regulatory proceedings;
- changes in the nature of key strategic relationships with partners, vendors and joint venturers;
- general economic and business conditions and industry trends including the current economic downturn;
- consumer spending levels, including the availability and amount of individual consumer debt;
- rapid technological changes;
- impairments of third-party intellectual property rights;
- our indebtedness could adversely affect operations and could limit the ability of our subsidiaries to react to changes in the economy or our industry;
- failure to protect the security of personal information about our customers, subjecting us to potentially costly government enforcement actions or private litigation and reputational damage;
- capital spending for the acquisition and/or development of telecommunications networks and services;
- the proposed reclassification of Liberty common stock into three new tracking stocks;
- the regulatory and competitive environment of the industries in which we, and the entities in which we have interests, operate; and
- threatened terrorist attacks, political unrest in international markets and ongoing military action around the world.

These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this Annual Report, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based. When considering such forward-looking statements, you should keep in mind the factors described in Item 1A, "Risk Factors" and other cautionary statements contained in this Annual Report. Such risk factors and statements describe circumstances which could cause actual results to differ materially from those contained in any forward-looking statement.

This Annual Report includes information concerning public companies in which we have controlling and non-controlling interests that file reports and other information with the SEC in accordance with the Securities Exchange Act of 1934, as amended. Information in this Annual Report concerning those companies has been derived from the reports and other information filed by them with the SEC. If you would like further information about these companies, the reports and other information they file with the SEC can be accessed on the Internet website maintained by the SEC at www.sec.gov. Those reports and other information are not incorporated by reference in this Annual Report.

(b) Financial Information About Operating Segments

Through our ownership of interests in subsidiaries and other companies, we are primarily engaged in the media and entertainment industries. Each of these businesses is separately managed.

We identify our reportable segments as (A) those consolidated subsidiaries that represent 10% or more of our annual consolidated revenue, pre-tax earnings or total assets and (B) those equity method affiliates whose share of earnings represent 10% or more of our annual pre-tax earnings. Financial information related to our operating segments can be found in note 17 to our consolidated financial statements found in Part II of this report.

(c) Narrative Description of Business

The following table identifies our more significant subsidiaries and minority investments.

Consolidated Subsidiaries

Sirius XM Holdings Inc. (Nasdaq:SIRI)
Braves Holdings, LLC

Equity Method Investments

Live Nation Entertainment, Inc. (NYSE:LYV)

Sirius XM Holdings Inc.

SIRIUS XM transmits music, sports, entertainment, comedy, talk, news, traffic and weather channels, as well as infotainment services, in the United States on a subscription fee basis through its two proprietary satellite radio systems. Subscribers can also receive music and other channels, plus features such as Sirius XM On Demand and MySXM, over its Internet radio service, including through applications for mobile devices. As of December 31, 2015, SIRIUS XM had approximately 29.6 million subscribers. Its subscribers include:

- subscribers under its regular and discounted pricing plans;
- subscribers that have prepaid, including payments made or due from automakers for subscriptions included in the sale or lease price of a vehicle;
- subscribers to its Internet services who do not also have satellite radio subscriptions; and
- certain subscribers to its weather, traffic and data services who do not also have satellite radio subscriptions.

SIRIUS XM's primary source of revenue is subscription fees, with most of its customers subscribing on an annual, semi-annual, quarterly or monthly basis. SIRIUS XM offers discounts for prepaid and longer-term subscription plans as well as discounts for multiple subscriptions. SIRIUS XM also derives revenue from the sale of advertising on select non-music channels, activation and other fees, the direct sale of satellite radios and accessories, and other ancillary services, such as weather, traffic and data services.

SIRIUS XM's satellite radios are primarily distributed through automakers ("OEMs"); retail stores nationwide; and through its website. SIRIUS XM has agreements with every major automaker to offer satellite radios in their vehicles. Satellite radio services are also offered to customers of certain rental car companies.

SIRIUS XM is also a leader in providing connected vehicle applications and services. SIRIUS XM's connected vehicle services are designed to enhance the safety, security and driving experience for vehicle operators while providing marketing and operational benefits to automakers and their dealers. Subscribers to SIRIUS XM's connected vehicle services are not included in the subscriber count above or subscriber-based operating metrics.

Programming

SIRIUS XM offers a dynamic programming lineup of commercial-free music, sports, entertainment, comedy, talk, news, traffic and weather, including:

- an extensive selection of music genres, ranging from rock, pop and hip-hop to country, dance, jazz, Latin and classical;
- live play-by-play sports from major leagues and colleges;
- a multitude of talk and entertainment channels for a variety of audiences;
- a wide range of national, international and financial news;
- exclusive limited run channels; and
- local traffic and weather reports for 21 metropolitan markets throughout the United States.

SIRIUS XM's diverse spectrum of programming, including its lineup of exclusive material, is a significant differentiator from terrestrial radio and other audio entertainment providers. SIRIUS XM makes changes to its programming lineup from time to time in order to attract new subscribers and offer content which appeals to a broad range of audiences and to existing subscribers. The channel line-ups for its services are available at siriusxm.com.

Internet Radio Service

SIRIUS XM streams select music and non-music channels over the Internet. Its Internet radio service also includes channels and features that are not available on its satellite radio service. Access to its Internet radio service is offered to subscribers for a fee. SIRIUS XM also offers applications to allow consumers to access its Internet radio service on smartphones and tablet computers.

SiriusXM Internet Radio offers listeners enhanced programming discovery and the ability to connect with content currently playing across SIRIUS XM's commercial-free music, sports, comedy, news, talk and entertainment channels or available through SiriusXM On Demand.

SIRIUS XM offers two innovative Internet-based products, SiriusXM On Demand and MySXM. SiriusXM On Demand offers SIRIUS XM's Internet radio subscribers listening on its online media player and on smartphones the ability to choose their favorite episodes from a catalog of content to listen to whenever they want. MySXM permits subscribers to personalize SIRIUS XM's existing commercial-free music and comedy channels to create a more tailored listening experience. Channel-specific sliders allow users to create over 100 variations of each of more than 50 channels by adjusting characteristics like library depth, familiarity, music style, tempo, region, and multiple other channel-specific attributes. SiriusXM On Demand and MySXM are offered to SIRIUS XM Internet radio subscribers at no extra charge.

SXM17

SIRIUS XM is developing a product, which SIRIUS XM calls "SXM17," that combines SIRIUS XM's satellite and Internet services into a single, cohesive in-vehicle entertainment experience and is expected to allow SIRIUS XM to take advantage of the automaker's deployment of advanced in-dash infotainment systems. SXM17 will leverage the ubiquitous signal coverage of SIRIUS XM's satellite infrastructure and low delivery costs with the two-way communication capability of wireless Internet service to provide consumers seamless access to all of SIRIUS XM's content, including SIRIUS XM's live channels, SiriusXM On Demand programming and more personalized music services. The wireless Internet connection included in SXM17 will enable enhanced search and recommendations functions, making discovery of SIRIUS XM's content in the vehicle easier than ever. SXM17 will allow consumers to manage many aspects of their subscriptions directly through their vehicles' equipment. SIRIUS XM expects automakers to begin including the SXM17 product in vehicles as early as 2017.

Distribution of Radios

Automakers. SIRIUS XM distributes satellite radios through the sale and lease of new vehicles. SIRIUS XM has agreements with every major automaker to offer satellite radios in their vehicles. Satellite radios are available as a factory or dealer-installed option in substantially all vehicle makes sold in the United States. Most automakers include a subscription to SIRIUS XM's radio service in the sale or lease of their new vehicles. In certain cases, SIRIUS XM receives subscription payments from automakers in advance of the activation of its service. SIRIUS XM shares with certain automakers a portion of the revenue it derives from subscribers using vehicles equipped to receive SIRIUS XM's service. SIRIUS XM also reimburses various automakers for certain costs associated with the satellite radios installed in new vehicles, including in certain cases hardware costs, engineering expenses and promotional and advertising expenses.

Previously Owned Vehicles. SIRIUS XM also acquires subscribers through the sale and lease of previously owned vehicles with factory-installed satellite radios. SIRIUS XM has entered into agreements with many automakers to market subscriptions to purchasers and lessees of vehicles which include satellite radios sold through their certified pre-owned programs. SIRIUS XM also works directly with many franchise and independent dealers on programs for non-certified vehicles. SIRIUS XM has developed systems and methods to identify purchasers and lessees of previously owned vehicles which include satellite radios and have established marketing plans to promote its services to these potential subscribers.

Retail. SIRIUS XM sells satellite radios directly to consumers through its website. Satellite radios are also marketed and distributed through national and regional retailers.

SIRIUS XM's Satellite Radio Systems

SIRIUS XM's satellite radio systems are designed to provide clear reception in most areas despite variations in terrain, buildings and other obstructions. SIRIUS XM continually monitors its infrastructure and regularly evaluates improvements in technology.

SIRIUS XM's satellite radio systems have three principal components: satellites, terrestrial repeaters and other satellite facilities; studios; and radios.

Satellites, Terrestrial Repeaters and Other Satellite Facilities

Satellites. SIRIUS XM provides its service through a fleet of eight orbiting satellites, five in the Sirius system, FM-1, FM-2, FM-3, FM-5 and FM-6, and three in the XM system, XM-3, XM-4 and XM-5. SIRIUS XM's constellation of three XM satellites operate in a geostationary orbit, with XM-5 used as a spare for both the XM and Sirius constellations. SIRIUS XM's constellation of five Sirius satellites operate in two separate orbits. Three of the Sirius satellites, FM-1, FM-2 and FM-3, operate in a highly inclined elliptical orbit. The other two Sirius satellites, FM-5 and FM-6, operate in a geostationary orbit. SIRIUS XM plans to transition its Sirius constellation to solely a geostationary orbit using the FM-5 and FM-6 satellites. As part of this transition, FM-1, FM-2 and FM-3 are expected to be moved into disposal orbits during 2016.

Satellite Insurance. SIRIUS XM does not have in-orbit insurance policies covering its satellites, as SIRIUS XM considers the premium costs to be uneconomical relative to the risk of satellite failure.

Terrestrial Repeaters. In some areas with high concentrations of tall buildings, such as urban centers, signals from SIRIUS XM's satellites may be blocked and reception of satellite signals can be adversely affected. In many of these areas, SIRIUS XM has deployed terrestrial repeaters to supplement satellite coverage. SIRIUS XM operates over 1,100 terrestrial repeaters as part of its systems across the United States.

Other Satellite Facilities. SIRIUS XM controls and communicates with its satellites from facilities in North America and maintains earth stations in Panama and Ecuador to control and communicate with three of its Sirius system satellites, FM-1, FM-2 and FM-3. Its satellites are monitored, tracked and controlled by a third party satellite operator.

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Studios

SIRIUS XM's programming originates from studios in New York City and Washington, D.C., and, to a lesser extent, from smaller studios in Los Angeles, Nashville and a variety of smaller venues across the country. SIRIUS XM's headquarters are based in New York City. Both its New York City and Washington D.C. offices house facilities for programming origination, programming personnel and facilities to transmit programming.

Radios

Radios are primarily manufactured in two principal configurations: in-dash radios and dock & play radios.

SIRIUS XM does not manufacture radios. SIRIUS XM has authorized manufacturers and distributors to produce and distribute radios, and has licensed its technology to various electronics manufacturers to develop, manufacture and distribute radios under certain brands. SIRIUS XM manages various aspects of the production of satellite radios. To facilitate the sale of radios, SIRIUS XM may subsidize a portion of the radio manufacturing costs to reduce the hardware price to consumers.

Connected Vehicle Services

SIRIUS XM also provides connected vehicle services. SIRIUS XM's connected vehicle services are designed to enhance the safety, security and driving experience for vehicle operators while providing marketing and operational benefits to automakers and their dealers. SIRIUS XM offers a portfolio of location-based services through two-way wireless connectivity, including safety, security, convenience, maintenance and data services, remote vehicles diagnostics, stolen or parked vehicle locator services, and monitoring of vehicle emission systems. SIRIUS XM's connected vehicle business provides services to several automakers, including Acura, BMW, Honda, Hyundai, Infiniti, Lexus, Nissan and Toyota.

Canada

SIRIUS XM also has an equity interest in the satellite radio services offered in Canada through its investment in Sirius XM Canada Holdings, Inc. ("SIRIUS XM Canada"). SIRIUS XM owns approximately 37% of the equity of SIRIUS XM Canada. Subscribers to the services offered by SIRIUS XM Canada are not included in the subscriber count above or subscriber-based operating metrics.

Other Services

Commercial Accounts. SIRIUS XM's programming is available for commercial establishments. Commercial subscription accounts are available through providers of in-store entertainment solutions and directly from SIRIUS XM. Certain commercial subscribers are included in SIRIUS XM's subscriber count.

Satellite Television Service. Certain of SIRIUS XM's music channels are offered as part of certain programming packages on the DISH Network satellite television service. Subscribers to the DISH Network satellite television service are not included in SIRIUS XM's subscriber count.

Subscribers to the following services are not included in SIRIUS XM's subscriber count, unless the applicable service is purchased by the subscriber separately and not as part of a radio subscription to SIRIUS XM services:

Travel Link. SIRIUS XM offers Travel Link, a suite of data services that includes graphical weather, fuel prices, sports schedules and scores, and movie listings.

Real Time Traffic Services. SIRIUS XM offers services that provide graphic information as to road closings, traffic flow and incident data to consumers with compatible in-vehicle navigation systems.

Real Time Weather Services. SIRIUS XM offers several real-time weather services designed for improving situational awareness in vehicle, marine and/or aviation use.

Copyrights to Programming

In connection with its satellite radio music programming, SIRIUS XM must negotiate and enter into royalty arrangements with two sets of rights holders: Holders of copyrights in musical works (that is, the music and lyrics) and holders of copyrights in sound recordings (that is, the actual recording of a work).

Musical works rights holders, generally songwriters and music publishers, are traditionally represented by performing rights organizations, such as the American Society of Composers, Authors and Publishers (“ASCAP”), Broadcast Music, Inc. (“BMI”), and SESAC, Inc. (“SESAC”). These organizations negotiate fees with copyright users, collect royalties and distribute them to the rights holders. SIRIUS XM has arrangements with all of these organizations. However, the market for rights relating to musical works is changing rapidly. Certain songwriters and music publishers have withdrawn from the traditional performing rights organizations, particularly ASCAP and BMI, and new entities have formed to represent rights holders. In addition, the United States Justice Department is reviewing the consent decrees that have governed ASCAP and BMI since the 1940s and other aspects of the musical works market. The changing market for musical works may have an adverse effect on SIRIUS XM, including increasing its costs or limiting the musical works available to SIRIUS XM.

Sound recording rights holders, typically large record companies, are primarily represented by SoundExchange, an organization which negotiates licenses, and collects and distributes royalties on behalf of record companies and performing artists. Under the Digital Performance Right in Sound Recordings Act of 1995 and the Digital Millennium Copyright Act of 1998, SIRIUS XM may negotiate royalty arrangements with the owners of sound recordings fixed after February 15, 1972, or if negotiation is unsuccessful, the royalty rate is established by the Copyright Royalty Board (the “CRB”) of the Library of Congress.

The CRB has issued its determination regarding the royalty rate payable by SIRIUS XM under the statutory license covering the performance of sound recordings fixed after February 15, 1972 over its satellite digital audio radio service, and the making of ephemeral (server) copies in support of such performances, for the five-year period ending on December 31, 2017. Under the terms of the CRB's decision, SIRIUS XM will pay a royalty based on gross revenue, subject to certain exclusions, of 10.5% for 2016 and 11% for 2017. The rate for 2015 was 10%.

The revenue subject to royalty includes subscription revenue from SIRIUS XM's U.S. satellite digital audio radio subscribers and advertising revenue from channels other than those channels that make only incidental performances of sound recordings. Exclusions from revenue subject to the statutory license fee include, among other things, revenue from channels, programming and products or other services offered for a separate charge where such channels make only incidental performances of sound recordings; revenue from equipment sales; revenue from current and future data services (including video and connected vehicle services) offered for a separate charge; intellectual property royalties received by SIRIUS XM; credit card, invoice and fulfillment service fees; and bad debt expense. The regulations also allow SIRIUS XM to further reduce its monthly royalty fee in proportion to the percentage of its performances that feature pre-1972 recordings (which are not subject to federal copyright protection) as well as those that are licensed directly from the copyright holder, rather than through the statutory license.

To secure the rights to stream music content over the Internet, including to mobile devices, SIRIUS XM also must obtain licenses from, and pay royalties to, copyright owners of musical compositions and, in certain cases, sound recordings. SIRIUS XM has arrangements with ASCAP, SESAC and BMI to license the musical compositions it streams over the Internet. The licensing of certain sound recordings fixed after February 15, 1972 for use on the Internet is also subject to the Digital Performance Right in Sound Recordings Act of 1995 and the Digital Millennium Copyright Act of 1998 on terms established by the CRB. In 2015, SIRIUS XM paid a per performance rate for the streaming of certain sound recordings on the Internet of \$0.0024 per play.

In December 2015, the CRB released the rates and terms for the use of sound recordings by non-interactive Internet services, such as SIRIUS XM's Internet radio service, for the period of 2016 through 2020. Effective as of January 1,

2016, the CRB set a royalty rate at \$0.0017 per performance for ad-supported services and a royalty rate at \$0.0022 per performance for subscription based services. In accordance with the CRB's decision, these royalty rates will increase during the period from 2017 through 2020 based on the consumer price index.

SIRIUS XM's rights to perform certain copyrighted sound recordings (that is, the actual recording of a work) that were fixed after February 15, 1972 are governed by United States federal law, the Copyright Act. In contrast, SIRIUS XM's rights to perform certain sound recordings that were fixed before February 15, 1972 are governed by state statutes and common law and are subject to litigation in five states.

Trademarks

SIRIUS XM registered, and intends to maintain, the trademarks "Sirius", "XM", "SiriusXM" and "SXM" with the United States Patent and Trademark Office in connection with the services it offers. SIRIUS XM is not aware of any material claims of infringement or other challenges to its right to use the "Sirius", "XM", "SiriusXM" or "SXM" trademarks in the United States. SIRIUS XM also has registered, and intends to maintain, trademarks for the names of certain of its channels. SIRIUS XM has also registered the trademarks "Sirius", "XM" and "SiriusXM" in Canada. SIRIUS XM has granted a license to use certain of its trademarks in Canada to Sirius XM Canada.

Braves Holdings, LLC

Braves Holdings (collectively with its subsidiaries) is the indirect owner and operator of the Major League Baseball ("MLB") club the Atlanta Braves ("Braves", the "club" and the "team") and certain assets and liabilities associated with the Braves' stadium and Braves Holdings' mixed use development project, which we refer to as the "Development Project" and as described in "Facilities" below. We acquired the Braves from Time Warner, Inc. in 2007.

Business Operations

Braves Holdings derives revenue from both local and national sources. Team revenue includes revenue from ticket sales, broadcasting rights, shared revenue collected and distributed by MLB, merchandise sales, farm clubs, revenue sharing arrangements and other sources. Revenue related to the Braves' facilities include corporate sales and naming rights, concessions, advertising, suites and premium seat fees, parking and publications. Ticket sales and broadcasting rights are the team's primary revenue drivers.

Television and Radio Broadcasting. Braves Holdings derives substantial revenue from the sale of broadcasting rights to the Braves' baseball games. Each MLB club has the right to authorize the television broadcast within its home television territory of games in which it participates, subject to certain exceptions. The Braves have long-term local broadcasting agreements with Sportsouth Network II, LLC, the owner and operator of the SportSouth video programming service ("Fox SportSouth"). Nationally, the Braves participate in the revenue generated from the national broadcasting and radio arrangements negotiated by MLB on behalf of the 30 MLB clubs with ESPN, TBS, Fox and SIRIUS XM (the "National Broadcast Rights"). Under the rules and regulations adopted by MLB, as well as a series of other agreements and arrangements that govern the operation and management of an MLB club (collectively, the "MLB Rules and Regulations"), the Office of the Commissioner of Baseball (the "BOC") has the authority, acting as the agent on behalf of all of the MLB clubs, to enter into and administer all contracts for the sale of National Broadcast Rights. Each MLB club also has the right to authorize radio broadcast, within the United States (or Canada, in the case of the Toronto Blue Jays), of its games, subject to certain restrictions. The Braves also have the largest radio affiliate network in MLB, with 147 local radio station affiliates broadcasting Braves games across the Southeast (the "Braves Radio Network")

Ticket Sales. The Braves offer single game tickets, as well as various season ticket packages. The per-ticket average price of 2016 full-season ticket plans ranges from \$5.19 to \$69.51, depending upon the seating area. In 2012, the Braves instituted a variable pricing strategy to help eliminate the perceived difference in value for certain games, which was often exploited in the secondary market. The club created six pricing tiers per seat, based upon various factors including the day of the week, date and opposing team. The Braves have also begun to encourage fans to use digital ticketing, which allows the club to track important data, put parameters on resales, and provide paperless benefits to its consumers.

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Advertising and Corporate Sponsorship. The Braves work with a variety of corporate sponsors to facilitate advertising and promotional opportunities both at Turner Field and the new SunTrust Park. Advertising space is available on the main scoreboard, elsewhere throughout each ballpark and in programs sold at each game. The Braves also enter into long-term licensing agreements for advertising rights with respect to various suites and hospitality spaces. The Braves’ marketing department works closely with the club’s sponsors to offer contests, sweepstakes and additional entertainment and promotional opportunities during Braves home games, and the club allows the Braves name and logo to be used in connection with certain local promotional activities. The Braves also coordinate advertising placement through the Braves Radio Network, and has a cross-promotional sponsorship and marketing agreement with Fox SportSouth.

Player Contracts and Salaries. The Collective Bargaining Agreement (the “CBA”) requires MLB clubs to sign players using the Uniform Player’s Contract. The minimum Major League contract salary for players during the 2015 season under the CBA was \$507,500. If a player is injured or terminated by the team for lack of skill during the regular season, he is entitled to all of his salary under the contract for the remainder of the year. Contracts may cover one year or multiple years, but generally under multi-year contracts a player’s salary is guaranteed even if the contract is terminated by the team, or if the player dies or becomes ill, during the term of the contract. The Braves are not required to pay the remaining contract salaries of players who resign or refuse to play.

Team

Player Personnel. Under MLB Rules and Regulations, each team is permitted to have 40 players under contract, but may only maintain 25 players on its active roster from the Opening Day of the season through August 31 of each year. During the remainder of the season, teams may keep an active roster consisting of all 40 players under contract. The Braves’ roster reflects the team’s commitment to developing and securing talented young players, driving future on-field success.

Player Development. The Braves are associated with six minor league teams located in the United States, five of which are owned by Braves Holdings. The club’s minor league affiliates are detailed below:

Team	Class	League	Location
Gwinnett Braves	AAA	International League	Lawrenceville, GA
Mississippi Braves	AA	Southern League	Pearl, MS
Carolina Mudcats*	A Adv.	Carolina League	Zebulon, NC
Rome Braves	A	South Atlantic League	Rome, GA
Danville Braves	R	Appalachian League	Danville, VA
GCL Braves	R	Gulf Coast League	Lake Buena Vista, FL

* Not owned by Braves Holdings

The Braves also operate a baseball academy in the Dominican Republic under the Dominican Summer League. Dominican players, and players from other Latin American countries, are an important source of talent for the Braves and other MLB clubs, but these players may not participate in the first-year draft process (which is limited to only residents of the United States, United States territories, and Canada, including international players who are enrolled in a high school or college in such locations). However, the Braves may enter into contracts with Latin American players, subject to certain MLB Rules and Regulations.

Facilities

Turner Field. Since opening in 1997, the “Home of the Braves” has been an Atlanta landmark. The stadium was originally constructed for the 1996 Summer Olympic Games, and was known as Centennial Olympic Stadium, before being converted into a baseball park. Turner Field today has just under 50,000 seats, 58 private suites and four private membership clubs: the 755 Club, the SunTrust Club, the Superior Plumbing Club and the Georgia’s Own Credit Union Club.

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Braves Holdings has exclusive operating rights to Turner Field pursuant to an Operating Agreement (the “Turner Operating Agreement”) with the Atlanta Fulton County Recreation Authority (the “AFCRA”). Under the current Turner Operating Agreement with AFCRA, the Braves pay an annual operating fee and a capital fee. AFCRA utilizes the capital solely for capital maintenance and repairs. At the end of the Turner Operating Agreement term in 2016, any balance in the Capital Fund may be used by AFCRA in its sole discretion. Braves Holdings has a \$500,000 operator fee and a \$1.5 million capital fee due for the remainder of the Turner Operating Agreement term, which expires at the end of the 2016 season. On November 11, 2013, the Braves announced that the team would leave Turner Field at the end of the current term of the Turner Operating Agreement. Braves Holdings has since begun construction on a new stadium complex, SunTrust Park, located in Cobb County, Georgia.

SunTrust Park. Effective for the 2017 season, the Braves are expected to relocate into a new ballpark located in Cobb County, Georgia. Braves Holdings will have exclusive operating rights to the facility via a Stadium Operating Agreement with Cobb County and the Cobb-Marietta Coliseum and Exhibit Hall Authority (the “Authority”). In 2014, Braves Holdings, through a wholly-owned subsidiary, purchased 82 acres of land (of which Braves Holdings has retained title to all but the portion of the parcel underlying the ballpark) for the purpose of constructing a MLB facility and development of a mixed-use complex adjacent to the ballpark. The construction of the new ballpark, which is expected to have a total cost of approximately \$672 million, is being funded by a combination of Braves Holdings, Cobb County, the Cumberland Improvement District (the “CID”) and the Authority. The Authority has issued \$368 million in bonds to fund its portion of the costs, Cobb County is contributing an additional \$14 million and the CID is contributing \$10 million. Braves Holdings is expected to contribute a minimum of \$280 million toward the completion of ballpark. Braves Holdings funding for these initiatives has come from cash reserves and utilization of a construction loan and two credit facilities with aggregate commitments of \$520 million. As of December 31, 2015, Braves Holdings had utilized approximately \$147 million under these credit arrangements. In addition, Braves Holdings, through affiliated entities and third party development partners, is in the process of developing land around the ballpark for a mixed-use complex, which is expected to feature retail, residential, office, hotel and entertainment opportunities. The expected cost for this mixed-use development is approximately \$558 million, and Braves Holdings’ affiliated entities will be responsible for approximately \$490 million of such development costs, which Braves Holdings intends to fund with a mix of approximately \$200 million in equity and \$290 million of new debt.

Once completed, we believe SunTrust Park will be an industry-leading sports complex spanning approximately 1,100,000 square feet, with 41,200 seats, including 30 suites and 4,200 premium seats, multiple hospitality clubs and retail merchandise venues. The stadium will also feature concessions and restaurant spaces, administrative offices for team operations, sales and marketing, as well as a ticket office, team clubhouse and training rooms.

Champion Stadium. Champion Stadium in Lake Buena Vista, Florida is the Braves’ spring training facility, and the playing facility of the Braves’ Rookie League affiliate GCL Braves. The stadium is part of the ESPN Wide World of Sports Complex at Walt Disney World Resort, and features four luxury sky boxes and more than 9,500 seats. The Braves signed a 20-year lease agreement for the complex in 1997, which will expire after the last day of spring training in 2017. The club receives limited use of the stadium, four practice fields, a half-sized infield, clubhouse, temporary clubhouse space for minor league players and office space for both year-round and spring training operations.

As the owner of a MLB franchise, Braves Holdings must comply with rules promulgated by the MLB Commissioner and MLB’s constitution and bylaws. Each franchise is required to share locally derived revenue with the other MLB franchises and their owners through MLB’s revenue sharing plan. Under the MLB rules, each MLB franchise participates in the MLB Central Fund, which acts as a conduit of centrally derived revenue (primarily from National Broadcast Rights, national sponsorships and licensing deals, and the MLB All Star Game) to the clubs, and funds certain expenses (such as contributions to the MLB Players Benefit Plan, administrative and operational expenses of the Commissioner’s office, a reserve fund for the Commissioner’s office, and administrative expenses of the Central Fund) on behalf of the MLB franchises. Each MLB franchise’s share of the Central Fund, following certain adjustments which are made under the MLB revenue share arrangements, is paid to each MLB franchise by the end of each year, unless otherwise determined by the Commissioner. Also under the MLB rules, each MLB franchise is required to participate in and contribute to certain profit sharing initiatives, such as MLB Advanced Media L.P., MLB’s interactive media and internet company which runs MLB’s official website and all of the MLB teams’ websites.

Live Nation Entertainment, Inc.

Live Nation is considered the largest live entertainment company in the world and seeks to innovate and enhance the live entertainment experience for artists and fans before, during and after the show. Live Nation has four business segments: Concerts, Ticketing, Artist Nation and Sponsorship & Advertising.

Live Nation's Business Segments

Concerts. Live Nation's Concerts segment principally involves the global promotion of live music events in their owned or operated venues and in rented third-party venues, the operation and management of music venues, the production of music festivals across the world and the creation of associated content. During 2015, Live Nation's Concerts business generated approximately \$5.0 billion, or 69%, of Live Nation's total revenue. Live Nation promoted 25,500 live music events in 2015, including artists such as Fleetwood Mac, Kevin Hart, AC/DC, One Direction, Maroon 5 and Luke Bryan and through festivals such as Electric Daisy Carnival, Rock Werchter, Austin City Limits, Lollapalooza and Bonnaroo. While its Concerts segment operates year-round, Live Nation generally experiences higher revenue during the second and third quarters due to the seasonal nature of shows at its outdoor amphitheaters and festivals, which primarily occur from May through October. Revenue is generally impacted by the number of events, volume of ticket sales and ticket prices. Event costs such as artist fees and production service expenses are included in direct operating expenses and are typically substantial in relation to the revenue.

Ticketing. Live Nation's Ticketing segment is primarily an agency business that sells tickets for events on behalf of its clients and retains a fixed fee or a percentage of the total convenience charge and order processing fee for its services. Live Nation sells tickets for its events and also for third-party clients across multiple live event categories, providing ticketing services for leading arenas, stadiums, amphitheaters, music clubs, concert promoters, professional sports franchises and leagues, college sports teams, performing arts venues, museums and theaters. Live Nation sells tickets through websites, mobile apps, ticket outlets and telephone call centers. During the year ended December 31, 2015, Live Nation sold 69%, 21%, 7% and 3% of primary tickets through these channels, respectively. Live Nation's Ticketing segment also manages its online activities including enhancements to its websites and bundled product offerings. During 2015, the Ticketing business generated approximately \$1.6 billion, or 23% of Live Nation's total revenue, which excludes the face value of tickets sold. Through all of its ticketing services, Live Nation sold 160 million tickets in 2015 on which Live Nation was paid fees for its services. In addition, Live Nation sold approximately 297 million tickets in total using its Ticketmaster systems, through season seat packages and its venue clients' box offices, for which Live Nation does not receive a fee. Live Nation's ticketing sales are impacted by fluctuations in the availability of events for sale to the public, which may vary depending upon event scheduling by its clients.

Artist Nation. Live Nation's Artist Nation segment primarily provides management services to music artists and other clients in exchange for a commission on the earnings of these artists. The Artist Nation segment also creates and sells merchandise for music artists at live performances, to retailers and directly to consumers via the Internet. During 2015, the Artist Nation business generated approximately \$439 million, or 6%, of Live Nation's total revenue. Revenue earned from the Artist Nation segment is impacted to a large degree by the touring schedules of the artists Live Nation represents and generally Live Nation experiences higher revenue during the second and third quarters as the period from May through October tends to be a popular time for touring events.

Sponsorship & Advertising. Live Nation's Sponsorship & Advertising segment employs a sales force that creates and maintains relationships with sponsors, through a combination of strategic, international, national and local opportunities that allow businesses to reach customers through its concert, venue, artist relationship and ticketing assets, including advertising on Live Nation websites. Live Nation drives increased advertising scale to further monetize its concerts platform through rich media offerings including advertising associated with live streaming and music-related original content. Live Nation works with its corporate clients to help create marketing programs that drive their business goals and connect their brands directly with fans and artists. Live Nation also develops, books and produces custom events or programs for its clients' specific brands which are typically experienced exclusively by the clients' customers. These custom events can involve live music events with talent and media, using both online and traditional outlets. During 2015, the Sponsorship & Advertising business generated approximately \$334 million, or 5%, of Live Nation's total revenue. Live

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Nation typically experiences higher revenue in the second and third quarters as a large portion of sponsorships are typically associated with our outdoor venues and festivals which are primarily used or occur from May through October.

Terms of Live Nation Investment

At December 31, 2015, we beneficially owned approximately 69.6 million shares of Live Nation common stock, which represented approximately 35% of the issued and outstanding shares as of December 31, 2015.

Under our stockholders agreement with Live Nation, we have the right to nominate two directors (one of whom must qualify as an independent director) to the Live Nation board of directors, currently comprised of 12 directors, for so long as our ownership interest provides us with not less than 5% of the total voting power of Live Nation's equity securities. We also have the right to cause one of our nominees to serve on the audit committee and the compensation committee of the board, provided they meet the independence and other qualifications for membership on those committees.

We have agreed under the stockholders agreement not to acquire beneficial ownership of Live Nation equity securities that would result in our having in excess of 35% of the voting power of Live Nation's equity securities. That percentage is subject to decrease for specified transfers of our Live Nation stock. We have been exempted from the restrictions on business combinations set forth in Section 203 of the Delaware General Corporation Law, and Live Nation has agreed in the stockholders agreement not to take certain actions that would materially and adversely affect our ability to acquire Live Nation securities up to the voting percentage referred to above.

Other Minority Investments

We also own a portfolio of minority equity investments in publicly traded media companies, including Time Warner, Inc. (NYSE: TWX) and Viacom, Inc. (Nasdaq: VIAB). These are assets that were acquired mostly in tax-efficient transactions and are currently held as non-core assets. In the past we have entered into swaps, exchangeable debentures, and other derivatives to monetize these investments and mitigate balance sheet risk. We intend to continue to monetize these investments, which may include further derivative and structured transactions as well as public and private sales.

Regulatory Matters

Satellite Digital Audio Radio Services

As an operator of a privately owned satellite system, SIRIUS XM is regulated by the Federal Communications Commission ("FCC") under the Communications Act of 1934, principally with respect to:

- the licensing of its satellite systems;
- preventing interference with or to other uses of radio frequencies; and
- compliance with FCC rules established specifically for U.S. satellites and satellite radio services.

Any assignment or transfer of control of SIRIUS XM's FCC licenses must be approved by the FCC. The FCC's order approving the merger of SIRIUS XM's wholly-owned subsidiary, Vernon Merger Corporation, with and into its wholly-owned subsidiary, XM Satellite Radio Holdings Inc., in July 2008 requires SIRIUS XM to comply with certain voluntary commitments it made as part of the FCC merger proceeding. SIRIUS XM believes it complies with those commitments.

In 1997, SIRIUS XM was the winning bidder for FCC licenses to operate a satellite digital audio radio service and provide other ancillary services. SIRIUS XM's FCC licenses for its Sirius system satellites expire in 2017 and 2022. SIRIUS XM's FCC licenses for its XM satellites expire in 2018, 2021 and 2022. One of SIRIUS XM's XM satellites is operating under special temporary authority from the FCC is in the process of being de-orbited. SIRIUS XM anticipates that, absent significant misconduct on its part, the FCC will renew its licenses to permit operation of its satellites for their useful lives, and grant a license for any replacement satellites.

In some areas with high concentrations of tall buildings, such as urban centers, signals from SIRIUS XM's satellites may be blocked and reception can be adversely affected. In many of these areas, SIRIUS XM has installed terrestrial

repeaters to supplement its satellite signal coverage. The FCC has established rules governing terrestrial repeaters and has granted SIRIUS XM a license through 2027 to operate its repeater network.

In many cases, SIRIUS XM obtains FCC certifications for satellite radios, including satellite radios that include FM modulators. SIRIUS XM believes its radios that are in production comply with all applicable FCC rules.

SIRIUS XM is required to obtain export licenses from the United States government to export certain ground control equipment, satellite communications/control services and technical data related to its satellites and their operations. The delivery of such equipment, services and technical data to destinations outside the United States and to foreign persons is subject to strict export control and prior approval requirements from the United States government (including prohibitions on the sharing of certain satellite-related goods and services with China).

Changes in law or regulations relating to communications policy or to matters affecting SIRIUS XM's services could adversely affect its ability to retain its FCC licenses or the manner in which SIRIUS XM operates.

Competition

SIRIUS XM faces significant competition for both listeners and advertisers, including from providers of radio or other audio services. SIRIUS XM's digital competitors are making in-roads into vehicles, where it is currently the prominent alternative to traditional AM/FM radio. Traditional AM/FM radio has a well-established demand for its services and generally offers free broadcasts paid for by commercial advertising rather than by subscription fees. The availability of traditional free AM/FM radio reduces the likelihood that customers would be willing to pay for SIRIUS XM's subscription services and, by offering free broadcasts, it may impose limits on what SIRIUS XM can charge for its services. SIRIUS XM also faces competition from Internet radio and Internet-enabled smartphones, which often have no geographic limitations and provide listeners with radio programming from across the country and around the world. Major media companies and online-only providers, including Apple, Google Play, Pandora and iHeartRadio, also make high fidelity digital streams available through the Internet for free or, in some cases, for less than the cost of a satellite radio subscription. Internet-enabled smartphones, which are easily integrated into vehicles, are often free to the user and offer music and talk content. Leading audio smartphone radio applications include Apple, Pandora, Spotify, and iHeartRadio. Certain of these applications also include advanced functionality, such as personalization, and allow the user to access large libraries of content. In addition, SIRIUS XM faces competition as a result of the deployment or planned deployment by nearly all automakers of integrated multimedia systems in dashboards. These systems can combine control of audio entertainment from a variety of sources, including AM/FM/HD radio broadcasts, satellite radio, Internet radio, smartphone applications and stored audio, with navigation and other advanced applications such as restaurant bookings, movie show times and financial information. Internet radio and other data are typically connected to the system via a bluetooth link to an Internet-enabled smartphone or wireless modem installed in the vehicle, and the entire system may be controlled by touchscreen or voice recognition. These systems enhance the attractiveness of Internet-based competitors by making such applications more prominent, easier to access, and safer to use in the car. SIRIUS XM also faces competition from a number of providers that offer specialized audio services through either direct broadcast satellite or cable audio systems and that are targeted to fixed locations, mostly in-home. The radio service offered by direct broadcast satellite and cable audio is often included as part of a package of digital services with video service, and video customers generally do not pay an additional monthly fee for the audio service. In addition, the audio entertainment marketplace continues to evolve rapidly, with a steady emergence of new media platforms that compete with SIRIUS XM's services now or that could compete with its services in the future. The in dash navigation market is also being threatened by increasingly capable smartphones that provide advanced navigation functionality, including live traffic.

Braves Holdings faces competition from many alternative forms of leisure entertainment. During the baseball season, Braves Holdings competes with other sporting and live events for game day attendance, which is integral to Braves Holdings' ticket, concession and souvenir sales revenue. The broadcasting of the Atlanta Braves' games, which is another significant source of revenue for Braves Holdings, competes against a multitude of other media options for viewers, including premium programming, home video, pay-per-view services, online activities, movies and other forms of news and information. In addition, Braves Holdings competes with the other Major League Baseball teams for a limited pool of player, coaching and managerial talent. This talent contributes to the Atlanta Braves' winning record and league standings, which are critical components of Braves Holdings' competitiveness.

Live Nation faces competition in the live music industry, in attracting touring artists to the venues it owns and operates, from ticketing services primarily through online channels but also through phone, outlet and box office channels, and in its artist management and sponsorships businesses. Competition in the live entertainment industry is intense. Live Nation believes that it competes primarily on the basis of its ability to deliver quality music products, sell tickets and provide enhanced fan and artist experiences. It believes that its primary strengths include the quality of service delivered to its artists, fans and corporate sponsors, its track record in promoting and producing live music events and tours both domestically and internationally, artist relationships, its global footprint, ticketing software and services, its ecommerce site and associated database, distribution platform (venues), the scope and effectiveness in its expertise of marketing and sponsorship programs and its financial stability.

Employees

As of December 31, 2015, we had 80 corporate employees, and our consolidated subsidiaries had an aggregate of approximately 3,423 full and part-time employees. We believe that our employee relations are good.

(d) Financial Information About Geographic Areas

Our consolidated subsidiaries do principally all their business domestically, so a discussion regarding financial information about geographic areas is not considered necessary.

(e) Available Information

All of our filings with the Securities and Exchange Commission (the "SEC"), including our Form 10-Ks, Form 10-Qs and Form 8-Ks, as well as amendments to such filings are available on our Internet website free of charge generally within 24 hours after we file such material with the SEC. Our website address is www.libertymedia.com.

Our corporate governance guidelines, code of business conduct and ethics, compensation committee charter, nominating and corporate governance committee charter, and audit committee charter are available on our website. In addition, we will provide a copy of any of these documents, free of charge, to any shareholder who calls or submits a request in writing to Investor Relations, Liberty Media Corporation, 12300 Liberty Boulevard, Englewood, Colorado 80112, Tel. No. (877) 772-1518.

The information contained on our website is not incorporated by reference herein.

Item 1A. Risk Factors

The risks described below and elsewhere in this annual report are not the only ones that relate to our businesses or our capitalization. The risks described below are considered to be the most material. However, there may be other unknown or unpredictable economic, business, competitive, regulatory or other factors that also could have material adverse effects on our businesses. Past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods. If any of the events described below were to occur, our businesses, prospects, financial condition, results of operations and/or cash flows could be materially adversely affected.

Risk Factors Relating to our Businesses

We may have future capital needs and may not be able to obtain additional financing on acceptable terms. At December 31, 2015, our only wholly-owned consolidated subsidiary is Braves Holdings, which, due to its size and nature, together with its assets and operating cash flow, would be insufficient to support any significant financing in the future. Although we received a distribution of approximately \$300 million in cash from Liberty Broadband in connection with the Broadband Spin-Off, that was a one-time distribution and no further cash will be accessible from Liberty Broadband. In addition, although we began consolidating SIRIUS XM in the first quarter of 2013, we do not have ready access to the cash flow of SIRIUS XM due to SIRIUS XM being a separate public company and the presence of a significant noncontrolling interest. Hence, our ability to obtain significant financing in the future, on favorable terms or at all, may be limited. If debt financing is not available to us in the future, we may obtain liquidity through the sale or monetization of our available for sale securities, or we may issue equity securities. If additional funds are raised through the issuance of equity securities, our stockholders may experience significant dilution. If we are unable to obtain sufficient liquidity in the future, we may be unable to develop our businesses properly, complete acquisitions or otherwise take advantage of business opportunities or respond to competitive pressures, any of which could have a material adverse effect on our business, financial condition and results of operations.

Rapid technological advances could render the products and services offered by our businesses obsolete or non-competitive. Our businesses, including, for example, SIRIUS XM and Live Nation must stay abreast of rapidly evolving technological developments and offerings to remain competitive and increase the utility of their products and services. These businesses must be able to incorporate new technologies into their products and services in order to address the needs of their customers. There can be no assurance that they will be able to compete with advancing technology, and any failure to do so could result in customers seeking alternative service providers thereby adversely impacting our revenue, operating income and net income.

The business of SIRIUS XM depends in significant part on the operation of its satellites. As a satellite radio broadcaster, SIRIUS XM's business depends on the lives and proper operation of its satellites. The lives of SIRIUS XM's satellites will vary and depend on a number of factors, including degradation and durability of solar panels, quality of construction, random failure of satellite components (which could result in significant damage to or loss of a satellite), the amount of fuel the satellite consumes and damage or destruction by electrostatic storms, collisions with other objects in space or other events (such as nuclear detonations) occurring in space. In the ordinary course of operation, satellites experience failures of component parts and operational and performance anomalies. Components on SIRIUS XM's in-orbit satellites have failed, and from time to time SIRIUS XM has experienced anomalies in the operation and performance of these satellites. These failures and anomalies are expected to continue in the ordinary course, and SIRIUS XM cannot predict if any of these possible future events will have a material adverse effect on its operations or the life of its existing in-orbit satellites. Any material failure of its satellites could cause SIRIUS XM to lose customers and could materially harm SIRIUS XM's reputation and operating results. SIRIUS XM maintains no in-orbit insurance for its satellites.

SIRIUS XM plans to transition its Sirius constellation of satellites to a geostationary orbit using its existing FM-5 and FM-6 satellites. The transition will, in certain cases, affect the signal coverage for customers served by these satellites.

In addition, SIRIUS XM's network of terrestrial repeaters communicates with a single third-party satellite. Its XM network of terrestrial repeaters communicates with a single XM satellite. If the satellites communicating with the applicable repeater network fail unexpectedly, the services handled by that satellite would be disrupted for several hours or longer.

Interruption or failure of SIRIUS XM's information technology and communications systems could negatively impact its results and brand, and therefore the value of our investment in SIRIUS XM. SIRIUS XM's business is dependent on the operation and availability of its information technology and communication systems and those of certain third party service providers. Any degradation in the quality, or any failure, of SIRIUS XM's systems (due to events such as unplanned outages, natural disasters, terrorist activities, technical difficulties or loss of data or processing capabilities) could reduce its revenue, cause it to lose customers and damage its brand. SIRIUS XM could also experience loss of data or processing capabilities, which could cause SIRIUS XM to lose customers and could materially harm SIRIUS XM's reputation and operating results. Although SIRIUS XM has implemented practices designed to maintain the availability of its information technology systems and mitigate the harm of any unplanned interruptions, SIRIUS XM cannot anticipate all eventualities and unplanned outages and technical difficulties are occasionally experienced. In addition, SIRIUS XM relies on internal systems and external systems maintained by manufacturers, distributors and service providers to take, fulfill and handle customer service requests and host certain online activities. Any interruption or failure of SIRIUS XM's internal or external systems could prevent SIRIUS XM from serving customers or cause data to be unintentionally disclosed. SIRIUS XM has a program in place to detect and respond to data security incidents. However, because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time, SIRIUS XM may be unable to anticipate these techniques or implement adequate preventive measures. In addition, hardware, software, or applications SIRIUS XM develops or procures from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Unauthorized parties may also attempt to gain access to SIRIUS XM's systems or facilities, or those of third parties with whom it does business, through fraud, trickery, or other forms of deceiving its employees, contractors or other agents.

Our businesses are subject to risks of adverse government regulation. Providers of satellite service are subject to varying degrees of regulation in the United States by the FCC and other entities and in foreign countries by similar regulators. Such regulation and legislation are subject to the political process and have been in constant flux over the past decade. For example, SIRIUS XM holds various FCC licenses and authorizations to operate commercial satellite radio services in the United States, which are generally granted for a fixed term, and although SIRIUS XM expects that such licenses and authorizations will be renewed in the ordinary course upon their expiration, there can be no assurance that this will be the case. Non-compliance by SIRIUS XM with the FCC's requirements or other conditions or with other applicable FCC rules and regulations could result in fines, additional license conditions, license revocation or other detrimental FCC actions. SIRIUS XM also relies on the FCC to assist it in preventing harmful interference to its service. The development of new applications and services in spectrum adjacent to the frequencies licensed to SIRIUS XM for satellite radio and ancillary services, as well as the possible distortion caused by the combination of signals in other frequencies, could cause harmful interference to its satellite radio service. Certain operations or combination of operations permitted by the FCC in spectrum, other than SIRIUS XM's licensed frequencies, could result in distortion to its service and the reception of its satellite radio service could be adversely affected in certain areas.

In addition, SIRIUS XM is subject to various consumer protection laws, rules and regulations, which are extensive and have developed rapidly, particularly at the state level, and, in certain jurisdictions, can cover nearly all aspects of SIRIUS XM's marketing efforts, including the content of its advertising, the terms of consumer offers and the manner in which it communicates with existing and prospective subscribers. SIRIUS XM is currently subject to certain claims under the Telephone Consumer Protection Act relating to telephone calls its vendors make to subscribers and trial subscribers, including calls to consumer's mobile phones, which are described in "Item 3. Legal Proceedings." Material changes in the law and regulatory requirements must be anticipated, and there can be no assurance that the businesses and assets of our subsidiaries and business affiliates will not become subject to increased expenses or more stringent restrictions as a result of any future legislation, new regulation or deregulation.

The success of SIRIUS XM and Live Nation, in part, depends on audience acceptance of their programs and services, which is difficult to predict. Entertainment content production, satellite radio services and live entertainment events are inherently risky businesses because the revenue derived from these businesses depends primarily upon the public's acceptance of these programs and services, which is difficult to predict. The commercial success of a satellite radio program or live entertainment production depends upon the quality and acceptance of competing programs, the availability of alternative forms of entertainment and leisure time activities, general economic conditions and other tangible and

intangible factors, many of which are difficult to predict. In the case of ad-supported programming and satellite radio service, audience size is an important factor when advertising rates are negotiated. Audience size is also an important factor when determining ticket pricing for live entertainment productions. Consequently, low public acceptance of the programs and services offered by SIRIUS XM and Live Nation could hurt the ability of these companies to maintain rates charged to customers, subscribers and, as applicable, advertisers, which would adversely impact revenue, operating income and net income.

Certain of our businesses depend on the performance of, and their relationships, with various third parties and any adverse changes in these relationships could adversely affect our results of operation. An important component of the success of our businesses, including in particular our consolidated subsidiary SIRIUS XM, is the ability to maintain existing, as well as build new, relationships with third parties, such as:

- manufacturers that build and distribute satellite radios;
- companies that manufacture and sell integrated circuits for satellite radios;
- programming providers;
- talent, agents and managers;
- venue operators;
- operators of call centers;
- retailers that market and sell satellite radios and promote subscriptions to our services; and
- vendors that have designed or built and vendors that support or operate other important elements of our systems.

If one or more of these third parties do not perform in a satisfactory or timely manner, our businesses could be adversely affected. In addition, a number of third parties on which these businesses depend have experienced, and may in the future experience, financial difficulties or file for bankruptcy protection. Such third parties may not be able to perform their obligations in a timely manner, if at all, as a result of their financial condition or may be relieved of their obligations to us as part of seeking bankruptcy protection. In addition, SIRIUS XM, in particular, designs, establishes specifications for and manages various aspects of the logistics of the production of satellite radios. As a result of these activities, SIRIUS XM may be exposed to liabilities associated with the design, manufacture and distribution of radios that the providers of an entertainment service would not customarily be subject to, such as liabilities for design defects, patent infringement and compliance with applicable laws, as well as the costs of returned product.

Our businesses may be impaired by third-party intellectual property rights. Development of our business systems used by our subsidiaries and business affiliates has depended upon the intellectual property developed by them, as well as intellectual property licensed from third parties. If the intellectual property developed or used by them is not adequately protected, others will be permitted to and may duplicate portions of these systems or services without liability. In addition, others may challenge, invalidate, render unenforceable or circumvent the intellectual property rights, patents or existing licenses of these businesses or they may face significant legal costs in connection with defending and enforcing those intellectual property rights. Some of the know-how and technology so developed, and to be developed, is not now, nor will it be, covered by U.S. patents or trade secret protections. Trade secret protection and contractual agreements may not provide adequate protection if there is any unauthorized use or disclosure. The loss of necessary technologies could require our subsidiaries and business affiliates to substitute technologies of lower quality performance standards, at greater cost or on a delayed basis, which could harm their businesses.

Other parties may have patents or pending patent applications, which will later mature into patents or inventions that may block the ability of our subsidiaries and business affiliates to operate their systems or license technologies. They may have to resort to litigation to enforce rights under license agreements or to determine the scope and validity of other parties' proprietary rights in the subject matter of those licenses. This may be expensive and they may not succeed in any such litigation.

Third parties may assert claims or bring suit for patent, trademark or copyright infringement, or for other infringement or misappropriation of intellectual property rights. Any such litigation could result in substantial cost, and diversion of

effort and adverse findings in any proceeding could subject businesses to significant liabilities to third parties; require them to seek licenses from third parties; block their ability to operate their systems or license their technology; or otherwise adversely affect their ability to successfully develop and market their products and services.

The ability of SIRIUS XM to attract and retain subscribers in the future is uncertain. SIRIUS XM's ability to retain subscribers, or increase the number of subscribers to its service, in any given period is subject to many factors, including the price of SIRIUS XM's service, the health of the economy, the production and sale or lease of new vehicles in the United States, the rate at which existing self-pay customers buy and sell new and used vehicles in the United States, including the extent to which existing self-pay subscribers buy and sell new and used vehicles which include an unpaid trial, SIRIUS XM's ability to convince owners and lessees of new and previously owned vehicles that include satellite radios to purchase subscriptions to its service, the effectiveness of its marketing programs, the entertainment value of its programming, SIRIUS XM's ability to respond to evolving consumer tastes, relative to the flexibility of its Internet-based competitors, and actions by its competitors, such as terrestrial and Internet radio and other audio entertainment and information providers. As part of SIRIUS XM's business, SIRIUS XM experiences, and expects to experience in the future, subscriber turnover (i.e., churn). Some elements of SIRIUS XM's business strategy may result in churn increasing. For example, its efforts to increase the penetration of satellite radios in new, lower priced vehicle lines may result in the growth of economy-minded subscribers; its work to acquire subscribers purchasing or leasing pre-owned vehicles may attract subscribers of more limited economic means; and its product and marketing efforts may attract more price sensitive subscribers. If SIRIUS XM is unable to retain current subscribers at expected rates, or the costs of retaining subscribers are higher than expected, its financial performance and operating results could be adversely affected. SIRIUS XM cannot predict how successful it will be at retaining customers who purchase or lease vehicles that include a promotional subscription to its satellite radio service. SIRIUS XM spends substantial amounts on advertising and marketing and in transactions with automakers, retailers and others to obtain and attract subscribers. If SIRIUS XM is unable to consistently attract new subscribers, and retain its current subscribers, at a sufficient level of revenue to be profitable, the value of its common stock could decline, and without sufficient cash flow it may not be able to make the required payments on its indebtedness and could ultimately default on its commitments.

The unfavorable outcome of pending or future litigation, including class actions alleging violations of the TCPA, could have a material adverse impact on our operations and financial condition. SIRIUS XM is a party to several legal proceedings arising out of various aspects of its business, including class actions seeking substantial damages for purported violations by SIRIUS XM, or by its call center vendors acting on its behalf, of the TCPA. The TCPA imposes significant restrictions on communications made using automatic telephone dialing systems ("ATDS") or artificial or prerecorded voices. The class actions against SIRIUS XM allege, among other things, that it called mobile phones using an ATDS without the consumer's prior consent or, alternatively, after the consumer revoked his or her prior consent, in violation of the TCPA. Under the TCPA, such violations may result 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. 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 "Item 3. Legal Proceedings" below.

Our businesses, 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 our subsidiaries and business affiliates. 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, reduced live-entertainment expenditures, affecting Live Nation and Braves Holdings. A slowdown in auto sales (which is an important source of satellite radio subscribers) could adversely affect SIRIUS XM's revenue. Accordingly, the ability of our subsidiaries and business affiliates 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 subscription growth has come from purchasers and lessees of new and previously owned automobiles in the United States. The sale and lease of vehicles with satellite radios is an important source of subscribers for its satellite radio service. SIRIUS XM has agreements with every major automaker to include satellite radios in new vehicles, although these agreements do not require automakers to install specific or minimum quantities of radios in any given period. Automotive production and sales are dependent on many factors, including the availability of consumer credit, general economic conditions, consumer confidence and fuel costs. To the extent vehicles sales by automakers decline or the penetration of factory-installed satellite radios in those vehicles is reduced, subscriber growth for SIRIUS XM's satellite radio services may be adversely impacted. Sales of previously owned vehicles represent a significant source of new subscribers for SIRIUS XM. SIRIUS XM has agreements with various auto dealers and certain companies operating in the used vehicle market to provide it with data on sales of previously owned satellite radio enabled vehicles. The continuing availability of this information is important to SIRIUS XM's future growth.

The indebtedness of our subsidiary, SIRIUS XM, could adversely affect its operations and could limit its ability to react to changes in the economy or its industry. Our subsidiary SIRIUS XM has significant indebtedness. As of December 31, 2015, SIRIUS XM had outstanding an aggregate principal amount of approximately \$5.5 billion of indebtedness, \$340 million of which was outstanding under a \$1.75 billion senior secured revolving credit facility with a syndicate of financial institutions which contains certain covenants. This debt level has important consequences. Carrying significant debt loads can increase a company's vulnerability to general adverse economic and industry conditions, require it to dedicate a portion of its cash flow from operations to payments on indebtedness, reduce the availability of cash flow to fund capital expenditures, marketing and other general corporate activities, limit its ability to borrow additional funds or make capital expenditures, limit its flexibility in planning for, or reacting to, changes in its business and its industry, and may place it at a competitive disadvantage compared to other competitors. Failure to comply with such covenants could result in an event of default, which, if not cured or waived, could cause the borrower to seek the protection of the bankruptcy laws, discontinue operations or seek a purchaser for its business or assets.

We have substantial debt held above the operating subsidiary level, and we could be unable in the future to obtain cash in amounts sufficient to service that debt and our other financial obligations. As of December 31, 2015, we had \$1.2 billion principal amount of corporate-level debt outstanding, consisting of a margin loan obligation incurred by a wholly-owned special purpose subsidiary of Liberty, \$1 billion outstanding under our 1.375% Cash Convertible Senior Notes due 2023 and \$38 million in other obligations. Our ability to meet our financial obligations will depend on our ability to access cash. Our primary sources of cash include our available cash balances, dividends and interest from our investments, monetization of our public investment portfolio and proceeds from asset sales. Further, our ability to receive dividends or payments or advances from our businesses depends on their individual operating results, any statutory, regulatory or contractual restrictions to which they may be or may become subject and the terms of their own indebtedness, including SIRIUS XM's senior notes and credit facility. The agreements governing such indebtedness restrict sales of assets and prohibit or limit the payment of dividends or the making of distributions, loans or advances to stockholders, non wholly-owned subsidiaries or our partners. We generally do not receive cash, in the form of dividends, loans, advances or otherwise, from our business affiliates.

Royalties for music rights, which are paid by SIRIUS XM, have increased and there can be no assurance that they will not continue to increase, and the market for music rights is changing and is subject to significant uncertainties. SIRIUS XM must maintain music programming royalty arrangements with, and pay license fees to BMI, ASCAP and SESAC. These organizations negotiate with copyright users, collect royalties and distribute them to songwriters and music publishers. SIRIUS XM has agreements with ASCAP, BMI and SESAC through 2016. There can be no assurance that the royalties SIRIUS XM pays to ASCAP, SESAC, BMI and other songwriters and music publishers will not increase upon expiration of these arrangements. The market for acquiring rights from songwriters and music publishers is changing. BMI and ASCAP are subject to Consent Decrees with the United States. The United States Department of Justice is reviewing these Consent Decrees and may agree to changes to those arrangements. In addition, certain songwriters and music publishers have withdrawn from two of the traditional performing rights organizations, ASCAP and BMI, and third parties have contacted SIRIUS XM regarding the need to separately license works. The change to, and fragmentation of, the traditional market for licensing musical works could increase SIRIUS XM's licensing costs and/or cause it in certain cases to reduce the number of works performed. Under the Digital Performance Right in Sound Recordings Act of 1995 and the Digital Millennium Copyright Act of 1998, SIRIUS XM also must pay royalties to copyright owners of sound recordings fixed after February 15, 1972. Those royalty rates may be established through negotiation or, if negotiation is unsuccessful, by the Copyright Royalty Board ("CRB"). Owners of copyrights in sound recordings have created SoundExchange, a collective organization to collect and distribute royalties. SoundExchange is exempt by statute from certain U.S. antitrust laws and exercises significant market power in the licensing of sound recordings. Under the terms of the CRB's decision governing sound recording royalties for the five-year period ending on December 31, 2017, SIRIUS XM will pay a royalty based on gross revenue, subject to certain exclusions, of 10.5% for 2016, and 11% for 2017. The rate for 2015 was 10%. The CRB proceeding to set royalty rates for the five year period beginning 2018 will begin later this year. SoundExchange currently has a petition before the CRB, requesting an interpretation of the CRB's regulations related to sound recording royalties for the five year period ended December 31, 2012. SoundExchange alleges that SIRIUS XM underpaid royalties for statutory licenses within that time period. The right to perform certain copyrighted sound recordings that were fixed before February 15, 1972 is governed by state common law principles and, in certain instances, may be subject to state statutes. SIRIUS XM is a defendant in litigation in three states regarding the alleged distribution, duplication and performance of certain copyrighted sound recordings that were fixed before February 15, 1972. In 2015, SIRIUS XM settled one such suit for \$210 million. The settling record companies claimed to own, control, or otherwise have the right to settle with respect to approximately 85% of the pre-1972 recordings SIRIUS XM historically played. If courts ultimately hold that a performance right exists under state copyright laws, SIRIUS XM may be required to pay additional royalties to perform copyrighted sound recordings that were fixed before February 15, 1972 or remove those works from its service. For additional information about these matters, see Item 3. Legal Proceedings.

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 customers is based on its successful programming. SIRIUS XM's subscribers can obtain similar content through terrestrial radio, Internet radio services and Internet streaming services, and a number of automakers and aftermarket manufacturers have introduced factory-installed radios capable of accessing internet-delivered auto entertainment and connecting to Internet-delivered content on smartphones. Such competition could lower subscription, advertising or other revenue or increase expenses related to marketing, promotion or other expenses, which would lower SIRIUS XM's earnings and free cash flow. For additional information regarding the competitive factors faced by our businesses, see "Part I. Business -- Competition" above.

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 of 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.

The success of Braves Holdings, in part, depends on its ability to recruit and retain key persons. The financial success of Braves Holdings is influenced by the record of the Atlanta Braves Major League baseball team during each season, which is directly impacted by their ability to employ and retain top performing players, coaches and managers. We

cannot assure you that if the Atlanta Braves Major League baseball team experiences turnover of these key persons, they will be able to recruit and retain acceptable replacements, in part, because the market for such employees is very competitive and limited.

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. 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 material impact on our net earnings. We have a significant investment in Live Nation, which we account for under the equity method of accounting. Under the equity method, we report our proportionate share of the net earnings or losses of our equity affiliates in our statement of operations under "share of earnings (losses) of affiliates," which contributes to our earnings (loss) from continuing operations before income taxes. If the earnings or losses of Live Nation are material in any year, those earnings or losses may have a material effect on our net earnings. Notwithstanding the impact on our net earnings, we do not have the ability to cause Live Nation to pay dividends or make other payments or advances to its stockholders, including us. In addition, our investment in Live Nation is in publicly traded securities which is not reflected at fair value on our balance sheet and is also subject to market risk that is not directly reflected in our statement of operations.

The liquidity and value of our minority public investments may be affected by market conditions beyond our control that could cause us to record losses for declines in their market value. Included among our assets are equity interests in one or more publicly-traded companies that are not consolidated subsidiaries or equity affiliates, such as Time Warner Inc. and Viacom, Inc. As of December 31, 2015, the market value of these investments totaled \$425 million. The value of these interests may be affected by economic and market conditions that are beyond our control and changes in the value of these investments may affect our financial results. In addition, our ability to liquidate these interests without adversely affecting their aggregate value may be limited.

No assurance can be made that we will be successful in integrating any acquired businesses. Our businesses may grow through acquisitions in selected markets. Integration of new businesses may present significant challenges, including: realizing economies of scale; eliminating duplicative overhead; and integrating networks, financial systems and operational systems. No assurance can be made that, with respect to any acquisition, we will realize anticipated benefits or successfully integrate any acquired business with our existing operations. In addition, while we intend to implement appropriate controls and procedures as we integrate acquired companies, we may not be able to certify as to the effectiveness of these companies' 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.

Risk Factors Relating to Ownership of Our Common Stock

Transactions in our common stock by our insiders could depress the market price of our common stock. Sales of or hedging transactions, such as collars, in our shares by our Chairman of the Board or any of our other directors or executive officers could cause a perception in the marketplace that our stock price has peaked or that adverse events or trends have occurred or may be occurring at our company. This perception could result notwithstanding any personal financial motivation for these insider transactions. As a result, insider transactions could depress the market price for shares of one or more series of our common stock.

Our company has overlapping directors and management with Liberty Interactive, Liberty Broadband and Liberty TripAdvisor Holdings, Inc. ("Liberty TripAdvisor"), which may lead to conflicting interests. As a result of the Split-Off, the Broadband Spin-Off and Liberty Interactive's spin-off of Liberty TripAdvisor in August 2014, most of the executive officers of Liberty also serve as executive officers of Liberty Interactive, Liberty Broadband and Liberty TripAdvisor, and there are overlapping directors. None of these companies has any ownership interest in any of the others. Our executive officers and members of our company's board of directors have fiduciary duties to our stockholders. Likewise, any such persons who serve in similar capacities at Liberty Interactive, Liberty Broadband or Liberty

TripAdvisor have fiduciary duties to that company's stockholders. For example, there may be the potential for a conflict of interest when our company, Liberty Interactive, Liberty Broadband or Liberty TripAdvisor pursues acquisitions and other business opportunities that may be suitable for each of them. Therefore, such persons may have conflicts of interest or the appearance of conflicts of interest with respect to matters involving or affecting more than one of the companies to which they owe fiduciary duties. Moreover, most of our company's directors and officers continue to own Liberty Interactive, Liberty Broadband and Liberty TripAdvisor stock and options to purchase stock in those companies. These ownership interests could create, or appear to create, potential conflicts of interest when the applicable individuals are faced with decisions that could have different implications for our company, Liberty Interactive, Liberty Broadband and/or Liberty TripAdvisor. Any potential conflict that qualifies as a "related party transaction" (as defined in Item 404 of Regulation S-K under the Securities Act of 1933, as amended) is subject to review by an independent committee of the applicable issuer's board of directors in accordance with its corporate governance guidelines. Each of Liberty Broadband and Liberty TripAdvisor has renounced its rights to certain business opportunities and each company's restated certificate of incorporation contains provisions deeming directors and officers not in breach of their fiduciary duties in certain cases for directing a corporate opportunity to another person or entity (including Liberty Interactive, Liberty Broadband and Liberty TripAdvisor) instead of such company. Any other potential conflicts that arise will be addressed on a case-by-case basis, keeping in mind the applicable fiduciary duties owed by the executive officers and directors of each issuer. From time to time, we may enter into transactions with Liberty Interactive, Liberty Broadband or Liberty TripAdvisor and/or their subsidiaries or other affiliates. There can be no assurance that the terms of any such transactions will be as favorable to our company, Liberty Interactive, Liberty Broadband, Liberty TripAdvisor or any of their respective subsidiaries or affiliates as would be the case where there is no overlapping officer or director.

Holders of a single series of our common stock may not have any remedies if an action by our directors has an adverse effect on only that series of our common stock. Principles of Delaware law and the provisions of our certificate of incorporation may protect decisions of our board of directors that have a disparate impact upon holders of any single series of our common stock. Under Delaware law, the board of directors has a duty to act with due care and in the best interests of all of our stockholders, including the holders of all series of our common stock. Principles of Delaware law established in cases involving differing treatment of multiple classes or series of stock provide that a board of directors owes an equal duty to all common stockholders regardless of class or series and does not have separate or additional duties to any group of stockholders. As a result, in some circumstances, our directors may be required to make a decision that is viewed as adverse to the holders of one series of our common stock. Under the principles of Delaware law and the business judgment rule, holders may not be able to successfully challenge decisions that they believe have a disparate impact upon the holders of one series of our stock if our board of directors is disinterested and independent with respect to the action taken, is adequately informed with respect to the action taken and acts in good faith and in the honest belief that the board is acting in the best interest of all of our stockholders.

It may be difficult for a third party to acquire us, even if doing so may be beneficial to our stockholders. Certain provisions of our restated charter and bylaws may discourage, delay or prevent a change in control of our company that a stockholder may consider favorable. These provisions include:

- authorizing a capital structure with multiple series of common stock, a Series B common stock that entitles the holders to ten votes per share, a Series A common stock that entitles the holder to one vote per share, and a Series C common stock that, except as otherwise required by applicable law, entitles the holder to no voting rights;
- classifying our board of directors with staggered three-year terms, which may lengthen the time required to gain control of our board of directors;
- limiting who may call special meetings of stockholders;
- prohibiting stockholder action by written consent, thereby requiring all stockholder actions to be taken at a meeting of the stockholders;
- establishing advance notice requirements for nominations of candidates for election to the board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings;

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- requiring stockholder approval by holders of at least 66⅔% of our aggregate voting power or the approval by at least 75% of our board of directors with respect to certain extraordinary matters, such as a merger or consolidation of our company, a sale of all or substantially all of our assets or an amendment to our restated charter; and
- the existence of authorized and unissued stock, including "blank check" preferred stock, which could be issued by our board of directors to persons friendly to our then current management, thereby protecting the continuity of our management, or which could be used to dilute the stock ownership of persons seeking to obtain control of our company.

In addition, our chairman, John C. Malone, beneficially owns shares representing the power to direct approximately 48% of the aggregate voting power in our company, due to his beneficial ownership of approximately 96% of the outstanding shares of Liberty Series B common stock as of January 31, 2016.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties.

We own our corporate headquarters in Englewood, Colorado.

SIRIUS XM owns office, production, data center, and engineering facilities in Washington D.C. and New Jersey. Additionally, SIRIUS XM leases property for its headquarters in New York and leases additional properties in New York, New Jersey, Florida, Michigan, Tennessee, Georgia, California and Texas for its office, production, technical, studio and engineering facilities and call center. SIRIUS XM also leases properties in Panama and Ecuador that are used as earth stations to command and control satellites. In addition, SIRIUS XM leases or licenses space at approximately 730 locations for use in connection with the terrestrial repeater networks that support its satellite radio services. In general, these leases and licenses are for space on building rooftops and communications towers, none of which are individually material to the business or its operations.

Our other subsidiaries and business affiliates own or lease the fixed assets necessary for the operation of their respective businesses, including office space and entertainment venues. Our management believes that our current facilities are suitable and adequate for our business operations for the foreseeable future.

Item 3. Legal Proceedings

Telephone Consumer Protection Act Suits

SIRIUS XM is a defendant in several purported class action suits that allege that SIRIUS XM, or call center vendors acting on their 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 their prior consent. In one of the actions, the plaintiff also 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. SIRIUS XM's vendors make millions of calls each month to consumers, including its subscribers, as part of its customer service and marketing efforts. The plaintiffs in these suits are seeking various forms of relief, including statutory damages of five-hundred dollars for each violation of the TCPA or, in the alternative, treble damages of up to fifteen-hundred dollars for each knowing and willful violation of the TCPA, as well as payment of interest, attorneys' fees and costs, and certain injunctive relief prohibiting violations of the TCPA in the future. SIRIUS XM believes it has substantial defenses to the claims asserted in these actions and intends to defend them vigorously.

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.

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and Career Horizons, Inc., No. 1:15-cv-02093 (N.D. Ill.), and Anthony Parker v. Sirius XM Radio, Inc., No. 8:15-cv-01710-JSM-EAJ (M.D. Fla). These actions were commenced in February 2012, January 2013, April 2015 and July 2015, respectively, in the United States District Court for the Eastern District of Virginia, Newport News Division, the United States District Court for the Southern District of California, the United States District Court for the Northern District of Illinois and United States District Court for the Middle District of Florida, respectively. Information concerning each of these actions is publicly available in court filings under their docket numbers.

SIRIUS XM has notified certain of its call center vendors of these actions and requested that they defend and indemnify SIRIUS XM against these claims pursuant to the provisions of their existing or former agreements with SIRIUS XM. SIRIUS XM believes it has valid contractual claims against certain call center vendors in connection with these claims and intends to preserve and pursue its rights to recover from these entities; however, no assurance can be made as to SIRIUS XM's ability to fully recover all claims it may have against these entities.

Pre-1972 Sound Recording Matters

In August 2013, SoundExchange, Inc. filed a complaint in the United States District Court for the District of Columbia alleging that SIRIUS XM underpaid royalties for statutory licenses during the 2007-2012 period in violation of the regulations established by the CRB for that period. SoundExchange principally alleges that SIRIUS XM improperly reduced its calculation of gross revenue, on which the royalty payments are based, by deducting non-recognized revenue attributable to pre-1972 recordings and Premier package revenue that is not "separately charged" as required by the regulations. SoundExchange is seeking compensatory damages of not less than \$50 million and up to \$100 million or more, payment of late fees and interest, and attorneys' fees and costs.

In August 2014, the United States District Court for the District of Columbia granted SIRIUS XM's motion to dismiss the complaint without prejudice on the grounds that the case properly should be pursued before the CRB rather than the district court. In December 2014, SoundExchange filed a petition with the CRB requesting an order interpreting the applicable regulations. This matter is titled SoundExchange, Inc. v. Sirius XM Radio, Inc., No.13-cv-1290-RJL (D.D.C.), and *Determination of Rates and Terms for Preexisting Subscription Services and Satellite Digital Audio Radio Services*, United States Copyright Royalty Board, No. 2006-1 CRB DSTR. Additional information concerning each of these actions is publicly available in filings under their docket numbers.

In addition, since 2013, SIRIUS XM has been named as a defendant in several suits, including putative class action suits, which challenge SIRIUS XM's use and public performance via satellite radio and the Internet of sound recordings fixed prior to February 15, 1972 under various state laws. Several putative class actions suits challenging SIRIUS XM's use and public performance of other pre-1972 recordings under various state laws remain pending. SIRIUS XM believes it has substantial defenses to the claims asserted, SIRIUS XM is defending these actions vigorously and does not believe that the resolution of these remaining cases will have a material adverse effect on its business, financial condition or results of operations.

In June 2015, SIRIUS XM settled a separate suit brought by Capitol Records LLC, Sony Music Entertainment, UMG Recordings, Inc., Warner Music Group Corp. and ABKCO Music & Records, Inc. relating to SIRIUS XM's use and public performance of pre-1972 recordings for \$210 million which was paid in July 2015. The settling record companies claim to own, control or otherwise have the right to settle with respect to approximately 85% of the pre-1972 recordings SIRIUS XM has historically played. SIRIUS XM has also entered into certain direct licenses with other owners of pre-1972 recordings, which in many cases include releases of any claims associated with its use of pre-1972 recordings.

With respect to the matters described above under the captions "*Pre-1972 Sound Recording Matters*" and "*Telephone Consumer Protection Act Suits*," SIRIUS XM has determined that these matters are inherently unpredictable and subject to significant uncertainties, many of which are beyond SIRIUS XM's control. The amount of loss, or range of loss, that is reasonably possible is not reasonably estimable. No provision was made for losses to the extent such losses are not probable and estimable. There can be no assurance that the final outcome of these matters will not materially and adversely affect its business, financial condition, results of operations, or cash flows.

Item 4. Mine Safety Disclosures

Not applicable.

PART II.**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.*****Market Information***

On July 23, 2014, holders of Liberty's Series A and Series B common stock as of 5:00 p.m., New York City time, on July 7, 2014, the record date for the dividend, received a dividend of two shares of Liberty Series C common stock (ticker symbol LMCK) for each share of Liberty Series A or Series B common stock held by them as of the record date. The impact of the Liberty Series C common issuance has been reflected retroactively due to the treatment of the dividend as a stock split for accounting purposes.

On November 4, 2014, Liberty completed the spin-off to its stockholders of common stock of a newly formed company called Liberty Broadband Corporation ("Liberty Broadband") (the "Broadband Spin-Off"). Shares of Liberty Broadband were distributed to the shareholders of Liberty as of a record date of October 29, 2014. Liberty Broadband is comprised of, among other things, (i) Liberty's former interest in Charter Communications, Inc. ("Charter"), (ii) Liberty's former subsidiary TruePosition, Inc. ("TruePosition"), (iii) Liberty's former minority equity investment in Time Warner Cable, Inc. ("Time Warner Cable"), (iv) certain deferred tax liabilities, as well as liabilities related to Time Warner Cable call options and (v) initial indebtedness, pursuant to margin loans entered into prior to the completion of the Broadband Spin-Off. In the Broadband Spin-Off, record holders of Liberty Series A, Series B and Series C common stock received one share of the corresponding series of Liberty Broadband common stock for every four shares of Liberty common stock held by them as of the record date for the Broadband Spin-Off, with cash paid in lieu of fractional shares.

Each series of our common stock is traded on the Nasdaq Global Select Market. The following table sets forth the range of high and low sales prices of shares of our common stock for the years ended December 31, 2015 and 2014, as adjusted for the Series C common stock dividend, as discussed above and in the accompanying consolidated financial statements in Part II of this report.

	<u>Series A (LMCA)</u>		<u>Series B (LMCB)</u>		<u>Series C (LMCK)</u>	
	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>
2014						
First quarter	\$ 48.78	41.90	48.68	42.17	NA	NA
Second quarter	\$ 45.60	40.85	45.89	41.08	NA	NA
Third quarter (July 1 - July 23)	\$ 47.59	44.64	47.67	45.65	NA	NA
Third quarter (July 24 - September 30) (1)	\$ 49.94	45.92	55.03	46.25	50.06	45.00
Fourth quarter (October 1 - November 4)	\$ 48.67	41.00	48.54	46.20	48.44	40.20
Fourth quarter (November 5 - December 31) (2)	\$ 37.72	33.22	48.54	32.15	37.28	33.07
2015						
First quarter	\$ 40.38	33.15	40.90	35.15	40.20	33.06
Second quarter	\$ 40.00	35.85	39.33	37.27	39.65	35.74
Third quarter	\$ 40.50	32.67	38.74	37.07	38.47	32.18
Fourth quarter	\$ 42.22	35.61	42.35	37.95	40.61	34.39

- (1) As discussed above and in the accompanying consolidated financial statements in Part II of this report, on July 23, 2014 Liberty issued shares of its Series C common stock to holders of its Series A and Series B common stock, effected by means of a dividend. Holders of Series A and Series B common stock received a dividend of two shares of Series C common stock for each share of Series A or Series B common stock held by them as of the record date.
- (2) Represents the high and low sales prices of each respective series of common stock subsequent to completion of the Broadband Spin-Off.

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Holders

As of January 31, 2016, there were 1,356, 86 and 1,428 record holders of our Series A, Series B and Series C common stock, respectively. The foregoing numbers of record holders do not include the number of stockholders whose shares are held nominally by banks, brokerage houses or other institutions, but include each such institution as one shareholder.

Dividends

We have not paid any cash dividends on our common stock, and we have no present intention of so doing. Payment of cash dividends, if any, in the future will be determined by our board of directors in light of our earnings, financial condition and other relevant considerations.

Securities Authorized for Issuance Under Equity Compensation Plans

Information required by this item will be included in an amendment to this Form 10-K that will be filed with the Securities and Exchange Commission on or before April 29, 2016.

Purchases of Equity Securities by the Issuer

Share Repurchase Programs

On January 11, 2013 (ratified February 26, 2013) Liberty Media Corporation announced that its board of directors authorized \$450 million of repurchases of Liberty common stock from that day forward. Additionally, in connection with the Broadband Spin-Off, an additional authorization of \$300 million in Liberty share repurchases was approved by the Liberty board of directors on October 9, 2014. In August 2015, our board of directors authorized an additional \$1 billion of Liberty common stock repurchases.

A summary of the repurchase activity for the three months ended December 31, 2015 is as follows:

Period	Series C Common Stock			(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet be Purchased Under the Plans or Programs*
	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	
October 1 -31, 2015	941,082	\$ 37.02	941,082	\$ 1,289 million
November 1 - 30, 2015	298,152	\$ 39.34	298,152	\$ 1,277 million
December 1 - 31, 2015	None	NA	None	\$ 1,277 million
Total	<u>1,239,234</u>		<u>1,239,234</u>	

*Represents the maximum dollar value of both Series A and C Liberty common stock that may be yet be purchased under the Company's share repurchase program, after considering the total of both Series A and Series C Liberty Common Stock share repurchases during each respective month.

There were no repurchases of Series A Liberty common stock during the three months ended December 31, 2015.

During the three months ended December 31, 2015, 4,512 shares of Liberty Series A common stock and 9,024 shares of Liberty Series C common stock were surrendered by certain of our officers and employees to pay withholding taxes and other deductions in connection with the vesting of their restricted stock.

Item 6. Selected Financial Data.

The following tables present selected historical financial statement information relating to our financial condition and results of operations for the past five years. Certain prior period amounts have been reclassified for comparability with the

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current year presentation. The following data should be read in conjunction with the accompanying consolidated financial statements.

	December 31,				
	2015	2014	2013	2012	2011
	amounts in millions				
<i>Summary Balance Sheet Data:</i>					
Cash	\$ 201	681	1,088	603	970
Investments in available-for-sale securities and other cost investments (3)	\$ 533	816	1,324	1,392	1,859
Investment in affiliates, accounted for using the equity method (1)(2) (3)	\$ 1,115	851	3,299	3,341	563
Intangible assets not subject to amortization	\$ 24,018	24,018	24,018	344	344
Intangible assets subject to amortization, net	\$ 1,097	1,166	1,200	108	119
Assets of discontinued operations (4)	\$ —	—	—	2,099	2,535
Total assets	\$ 29,798	30,269	33,632	8,299	7,648
Current portion of deferred revenue	\$ 1,797	1,641	1,575	24	30
Current portion of debt	\$ 255	257	777	—	750
Long-term debt	\$ 6,626	5,588	4,784	—	—
Deferred tax liabilities, net	\$ 1,667	1,507	1,396	804	352
Stockholders' equity	\$ 10,933	11,398	14,081	6,440	5,259
Noncontrolling interest (1)	\$ 7,198	8,778	9,801	(8)	(10)

	Years ended December 31,				
	2015	2014	2013 (1)	2012	2011
	amounts in millions, except per share amounts				
<i>Summary Statement of Operations Data:</i>					
Revenue (1)(5)	\$ 4,795	4,450	4,002	368	1,409
Operating income (loss)	\$ 954	841	814	(80)	531
Interest expense	\$ (328)	(255)	(132)	(7)	(16)
Share of earnings (loss) of affiliates, net (1)(2)	\$ (40)	(113)	(32)	1,346	87
Realized and unrealized gains (losses) on financial instruments, net	\$ (140)	38	295	230	70
Gains (losses) on transactions, net (1)	\$ (4)	—	7,978	22	1
Net earnings (loss) attributable to the noncontrolling interests	\$ 184	217	211	(2)	(4)
Earnings (loss) from continuing operations attributable to Liberty Media Corporation stockholders (6)					
Liberty common stock	\$ 64	178	8,780	1,160	633
Liberty Starz common stock	NA	NA	NA	NA	(39)
	\$ 64	178	8,780	1,160	594
Basic earnings (loss) from continuing operations attributable to Liberty Media Corporation stockholders per common share (7):					
Series A, Series B and Series C Liberty common stock	\$ 0.19	0.52	24.73	3.21	2.48
Series A and Series B Liberty Starz common stock	NA	NA	NA	NA	(0.25)
Diluted earnings (loss) from continuing operations attributable to Liberty Media Corporation stockholders per common share (7):					
Series A, Series B and Series C Liberty common stock	\$ 0.19	0.52	24.46	3.12	2.40
Series A and Series B Liberty Starz common stock	NA	NA	NA	NA	(0.25)

(1) During the year ended December 31, 2012, Liberty acquired an additional 312.5 million shares of SIRIUS XM Radio, Inc. (now known as Sirius XM Holdings Inc., "SIRIUS XM") in the open market for \$769 million. Additionally,

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Liberty settled a forward contract and purchased an additional 302.2 million shares of SIRIUS XM for \$649 million. SIRIUS XM recognized a \$3.0 billion tax benefit during the year ended December 31, 2012. SIRIUS XM recorded the tax benefit as the result of significant positive evidence that a valuation allowance was no longer necessary for its recorded deferred tax assets. The Company recognized its portion of this benefit (\$1,229 million) based on our ownership percentage at the time of the recognition of the deferred tax benefit by SIRIUS XM. On January 18, 2013, as discussed in note 3 to the accompanying consolidated financial statements, Liberty acquired an additional 50 million common shares and acquired a controlling interest in SIRIUS XM and as a result consolidates SIRIUS XM as of such date. Liberty recorded a gain of approximately \$7.5 billion in the first quarter of 2013 associated with application of purchase accounting based on the difference between fair value and the carrying value of the ownership interest Liberty had in SIRIUS XM prior to the acquisition of the controlling interest. The gain on the transaction was excluded from taxable income.

- (2) As discussed in note 7 in the accompanying consolidated financial statements, in May 2013, Liberty acquired approximately 26.9 million shares of common stock and approximately 1.1 million warrants in Charter for approximately \$2.6 billion, which represented an approximate 27% beneficial ownership in Charter at the time of purchase.
- (3) As discussed in note 1 in the accompanying consolidated financial statements, on November 4, 2014, Liberty completed the Broadband Spin-Off. Liberty Broadband is comprised of, among other things, (i) Liberty's former interest in Charter, (ii) Liberty's former wholly-owned subsidiary TruePosition, (iii) Liberty's former minority equity investment in Time Warner Cable, (iv) certain deferred tax liabilities, as well as liabilities related to Time Warner Cable call options and (v) initial indebtedness, pursuant to margin loans entered into prior to the completion of the Broadband Spin-Off. The Company's former investments in and results of Charter and Time Warner Cable are no longer included in the results of Liberty from the date of the completion of the Broadband Spin-Off forward. Based on the relative significance of TruePosition to Liberty, the Company concluded that discontinued operations presentation of TruePosition is not necessary.
- (4) In January 2013, the entity then known as Liberty Media Corporation (now named Starz) spun-off (the "Starz Spin-Off") its then-former wholly-owned subsidiary, now known as Liberty Media Corporation, which, at the time of the Starz Spin-Off, held all of the businesses, assets and liabilities of Starz not associated with Starz, LLC (with the exception of the Starz, LLC office building). The transaction was effected as a pro-rata dividend of shares of Liberty to the stockholders of Starz. Due to the relative significance of Liberty to Starz (the legal spinor) and senior management's continued involvement with Liberty following the Starz Spin-Off, Liberty is treated as the "accounting successor" to Starz for financial reporting purposes, notwithstanding the legal form of the Starz Spin-Off previously described. Therefore, the historical financial statements of the company formerly known as Liberty Media Corporation continue to be the historical financial statements of Liberty, and Starz, LLC is presented as discontinued operations for all periods prior to the completion of the Starz Spin-Off. Due to the short period between December 31, 2012 and the distribution date, Liberty did not record any results for Starz in discontinued operations for the statement of operations for the year ended December 31, 2013 due to the insignificance of such amounts for that period.
- (5) In 2011 TruePosition recognized \$1,029 million of previously deferred revenue and \$409 million of deferred costs associated with two separate contracts.
- (6) Earnings (loss) from continuing operations attributable to Liberty stockholders were allocated to the Liberty Starz Group and Liberty Capital Group for all the periods prior to the conversion of each share of Liberty Starz common stock into 0.88129 of a share of the corresponding series of Liberty Capital common stock, with cash paid in lieu of fractional shares, on November 28, 2011 based on businesses and assets attributed to each respective group at the time prior to any corporate transactions between the groups. Subsequent to the conversion and elimination of the Company's tracking stock structure, the Liberty Capital common stock is referred to as Liberty common stock.
- (7) On July 23, 2014, holders of Liberty Series A and Series B common stock as of 5:00 p.m., New York City, time on July 7, 2014, the record date for the dividend, received a dividend of two shares of Series C common stock for each share of Series A or Series B common stock held by them as of the record date. The impact on basic and diluted earnings per share of the Series C common stock issuance has been reflected retroactively in all periods presented due

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to the treatment of the dividend as a stock split for accounting purposes. Basic and diluted earnings per share were calculated for Liberty Capital and Liberty Starz common stock, prior to the Split-Off date, based on the earnings attributable to the businesses and assets to the respective groups divided by the weighted average shares on an as if converted basis for the periods assuming a 1 to 1 exchange ratio for the Split-Off.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis provides information concerning our results of operations and financial condition. This discussion should be read in conjunction with our accompanying consolidated financial statements and the notes thereto.

Explanatory Note

On January 11, 2013 Liberty Media Corporation ("Liberty" or "the Company") was spun-off, through the distribution of shares of Liberty by means of a pro-rata dividend from Starz (previously Liberty Media Corporation, formerly known as Liberty Spinco, Inc.) (the "Starz Spin-Off"), which was previously an indirect, wholly-owned subsidiary of Liberty Interactive Corporation ("Liberty Interactive," formerly known as Liberty Media Corporation).

Due to the relative significance of Liberty to Starz (the legal spinor) and senior management's continued involvement with Liberty following the Starz Spin-Off, Liberty was treated as the "accounting successor" to Starz for financial reporting purposes, notwithstanding the legal form of the Starz Spin-Off previously described. Therefore, the historical financial statements of Starz will continue to be the historical financial statements of Liberty and now present the results of Starz, LLC as discontinued operations in all periods prior to the Starz Spin-Off. Therefore, for purposes of this Form 10-K Liberty is treated as the spinor for purposes of discussion and as a practical matter of describing all the historical information contained herein.

On November 4, 2014, Liberty completed the Broadband Spin-Off. Shares of Liberty Broadband were distributed to the shareholders of Liberty as of a record date of October 29, 2014. Liberty Broadband is comprised of, among other things, (i) Liberty's former interest in Charter, (ii) Liberty's former subsidiary TruePosition, (iii) Liberty's former minority equity investment in Time Warner Cable, (iv) certain deferred tax liabilities, as well as liabilities related to Time Warner Cable call options and (v) initial indebtedness, pursuant to margin loans entered into prior to the completion of the Broadband Spin-Off. Prior to the transaction, Liberty Broadband borrowed funds under margin loans and made a final distribution to Liberty of approximately \$300 million in cash. The Broadband Spin-Off was intended to be tax-free to stockholders of Liberty. In the Broadband Spin-Off, record holders of Series A, Series B and Series C common stock received one share of the corresponding series of Liberty Broadband common stock for each four shares of common stock held by them as of the record date for the Broadband Spin-Off, with cash paid in lieu of fractional shares. The Company's former investments in and results of Charter and Time Warner Cable are no longer included in the results of Liberty from the date of the completion of the Broadband Spin-Off forward. Based on the relative significance of TruePosition to Liberty, the Company concluded that discontinued operations presentation of TruePosition is not necessary.

Overview

We own controlling and non-controlling interests in a broad range of media and entertainment companies. Our most significant operating subsidiary, which is our reportable segment, is SIRIUS XM. SIRIUS XM transmits its music, sports, entertainment, comedy, talk, news, traffic and weather channels, as well as infotainment services, in the United States on a subscription fee basis through its two proprietary satellite radio systems. Subscribers can also receive music and other channels, plus features such as Sirius XM On Demand and MySXM, over SIRIUS XM's Internet radio service, including through applications for mobile devices.

Our "Corporate and Other" category includes our consolidated subsidiary, Braves Holdings, LLC ("Braves Holdings") and corporate expenses. TruePosition, Inc. ("TruePosition") was also included in the "Corporate and Other" category for the periods prior to the Broadband Spin-Off.

In addition to the foregoing businesses, we hold an ownership interest in Live Nation Entertainment, Inc. ("Live Nation"), which we account for as an equity method investment at December 31, 2015. We also maintain minority positions in other public companies such as Time Warner, Inc. and Viacom, Inc., which are accounted for at their respective fair market values and are included in corporate and other.

Strategies and Challenges of Business Units

SIRIUS XM. SIRIUS XM is focused on several initiatives to increase its revenue. SIRIUS XM regularly evaluates its business plans and strategy. Currently, its strategies include:

- The acquisition and pricing of unique or compelling programming;
- Increased penetration in the secondary car market;
- The introduction of new features or services;
- Significant new or enhanced distribution arrangements;
- Investments in infrastructure, such as satellites, terrestrial repeater networks, equipment or radio spectrum; and
- Acquisitions of other businesses, including acquisitions that are not directly related to its satellite radio business.

SIRIUS XM faces certain key challenges in its attempt to meet these goals, including:

- Its ability to convince owners and lessees of new and previously owned vehicles that include satellite radios to purchase subscriptions to its service;
- Potential loss of subscribers due to economic conditions and competition from other entertainment providers;
- Competition for both listeners and advertisers, including providers of radio and other audio services;
- The operational performance of its satellites;
- The effectiveness of integration of acquired businesses and assets into its operations;
- The performance of its manufacturers, programming providers, vendors, and retailers; and
- Unfavorable changes in legislation.

Results of Operations—Consolidated

General. We provide in the tables below information regarding our Consolidated Operating Results and Other Income and Expense, as well as information regarding the contribution to those items from our reportable segments. The "corporate and other" category consists of those assets or businesses which do not qualify as a separate reportable segment. For a more detailed discussion and analysis of the financial results of our principal reportable segment, see "Results of Operations-Businesses" below.

Consolidated Operating Results

	Years ended December 31,		
	2015	2014	2013
	amounts in millions		
Revenue			
SIRIUS XM	\$ 4,552	4,141	3,625
Corporate and other	243	309	377
	<u>\$ 4,795</u>	<u>4,450</u>	<u>4,002</u>
Adjusted OIBDA			
SIRIUS XM	\$ 1,660	1,466	1,289
Corporate and other	(32)	(49)	33
	<u>\$ 1,628</u>	<u>1,417</u>	<u>1,322</u>
Operating Income (Loss)			
SIRIUS XM	\$ 1,073	1,004	878
Corporate and other	(119)	(163)	(64)
	<u>\$ 954</u>	<u>841</u>	<u>814</u>

Revenue. Our consolidated revenue increased \$345 million and \$448 million for the years ended December 31, 2015 and 2014, respectively, as compared to the corresponding prior year periods.

The 2015 increase was primarily driven by revenue growth at SIRIUS XM of \$411 million. The increase in revenue at SIRIUS XM was partially offset by a \$66 million decline in corporate and other revenue. This decrease is primarily due to the deconsolidation of TruePosition during November 2014 in conjunction with the Broadband Spin-Off. Additionally, Braves Holdings revenue declined approximately \$7 million during the year ended December 31, 2015. Braves Holdings event revenue declined approximately \$9 million due to lower game attendance and reduced concession sales, partially offset by an increase in the average ticket price in the current year. The decline in event revenue was partially offset by a small increase in broadcast and other revenue, primarily due to the effects of contractual rate increases for broadcasting rights.

The increase in 2014 was primarily due to revenue growth at SIRIUS XM and a full year of consolidated SIRIUS XM revenue, which was partially offset by reduced revenue at Braves Holdings and TruePosition and no revenue earned during the year ended December 31, 2014 related to a contractual arrangement with CNBC that was held by a subsidiary exchanged in the fourth quarter of 2013 with Comcast. TruePosition revenue decreased \$20 million in 2014 as compared to the prior year primarily due to a decrease in international and domestic hardware and software sales and the timing of the Broadband Spin-Off, offset slightly by revenue from an acquisition during the year. Braves Holdings revenue decreased \$10 million for the year ended December 31, 2014 as compared to the prior year. Braves Holdings recognized revenue from a settlement of historical broadcast rights during the year ended December 31, 2013 which did not recur for the year ended December 31, 2014. See Results of Operations—Businesses below for a more complete discussion of the results of operations of SIRIUS XM.

Adjusted OIBDA. We define Adjusted OIBDA as revenue less operating expenses and selling, general and administrative ("SG&A") expenses (excluding stock compensation). Our chief operating decision maker and management team use this measure of performance in conjunction with other measures to evaluate our businesses and make decisions about allocating resources among our businesses. We believe this is an important indicator of the operational strength and performance of our businesses, including each business's ability to service debt and fund capital expenditures. In addition,

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this measure allows us to view operating results, perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. This measure of performance excludes such costs as depreciation and amortization, stock-based compensation, separately reported litigation settlements and restructuring and impairment charges that are included in the measurement of operating income pursuant to GAAP. Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with GAAP. See note 17 to the accompanying consolidated financial statements for a reconciliation of Adjusted OIBDA to Earnings (loss) from continuing operations before income taxes.

SIRIUS XM recognized approximately \$127 million to Revenue share and royalties within the consolidated statement of operations during the year ended December 31, 2015 related to the SIRIUS XM legal settlement associated with SIRIUS XM's use of certain pre-1972 sound recordings through December 31, 2015. As separately reported in note 16 of the accompanying consolidated financial statements, \$108 million of the settlement amount recognized during the year ended December 31, 2015 has been excluded from Adjusted OIBDA for the corresponding period, as this expense was not incurred as a part of SIRIUS XM's normal operations for the period, and this lump sum amount does not relate to the on-going performance of the business. The \$19 million recognized in the current year subsequent to the settlement during June 2015 is included as a component of Adjusted OIBDA.

Consolidated Adjusted OIBDA increased \$211 million and \$95 million for the years ended December 31, 2015 and 2014, respectively, as compared to the corresponding prior year periods.

The increase in the current year was primarily due to an increase in SIRIUS XM Adjusted OIBDA of \$194 million and an increase in corporate and other Adjusted OIBDA of \$17 million. The increase in corporate and other Adjusted OIBDA was primarily due to a \$9 million improvement of Braves Holdings Adjusted OIBDA, primarily as a result of a decrease in operating costs due to lower player salaries and game operating costs, partially offset by an increase in general and administrative expenses related to personnel increases partially driven by the new stadium construction. Additionally, Adjusted OIBDA was positively impacted during the current period as TruePosition, which had an Adjusted OIBDA loss during the prior period, is no longer a consolidated subsidiary in the current period as a result of the Broadband Spin-Off.

The increase in 2014 was primarily driven by the result of a full year of consolidated results for SIRIUS XM and increased operating efficiencies at SIRIUS XM offset by reduced Adjusted OIBDA results at Braves Holdings, TruePosition and the impacts of a transaction in the fourth quarter of 2013 related to the revenue sharing agreement with CNBC discussed above. The Adjusted OIBDA decrease for Braves Holdings was primarily the result of increased player payroll due to season ending injuries at key positions which required additional players to be added to the roster. Additionally, other players were released from the roster and full recognition of guaranteed portions of their contracts were recognized during the year ended December 31, 2014. See Results of Operations—Businesses below for a more complete discussion of the results of operations of SIRIUS XM.

Stock-based compensation. Stock-based compensation includes compensation related to (1) options and stock appreciation rights ("SARs") for shares of our common stock that are granted to certain of our officers and employees, (2) phantom stock appreciation rights ("PSARs") granted to officers and employees of certain of our subsidiaries pursuant to private equity plans and (3) amortization of restricted stock grants.

We recorded \$204 million, \$217 million and \$193 million of stock compensation expense for the years ended December 31, 2015, 2014 and 2013, respectively.

The decrease in stock compensation expense in the current year is primarily due to a decrease in the Company's corporate and Braves Holdings stock-based compensation expense, partially offset by an increase in SIRIUS XM stock compensation expense.

The increase in stock-based compensation expense during 2014 primarily relates to additional stock-based compensation from SIRIUS XM, partially driven by a full year of compensation

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As of December 31, 2015, the total unrecognized compensation cost related to unvested Liberty equity awards was approximately \$56 million. Such amount will be recognized in our consolidated statements of operations over a weighted average period of approximately 2.5 years. As of December 31, 2015, the total unrecognized compensation cost related to unvested SIRIUS XM stock options was \$262 million. The SIRIUS XM unrecognized compensation cost will be recognized in the Company's consolidated statements of operations over a weighted average period of approximately 3.0 years.

Operating income. Our consolidated operating income increased \$113 million and \$27 million for the years ended December 31, 2015 and 2014, respectively, as compared to the corresponding prior year periods. The increase during the current year was primarily driven by improved operating results at SIRIUS XM, partially offset by a decrease related to the SIRIUS XM legal settlement during the period. Additionally, operating income was positively impacted during the current year, as the results from TruePosition are not included as a result of the Broadband Spin-Off. The increase in 2014 is primarily the result of increased operating results at SIRIUS XM, offset by increased stock compensation expense and the other subsidiary activity discussed above in the Adjusted OIBDA section.

Other Income and Expense

Components of Other Income (Expense) are presented in the table below.

	Years ended December 31,		
	2015	2014	2013
	amounts in millions		
Other income (expense):			
Interest expense	\$ (328)	(255)	(132)
Dividend and interest income	17	27	48
Share of earnings (losses) of affiliates	(40)	(113)	(32)
Realized and unrealized gains (losses) on financial instruments, net	(140)	38	295
Gains (losses) on transactions, net	(4)	—	7,978
Other, net	(1)	(77)	(115)
	<u>\$ (496)</u>	<u>(380)</u>	<u>8,042</u>

Interest expense. Interest expense increased \$73 million and \$123 million for the years ended December 31, 2015 and 2014 as compared to the corresponding prior year periods, respectively. The increase in the current year was primarily due to an increase in the average amount of SIRIUS XM and other subsidiary debt outstanding during the current year. The overall increase in interest expense in 2014 was primarily due to an overall increase in the average debt balance outstanding during the period and a reduction in premium amortization as a result of debt refinancing by SIRIUS XM in the prior period.

Dividend and interest income. Consolidated dividend and interest income decreased \$10 million and \$21 million for the years ended December 31, 2015 and 2014 as compared to the prior year periods, respectively. The decrease in the current year was primarily driven by the exclusion of dividend and interest income on Time Warner Cable shares, which were included in the Broadband Spin-Off, as well as sales of Barnes & Noble, Inc. and Viacom, Inc. shares during the current year. The decrease in 2014 was primarily due to a decrease in interest earned from our investment in Barnes & Noble, Inc. due to the sale of the majority of our interest in the second quarter of 2014.

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

	Years ended December 31,		
	2015	2014	2013
	amounts in millions		
Charter	\$ NA	(94)	(83)
SIRIUS XM	NA	NA	8
Live Nation	(27)	(30)	(18)
SIRIUS XM Canada	(1)	5	7
Other	(12)	6	54
	<u>\$ (40)</u>	<u>(113)</u>	<u>(32)</u>

In May 2013, we acquired approximately 26.9 million shares of common stock and approximately 1.1 million warrants in Charter for approximately \$2.6 billion, which represented an approximate 27% beneficial ownership in Charter at the time of purchase. During May 2014, Liberty purchased approximately 897,000 additional shares of Charter common stock for \$124 million resulting in an economic ownership of 26% of Charter. Our share of Charter losses increased during 2014 primarily as a result of our increased ownership in Charter during 2014 which resulted in an increase to our excess basis amortization. Additionally, Charter's results declined slightly during 2014, primarily due to higher operating costs and interest expense on outstanding debt, partially offset by an increase in revenue. As discussed above, on November 4, 2014, Liberty completed the spin-off to its stockholders of common stock of a newly formed company called Liberty Broadband, which was comprised of, among other things, Liberty's interest in Charter. Upon completion of the Broadband Spin-Off, the Company's former investment in and results of Charter are no longer included in the results of Liberty. Our share of losses related to Charter included \$60 million and \$51 million of losses due to the amortization of the excess basis of our investment for the years ended December 31, 2014 and 2013, respectively.

We acquired a controlling interest in SIRIUS XM on January 18, 2013 resulting in share of earnings for only the first seventeen days of January 2013 for the period that we held an equity method investment in SIRIUS XM.

During the year ended December 31, 2015, we acquired 15.9 million shares of Live Nation common stock through the settlement of certain financial instruments for approximately \$396 million, a portion of which was funded during 2014. During the year ended December 31, 2014, we acquired an additional 1.7 million shares of Live Nation common stock for approximately \$39 million. During the year ended December 31, 2013, we acquired an additional 1.7 million shares of Live Nation common stock for approximately \$19 million. The decrease in our share of Live Nation's losses during the current year was primarily due to the absence of an impairment in 2015, partially offset by an increase in foreign exchange rate losses and income tax expense related to foreign entities during 2015. Additionally, as a result of our increased ownership, we picked up a greater portion of Live Nation's net loss during 2015. Live Nation's share of losses increased during the year ended December 31, 2014 primarily due to an impairment taken at Live Nation in the fourth quarter of approximately \$135 million (Liberty's portion of this loss was approximately \$36 million). Exclusive of the impairment, the core businesses were slightly improved year over year.

Realized and unrealized gains (losses) on financial instruments. Realized and unrealized gains (losses) on financial instruments are comprised of changes in the fair value of the following:

	Years ended December 31,		
	2015	2014	2013
	amounts in millions		
Fair Value Option Securities	\$ (151)	80	306
Cash convertible notes	(5)	12	(17)
Change in fair value of bond hedges	23	(89)	(1)
Other derivatives	(7)	35	7
	<u>\$ (140)</u>	<u>38</u>	<u>295</u>

The loss and decrease in gains on Fair Value Option Securities during 2015 and 2014, respectively, is primarily due to a general decrease in market valuation adjustments for Liberty's public portfolio during the respective periods.

Liberty issued \$1 billion of cash convertible notes in October 2013 which are accounted for at fair value, as elected by Liberty at the time of issuance of the notes. At the same time, Liberty entered into a bond hedge transaction on the same amount of underlying shares. These derivatives are marked to fair value on a recurring basis. The primary driver of the change in the current period is the change in the fair value of the underlying stock.

The unrealized loss on other derivatives during 2015 is primarily due to losses on the forward contract on Live Nation shares (see notes in the accompanying consolidated financial statements). The unrealized gains on other derivatives during 2014 and 2013 were primarily due to fluctuations in the fair value of Charter warrants. As previously discussed, Liberty obtained Charter warrants in the second quarter of 2013. These warrants were marked to fair value based on the trading price of Charter and other observable market data. The change in fair value is included in other derivatives in the table above and primarily driven by the change in the trading price of the Charter common stock. As discussed above, on November 4, 2014, Liberty completed the spin-off to its stockholders of common stock of a newly formed company called Liberty Broadband, which was comprised of, among other things, Liberty's interest in Charter. The Company's former investment in and results of Charter, including the Charter warrants, are no longer included in the results of Liberty from the date of the completion of the Broadband Spin-Off forward.

Gains (losses) on transactions, net. During January 2013, we acquired a controlling interest in SIRIUS XM which resulted in the application of purchase accounting and the consolidation of SIRIUS XM in the first quarter of 2013. Liberty recorded a gain of approximately \$7.5 billion associated with application of purchase accounting based on the difference between fair value and the carrying value of the ownership interest Liberty had in SIRIUS XM prior to the acquisition of the controlling interest.

Other, net. The losses in 2014 and 2013 were primarily due to stock issuances at Charter (primarily from warrant and stock option exercises) at a price below Liberty's book basis per share. Additionally, in 2013, losses on the early extinguishment of SIRIUS XM debt during the period contributed to the total losses recognized in the other, net line item.

Income taxes. Our effective tax rate for the years ended December 31, 2015, 2014 and 2013 were expenses of 46%, 14% and a benefit of 2%, respectively. Our effective tax rate for all three years was impacted for the following reasons:

- During 2015, our effective tax rate was higher than the federal tax rate of 35% due to the effect of a tax law change in the District of Columbia ("D.C.") during the first quarter of 2015 which reduces the future allocation of SIRIUS XM's taxable income in D.C. As a result, SIRIUS XM expects it will utilize less of its D.C. net operating losses in the future, resulting in an increase in the valuation allowance offsetting the deferred tax asset for these net operating losses.
- During 2014, our effective tax rate was lower than the federal tax rate of 35% primarily due to the liquidation of a partnership investment and the related reduction in the tax basis of the partnership's assets, which was not recognized for financial statement purposes, partially offset by the net taxable impact of SIRIUS XM shares repurchased from Liberty by SIRIUS XM during the year.
- During 2013, our effective tax rate was lower than the federal tax rate of 35% primarily due to the recognition of a \$7.5 billion gain on the consolidation of SIRIUS XM on January 18, 2013, which was not subject to tax, and the gain recognized on a non-taxable exchange of one of our consolidated subsidiaries on October 4, 2013, in exchange for Liberty shares.

Net earnings. We had net earnings of \$248 million, \$395 million and \$8,991 million for the years ended December 31, 2015, 2014 and 2013, respectively. The change in net earnings was the result of the above-described fluctuations in our revenue, expenses and other gains and losses.

Liquidity and Capital Resources

As of December 31, 2015, substantially all of our cash and cash equivalents are invested in U.S. Treasury securities, other government securities or government guaranteed funds, AAA rated money market funds and other highly rated financial and corporate debt instruments.

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The following are potential sources of liquidity: available cash balances, cash generated by the operating activities of our privately-owned subsidiaries (to the extent such cash exceeds the working capital needs of the subsidiaries and is not otherwise restricted), proceeds from net asset sales, monetization of our public investment portfolio, debt and equity issuances, available borrowing capacity under margin loans, and dividend and interest receipts.

Liberty currently does not have a debt rating subsequent to the Split-Off and the Starz Spin-Off.

As of December 31, 2015, Liberty's liquidity position consisted of the following:

	Cash and Cash Equivalents	Unencumbered Fair Value Option AFS Securities
	amounts in millions	
Corporate and other	\$ 89	420
SIRIUS XM	\$ 112	—

To the extent the Company recognizes any taxable gains from the sale of assets we may incur tax expense and be required to make tax payments, thereby reducing any cash proceeds. Additionally, the Company has a controlling interest in SIRIUS XM which has significant cash flows provided by operating activities, although due to SIRIUS XM being a separate public company and the significant noncontrolling interest, we do not have ready access to its cash.

The cash provided (used) by our continuing operations for the prior three years is as follows:

	Years ended December 31,		
	2015	2014	2013
	amounts in millions		
Cash Flow Information			
SIRIUS XM cash provided (used) by operating activities	\$ 1,244	1,253	1,103
Liberty cash provided (used) by operating activities	(31)	(128)	133
Net cash provided (used) by operating activities	\$ 1,213	1,125	1,236
SIRIUS XM cash provided (used) by investing activities	\$ (139)	(96)	(701)
Liberty cash provided (used) by investing activities	(147)	(315)	(2,063)
Net cash provided (used) by investing activities	\$ (286)	(411)	(2,764)
SIRIUS XM cash provided (used) by financing activities	\$ (1,141)	(1,144)	(788)
Liberty cash provided (used) by financing activities	(266)	23	1,601
Net cash provided (used) by financing activities	\$ (1,407)	(1,121)	813

Liberty's primary uses of cash during the year ended December 31, 2015 (excluding SIRIUS XM's uses of cash) were the repurchase of approximately \$350 million of shares of Liberty Series A and Series C common stock and \$322 million for the acquisition of 15.9 million shares of Live Nation common stock through the settlement of financial instruments which were funded through the use of cash on hand (including amounts from the Broadband Spin-Off) and proceeds from the sale of shares of Viacom, Inc. and other investments during the period. SIRIUS XM's primary uses of cash were the repurchase of outstanding SIRIUS XM common stock and the repayment of their outstanding credit facility. The SIRIUS XM uses of cash were funded by cash provided by operating activities, the issuance of additional senior notes, borrowings under SIRIUS XM's credit facility and cash on hand.

The projected uses of Liberty cash (excluding SIRIUS XM's uses of cash) are primarily the investment in new or existing businesses, debt service, including further repayment of the margin loans, capital expenditures (including the new Braves Holdings baseball facility, as discussed below) and the potential buyback of common stock under the approved share buyback program. Liberty expects to fund its projected uses of cash with cash on hand, cash from operations and borrowing capacity under margin loans and outstanding credit facilities. We may be required to make net payments of income tax liabilities to settle items under discussion with tax authorities. SIRIUS XM's uses of cash are expected to be the payment of debt service costs on outstanding debt, capital expenditures, the repurchases of its common stock in accordance with its approved share buyback program and strategic opportunities. Liberty expects SIRIUS XM to fund its projected uses of cash with cash on hand, cash provided by operations and borrowings under the existing credit facility.

In 2014, Braves Holdings, through a wholly-owned subsidiary, purchased 82 acres of land for the purpose of constructing a Major League Baseball facility and developing a mixed-use complex adjacent to the facility. The new facility is expected to cost approximately \$672 million. Funding for the ballpark will be shared among Braves Holdings, Cobb County, the Cumberland Improvement District (the "CID") and Cobb-Marietta Coliseum and Exhibit Hall Authority (the "Authority"). The Authority, the CID and Cobb County are responsible for funding \$392 million of ballpark related construction, and Braves Holdings will be responsible for remainder of cost, including cost overruns. Braves Holdings agreed to advance funds to cover project related costs to maintain a 2017 opening date. The Authority issued \$368 million in bonds that closed and funded in the second half of 2015, at which time Braves Holdings received reimbursement of the advances that had been made through that date. At the completion of construction, Braves Holdings will have exclusive operating rights to the facility via a Stadium Operating Agreement with the Authority and Cobb County.

We believe that the available sources of liquidity are sufficient to cover our projected future uses of cash.

Off-Balance Sheet Arrangements and Aggregate Contractual Obligations

SIRIUS XM has entered into various programming agreements. Under the terms of these agreements, SIRIUS XM's obligations include fixed payments, advertising commitments and revenue sharing arrangements. SIRIUS XM's future revenue sharing costs are dependent upon many factors and are difficult to estimate; therefore, they are not included in the schedule of contractual obligations below.

The Atlanta Braves have entered into long-term employment contracts with certain of their players and coaches whereby such individuals' compensation is guaranteed. Amounts due under guaranteed contracts as of December 31, 2015 aggregated \$273 million. See the table below for more detail. In addition to the foregoing amounts, certain players and coaches may earn incentive compensation under the terms of their employment contracts.

Information concerning the amount and timing of required payments, both accrued and off-balance sheet, under our contractual obligations, excluding uncertain tax positions as it is indeterminable when payments will be made, is summarized below.

	Payments due by period				
	Total	Less than 1 year	2 - 3 years	4 - 5 years	After 5 years
amounts in millions					
<i>Consolidated contractual obligations</i>					
Long-term debt (1)	\$ 6,938	256	51	1,599	5,032
Interest payments (2)	2,335	326	626	605	778
Programming fees (3)	1,327	247	430	351	299
Operating lease obligations	583	48	99	85	351
Employment agreements	273	77	103	71	22
Other obligations (4)	1,175	777	307	42	49
Total consolidated	<u>\$ 12,631</u>	<u>1,731</u>	<u>1,616</u>	<u>2,753</u>	<u>6,531</u>

- (1) Amounts are stated at the face amount at maturity of our debt instruments and may differ from the amounts stated in our consolidated balance sheet to the extent debt instruments (i) were issued at a discount or premium or (ii) have elements which are reported at fair value in our consolidated balance sheet. Amounts include capital lease obligations. Amounts do not assume additional borrowings or refinancings of existing debt.
- (2) Amounts (i) are based on our outstanding debt at December 31, 2015, (ii) assume the interest rates on our variable rate debt remain constant at the December 31, 2015 rates and (iii) assume that our existing debt is repaid at maturity.
- (3) SIRIUS XM has entered into various programming agreements under which SIRIUS XM's obligations include fixed payments, advertising commitments and revenue sharing arrangements. Future revenue sharing costs are dependent upon many factors and are difficult to estimate; therefore, they are not included in the table above.

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- (4) Includes amounts due related to the new Braves Holdings baseball stadium and SIRIUS XM satellite and transmission, marketing and distribution, satellite incentive payments, and other contractual commitments. SIRIUS XM satellite and transmission commitments are attributable to agreements with third parties to operate and maintain the off-site satellite telemetry, tracking and control facilities and certain components of its terrestrial repeater networks. SIRIUS XM marketing and distribution commitments primarily relate to payments to sponsors, retailers, automakers and radio manufacturers pursuant to marketing, sponsorship and distribution agreements to promote the SIRIUS XM brand. Boeing Satellite Systems International, Inc. and Space Systems/Loral, the manufacturers of SIRIUS XM's in-orbit satellites, may be entitled to future in-orbit satellite incentive performance payments based on the expected operating performance of the satellites meeting their fifteen-year design life. Boeing may also be entitled to an additional \$10 million if the XM-4 satellite continues to operate above baseline specifications during the five years beyond the satellite's fifteen-year design life. Additionally, SIRIUS XM has entered into various agreements with third parties for general operating purposes.

Critical Accounting Estimates

The preparation of our financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Listed below are the accounting estimates that we believe are critical to our financial statements due to the degree of uncertainty regarding the estimates or assumptions involved and the magnitude of the asset, liability, revenue or expense being reported. All of these accounting estimates and assumptions, as well as the resulting impact to our financial statements, have been discussed with our audit committee.

Non-Financial Instruments. Our non-financial instrument valuations are primarily comprised of our determination of the estimated fair value allocation of net tangible and identifiable intangible assets acquired in business combinations, our annual assessment of the recoverability of our goodwill and other nonamortizable intangibles, such as trademarks, and our evaluation of the recoverability of our other long-lived assets upon certain triggering events. If the carrying value of our long-lived assets exceeds their estimated fair value, we are required to write the carrying value down to fair value. Any such writedown is included in impairment of long-lived assets in our consolidated statement of operations. A high degree of judgment is required to estimate the fair value of our long-lived assets. We may use quoted market prices, prices for similar assets, present value techniques and other valuation techniques to prepare these estimates. We may need to make estimates of future cash flows and discount rates as well as other assumptions in order to implement these valuation techniques. Due to the high degree of judgment involved in our estimation techniques, any value ultimately derived from our long-lived assets may differ from our estimate of fair value. As each of our operating segments has long-lived assets, this critical accounting policy affects the financial position and results of operations of each segment.

As of December 31, 2015, the intangible assets not subject to amortization for each of our significant reporting units were as follows (amounts in millions):

	Goodwill	FCC Licenses	Other	Total
SIRIUS XM	\$ 14,165	8,600	930	23,695
Other	180	—	143	323
Consolidated	\$ 14,345	8,600	1,073	24,018

We perform our annual assessment of the recoverability of our goodwill and other nonamortizable intangible assets in the fourth quarter each year. The Company utilizes a qualitative assessment for determining whether step one of the goodwill impairment analysis is necessary. The accounting guidance permits entities to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. In evaluating goodwill on a qualitative basis, the Company reviews the business performance of each reporting unit and evaluates other relevant factors as identified in the relevant accounting guidance to determine whether it is more likely than not that an indicated impairment exists for any of our reporting units. The Company considers whether there are any negative macroeconomic conditions, industry specific conditions, market changes, increased competition, increased costs in doing business, management challenges, the legal environments and how these factors might impact company specific performance in

future periods. As part of the analysis, the Company also considers fair value determinations for certain reporting units that have been made at various points throughout the current and prior year for other purposes.

Carrying Value of Investments. We periodically evaluate our investments to determine if decreases in fair value below our cost bases are other than temporary. If a decline in fair value is determined to be other than temporary, we are required to reflect such decline in our consolidated statement of operations. Other than temporary declines in fair value of our cost investments are recognized on a separate line in our consolidated statement of operations, and other than temporary declines in fair value of our equity method investments are included in share of earnings (losses) of affiliates in our consolidated statement of operations.

The primary factors we consider in our determination of whether declines in fair value are other than temporary are the length of time that the fair value of the investment is below our carrying value; the severity of the decline; and the financial condition, operating performance and near term prospects of the investee. In addition, we consider the reason for the decline in fair value, be it general market conditions, industry specific or investee specific; analysts' ratings and estimates of 12 month share price targets for the investee; changes in stock price or valuation subsequent to the balance sheet date; and our intent and ability to hold the investment for a period of time sufficient to allow for a recovery in fair value. Fair value of our publicly traded cost and equity investments is based on the market prices of the investments at the balance sheet date. We estimate the fair value of our non-public cost and equity investments using a variety of methodologies, including cash flow multiples, discounted cash flow, per subscriber values, or values of comparable public or private businesses. Impairments are calculated as the difference between our carrying value and our estimate of fair value. As our assessment of the fair value of our investments and any resulting impairment losses and the timing of when to recognize such charges requires a high degree of judgment and includes significant estimates and assumptions, actual results could differ materially from our estimates and assumptions.

Our evaluation of the fair value of our investments and any resulting impairment charges are made as of the most recent balance sheet date. Changes in fair value subsequent to the balance sheet date due to the factors described above are possible. Subsequent decreases in fair value will be recognized in our consolidated statement of operations in the period in which they occur to the extent such decreases are deemed to be other than temporary. Subsequent increases in fair value will be recognized in our consolidated statement of operations only upon our ultimate disposition of the investment.

Useful Life of Broadcast/Transmission System. SIRIUS XM's satellite system includes the costs of satellite construction, launch vehicles, launch insurance, capitalized interest, spare satellites, terrestrial repeater network and satellite uplink facilities. SIRIUS XM monitors its satellites for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset is not recoverable.

SIRIUS XM operates five in-orbit Sirius satellites, FM-1, FM-2, FM-3, FM-5 and FM-6. The FM-1, FM-2 and FM-3 satellites were launched in 2000 and reached the end of their depreciable lives in 2013 and 2015, but are still in operation. SIRIUS XM estimates that its FM-5 satellite, launched in 2009, will operate effectively through the end of its depreciable life in 2024. SIRIUS XM's FM-6 satellite that was launched in 2013 is currently used as an in-orbit spare that is planned to start full-time operation in 2016 and is expected to operate effectively through the end of its depreciable life in 2028.

SIRIUS XM operates three in-orbit XM satellites, XM-3, XM-4 and XM-5. SIRIUS XM estimates that its XM-3 and XM-4 satellites launched in 2005 and 2006, respectively, will reach the end of their depreciable lives in 2020 and 2021, respectively. The XM-5 satellite that was launched in 2010, is used as an in-orbit spare and is expected to reach the end of its depreciable life in 2025.

SIRIUS XM's satellites have been designed to last fifteen-years. SIRIUS XM's in-orbit satellites may experience component failures which could adversely affect their useful life. SIRIUS XM monitors the operating condition of its in-orbit satellites. If events or circumstances indicate that the depreciable lives of its in-orbit satellites have changed, the depreciable life will be modified accordingly. If SIRIUS XM were to revise its estimates, depreciation expense would change. For example, a 10% decrease in the expected depreciable lives of satellites and spacecraft control facilities during 2015 would have resulted in approximately \$28 million of additional depreciation expense.

Income Taxes. We are required to estimate the amount of tax payable or refundable for the current year and the deferred income tax liabilities and assets for the future tax consequences of events that have been reflected in our financial statements or tax returns for each taxing jurisdiction in which we operate. This process requires our management to make judgments regarding the timing and probability of the ultimate tax impact of the various agreements and transactions that we enter into. Based on these judgments we may record tax reserves or adjustments to valuation allowances on deferred tax assets to reflect the expected realizability of future tax benefits. Actual income taxes could vary from these estimates due to future changes in income tax law, significant changes in the jurisdictions in which we operate, our inability to generate sufficient future taxable income or unpredicted results from the final determination of each year's liability by taxing authorities. These changes could have a significant impact on our financial position.

Results of Operations - Businesses

Sirius XM Holdings Inc. SIRIUS XM transmits its music, sports, entertainment, comedy, talk, news, traffic and weather channels, as well as infotainment services, in the United States on a subscription fee basis through its two proprietary satellite radio systems. Subscribers can also receive music and other channels, plus features such as Sirius XM On Demand and MySXM, over SIRIUS XM's Internet radio service, including through applications for mobile devices. SIRIUS XM also provides connected vehicle services which are designed to enhance the safety, security and driving experience for vehicle operators while providing marketing and operational benefits to automakers and their dealers. Subscribers to SIRIUS XM's connected vehicle services are not included in SIRIUS XM's subscriber count or subscriber-based operating metrics.

SIRIUS XM has agreements with every major automaker ("OEMs") to offer satellite radios in their vehicles from which it acquires the majority of its subscribers. SIRIUS XM also acquires subscribers through marketing to owners and lessees of previously owned vehicles that include factory-installed satellite radios that are not currently subscribing to SIRIUS XM's services. Additionally, SIRIUS XM distributes its radios through retail locations nationwide and through its website. Satellite radio services are also offered to customers of certain daily rental car companies. SIRIUS XM's primary source of revenue is subscription fees, with most of its customers subscribing on an annual, semi-annual, quarterly or monthly basis. SIRIUS XM offers discounts for prepaid, longer term subscription plans, as well as multiple subscription discounts. SIRIUS XM also derives revenue from activation and other fees, the sale of advertising on select non-music channels, the direct sale of satellite radios, accessories, and other ancillary services, such as weather, data and traffic services. SIRIUS XM is a separate publicly traded company and additional information about SIRIUS XM can be obtained through its website and its public filings.

As of December 31, 2015, SIRIUS XM had approximately 29.6 million subscribers of which 24.3 million were self-pay subscribers and 5.3 million were paid promotional subscribers. These subscriber totals include subscribers under regular pricing plans; discounted pricing plans; subscribers that have prepaid, including payments either made or due from automakers for subscriptions included in the sale or lease price of a vehicle; subscribers to SIRIUS XM Internet services who do not also have satellite radio subscriptions; and certain subscribers to SIRIUS XM's other ancillary services.

We acquired a controlling interest in SIRIUS XM on January 18, 2013 and applied purchase accounting and consolidated the results of SIRIUS XM from that date. See additional discussion about the application of purchase accounting in note 3 to the accompanying consolidated financial statements. Previous to the acquisition of our controlling interest we maintained an investment in SIRIUS XM accounted for using the equity method. For comparison purposes we are presenting the stand alone results of SIRIUS XM prior to any purchase accounting adjustments in the current year for a discussion of the operations of SIRIUS XM. For the years ended December 31, 2015, 2014 and 2013, see the reconciliation of the results reported by SIRIUS XM to the results reported by Liberty included below. Additionally, as of December 31, 2015, there is an approximate 39% noncontrolling interest in SIRIUS XM, and the net earnings of SIRIUS XM attributable to such noncontrolling interest is eliminated through the noncontrolling interest line item in the consolidated statement of operations.

SIRIUS XM's stand alone operating results were as follows:

	Years ended December 31,		
	2015	2014	2013
	amounts in millions		
Subscriber revenue	\$ 3,825	3,554	3,285
Other revenue	745	627	514
Total revenue	4,570	4,181	3,799
Operating expenses (excluding stock-based compensation included below):			
Cost of subscriber services			
Revenue share and royalties (excluding legal settlement)	(927)	(810)	(678)
Programming and content	(284)	(288)	(281)
Customer service and billing	(375)	(368)	(319)
Other	(132)	(126)	(102)
Subscriber acquisition costs	(533)	(493)	(496)
Other operating expenses	(55)	(54)	(51)
Selling, general and administrative expenses	(621)	(578)	(505)
Adjusted OIBDA	1,643	1,464	1,367
Legal settlement	(108)	—	—
Stock-based compensation	(84)	(78)	(69)
Depreciation and amortization	(272)	(266)	(253)
Operating income	\$ 1,179	1,120	1,045

Subscriber revenue includes subscription, activation and other fees. Subscriber revenue increased 8% for each of the years ended December 31, 2015 and 2014 as compared to the corresponding prior year periods. The current year increase was primarily attributable to an increase in the daily weighted average number of subscribers and increases in certain of SIRIUS XM's self-pay subscription rates, partially offset by subscription discounts and limited channel plans offered through customer acquisition and retention programs. The prior year increase was primarily attributable to a 6% increase in the daily weighted average number of subscribers, the inclusion of a full year of subscription revenue generated by SIRIUS XM's connected vehicle business and the increase in certain subscription rates beginning in January 2014. These increases were partially offset by subscription discounts and limited channel plans offered through customer acquisition and retention programs, a change in an agreement with an automaker and a rental car company and an increasing number of lifetime subscription plans that have reached full revenue recognition.

Other revenue includes advertising revenue, equipment revenue, royalty revenue and other ancillary revenue. For the years ended December 31, 2015 and 2014, other revenue increased 19% and 22%, respectively, as compared to the corresponding prior year periods. The most significant change in other revenue during the current year was an increase in revenue from the U.S. Music Royalty Fee due to an increase in the rate along with an increase in number of subscribers. Furthermore, advertising revenue increased due to a greater number of advertising spots sold and broadcast along with increased rates charged per spot. Additionally, revenue generated from SIRIUS XM Canada and SIRIUS XM's connected vehicle business increased during the current period. Equipment revenue increased due to royalties from higher OEM production and sales to distributors, partially offset by lower direct to consumer sales. The most significant change in other revenue during the prior year was the result of an increase in the rate charged to SIRIUS XM and passed through to subscribers for the U.S. Music Royalty Fee, compounded by an increase in the number of subscribers.

Cost of subscriber services includes revenue share and royalties, programming and content costs, customer service and billing expenses and other ancillary costs associated with providing the satellite radio service.

Revenue Share and Royalties includes distribution and content provider revenue share, royalties for transmitting content and web streaming, and advertising revenue share. Revenue share and royalties increased 14% and 19% during 2015 and 2014, respectively, as compared to the prior year periods. The current year increase was primarily due to greater revenue subject to royalty and revenue sharing agreements and an increase in the statutory royalty rate for the performance of sound recordings.

Additionally, during 2015, SIRIUS XM began recognizing pre-1972 sound recording royalty expenses in connection with the Capitol Records lawsuit settlement. Revenue share and royalties expense in the table above includes \$19 million attributable to the recognition of pre-1972 sound recording royalty expenses during 2015. The increase in the prior year was primarily attributable to greater revenue subject to royalty and/or revenue sharing arrangements, and an increase in the statutory royalty rate for the performance of sound recordings.

- *Programming and Content* includes costs to acquire, create, promote and produce content. Programming and content costs decreased 1% and increased 2% during 2015 and 2014, respectively, as compared to the corresponding prior years. The current year decrease was primarily due to the termination of certain agreements, partially offset by the addition of new programming arrangements and personnel-related costs. The prior year increase was primarily due to higher personnel costs and the early termination of certain programming agreements, partially offset by the renewal of certain licensing agreements at more cost effective terms.
- *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, transaction fees and bad debt expense. Customer service and billing expense increased 2% and 15% during 2015 and 2014, respectively, as compared to the corresponding prior years. The current year increase was primarily due to a higher subscriber base driving increased transaction fees, bad debt expense and personnel related costs, partially offset by efficiencies achieved from management's strategic initiatives implemented at SIRIUS XM's call centers operated by its vendors. The prior year increase was primarily due to the inclusion of a full year of costs associated with SIRIUS XM's connected vehicle services business, higher subscriber volume driving increased subscriber contacts and increased bad debt expense.
- *Other* includes costs associated with the operation and maintenance of SIRIUS XM's terrestrial repeater networks; satellites; satellite telemetry, tracking and control systems; satellite uplink facilities; studios; and delivery of SIRIUS XM's Internet streaming service as well as costs from the sale of satellite radios, components and accessories and provisions for inventory allowance attributable to products purchased for resale in SIRIUS XM's direct to consumer distribution channels. Other costs of subscriber services increased 5% and 24% during 2015 and 2014, respectively, as compared to the corresponding prior years. The current year increase was primarily due to the loss on disposal of certain obsolete terrestrial repeaters and related parts, higher costs associated with SIRIUS XM's Internet streaming operations and higher sales to distributors, partially offset by lower satellite insurance costs and lower direct to consumer sales. The prior year increase was primarily due to increased personnel costs, costs associated with SIRIUS XM's Internet streaming operations, satellite insurance expense and terrestrial repeater network costs as well as costs associated with higher sales to distributors, partially offset by lower costs per unit on direct to consumer sales.

Subscriber acquisition costs include hardware subsidies paid to radio manufacturers, distributors and automakers; subsidies paid for chip sets and certain other components used in manufacturing radios; device royalties for certain radios and chip sets; commissions paid to automakers and retailers; product warranty obligations; freight; and provisions for inventory allowances attributable to inventory consumed in OEM and retail distribution channels. The majority of subscriber acquisition costs are incurred and expensed in advance of, or concurrent with, acquiring a subscriber. For the years ended December 31, 2015 and 2014 subscriber acquisition costs increased 8% and decreased less than 1%, respectively, as compared to the corresponding periods in the prior year. Increased costs in the current year related to a larger number of satellite radio installations in new vehicles, partially offset by improved OEM and chipset subsidy rates per vehicle. The decrease in the prior year was primarily due to improved OEM subsidy rates per vehicle and a change in a contract with an automaker which decreased subscriber acquisition costs. The decrease was partially offset by increased subsidy costs related to a larger number of satellite radio installations in new vehicles.

Other operating expense includes engineering, design and development costs. For the years ended December 31, 2015 and 2014, other operating expense increased 2% and 6%, respectively. The increase in the current year was primarily driven by additional costs associated with streaming development, partially offset by lower personnel costs. The increase

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in the prior year was driven primarily by the inclusion of a full year of costs associated with SIRIUS XM's connected vehicle services business and higher personnel costs.

Selling, general and administrative expense includes costs of advertising, media and production, including promotional events and sponsorship, finance, legal, human resources and information technology. For the years ended December 31, 2015 and 2014, selling, general and administrative expense increased 7% and 14%, respectively, as compared to the corresponding prior year periods. The increase in the current year is primarily due to additional subscriber communications and retention programs associated with a greater number of subscribers and promotional trials, higher personnel costs and reserves for consumer legal settlements and facilities costs, partially offset by insurance recoveries, lower litigation costs as well as lower legal fees and costs due to certain non-recurring transactions during the same period in the prior year. The prior year increase was primarily due to additional subscriber communications and retention programs associated with a greater number of subscribers and promotional trials and higher information technology costs.

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The following tables reconcile the results reported by SIRIUS XM, used for comparison purposes above to understand their operations, to the results reported by Liberty for the years ended December 31, 2015, 2014 and 2013:

	Year ended December 31, 2015		
	As reported by SIRIUS XM	Purchase Accounting Adjustments	As reported by Liberty
Subscriber revenue	\$ 3,825	(18)	3,807
Other revenue	745	—	745
Total revenue	4,570	(18)	4,552
Operating expenses (excluding stock-based compensation included below):			
Cost of subscriber services	(1,718)	35	(1,683)
Subscriber acquisition costs	(533)	—	(533)
Other operating expenses	(55)	—	(55)
Selling, general and administrative expenses	(621)	—	(621)
Adjusted OIBDA	1,643	17	1,660
Legal settlement	(108)	—	(108)
Stock-based compensation	(84)	(73)	(157)
Depreciation and amortization	(272)	(50)	(322)
Operating income	\$ 1,179	(106)	1,073

	Year ended December 31, 2014		
	As reported by SIRIUS XM	Purchase Accounting Adjustments	As reported by Liberty
Subscriber revenue	\$ 3,554	(40)	3,514
Other revenue	627	—	627
Total revenue	4,181	(40)	4,141
Operating expenses (excluding stock-based compensation included below):			
Cost of subscriber services	(1,592)	42	(1,550)
Subscriber acquisition costs	(493)	—	(493)
Other operating expenses	(54)	—	(54)
Selling, general and administrative expenses	(578)	—	(578)
Adjusted OIBDA	1,464	2	1,466
Stock-based compensation	(78)	(70)	(148)
Depreciation and amortization	(266)	(48)	(314)
Operating income	\$ 1,120	(116)	1,004

	Year ended December 31, 2013			
	As reported by SIRIUS XM	Purchase Accounting Adjustments	Elimination for Equity Method Accounting (17 days)	As reported by Liberty
Subscriber revenue	\$ 3,285	(8)	(146)	3,131
Other revenue	514	—	(20)	494
Total revenue	3,799	(8)	(166)	3,625
Operating expenses (excluding stock-based compensation included below):				
Cost of subscriber services	(1,380)	12	60	(1,308)
Subscriber acquisition costs	(496)	(15)	20	(491)
Other operating expenses	(51)	—	3	(48)
Selling, general and administrative expenses	(505)	(6)	22	(489)
Adjusted OIBDA	1,367	(17)	(61)	1,289
Stock-based compensation	(69)	(67)	3	(133)
Depreciation and amortization	(253)	(37)	12	(278)
Operating income	\$ 1,045	(121)	(46)	878

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

We are exposed to market risk in the normal course of business due to our ongoing investing and financial activities and the conduct of operations. Market risk refers to the risk of loss arising from adverse changes in stock prices and interest rates. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. We have established policies, procedures and internal processes governing our management of market risks and the use of financial instruments to manage our exposure to such risks.

We are exposed to changes in interest rates primarily as a result of our borrowing and investment activities, which include investments in fixed and floating rate debt instruments and borrowings used to maintain liquidity and to fund business operations. The nature and amount of our long-term and short-term debt are expected to vary as a result of future requirements, market conditions and other factors. We manage our exposure to interest rates by maintaining what we believe is an appropriate mix of fixed and variable rate debt. We believe this best protects us from interest rate risk. We have achieved this mix by (i) issuing fixed rate debt that we believe has a low stated interest rate and significant term to maturity, (ii) issuing variable rate debt with appropriate maturities and interest rates and (iii) entering into interest rate swap arrangements when we deem appropriate.

As of December 31, 2015, our debt is comprised of the following amounts:

	Variable rate debt		Fixed rate debt	
	Principal amount	Weighted avg interest rate	Principal amount	Weighted avg interest rate
dollar amounts in millions				
SIRIUS XM	\$ 340	2.4%	\$ 5,163	5.5%
Corporate and Other	\$ 397	2.3%	\$ 1,038	1.4%

The Company is exposed to changes in stock prices primarily as a result of our significant holdings in publicly traded securities. We continually monitor changes in stock markets, in general, and changes in the stock prices of our holdings, specifically. We believe that changes in stock prices can be expected to vary as a result of general market conditions, technological changes, specific industry changes and other factors. We periodically use equity collars and other financial instruments to manage market risk associated with certain investment positions. These instruments are recorded at fair value based on option pricing models.

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At December 31, 2015, the fair value of our AFS equity securities was \$533 million. Had the market price of such securities been 10% lower at December 31, 2015, the aggregate value of such securities would have been \$53 million lower. Additionally, our stock in Live Nation (an equity method affiliate) is a publicly traded security which is not reflected at fair value in our balance sheet. This security is also subject to market risk that is not directly reflected in our financial statements.

Item 8. Financial Statements and Supplementary Data.

The consolidated financial statements of Liberty Media Corporation are filed under this Item, beginning on Page II-25. The financial statement schedules required by Regulation S-X are filed under Item 15 of this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

In accordance with Exchange Act Rules 13a-15 and 15d-15, the Company carried out an evaluation, under the supervision and with the participation of management, including its chief executive officer and principal accounting and financial officer (the "Executives"), of the effectiveness of its disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Executives concluded that the Company's disclosure controls and procedures were effective as of December 31, 2015 to provide reasonable assurance that information required to be disclosed in its reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

See page II-24 for *Management's Report on Internal Control Over Financial Reporting*.

See page II-25 for *Report of Independent Registered Public Accounting Firm* for their attestation regarding our internal control over financial reporting.

There has been no change in the Company's internal control over financial reporting that occurred during the three months ended December 31, 2015 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

Item 9B. Other Information.

None.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Liberty Media Corporation's (the "Company") management is responsible for establishing and maintaining adequate internal control over the Company's financial reporting, as such term is defined in Rule 13a - 15(f) of the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

The Company's management assessed the effectiveness of internal control over financial reporting as of December 31, 2015, using the criteria in *Internal Control-Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation the Company's management believes that, as of December 31, 2015, its internal control over financial reporting is effective.

The Company's independent registered public accounting firm audited the consolidated financial statements and related disclosures in the Annual Report on Form 10-K and have issued an audit report on the effectiveness of the Company's internal control over financial reporting. This report appears on page II-25 of this Annual Report on Form 10-K.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Liberty Media Corporation:

We have audited Liberty Media Corporation and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control – Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Liberty Media Corporation and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Liberty Media Corporation and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive earnings (loss), cash flows, and equity for each of the years in the three-year period ended December 31, 2015, and our report dated February 26, 2016 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Denver, Colorado
February 26, 2016

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Liberty Media Corporation:

We have audited the accompanying consolidated balance sheets of Liberty Media Corporation and subsidiaries (the Company) as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive earnings (loss), cash flows, and equity for each of the years in the three-year period ended December 31, 2015. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Liberty Media Corporation and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.

As discussed in note 2 to the consolidated financial statements, the Company changed its method of accounting for classification of deferred taxes due to the adoption of FASB ASU 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes*

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Liberty Media Corporation and subsidiaries' internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 26, 2016 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Denver, Colorado
February 26, 2016

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheet s

December 31, 2015 and 2014

	2015	2014
	amounts in millions	
<i>Assets</i>		
Current assets:		
Cash and cash equivalents	\$ 201	681
Trade and other receivables, net	247	235
Short term marketable securities (note 5)	15	199
Other current assets	228	270
Total current assets	<u>691</u>	<u>1,385</u>
Investments in available-for-sale securities and other cost investments (note 6)	533	816
Investments in affiliates, accounted for using the equity method (note 7)	1,115	851
Property and equipment, at cost	2,587	2,215
Accumulated depreciation	(708)	(501)
	<u>1,879</u>	<u>1,714</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)	1,097	1,166
Other assets	465	319
Total assets	<u>\$ 29,798</u>	<u>30,269</u>

(continued)

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets (Continued)

December 31, 2015 and 2014

	2015	2014
	amounts in millions	
<i>Liabilities and Equity</i>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 758	712
Current portion of debt (note 9)	255	257
Deferred revenue	1,797	1,641
Other current liabilities	3	40
Total current liabilities	<u>2,813</u>	<u>2,650</u>
Long-term debt, including \$995 million and \$990 million measured at fair value, respectively (note 9)	6,626	5,588
Deferred income tax liabilities (note 10)	1,667	1,507
Other liabilities	561	348
Total liabilities	<u>11,667</u>	<u>10,093</u>
Stockholders' equity (notes 11,13 and 15):		
Preferred stock, \$.01 par value. Authorized 50,000,000 shares; no shares issued	—	—
Series A common stock, \$.01 par value. Authorized 2,000,000,000 shares; issued and outstanding 102,193,688 and 104,505,449 shares at December 31, 2015 and 2014, respectively	1	1
Series B common stock, \$.01 par value. Authorized 75,000,000 shares; issued and outstanding 9,870,966 and 9,873,972 shares at December 31, 2015 and 2014, respectively	—	—
Series C common stock, \$.01 par value. Authorized 2,000,000,000 shares; issued and outstanding 222,482,377 and 228,781,948 shares at December 31, 2015 and 2014, respectively.	2	2
Additional paid-in capital	—	—
Accumulated other comprehensive earnings (loss), net of taxes	(51)	(21)
Retained earnings	10,981	11,416
Total stockholders' equity	<u>10,933</u>	<u>11,398</u>
Noncontrolling interests in equity of subsidiaries	7,198	8,778
Total equity	<u>18,131</u>	<u>20,176</u>
Commitments and contingencies (note 16)		
Total liabilities and equity	<u>\$ 29,798</u>	<u>30,269</u>

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Statements Of Operations

Years ended December 31, 2015, 2014 and 2013

	2015	2014	2013
	amounts in millions, except per share amounts		
Revenue:			
Subscriber revenue	\$ 3,807	3,514	3,131
Other revenue	988	936	871
Total revenue	4,795	4,450	4,002
Operating costs and expenses, including stock-based compensation (note 2):			
Cost of subscriber services (exclusive of depreciation shown separately below):			
Revenue and share royalties	1,035	810	679
Programming and content	267	262	243
Customer service and billing	380	373	308
Other	141	135	104
Subscriber acquisition costs	533	493	491
Other operating expenses	262	304	284
Selling, general and administrative	861	873	764
Depreciation and amortization	362	359	315
	3,841	3,609	3,188
Operating income (loss)	954	841	814
Other income (expense):			
Interest expense	(328)	(255)	(132)
Dividend and interest income	17	27	48
Share of earnings (losses) of affiliates, net (note 7)	(40)	(113)	(32)
Realized and unrealized gains (losses) on financial instruments, net (note 5)	(140)	38	295
Gains (losses) on transactions, net (note 3)	(4)	—	7,978
Other, net	(1)	(77)	(115)
	(496)	(380)	8,042
Earnings (loss) from continuing operations before income taxes	458	461	8,856
Income tax (expense) benefit (note 10)	(210)	(66)	135
Net earnings (loss)	248	395	8,991
Less net earnings (loss) attributable to the noncontrolling interests	184	217	211
Net earnings (loss) attributable to Liberty stockholders	\$ 64	178	8,780
Basic net earnings (loss) attributable to Liberty stockholders per common share (note 2)	\$ 0.19	0.52	24.73
Diluted net earnings (loss) attributable to Liberty stockholders per common share (note 2)	\$ 0.19	0.52	24.46

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**Consolidated Statements Of Comprehensive Earnings (Loss)****Years ended December 31, 2015, 2014 and 2013**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
	amounts in millions		
Net earnings (loss)	\$ 248	395	8,991
Other comprehensive earnings (loss), net of taxes:			
Unrealized holding gains (losses) arising during the period	—	(8)	10
Foreign currency translation adjustments	(42)	—	—
Recognition of previously unrealized (gains) losses on available-for-sale securities, net	—	—	(25)
Share of other comprehensive earnings (loss) of equity affiliates	(7)	(9)	4
Other comprehensive earnings (loss)	(49)	(17)	(11)
Comprehensive earnings (loss)	199	378	8,980
Less comprehensive earnings (loss) attributable to the noncontrolling interests	165	217	211
Comprehensive earnings (loss) attributable to Liberty stockholders	<u>\$ 34</u>	<u>161</u>	<u>8,769</u>

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Statements Of Cash Flows

Years ended December 31, 2015, 2014 and 2013

	2015	2014	2013
	amounts in millions		
	(see note 4)		
Cash flows from operating activities:			
Net earnings (loss)	\$ 248	395	8,991
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	362	359	315
Stock-based compensation	204	217	193
Cash payments for stock-based compensation	—	(29)	(2)
Excess tax benefit from stock-based compensation	(19)	(3)	(6)
Share of (earnings) loss of affiliates, net	40	113	32
Realized and unrealized (gains) losses on financial instruments, net	140	(38)	(295)
Noncash interest expense	6	(34)	(62)
Losses (gains) on transactions, net	4	—	(7,978)
Losses (gains) on dilution of investment in affiliate	1	78	93
Losses (gains) on early extinguishment of debt	—	—	21
Deferred income tax expense (benefit)	175	91	(172)
Other charges (credits), net	15	17	(3)
Changes in operating assets and liabilities			
Current and other assets	(208)	(74)	187
Payables and other liabilities	245	33	(78)
Net cash provided (used) by operating activities	<u>1,213</u>	<u>1,125</u>	<u>1,236</u>
Cash flows from investing activities:			
Cash (paid) for acquisitions, net of cash acquired	—	(47)	(117)
Cash proceeds from dispositions of investments	175	247	80
Proceeds (payments) from settlement of financial instruments, net	(322)	(72)	(59)
Investments in and loans to cost and equity investees	(19)	(183)	(2,585)
Repayment of loans and other cash receipts from cost and equity investees	—	42	81
Capital expended for property and equipment	(296)	(194)	(207)
Purchases of short term investments and other marketable securities	(174)	(360)	(178)
Sales of short term investments and other marketable securities	358	176	229
Other investing activities, net	(8)	(20)	(8)
Net cash provided (used) by investing activities	<u>(286)</u>	<u>(411)</u>	<u>(2,764)</u>
Cash flows from financing activities:			
Borrowings of debt	2,213	2,758	5,923
Repayments of debt	(1,196)	(1,936)	(2,779)
Repurchases of Liberty common stock	(350)	—	(140)
Cash provided by the Broadband Spin-Off	—	259	—
Cash included in exchange transaction	—	—	(429)
Shares repurchased by subsidiary	(2,018)	(2,157)	(1,602)
Proceeds (payments) from issuances and settlements of financial instruments, net	5	—	(299)
Issuance of warrants	—	—	170
Taxes paid in lieu of shares issued for stock-based compensation	(80)	(48)	(51)
Excess tax benefit from stock-based compensation	19	3	6
Other financing activities, net	—	—	14
Net cash provided (used) by financing activities	<u>(1,407)</u>	<u>(1,121)</u>	<u>813</u>
Net cash provided (used) by discontinued operations:			
Cash provided (used) by operating activities	—	—	—
Cash provided (used) by investing activities	—	—	—
Cash provided (used) by financing activities	—	—	550
Change in available cash held by discontinued operations			
Net cash provided (used) by discontinued operations	—	—	1,200
Net increase (decrease) in cash and cash equivalents	(480)	(407)	485
Cash and cash equivalents at beginning of period	681	1,088	603
Cash and cash equivalents at end of period	<u>\$ 201</u>	<u>681</u>	<u>1,088</u>

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Statement Of Equity

Years ended December 31, 2015, 2014 and 2013

	Stockholders' equity								
	Preferred				Additional paid-in capital	Accumulated other comprehensive earnings	Retained earnings	Noncontrolling interest in equity of subsidiaries	Total equity
	Stock	Series A	Series B	Series C					
	amounts in millions								
Balance at January 1, 2013	\$ —	\$ 1	\$ —	\$ 2	\$ 3,346	\$ 12	\$ 3,079	\$ (8)	\$ 6,432
Net earnings	—	—	—	—	—	—	8,780	211	8,991
Other comprehensive loss	—	—	—	—	—	(11)	—	—	(11)
Stock-based compensation	—	—	—	—	140	—	—	63	203
Minimum withholding taxes on net share settlements of stock-based compensation	—	—	—	—	(51)	—	—	—	(51)
Liberty Series A stock repurchases	—	—	—	—	(140)	—	—	—	(140)
Shares repurchased by subsidiary	—	—	—	—	(160)	—	—	(1,442)	(1,602)
Shares issued by subsidiary	—	—	—	—	(61)	—	—	127	66
Shares acquired in disposition of subsidiary	—	—	—	—	(937)	—	—	—	(937)
Issuance of warrants	—	—	—	—	170	—	—	—	170
Non-controlling interest recognized with acquisition of a controlling interest in a subsidiary	—	—	—	—	—	—	—	10,841	10,841
Distribution to stockholders for the Starz Spin-Off	—	—	—	—	(92)	3	—	9	(80)
Balance at December 31, 2013	—	1	—	2	2,215	4	11,859	9,801	23,882
Net earnings	—	—	—	—	—	—	178	217	395
Other comprehensive loss	—	—	—	—	—	(17)	—	—	(17)
Stock-based compensation	—	—	—	—	135	—	—	67	202
Minimum withholding taxes on net share settlements of stock-based compensation	—	—	—	—	(48)	—	—	—	(48)
Shares repurchased by subsidiary	—	—	—	—	(179)	—	—	(2,004)	(2,183)
Shares issued by subsidiary	—	—	—	—	(27)	—	—	27	—
Shares issued by subsidiary on conversion of bonds	—	—	—	—	(179)	—	—	670	491
Distribution to stockholders for the Broadband Spin-Off	—	—	—	—	(1,912)	(8)	(621)	—	(2,541)
Other	—	—	—	—	(5)	—	—	—	(5)
Balance at December 31, 2014	—	1	—	2	—	(21)	11,416	8,778	20,176
Net earnings	—	—	—	—	—	—	64	184	248
Other comprehensive loss	—	—	—	—	—	(30)	—	(19)	(49)
Stock-based compensation	—	—	—	—	130	—	—	65	195
Minimum withholding taxes on net share settlements of stock-based compensation	—	—	—	—	(80)	—	—	—	(80)
Liberty Series A and Series C stock repurchases	—	—	—	—	(350)	—	—	—	(350)
Shares repurchased by subsidiary	—	—	—	—	(150)	—	—	(1,866)	(2,016)
Shares issued by subsidiary	—	—	—	—	(47)	—	—	47	—
Reclassification (note 1)	—	—	—	—	499	—	(499)	—	—
Other	—	—	—	—	(2)	—	—	9	7
Balance at December 31, 2015	\$ —	\$ 1	\$ —	\$ 2	\$ —	\$ (51)	\$ 10,981	\$ 7,198	\$ 18,131

See accompanying notes to consolidated financial statements.

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Notes to Consolidated Financial Statements
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(1) Basis of Presentation

The accompanying consolidated financial statements of Liberty Media Corporation (formerly named Liberty Spinco, Inc.; see discussion below pertaining to the Starz Spin-Off (defined below)) ("Liberty" or the "Company" unless the context otherwise requires) represent a consolidation of certain media and entertainment related assets and businesses. All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements.

Liberty, through its ownership of interests in subsidiaries and other companies, is primarily engaged in the media and entertainment industries primarily in North America. Our significant subsidiaries include Sirius XM Holdings Inc. ("SIRIUS XM") and Braves Holdings, LLC ("Braves Holdings"). Our significant investment accounted for under the equity method of accounting is Live Nation Entertainment, Inc. ("Live Nation").

In September 2011, Liberty Interactive Corporation ("Liberty Interactive" and formerly named Liberty Media Corporation) completed the split-off of its former wholly-owned subsidiary (then known as Liberty Media Corporation) from its Liberty Interactive tracking stock group (the "Split-Off").

In January 2013, the entity then known as Liberty Media Corporation (now named Starz) spun-off (the "Starz Spin-Off") its then-former wholly-owned subsidiary, now known as Liberty Media Corporation, which, at the time of the Starz Spin-Off, held all of the businesses, assets and liabilities of Starz not associated with Starz, LLC (with the exception of the Starz, LLC office building). The transaction was effected as a pro-rata dividend of shares of Liberty to the stockholders of Starz. Due to the relative significance of Liberty to Starz (the legal spinor) and senior management's continued involvement with Liberty following the Starz Spin-Off, Liberty is being treated as the "accounting successor" to Starz for financial reporting purposes, notwithstanding the legal form of the Starz Spin-Off previously described. Therefore, the historical financial statements of the company formerly known as Liberty Media Corporation continue to be the historical financial statements of Liberty, and Starz, LLC has been treated as discontinued operations upon completion of the Starz Spin-Off in the first quarter of 2013. Therefore, for purposes of these consolidated financial statements, Liberty is treated as the spinor for purposes of discussion and as a practical matter for describing all the historical information contained herein.

Also in January 2013, Liberty obtained a controlling interest and began consolidating SIRIUS XM, as further discussed in note 3.

During 2014, Liberty's board approved the issuance of shares of its Series C common stock to holders of its Series A and Series B common stock, effected by means of a dividend. On July 23, 2014, holders of Series A and Series B common stock as of 5:00 p.m., New York City, time on July 7, 2014, the record date for the dividend, received a dividend of two shares of Series C common stock for each share of Series A or Series B common stock held by them as of the record date. The impact of the Series C common issuance has been reflected retroactively in these consolidated financial statements due to the treatment of the dividend as a stock split for accounting purposes. Additionally, in connection with the Series C common stock issuance and the Broadband Spin-Off (defined below), outstanding Series A common stock warrants have been adjusted, as well as the number of shares covered by outstanding cash convertible note hedges and purchased call options (the "Bond Hedge Transaction"). See note 9 for further discussion regarding the warrants and Bond Hedge Transaction. There were 21,085,900 warrants with a strike price of \$64.46 outstanding at December 31, 2015. The number of shares covered by the Bond Hedge Transactions was adjusted to 21,085,900 shares of Liberty Series A common stock and the strike price was adjusted to \$47.43 per share, which corresponds to the adjusted conversion price of our 1.375% Cash Convertible Senior Notes due 2023.

On November 4, 2014, Liberty completed the spin-off to its stockholders common stock of a newly formed company called Liberty Broadband Corporation ("Liberty Broadband") (the "Broadband Spin-Off"). Shares of Liberty Broadband were distributed to the shareholders of Liberty as of a record date of 5:00 p.m., New York City time, on October 29, 2014. Liberty Broadband is comprised of, among other things, (i) Liberty's former interest in Charter Communications, Inc. ("Charter"), (ii) Liberty's former subsidiary TruePosition, Inc. ("TruePosition"), (iii) Liberty's former minority equity investment in Time Warner Cable, Inc. ("Time Warner Cable"), (iv) certain deferred tax liabilities, as well as liabilities

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Notes to Consolidated Financial Statements (Continued)
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related to Time Warner Cable call options and (v) initial indebtedness, pursuant to margin loans entered into prior to the completion of the Broadband Spin-Off. Prior to the transaction, Liberty Broadband borrowed funds under margin loans and made a final distribution to Liberty of approximately \$300 million in cash. The Broadband Spin-Off was intended to be tax-free to stockholders of Liberty. In the Broadband Spin-Off, record holders of Series A, Series B and Series C common stock received one share of the corresponding series of Liberty Broadband common stock for every four shares of common stock held by them as of the record date for the Broadband Spin-Off, with cash paid in lieu of fractional shares.

As of the date of the completion of the Broadband Spin-Off, the Company's former investments in and results of Charter and Time Warner Cable are no longer included in the results of Liberty. Based on the relative significance of TruePosition to Liberty, the Company concluded that discontinued operations presentation of TruePosition is not necessary. However, the table below includes the historical financial information of TruePosition, which is included in the consolidated statements of operations for the years ended December 31, 2014 and 2013, to illustrate the historical impact of the Broadband Spin-Off on Liberty's financial statements.

	<u>Years ended December 31,</u>	
	<u>2014</u>	<u>2013</u>
	<u>amounts in millions</u>	
Revenue	\$ 57	77
Earnings (loss) before income taxes	\$ (6)	1
Net earnings (loss) attributable to Liberty stockholders	\$ (8)	2

As a result of the Broadband Spin-Off and repurchases of Series A common stock, the Company's additional paid-in capital balance was in a deficit position as of December 31, 2015. In order to maintain a zero balance in the additional paid-in capital account, we reclassified the amount of the deficit (\$499 million) to retained earnings as of December 31, 2015.

During August 2014, Liberty Interactive completed the distribution of Liberty TripAdvisor Holdings, Inc. ("Liberty TripAdvisor") (the "TripAdvisor Spin-Off"). Following the Split-Off, Starz Spin-Off, TripAdvisor Spin-Off and Broadband Spin-Off, Liberty, Liberty Interactive, Starz, Liberty TripAdvisor and Liberty Broadband operate as separate publicly traded companies, none of which has any stock ownership, beneficial or otherwise, in the other. In connection with the Split-Off, Starz Spin-Off, TripAdvisor Spin-Off and Broadband Spin-Off, Liberty entered into certain agreements with Liberty Interactive, Starz, Liberty TripAdvisor and Liberty Broadband, respectively, in order to govern ongoing relationships between the companies and to provide for an orderly transition. These agreements include Reorganization Agreements, Services Agreements, Facilities Sharing Agreements, a Lease Agreement (in the case of the Starz Spin-Off only) and with respect to Starz and Liberty Broadband, Tax Sharing Agreements. The Reorganization, Services and Facilities Sharing Agreements entered into with Liberty Interactive were assigned from Starz to Liberty in connection with the Starz Spin-Off.

The Reorganization Agreements provide for, among other things, provisions governing the relationships between Liberty and each of Liberty Interactive, Starz, Liberty TripAdvisor and Liberty Broadband following the Split-Off, Starz Spin-Off, TripAdvisor Spin-Off and Broadband Spin-Off, respectively, including certain cross-indemnities. Pursuant to the Services Agreements, Liberty provides Liberty Interactive, Starz, Liberty TripAdvisor and Liberty Broadband with general and administrative services including legal, tax, accounting, treasury and investor relations support. Liberty Interactive, Starz, Liberty TripAdvisor and Liberty Broadband reimburse Liberty for direct, out-of-pocket expenses incurred by Liberty in providing these services and for Liberty Interactive's and Starz's allocable portion of costs associated with any shared services or personnel based on an estimated percentage of time spent providing services to each respective company. Liberty TripAdvisor and Liberty Broadband reimburse Liberty for shared services and personnel based on a flat fee. Under the Facilities Sharing Agreements, Liberty shares office space and related amenities with Liberty Interactive, Starz, Liberty TripAdvisor and Liberty Broadband at Liberty's corporate headquarters. Under these various agreements,

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approximately \$17 million, \$15 million and \$16 million of these allocated expenses were reimbursed to Liberty during the years ended December 31, 2015, 2014 and 2013, respectively. Under the Lease Agreement, Starz leases its corporate headquarters from Liberty. The Lease Agreement with Starz for their corporate headquarters requires a payment of approximately \$3 million annually, subject to certain increases based on the Consumer Price Index. The Lease Agreement expires on December 31, 2023 and contains an extension option.

The Tax Sharing Agreements provide for the allocation and indemnification of tax liabilities and benefits between Liberty and each of Starz and Liberty Broadband as well as other agreements related to tax matters. Among other things, pursuant to the Tax Sharing Agreements, Liberty has generally agreed to indemnify Starz and Liberty Broadband for taxes and losses resulting from the failure of the Starz Spin-Off and the Broadband Spin-Off, respectively, to qualify for tax-free treatment. However, Starz will be responsible for any such taxes and losses related to the Starz Spin-Off which (i) result primarily from the breach of certain restrictive covenants made by Starz, or (ii) result from Section 355(e) of the Code applying to the Starz Spin-Off as a result of the Starz Spin-Off being part of a plan (or series of related transactions) pursuant to which one or more persons acquire a 50-percent or greater interest (measured by vote or value) in the stock of Starz, and Liberty Broadband will be responsible for any such taxes and losses related to the Broadband Spin-Off which (i) result primarily from the breach of certain restrictive covenants made by Liberty Broadband, or (ii) result from Section 355(e) of the Code applying to the Broadband Spin-Off as a result of the Broadband Spin-Off being part of a plan (or series of related transactions) pursuant to which one or more persons acquire a 50-percent or greater interest (measured by vote or value) in the stock of Liberty Broadband. In February 2014, the IRS and Starz entered into a closing agreement which provided that the Starz Spin-Off qualified for tax-free treatment to Starz and Liberty. In September 2015, Liberty entered into a closing agreement with the IRS which provided that the Broadband Spin-Off qualified for tax-free treatment.

As further discussed in note 11, during November 2015, Liberty's board of directors authorized management to pursue a reclassification of the Company's common stock into three new tracking stock groups, one to be designated as the Liberty Braves tracking stock, one to be designated as the Liberty Media tracking stock and one to be designated as the Liberty SiriusXM tracking stock, and to cause to be distributed subscription rights related to the Liberty Braves tracking stock following the creation of the new tracking stocks.

(2) Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash equivalents consist of investments which are readily convertible into cash and have maturities of three months or less at the time of acquisition.

Receivables

Receivables are reflected net of an allowance for doubtful accounts and sales returns. Such allowance aggregated \$6 million and \$8 million at December 31, 2015 and 2014, respectively. Activity in the year ended December 31, 2015 included an increase of \$47 million of bad debt charged to expense and \$49 million of write-offs. Activity in the year ended December 31, 2014 included an increase of \$45 million of bad debt charged to expense and \$41 million of write-offs. Activity in the year ended December 31, 2013 included an increase of \$4 million of bad debt charged to expense and \$1 million of write-offs.

Investments

All marketable equity and debt securities held by the Company are classified as available-for-sale ("AFS") and are carried at fair value generally based on quoted market prices. U.S. generally accepted accounting principles ("GAAP") permit entities to choose to measure many financial instruments, such as AFS securities, and certain other items at fair value and to recognize the changes in fair value of such instruments in the entity's statement of operations (the "fair value

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option"). Under other relevant GAAP, entities were required to recognize changes in fair value of AFS securities in the balance sheet in accumulated other comprehensive earnings. Liberty has entered into economic hedges for certain of its non-strategic AFS securities (although such instruments are not accounted for as fair value hedges by the Company). Changes in the fair value of these economic hedges are reflected in Liberty's statement of operations as unrealized gains (losses). In order to better match the changes in fair value of the subject AFS securities and the changes in fair value of the corresponding economic hedges in the Company's financial statements, Liberty has elected the fair value option for those of its AFS securities which it considers to be non-strategic ("Fair Value Option Securities"). Accordingly, changes in the fair value of Fair Value Option Securities, as determined by quoted market prices, are reported in realized and unrealized gain (losses) on financial instruments in the accompanying consolidated statements of operations. The total value of AFS securities for which the Company has elected the fair value option aggregated \$450 million and \$745 million as of December 31, 2015 and 2014, respectively.

Other investments in which the Company's ownership interest is less than 20% and are not considered marketable securities are carried at cost.

For those investments in affiliates in which the Company has the ability to exercise significant influence, the equity method of accounting is used. Under this method, the investment, originally recorded at cost, is adjusted to recognize the Company's share of net earnings or losses of the affiliate as they occur rather than as dividends or other distributions are received. Losses are limited to the extent of the Company's investment in, advances to and commitments for the investee. In the event the Company is unable to obtain accurate financial information from an equity affiliate in a timely manner, the Company records its share of earnings or losses of such affiliate on a lag.

Changes in the Company's proportionate share of the underlying equity of an equity method investee, which result from the issuance of additional equity securities by such equity investee, are recognized in the statement of operations through the other, net line item. To the extent there is a difference between our ownership percentage in the underlying equity of an equity method investee and our carrying value, such difference is accounted for as if the equity method investee were a consolidated subsidiary.

The Company continually reviews its equity investments and its AFS securities which are not Fair Value Option Securities to determine whether a decline in fair value below the cost basis is other than temporary. The primary factors the Company considers in its determination are the length of time that the fair value of the investment is below the Company's carrying value; the severity of the decline; and the financial condition, operating performance and near term prospects of the investee. In addition, the Company considers the reason for the decline in fair value, be it general market conditions, industry specific or investee specific; analysts' ratings and estimates of 12 month share price targets for the investee; changes in stock price or valuation subsequent to the balance sheet date; and the Company's intent and ability to hold the investment for a period of time sufficient to allow for a recovery in fair value. If the decline in fair value is deemed to be other than temporary, the cost basis of the security is written down to fair value. In situations where the fair value of an investment is not evident due to a lack of a public market price or other factors, the Company uses its best estimates and assumptions to arrive at the estimated fair value of such investment. The Company's assessment of the foregoing factors involves a high degree of judgment and accordingly, actual results may differ materially from the Company's estimates and judgments. Writedowns for AFS securities which are not Fair Value Option Securities are included in the consolidated statements of operations as other than temporary declines in fair values of investments. Writedowns for equity method investments are included in share of earnings (losses) of affiliates.

Derivative Instruments and Hedging Activities

All of the Company's derivatives, whether designated in hedging relationships or not, are recorded on the balance sheet at fair value. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings. If the derivative is designated as a cash flow hedge, the effective portions of changes in the fair value of the derivative are recorded in other comprehensive earnings and are recognized in the statement of operations when the hedged item affects earnings. Ineffective portions of changes

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in the fair value of cash flow hedges are recognized in earnings. If the derivative is not designated as a hedge, changes in the fair value of the derivative are recognized in earnings. None of the Company's derivatives are currently designated as hedges.

The fair value of certain of the Company's derivative instruments are estimated using the Black-Scholes model. The Black-Scholes model incorporates a number of variables in determining such fair values, including expected volatility of the underlying security and an appropriate discount rate. The Company obtained volatility rates from pricing services based on the expected volatility of the underlying security over the remaining term of the derivative instrument. A discount rate was obtained at the inception of the derivative instrument and updated each reporting period, based on the Company's estimate of the discount rate at which it could currently settle the derivative instrument. The Company considered its own credit risk as well as the credit risk of its counterparties in estimating the discount rate. Considerable management judgment was required in estimating the Black-Scholes variables.

Property and Equipment

Property and equipment consisted of the following:

	<u>Estimated Useful Life</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
		amounts in millions	
Land	NA	\$ 101	124
Buildings and improvements	10 - 40 years	164	162
Support equipment	3 - 20 years	312	160
Satellite system	2 - 15 years	1,628	1,590
Construction in progress	NA	382	179
Total property and equipment		<u>\$ 2,587</u>	<u>2,215</u>

Property and equipment, including significant improvements, is stated at cost. Depreciation is computed using the straight-line method using estimated useful lives. Depreciation expense for the years ended December 31, 2015, 2014 and 2013 was \$207 million, \$209 million and \$200 million, respectively. During the year ended December 31, 2013, SIRIUS XM capitalized expenditures, including interest, of approximately \$87 million related to the construction of one of its satellites, which was launched and placed into operation in the fourth quarter of 2013.

Intangible Assets

Intangible assets with estimable useful lives are amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment upon certain triggering events. Goodwill and other intangible assets with indefinite useful lives (collectively, "indefinite lived intangible assets") are not amortized, but instead are tested for impairment at least annually. Our annual impairment assessment of our indefinite-lived intangible assets is performed during the fourth quarter of each year.

The Company utilizes a qualitative assessment for determining whether step one of the goodwill impairment analysis is necessary. The accounting guidance permits entities to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. In evaluating goodwill on a qualitative basis the Company reviews the business performance of each reporting unit and evaluates other relevant factors as identified in the relevant accounting guidance to determine whether it is more likely than not that an indicated impairment exists for any of our reporting units. The Company considers whether there are any negative macroeconomic conditions, industry specific conditions, market changes, increased competition, increased costs in doing business, management challenges, the legal environments and how these factors might impact company specific performance in future periods. As part of the analysis,

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the Company also considers fair value determinations for certain reporting units that have been made at various points throughout the current and prior years for other purposes.

If a step one test is considered necessary based on the qualitative factors, the Company compares the estimated fair value of a reporting unit to its carrying value. Developing estimates of fair value requires significant judgments, including making assumptions about appropriate discount rates, perpetual growth rates, relevant comparable market multiples, public trading prices and the amount and timing of expected future cash flows. The cash flows employed in Liberty's valuation analysis are based on management's best estimates considering current marketplace factors and risks as well as assumptions of growth rates in future years. There is no assurance that actual results in the future will approximate these forecasts. For those reporting units whose carrying value exceeds the fair value, a second test is required to measure the impairment loss (the "Step 2 Test"). In the Step 2 Test, the fair value of the reporting unit is allocated to all of the assets and liabilities of the reporting unit with any residual value being allocated to goodwill. The difference between such allocated amount and the carrying value of the goodwill is recorded as an impairment charge.

The accounting guidance also permits entities to first perform a qualitative assessment to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired. If the qualitative assessment supports that it is more likely than not that the carrying value of the Company's indefinite-lived intangible assets, other than goodwill, exceeds its fair value, then a quantitative assessment is performed. If the carrying value of an indefinite-lived intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess.

Impairment of Long-lived Assets

The Company periodically reviews the carrying amounts of its property and equipment and its intangible assets (other than goodwill and indefinite-lived intangibles) to determine whether current events or circumstances indicate that such carrying amounts may not be recoverable. If the carrying amount of the asset group is greater than the expected undiscounted cash flows to be generated by such asset group, an impairment adjustment is to be recognized. Such adjustment is measured by the amount that the carrying value of such asset groups exceeds their fair value. The Company generally measures fair value by considering sale prices for similar assets or by discounting estimated future cash flows using an appropriate discount rate. Considerable management judgment is necessary to estimate the fair value of asset groups. Accordingly, actual results could vary significantly from such estimates. Asset groups to be disposed of are carried at the lower of their financial statement carrying amount or fair value less costs to sell.

Noncontrolling Interests

The Company reports noncontrolling interests of subsidiaries within equity in the balance sheet and the amount of consolidated net income attributable to the parent and to the noncontrolling interest is presented in the statement of operations. Also, changes in ownership interests in subsidiaries in which the Company maintains a controlling interest are recorded in equity.

Revenue Recognition

Revenue is recognized as follows:

- Revenue from SIRIUS XM subscribers is recognized as it is realized or realizable and earned. Subscription fees are recognized as SIRIUS XM's services are provided. Prepaid subscription fees received from certain automakers are recorded as deferred revenue and amortized to revenue ratably over the service period which commences upon retail sale and activation.
- SIRIUS XM recognizes revenue from the sale of advertising as the advertising is transmitted. Agency fees are calculated based on a stated percentage applied to gross billing revenue for advertising inventory and are reported as a reduction of advertising revenue. Advertising revenue is recorded gross of revenue share payments made to

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certain third parties, which are recorded to Revenue share and royalties during the period in which the advertising is transmitted.

- Equipment revenue and royalties from the sale of satellite radios, components and accessories are recognized upon shipment, net of discounts and rebates. Shipping and handling costs billed to customers are recorded as revenue. Shipping and handling costs associated with shipping goods to customers are reported as a component of Cost of subscriber services.
- Certain revenue arrangements contain multiple products, services and right to use assets, such as SIRIUS XM's bundled subscription plans. The applicable accounting guidance requires that such multiple deliverable revenue arrangements be divided into separate units of accounting if the deliverables in the arrangement meet certain criteria. Consideration is allocated at the inception of the arrangement to all deliverables based on their relative selling price, which is determined using vendor specific objective evidence of the selling price of self-pay customers.
- SIRIUS XM also earns revenue from U.S. Music Royalty Fees, which are recorded as revenue and as a component of Revenue share and royalties expense. Fees received from subscribers for the U.S. Music Royalty Fee are recorded as deferred revenue and amortized to revenue ratably over the service period which coincides with the recognition of the subscriber's subscription revenue.
- SIRIUS XM revenue is reported net of any taxes assessed by a governmental authority that is both imposed on, and concurrent with, a specific revenue-producing transaction between a seller and a customer in the consolidated statements of operations.
- Revenue for ticket sales, local radio and television rights, signage and suites are recognized on a per game basis during the baseball season based on a pro rata share of total revenue earned during the entire baseball season to the total number of home games during the season. Concession revenue is recognized as commissions are earned from the sale of food and beverage at the stadium in accordance with agreements with the Company's concessions vendors. Major League Baseball (MLB) revenue is earned throughout the year based on an estimate of revenue generated by MLB on behalf of the 30 MLB clubs through the MLB Central Fund and MLB Properties and revenue sharing income or expense.

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. The updated guidance will replace most existing revenue recognition guidance in GAAP when it becomes effective and permits the use of either a retrospective or cumulative effect transition method. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. The Company is currently evaluating the effect that the new standard may have on its revenue recognition and has not yet selected a transition method.

Cost of Subscriber Services

Revenue Share

SIRIUS XM shares a portion of its subscription revenue earned from subscribers with certain automakers. The terms of the revenue share agreements vary with each automaker, but are typically based upon the earned audio revenue as reported or gross billed audio revenue. Such shared revenue is recorded as an expense and not as a reduction to revenue.

Programming Costs

Programming costs which are for a specified number of events are amortized on an event-by-event basis; programming costs which are for a specified season or include programming through a dedicated channel are amortized over the season or period on a straight-line basis. SIRIUS XM allocates a portion of certain programming costs which are related to

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sponsorship and marketing activities to Selling, general and administrative expense on a straight-line basis over the term of the agreement.

Subscriber Acquisition Costs

Subscriber acquisition costs consist of costs incurred to acquire new subscribers and include hardware subsidies paid to radio manufacturers, distributors and automakers, including subsidies paid to automakers who include a satellite radio and a prepaid subscription to SIRIUS XM service in the sale or lease price of a new vehicle; subsidies paid for chip sets and certain other components used in manufacturing radios; device royalties for certain radios and chipsets; commissions paid to retailers and automakers as incentives to purchase, install and activate radios; product warranty obligations; freight; and provisions for inventory allowance attributable to inventory consumed in SIRIUS XM's automaker and retail distribution channels. Subscriber acquisition costs do not include advertising costs, loyalty payments to distributors and dealers of radios and revenue share payments to automakers and retailers of radios.

Subsidies paid to radio manufacturers and automakers are expensed upon installation, shipment, receipt of product or activation and are included in Subscriber acquisition costs because SIRIUS XM is responsible for providing the service to the customers. Commissions paid to retailers and automakers are expensed upon either the sale or activation of radios. Chipsets that are shipped to radio manufacturers and held on consignment are recorded as inventory and expensed as subscriber acquisition costs when placed into production by radio manufacturers. Costs for chip sets not held on consignment are expensed as subscriber acquisition costs when the automaker confirms receipt.

Advertising Costs

Advertising expense aggregated \$232 million, \$226 million and \$181 million for the years ended December 31, 2015, 2014 and 2013, respectively. Advertising costs are primarily attributable to costs incurred by SIRIUS XM. Media-related advertising costs are expensed when advertisements air, and advertising production costs are expensed as incurred. These costs are reflected in the Selling, general and administrative expenses line in our consolidated statements of operations.

Stock-Based Compensation

As more fully described in note 13, Liberty has granted to its directors, employees and employees of its subsidiaries options and restricted stock to purchase shares of Liberty common stock (collectively, "Awards"). The Company measures the cost of employee services received in exchange for an Award 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).

Included in the accompanying consolidated statements of operations are the following amounts of stock-based compensation, a portion of which relates to SIRIUS XM as discussed in note 13:

	<u>Years ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
	<u>amounts in millions</u>		
Cost of subscriber services:			
Programming and content	\$ 19	17	15
Customer service and billing	5	5	4
Other	8	8	7
Other operating expense	18	17	14
Selling, general and administrative	154	170	153
	<u>\$ 204</u>	<u>217</u>	<u>193</u>

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Income Taxes

The Company accounts for income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying value amounts and income tax bases of assets and liabilities and the expected benefits of utilizing net operating loss and tax credit carryforwards. The deferred tax assets and liabilities are calculated using enacted tax rates in effect for each taxing jurisdiction in which the Company operates for the year in which those temporary differences are expected to be recovered or settled. Net deferred tax assets are then reduced by a valuation allowance if the Company believes it more likely than not such net deferred tax assets will not be realized. The effect on deferred tax assets and liabilities of an enacted change in tax rates is recognized in income in the period that includes the enactment date.

In November 2015, the FASB issued new accounting guidance that eliminates the current requirement for organizations to present deferred tax assets and liabilities as current and noncurrent in a classified balance sheet. Under the new guidance, organizations will be required to classify all deferred tax assets and liabilities as noncurrent. The new guidance may be applied prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. Early adoption is permitted. The Company elected to early adopt this guidance retrospectively during the current period. Accordingly, all deferred tax assets and liabilities are presented as noncurrent in the financial statements for all periods presented. The adoption of the new guidance resulted in the reclassification of \$931 million deferred income tax assets previously reported as current deferred income tax assets to be reclassified to net noncurrent deferred income tax liabilities as of December 31, 2014.

When the tax law requires interest to be paid on an underpayment of income taxes, the Company recognizes interest expense from the first period the interest would begin accruing according to the relevant tax law. Such interest expense is included in interest expense in the accompanying consolidated statements of operations. Any accrual of penalties related to underpayment of income taxes on uncertain tax positions is included in other income (expense) in the accompanying consolidated statements of operations.

Earnings attributable to Liberty Stockholders Per Common Share

Basic earnings (loss) per common share ("EPS") is computed by dividing net earnings (loss) by the weighted average number of common shares that were outstanding for the period at the Company. Diluted EPS presents the dilutive effect on a per share basis of potential common shares as if they had been converted at the beginning of the periods presented.

Series A, Series B and Series C Liberty Common Stock

The basic and diluted EPS calculation is based on the following weighted average shares outstanding (WASO) of Liberty's common stock. As discussed in note 1, on July 23, 2014 the Company completed a stock dividend of two shares of Series C common stock for every share of Series A or Series B common stock held as of the record date. Therefore, all prior period outstanding share amounts for purposes of the calculation of EPS have been retroactively adjusted for comparability. Excluded from diluted EPS for the years ended December 31, 2015, 2014 and 2013 are 22 million, 21

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million and 17 million potential common shares, respectively, primarily due to warrants issued in connection with the Bond Hedge Transaction (see note 9) because their inclusion would be anti-dilutive.

	Years ended December 31,		
	2015	2014	2013
	number of shares in millions		
Basic WASO	338	342	355
Potentially dilutive shares	2	3	4
Diluted WASO	340	345	359

Reclasses and adjustments

Certain prior period amounts have been reclassified for comparability with the current year presentation.

In April 2015, the FASB issued new accounting guidance on the presentation of debt issuance costs which requires debt issuance costs related to a recognized debt liability to be presented on the balance sheet as a direct deduction from the debt liability. The new guidance intends to simplify the presentation of debt issuance costs. In August 2015, the FASB issued new accounting guidance on the presentation or subsequent measurement of debt issuance costs related to line of credit arrangements, which provides that such cost may be presented as an asset and amortized ratably over the term of the line of credit arrangement, regardless of whether there are outstanding borrowings on the arrangement. The amendments in these new accounting standards are effective for financial statements issued for fiscal years beginning after December 15, 2015 and interim periods within those years. Early adoption is permitted for financial statements that have not been previously issued and retrospective application is required for each balance sheet presented. We retrospectively early adopted this new guidance in the fourth quarter of 2015. Prior period amounts have been appropriately restated to reflect this change in presentation of deferred loan costs on the consolidated balance sheets. The adoption of the new guidance resulted in the reclassification of \$7 million net debt issuance costs previously reported as other assets to be reclassified to debt as of December 31, 2014.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The Company considers (i) recurring and nonrecurring fair value measurements, (ii) accounting for income taxes, (iii) assessments of other-than-temporary declines in fair value of its investments and (iv) determination of the useful life of SIRIUS XM's broadcast/transmission system to be its most significant estimates.

The Company holds investments that are accounted for using the equity method. The Company does not control the decision making process or business management practices of these affiliates. Accordingly, the Company relies on management of these affiliates to provide it with accurate financial information prepared in accordance with GAAP that the Company uses in the application of the equity method. In addition, the Company relies on audit reports that are provided by the affiliates' independent auditors on the financial statements of such affiliates. The Company is not aware, however, of any errors in or possible misstatements of the financial information provided by its equity affiliates that would have a material effect on the Company's consolidated financial statements.

(3) Sirius XM Radio, Inc. Transactions

On January 18, 2013, Liberty settled a block transaction with a financial institution taking possession of an additional 50 million shares of SIRIUS XM, par value \$0.001 per share, for \$3.1556 per share, as well as converting its remaining SIRIUS XM Convertible Perpetual Preferred Stock, Series B-1, par value \$0.001 per share, into 1,293,509,076 shares of SIRIUS XM Common Stock. As a result of these two transactions Liberty holds more than 50% of the capital stock of

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SIRIUS XM and is entitled to vote on any matter, including the election of directors. Following the transactions, Liberty designated and SIRIUS XM's board of directors appointed certain directors to SIRIUS XM's board of directors and Liberty effectively controls the board as of January 18, 2013. This resulted in the application of purchase accounting and the consolidation of SIRIUS XM in the first quarter of 2013. Liberty recorded a gain of approximately \$7.5 billion in the first quarter of 2013 associated with application of purchase accounting based on the difference between fair value and the carrying value of the ownership interest Liberty had in SIRIUS XM prior to the acquisition of the controlling interest. The gain on the transaction was excluded from taxable income. Additionally, the difference between the book basis and tax basis of SIRIUS XM, as previously accounted for under the equity method, was relieved as a result of the transaction. The fair value of our ownership interest previously held (\$10,215 million) and the fair value of the initial noncontrolling interest (\$10,286 million) was determined based on the trading price (level 1) of SIRIUS XM on the last trading day prior to the acquisition of the controlling interest. Additionally, the noncontrolling interest includes the fair value of SIRIUS XM's fully vested options (level 2), the fair value of warrants outstanding (level 2) and the intrinsic value of a beneficial conversion feature accounted for in purchase accounting. Following the transaction date, SIRIUS XM is a consolidated subsidiary with just less than a 50% noncontrolling interest accounted for in equity and the consolidated statements of operations. Effective November 15, 2013, SIRIUS XM completed a corporate reorganization whereby Sirius XM Holdings Inc. replaced Sirius XM Radio Inc. as its publicly held corporation, and Sirius XM Radio Inc. became a wholly-owned subsidiary of SIRIUS XM Holdings Inc. and has no operations independent of its subsidiary SIRIUS XM Radio Inc.

On October 9, 2013, Liberty entered into a share repurchase agreement with SIRIUS XM pursuant to which SIRIUS XM agreed to acquire approximately 136.6 million SIRIUS XM shares for \$500 million. Approximately 43.7 million shares were repurchased in 2013 for \$160 million in proceeds and the remaining shares were repurchased in 2014 for proceeds of \$340 million. The retirement of SIRIUS XM shares on a consolidated basis did not significantly impact the consolidated results as it only required an adjustment to noncontrolling interest as the shares were repurchased and retired. Additionally, during 2014, SIRIUS XM entered into certain accelerated share repurchase agreements pursuant to which SIRIUS XM repurchased approximately 223.2 million shares for approximately \$756 million. SIRIUS XM also repurchased approximately 524.2 million, 423.0 million and 476.5 million shares of SIRIUS XM common stock under its stock repurchase program during the years ended December 31, 2015, 2014 and 2013, respectively, for \$2.0 billion, \$1.4 billion and \$1.6 billion, respectively. Liberty continues to maintain a controlling interest in SIRIUS XM following the completion of the share repurchases.

On November 4, 2013, SIRIUS XM announced the completion of the acquisition of Agero, Inc. ("Agero"), pursuant to a stock purchase agreement in which SIRIUS XM agreed to acquire the connected vehicle business of Agero for an aggregate purchase price of approximately \$525 million, net of cash acquired. Agero's connected vehicle business is a leader in implementing the next generation of connected vehicle services. Pro forma financial information related to this acquisition has not been provided as it is not material to our consolidated results of operations.

In August 2008, SIRIUS XM issued \$550 million aggregate principal amount of 7% Exchangeable Senior Subordinated Notes due 2014 (the "Exchangeable Notes"). The Exchangeable Notes were exchangeable at anytime at the option of the holder into shares of SIRIUS XM common stock at an exchange rate of 543.1372 shares of common stock per \$1,000 principal amount of the notes, which is equivalent to an approximate exchange price of \$1.841 per share of common stock. All holders of the Exchangeable Notes converted prior to maturity on December 1, 2014. During the year ended December 31, 2014, \$502 million principal amount of the Exchangeable Notes were converted in a non-cash financing transaction, resulting in the issuance of 272,855,859 shares of SIRIUS XM common stock. No loss was recognized as a result of the conversion. In connection with the conversion, Liberty received 5,974,510 shares of SIRIUS XM common stock upon maturity of the Exchangeable Notes.

As of December 31, 2015, we owned approximately 61% of the outstanding equity interest in SIRIUS XM.

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(4) Supplemental Disclosures to Consolidated Statements of Cash Flows

	Years ended December 31,		
	2015	2014	2013
	amounts in millions		
Cash paid for acquisitions:			
Fair value of assets acquired	\$ —	1	2,586
Intangibles not subject to amortization	—	24	23,694
Intangibles subject to amortization	—	36	1,177
Net liabilities assumed	—	(12)	(5,367)
Deferred tax liabilities	—	(2)	(760)
Fair value of previously held ownership interest	—	—	(10,372)
Noncontrolling interest	—	—	(10,841)
Cash paid for acquisitions, net of cash acquired	<u>\$ —</u>	<u>47</u>	<u>117</u>
Cash paid for exchange transaction:			
Fair value of Liberty Series A common stock received	\$ —	—	937
Carrying value of business deconsolidated	—	—	(19)
Cash held by business deconsolidated	—	—	12
Gain on transaction	—	—	(496)
Tax impact of transaction	—	—	(5)
Net cash paid for exchange transaction	<u>\$ —</u>	<u>—</u>	<u>429</u>
Stock repurchased by subsidiary not yet settled	<u>\$ 24</u>	<u>26</u>	<u>—</u>
Cash paid for interest	<u>\$ 295</u>	<u>232</u>	<u>144</u>
Cash paid (received) for income taxes	<u>\$ 3</u>	<u>20</u>	<u>(75)</u>

(5) Assets and Liabilities Measured at Fair Value

For assets and liabilities required to be reported at fair value, GAAP provides a hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs, other than quoted market prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The Company does not have any recurring assets or liabilities measured at fair value that would be considered Level 3.

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

Description	December 31, 2015			December 31, 2014		
	Total	Quoted prices in active markets for identical assets	Significant other observable inputs	Total	Quoted prices in active markets for identical assets	Significant other observable inputs
		(Level 1)	(Level 2)		(Level 1)	(Level 2)
amounts in millions						
Cash equivalents	\$ 68	68	—	507	507	—
Short term marketable securities	\$ 15	15	—	199	—	199
Available-for-sale securities	\$ 474	425	49	769	691	78
Financial instrument assets	\$ 232	—	232	305	96	209
Debt	\$ 995	—	995	990	—	990

The majority of Liberty's Level 2 financial instruments are debt related instruments and derivative instruments. The Company notes that these assets are not always traded publicly or not considered to be traded on "active markets," as defined in GAAP. The fair values for such instruments are derived from a typical model using observable market data as the significant inputs. The fair value of debt related instruments are based on quoted market prices but not considered to be traded on "active markets," as defined by GAAP. Accordingly, those available-for-sale securities, financial instruments and debt related instruments are reported in the foregoing table as Level 2 fair value. The financial instrument assets included in the table above are included in the Other assets, net of accumulated amortization line item in the consolidated balance sheets.

Realized and Unrealized Gains (Losses) on Financial Instruments

Realized and unrealized gains (losses) on financial instruments are comprised of changes in the fair value of the following (amounts in millions):

	Years ended December 31,		
	2015	2014	2013
Fair Value Option Securities	\$ (151)	80	306
Cash convertible notes (a)	(5)	12	(17)
Change in fair value of bond hedges (a)	23	(89)	(1)
Other derivatives (b)	(7)	35	7
	<u>\$ (140)</u>	<u>38</u>	<u>295</u>

- (a) Liberty issued \$1 billion of cash convertible notes in October 2013 which are accounted for at fair value (Level 2), as elected by Liberty at the time of issuance. Contemporaneously with the issuance of the convertible notes, Liberty entered into privately negotiated cash convertible note hedges, which are expected to offset potential cash payments Liberty would be required to make in excess of the principal amount of the convertible notes, upon conversion of the notes. The bond hedges are marked to market based on the trading price of underlying securities and other observable market data as the significant inputs (Level 2). See note 9 for additional discussion of the convertible notes and the bond hedges.
- (b) Derivatives are marked to market based on the trading price of underlying securities and other observable market data as the significant inputs (Level 2). During September 2014, Liberty entered into a forward contract to acquire up to 15.9 million shares of Live Nation common stock. Prior to the contract's original expiration during March 2015, the Company extended the contract through October 15, 2015 with expiration occurring on the sixtieth day following the completion of the counterparty's initial hedge, which was November 27, 2015 and settlement occurring on December 2, 2015. The counterparty acquired the maximum

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number of Live Nation shares of common stock at a volume weighted average share price of \$24.93 per share during September 2015. Liberty settled the contract for \$396 million paid to the counterparty.

(6) Investments in Available-for-Sale Securities and Other Cost Investments

All marketable equity and debt securities held by the Company are classified as available-for-sale ("AFS") and are carried at fair value generally based on quoted market prices. GAAP permits entities to choose to measure many financial instruments, such as AFS securities, and certain other items at fair value and to recognize the changes in fair value of such instruments in the entity's statement of operations. The Company previously had entered into economic hedges for certain of its non-strategic AFS securities (although such instruments were not accounted for as fair value hedges by the Company). Changes in the fair value of those economic hedges were reflected in the Company's statement of operations as unrealized gains (losses). In order to better match the changes in fair value of the subject AFS securities and the changes in fair value of the corresponding economic hedges in the Company's financial statements, the Company has elected to account for those of its AFS securities which it considers to be non-strategic ("Fair Value Option Securities") at fair value. Accordingly, changes in the fair value of Fair Value Option Securities, as determined by quoted market prices, are reported in realized and unrealized gains (losses) on financial instruments in the accompanying consolidated statements of operations.

Investments in AFS securities, including Fair Value Option Securities separately aggregated, and other cost investments are summarized as follows:

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
	<u>amounts in millions</u>	
Fair Value Option Securities		
Time Warner Inc. (a)	\$ 275	363
Viacom, Inc. (b)	76	273
Other equity securities	74	82
Other debt securities	25	27
Total Fair Value Option Securities	<u>450</u>	<u>745</u>
AFS and cost investments		
Live Nation debt securities	24	24
Other AFS and cost investments	59	47
Total AFS and cost investments	<u>83</u>	<u>71</u>
	<u>\$ 533</u>	<u>816</u>

- (a) See note 9 for details regarding the number and fair value of shares pledged as collateral pursuant to certain margin loan agreements and the Braves Holdings mixed-use development facility as of December 31, 2015.
- (b) During the year ended December 31, 2015, Liberty sold 1.8 million shares of Viacom, Inc. common stock for approximately \$122 million in proceeds. Shares of Viacom, Inc. common stock are no longer pledged as collateral pursuant to margin loan agreements as of December 31, 2015.

Unrealized Holding Gains and Losses

There were no unrealized holding gains or losses related to investments in AFS securities at December 31, 2015 or 2014.

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(7) 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 and market value (level 1) of the more significant investments in affiliates at December 31, 2015, and the carrying amount at December 31, 2014:

	December 31, 2015		December 31, 2014	
	Percentage ownership	Market Value	Carrying amount	Carrying amount
dollar amounts in millions				
Live Nation (a)(b)	35%	\$ 1,711	\$ 764	396
SIRIUS XM Canada	37%	142	153	237
Other	various	NA	198	218
			<u>\$ 1,115</u>	<u>851</u>

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

	Years ended December 31,		
	2015	2014	2013
amounts in millions			
Charter (c)	\$ NA	(94)	(83)
SIRIUS XM (d)	NA	NA	8
Live Nation (a)	(27)	(30)	(18)
SIRIUS XM Canada (d)	(1)	5	7
Other	(12)	6	54
	<u>\$ (40)</u>	<u>(113)</u>	<u>(32)</u>

- (a) During September 2014, Liberty entered into a forward contract to acquire up to 15.9 million shares of Live Nation common stock. Prior to the contract's original expiration during March 2015, the Company extended the contract through October 15, 2015 with expiration occurring on the sixtieth day following the completion of the counterparty's initial hedge, which was November 27, 2015 and settlement occurring on December 2, 2015. The counterparty acquired the maximum number of Live Nation shares of common stock at a volume weighted average share price of \$24.93 per share during September 2015. Liberty settled the contract for \$396 million paid to the counterparty. During the year ended December 31, 2014, Liberty acquired an additional 1.7 million shares of Live Nation for approximately \$39 million. During the year ended December 31, 2013, Liberty acquired an additional 1.7 million shares of Live Nation for approximately \$19 million.
- (b) See note 9 for details regarding the number and fair value of shares pledged as collateral pursuant to certain margin loan agreements as of December 31, 2015.
- (c) As discussed below, Liberty acquired its interest in Charter during May 2013 for approximately \$2.6 billion. Our share of losses related to Charter included \$60 million and \$51 million of losses due to the amortization of the excess basis of our investment during the years ended December 31, 2014 and 2013, respectively. As discussed in note 1, Liberty's investment in Charter was spun off to stockholders as part of the Broadband Spin-Off, which was completed on November 4, 2014.
- (d) On January 18, 2013, as discussed in note 3, Liberty acquired an additional 50 million common shares and acquired a controlling interest in SIRIUS XM and as a result consolidates SIRIUS XM as of such

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date. SIRIUS XM has an investment in SIRIUS XM Canada that was recorded at fair value in purchase accounting. See discussion below of SIRIUS XM Canada.

SIRIUS XM Canada

In the acquisition of SIRIUS XM, Liberty acquired an interest in SIRIUS XM Canada which SIRIUS XM accounts for as an equity method affiliate. Liberty recognized the investment at fair value, based on the market price per share (level 1), on the date of acquisition.

SIRIUS XM has entered into agreements to provide SIRIUS XM Canada with the right to offer SIRIUS XM satellite radio service in Canada. The various license and service agreements with SIRIUS XM Canada will expire in 2017 and 2020. SIRIUS XM receives a percentage-based royalty of 10% and 15% for certain types of subscriber fees earned by SIRIUS XM Canada for the distribution of Sirius and XM platforms, respectively, royalties for activation fees and premium services and reimbursement for other charges. SIRIUS XM recognizes these payments on a gross basis as a principal obligor. The estimated fair value of deferred revenue from SIRIUS XM Canada as of the acquisition date was approximately \$21 million, which is amortized on a straight-line basis through 2020, the end of the expected term of the agreements. SIRIUS XM provides programming and chipsets as well other services and SIRIUS XM Canada reimburses SIRIUS XM for such costs. At December 31, 2015, SIRIUS XM has approximately \$6 million and \$14 million in related party assets and liabilities, respectively, related to these agreements described above with SIRIUS XM Canada which are recorded in other assets and other liabilities, respectively, in the consolidated balance sheet. At December 31, 2014, SIRIUS XM had approximately \$7 million and \$18 million in related party assets and liabilities, respectively, related to these agreements described above with SIRIUS XM Canada which are recorded in other assets and other liabilities, respectively, in the consolidated balance sheet. Additionally, SIRIUS XM recorded approximately \$56 million, \$50 million and \$49 million in revenue for the years ended December 31, 2015, 2014 and 2013, respectively, associated with these various agreements in the other revenue line in the consolidated statements of operations. SIRIUS XM Canada declared and paid dividends to SIRIUS XM of \$16 million, \$43 million and \$17 million during the years ended December 31, 2015, 2014 and 2013, respectively.

Charter Communications, Inc.

In May 2013, Liberty completed a transaction with investment funds managed by, or affiliated with, Apollo Management, Oaktree Capital Management and Crestview Partners to acquire approximately 26.9 million shares of common stock and approximately 1.1 million warrants in Charter for approximately \$2.6 billion, which represented an approximate 27% beneficial ownership (including the warrants on an as if converted basis) in Charter at the time of purchase and a price per share of \$95.50. Liberty accounted for the investment in Charter as an equity method affiliate based on the ownership interest obtained and the board seats held by Liberty appointed individuals. Liberty funded the purchase with a combination of cash of approximately \$1.2 billion on hand and new margin loan arrangements on approximately 20.3 million Charter common shares, approximately 720 million SIRIUS XM common shares, approximately 8.1 million Live Nation common shares and a portion of Liberty's available for sale securities. Liberty allocated the purchase price between the shares of common stock and the warrants acquired in the transaction by determining the fair value of the publicly traded warrants and allocating the remaining balance to the shares acquired, which resulted in an excess basis in the investment of \$2.5 billion. The excess basis was primarily allocated to franchise fees, customer relationships, debt and goodwill based on a valuation of Charter's assets and liabilities. During the years ended December 31, 2014 and 2013, the Company recognized \$72 million and \$93 million, respectively, in losses in its investment in Charter shares and warrants due to warrant and stock option exercises at Charter below Liberty's book basis per share. Dilution losses are included in the other, net line in the accompanying consolidated statements of operations. As discussed in note 1, Liberty's investment in Charter was spun off to stockholders as part of the Broadband Spin-Off, which was completed on November 4, 2014. Liberty ceased recording the results of Charter in its financial statements as of the date of the completion of the Broadband Spin-Off.

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(8) Goodwill and Other Intangible Assets

Changes in the carrying amount of goodwill are as follows:

	SIRIUS XM	Other	Total
Balance at January 1, 2014	\$ 14,165	200	14,365
Acquisitions (a)	—	24	24
Broadband Spin-Off	—	(46)	(46)
Other	—	2	2
Balance at December 31, 2014	<u>14,165</u>	<u>180</u>	<u>14,345</u>
Other	—	—	—
Balance at December 31, 2015	<u>\$ 14,165</u>	<u>180</u>	<u>14,345</u>

(a) TruePosition made an acquisition during the year ended December 31, 2014.

Other intangible assets not subject to amortization, not separately disclosed, are tradenames (\$930 million) at December 31, 2015 and 2014 and franchise rights owned by Braves Holdings (\$143 million) as of December 31, 2015 and 2014. We identified these assets as indefinite life intangible assets after considering the expected use of the assets, the regulatory and economic environment within which they are used and the effects of obsolescence on their use. SIRIUS XM's FCC licenses are currently scheduled to expire in 2017, 2018, 2021 and 2022. Prior to expiration, SIRIUS XM is required to apply for a renewal of its FCC licenses. The renewal and extension of its licenses is reasonably certain at minimal cost, which is expensed as incurred. Each of the FCC licenses authorizes SIRIUS XM to use the broadcast spectrum, which is a renewable, reusable resource that does not deplete or exhaust over time.

Intangible Assets Subject to Amortization

Intangible assets subject to amortization are comprised of the following:

	December 31, 2015			December 31, 2014		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
	amounts in millions					
Customer relationships	\$ 838	(179)	659	838	(122)	716
Licensing agreements	316	(81)	235	316	(52)	264
Other	609	(406)	203	532	(346)	186
Total	<u>\$ 1,763</u>	<u>(666)</u>	<u>1,097</u>	<u>1,686</u>	<u>(520)</u>	<u>1,166</u>

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Customer relationships are amortized over 10-15 years and licensing agreements are amortized over 15 years. Amortization expense was \$155 million, \$150 million and \$115 million for the years ended December 31, 2015, 2014 and 2013, respectively. Based on its amortizable intangible assets as of December 31, 2015, Liberty expects that amortization expense will be as follows for the next five years (amounts in millions):

2016	\$ 158
2017	\$ 148
2018	\$ 122
2019	\$ 99
2020	\$ 95

(9) Debt

Debt is summarized as follows:

	Outstanding Principal December 31, 2015	Carrying value	
		December 31, 2015	December 31, 2014
amounts in millions			
Corporate level notes and loans:			
Liberty 1.375% Cash Convertible Notes due 2023	\$ 1,000	995	990
Margin loans	250	250	250
Other	38	38	—
Subsidiary notes and loans:			
SIRIUS XM 5.875% Senior Notes due 2020	650	645	644
SIRIUS XM 5.75% Senior Notes due 2021	600	596	595
SIRIUS XM 5.25% Senior Secured Notes due 2022	400	406	407
SIRIUS XM 4.25% Senior Notes due 2020	500	496	496
SIRIUS XM 4.625% Senior Notes due 2023	500	496	495
SIRIUS XM 6% Senior Notes due 2024	1,500	1,485	1,484
SIRIUS XM 5.375% Senior Notes due 2025	1,000	989	—
SIRIUS XM Credit Facility	340	340	380
Other subsidiary debt	160	160	111
Total debt	\$ 6,938	6,896	5,852
Less debt classified as current		(255)	(257)
Less deferred financing costs, net		(15)	(7)
Total long-term debt		\$ 6,626	5,588

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 conversion of the Convertible Notes will be settled solely in cash, and not through the delivery of any securities. The initial conversion rate for the Convertible Notes was 5.5882 shares of Liberty Series A common stock per \$1,000 principal amount of Convertible Notes, which was equivalent to an initial conversion price of \$178.95 per share of Liberty Series A common stock. During the year ended December 31, 2014, in connection with the issuance of Liberty Series C common stock and the Broadband Spin-Off, as discussed in note 1, the conversion rate was adjusted to 21.0859 shares of Liberty Series A common stock per \$1,000 principal amount of Convertible Notes and an adjusted conversion price of \$47.43 per share of Liberty Series A common stock. Holders of the Convertible Notes may

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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: (1) during any fiscal quarter after the fiscal quarter ending December 31, 2013, if the last reported sale price of our Series A common stock for at least 20 trading days in the period of 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is equal to or more than 130% of the conversion price of the notes on the last day of such preceding fiscal quarter; (2) during the five day period after any five consecutive trading day period, which we refer to as the measurement period, in which the trading price per \$1,000 principal amount of notes for each trading day of that measurement period was less than 98% of the product of the last reported sale price of our Series A common stock and the applicable conversion rate on each such day; or (3) upon the occurrence of specified corporate transactions. Liberty has elected to account for this instrument using the fair value option. Accordingly, changes in the fair value of this instrument are recognized as unrealized gains (losses) in the statements of operations. As of December 31, 2015, the Convertible Notes are classified as a long term liability in the consolidated balance sheets, as the conversion conditions have not been met as of such date.

Additionally, contemporaneously with the issuance of the Convertible Notes, Liberty entered into privately negotiated cash convertible note hedges and purchased call options (the "Bond Hedge Transaction"). The Bond Hedge Transaction covered approximately 5,588,200 shares of Liberty Series A common stock, subject to anti-dilution adjustments pertaining to the Convertible Notes, which was equal to the number of shares of Liberty Series A common stock that were initially underlying the Convertible Notes. The Bond Hedge Transaction is expected to offset potential cash payments Liberty would be required to make in excess of the principal amount of the Convertible Notes, upon conversion of the notes in the event that the volume-weighted average price per share of the Liberty Series A common stock, as measured under the cash convertible note hedge transactions on each trading day of the relevant cash settlement averaging period or other relevant valuation period, is greater than the strike price of \$178.95 per share of Liberty Series A common stock, which corresponded to the initial conversion price of the Convertible Notes. During the year ended December 31, 2014, in connection with the issuance of Liberty Series C common stock and the Broadband Spin-Off, as discussed in note 1, the number of shares covered by the Bond Hedge Transaction was adjusted to 21,085,900 shares of Liberty Series A common stock and the strike price was adjusted to \$47.43 per share of Liberty Series A common stock, which corresponds to the adjusted conversion price of the Convertible Notes. Liberty paid approximately \$299 million for the Bond Hedge Transaction. The bond hedge expires on October 15, 2023 and is included in other long-term assets as of December 31, 2015 and 2014 in the accompanying consolidated balance sheets, with changes in the fair value recorded in the Unrealized gains (losses) on financial instruments, net line item of the statements of operations.

Concurrently with the Convertible Notes and Bond Hedge Transaction, Liberty also entered into separate privately negotiated warrant transactions under which Liberty sold warrants relating to the same number of shares of common stock as underlie the Bond Hedge Transaction, subject to anti-dilution adjustments. The warrant transactions may have a dilutive effect with respect to the Liberty Series A common stock to the extent that the price of the Liberty Series A common stock exceeds the strike price of the warrant transactions and warrant transactions are settled with shares of Liberty Series A common stock. The first expiration date of the warrants is January 16, 2024 and expire over a period covering 81 days thereafter. Liberty may elect to settle its delivery obligation under the warrant transactions with cash. Liberty received approximately \$170 million in proceeds for the sale of warrants. The issuance of the warrants were recorded as a component of Additional paid-in capital. The strike price of the warrants was initially \$255.64 per share of Liberty Series A common stock. In connection with the Series C common stock issuance and the Broadband Spin-Off during 2014, as discussed in note 1, the number of warrants outstanding was adjusted to 21,085,900 with a strike price of \$64.46 per share.

The net proceeds from these transactions of \$871 million was used for general corporate purposes and approximately \$200 million was used to pay down a portion of the revolving credit facility under the margin loans.

Margin Loans

During the year ended December 31, 2013, in connection with Liberty's acquisition of Charter common stock and warrants, as discussed in note 7, Liberty, through certain of its wholly-owned subsidiaries, entered into three different

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margin loans with various financial institutions (“lender parties”) in order to fund the purchase. One of these margin loans was fully repaid during 2013. Each agreement contains language that indicates that Liberty, as borrower and transferor of underlying shares as collateral, has the right to exercise all voting, consensual and other powers of ownership pertaining to the transferred shares for all purposes, provided that Liberty agrees that it will not vote the shares in any manner that would reasonably be expected to give rise to transfer or other certain restrictions. Similarly, the loan agreements indicate that no lender party shall have any voting rights with respect to the shares transferred, except to the extent that a lender party buys any shares in a sale or other disposition made pursuant to the terms of the loan agreements. The margin loans consist of the following:

\$1.25 Billion Margin Loan due 2016

On April 30, 2013, Liberty Siri MarginCo, LLC, a wholly-owned subsidiary of Liberty, entered into a margin loan agreement whereby Liberty Siri MarginCo, LLC borrowed \$250 million pursuant to a term loan and \$450 million pursuant to a revolving credit facility with various lender parties. Shares of common stock of certain of the Company’s equity affiliates and cost investments were pledged as collateral pursuant to this agreement. Borrowings under this agreement were due October 31, 2014 and bore interest equal to LIBOR plus 2%. Interest on the term loan was payable on the first business day of each calendar quarter, and interest was payable on the revolving line of credit on the last day of the interest period applicable to the borrowing of which such loan is a part. During 2013, Liberty Siri MarginCo, LLC repaid \$450 million outstanding under the revolving credit facility.

During October 2014, Liberty refinanced this margin loan arrangement for a similar financial instrument with a term loan of \$250 million and a \$750 million undrawn line of credit. The term loan and any drawn portion of the revolver bore interest at a rate of LIBOR plus an applicable spread between 1.75% and 2.50% (based on value of collateral) with the undrawn portion carrying a fee of 0.75%. As of December 31, 2014, shares of SIRIUS XM, Live Nation, Time Warner, Inc. and Viacom, Inc. common stock were pledged as collateral pursuant to this agreement. Due to the sale of shares of Viacom, Inc. held by Liberty during 2015 (note 6), shares of Viacom, Inc. were released as collateral pursuant to this agreement. Borrowings outstanding under this margin loan bore interest at a rate of 1.98% per annum at December 31, 2014. Other terms of the loan were substantially similar to the previous arrangement. The maturity of the new arrangement was October 28, 2015.

Prior to the maturity of the margin loan in October 2015, Liberty refinanced this margin loan arrangement for a similar financial instrument with a term loan of \$250 million and a \$1 billion undrawn line of credit, which is now scheduled to mature on October 25, 2016. In connection with the amendment, 4.6 million shares of SIRIUS XM, 7.8 million shares Live Nation, and all shares of Time Warner, Inc. were released as collateral to this agreement. The new term loan and any drawn portion of the revolver carries an interest rate of LIBOR plus an applicable spread between 1.75% and 2.25% (based on the value of collateral) with the undrawn portion carrying a fee of 0.75%. Borrowings outstanding under this margin loan bore interest at a rate of 2.07% per annum at December 31, 2015. Other terms of the agreement were substantially similar to the previous arrangement. As of December 31, 2015, availability under the revolving line of credit was \$1 billion.

\$670 Million Margin Loan due 2015

At closing on May 1, 2013, LMC Cheetah 2, LLC, a wholly-owned subsidiary of Liberty, entered into a margin loan agreement with an availability of \$670 million pursuant to a term loan with various lender parties (“\$670 Million Margin Loan due 2015”). Shares of Charter common stock were pledged as collateral pursuant to this agreement. The \$670 Million Margin Loan was due May 1, 2015 and bore interest equal to the three-month LIBOR plus 3.25%, payable on the first day of each of February, May, August and November throughout the term of the loan. As of December 31, 2013, Liberty had fully drawn the \$670 Million Margin Loan due 2015. During the year ended December 31, 2014, Liberty fully repaid the \$670 Million Margin Loan due 2015 and the shares previously pledged under the loan are no longer pledged as collateral.

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As of December 31, 2015, the value of shares pledged as collateral pursuant to the \$1.25 billion margin loan due 2016 is as follows:

Investment	Number of shares pledged as collateral as of December 31, 2015	Share value as of December 31, 2015
	amounts in millions	
SIRIUS XM	145.4	\$ 592
Live Nation	4.2	\$ 104

The outstanding margin loan contains various affirmative and negative covenants that restrict the activities of the borrower. The loan agreement does not include any financial covenants.

SIRIUS XM Outstanding Debt

SIRIUS XM 5.25% Senior Secured Notes due 2022

In August 2012, SIRIUS XM issued \$400 million aggregate principal amount of 5.25% Senior Secured Notes due 2022 (the "5.25% Notes"). Interest is payable semi-annually in arrears on February 15 and August 15 of each year at a rate of 5.25% per annum. The 5.25% Notes mature on August 15, 2022. Substantially all of SIRIUS XM's domestic wholly-owned subsidiaries guarantee SIRIUS XM's obligations under the 5.25% Notes. The premium associated with the 5.25% Notes was recorded in purchase accounting as the difference between fair value and the outstanding principal amount at the date of acquisition. This premium is being amortized over the remaining period to maturity through interest expense.

In April 2014, SIRIUS XM entered into a supplemental indenture to the indenture governing the 5.25% Notes pursuant to which SIRIUS XM granted a first priority lien on substantially all of its assets and the guarantors to the holders of the 5.25% Notes. The liens securing the 5.25% Notes are equal and ratable to the liens granted to secure the Credit Facility (as defined and discussed below).

SIRIUS XM Senior Secured Revolving Credit Facility

In December 2012, SIRIUS XM entered into a five-year senior secured revolving credit facility (the "Credit Facility") with a syndicate of financial institutions for \$1,250 million. In June 2015, Sirius XM entered into an amendment to increase the total borrowing capacity under the Credit Facility to \$1,750 million and to extend the maturity to June 2020. The Credit Facility is secured by substantially all of SIRIUS XM's assets and the assets of its subsidiaries. The proceeds of loans under the Credit Facility will be used for working capital and other general corporate purposes, including financing acquisitions, share repurchases and dividends. Interest on borrowings is payable on a monthly basis and accrues at a rate based on LIBOR plus an applicable rate. Borrowings outstanding under the Credit Facility as of December 31, 2015 bear interest at a rate of 2.42% per annum. SIRIUS XM is required to pay a variable fee on the average daily unused portion of the Credit Facility which was 0.30% as of December 31, 2015 and is payable on a quarterly basis. The Credit Facility contains customary covenants, including a maintenance covenant.

As of December 31, 2015, availability under the Credit Facility was \$1.4 billion.

SIRIUS XM Senior Notes Due 2020 and 2023

In May 2013, SIRIUS XM issued \$500 million of Senior Notes due 2020 which bear interest at an annual rate of 4.25% and \$500 million of Senior Notes due 2023 which bear interest at an annual rate of 4.625%. SIRIUS XM received net proceeds of \$989 million from the sale of the notes after deducting commissions, fees and expenses. Interest on the

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notes is payable semi-annually in arrears on May 15 and November 15 of each year. Substantially all of SIRIUS XM's domestic wholly-owned subsidiaries guarantee SIRIUS XM's obligations under the notes.

SIRIUS XM 5.75% Senior Notes Due 2021

During August 2013, SIRIUS XM issued \$600 million of 5.75% Senior Notes due 2021 ("5.75% Notes"). Interest on the notes is payable semi-annually in arrears on February 1 and August 1 of each year at a rate of 5.75% per annum. Substantially all of SIRIUS XM's domestic wholly-owned subsidiaries guarantee SIRIUS XM's obligations under the notes. The 5.75% Notes were issued for \$594 million.

SIRIUS XM 5.875% Senior Notes Due 2020

During September 2013, SIRIUS XM issued \$650 million of 5.875% Senior Notes Due 2020 ("5.875% Notes"). Interest on the notes is payable semi-annually in arrears on April 1 and October 1 of each year at a rate of 5.875% per annum. Substantially all of SIRIUS XM's domestic wholly-owned subsidiaries guarantee SIRIUS XM's obligations under the notes. The 5.875% Notes were issued for \$643 million.

SIRIUS XM 5.375% Senior Notes due 2025

In March 2015, SIRIUS XM issued \$1.0 billion principal amount of new senior notes due 2025 which bear interest at an annual rate 5.375% ("SIRIUS XM 5.375% Senior Notes due 2025") with an original issuance discount of \$11 million. The SIRIUS XM 5.375% Senior Notes due 2025 are recorded net of the remaining unamortized discount.

Other subsidiary debt

Other subsidiary debt is comprised of SIRIUS XM capital leases and other borrowings at Braves Holdings. In 2014, Braves Holdings, through a wholly-owned subsidiary, purchased 82 acres of land for the purpose of constructing a Major League Baseball facility and development of a mixed-use complex adjacent to the ballpark. The new facility is expected to cost approximately \$672 million and Braves Holdings expects to spend approximately \$50 million in other costs and equipment related to the new ballpark. Funding for the ballpark will be split between Braves Holdings, Cobb County, the Cumberland Improvement District ("CID") and Cobb-Marietta Coliseum and Exhibit Hall Authority. Cobb-Marietta Coliseum and Exhibit Hall Authority, the CID and Cobb County will be responsible for funding \$392 million of ballpark related construction and Braves Holdings will be responsible for remainder of the cost, including cost overruns. Cobb-Marietta Coliseum and Exhibit Hall Authority issued \$368 million in bonds during September 2015. Braves Holdings received \$103 million of the bond proceeds during September 2015 as reimbursement for project costs paid for by Braves Holdings prior to the funding of the bonds. Funding for ballpark initiatives by Braves Holdings has come from cash reserves and utilization of two credit facilities. Additionally, during September 2015, Braves Holdings entered into a \$345 million term loan (the "Braves Term Loan"). The Braves Term Loan bears interest at LIBOR plus an applicable spread between 1.50% and 1.75% (based on the debt service coverage ratio) per annum and an unused commitment fee of 0.35% per annum based on the average daily unused portion of the Braves Term Loan, payable quarterly in arrears. The interest rate on the Braves Term Loan was 1.95% as of December 31, 2015. The Braves Term Loan is scheduled to mature during September 2020. In connection with entering into the Braves Term Loan, Braves Holdings partially repaid and reduced the capacity on one of the credit facilities from \$150 million to \$75 million for a total capacity under the credit facilities of \$175 million. As of December 31, 2015, the weighted average interest rate on the credit facilities was 2.86%. As of December 31, 2015, Braves Holdings has borrowed approximately \$147 million under the Braves Term Loan and two credit facilities.

Due to Braves Holdings providing the initial funding of the project and its ownership of the land during the initial construction period, until the initial reimbursement by the Authority during September 2015 at which time the land was conveyed to the Authority, Braves Holdings has been deemed the owner (for accounting purposes) of the stadium during

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the construction period and costs have been classified as construction in progress (“CIP”), within the Property and equipment, net line item. Future costs of the project will continue to be captured in CIP along with a corresponding liability in other liabilities, for amounts funded by the Authority. At the end of construction an additional determination will be made to determine whether the transaction will qualify for sale-leaseback accounting treatment.

In addition, Braves Holdings through affiliated entities and outside development partners are in the process of developing land around the ballpark for a mixed-use complex that is expected to feature retail, residential, office, hotel and entertainment opportunities. The estimated cost for mixed-use development is \$558 million, of which Braves Holdings affiliated entities are expected to fund approximately \$490 million, which Braves Holdings intends to fund with a mix of approximately \$200 million in equity and \$290 million in new debt. In December 2015, certain subsidiaries of Braves Holdings entered into three separate credit facilities totaling \$207 million to fund a portion of the mixed use development costs. All of the facilities were undrawn as of December 31, 2015. The maturity dates of the facilities range between December 2018 and December 2019, and all of the facilities contain two year extension options. Interest rates on the credit facilities bear interest at LIBOR plus an applicable spread between 2.0% and 2.6%, with step-downs upon lease of the mixed use facilities at the completion of construction. As discussed in note 6, 464 thousand Time Warner, Inc. shares were pledged as collateral to these facilities. The fair value of the shares pledged as of December 31, 2015 was \$30 million.

As of December 31, 2015, approximately \$358 million has been spent to-date on the baseball facility and mixed-use development, of which approximately \$190 million of funding has been provided by the Authority.

Debt Covenants

The SIRIUS XM Credit Facility contains certain financial covenants related to SIRIUS XM's leverage ratio. The Braves Term Loan contains certain financial covenants related to Braves Holdings' debt service coverage ratio and capital expenditures. Additionally, SIRIUS XM's Credit Facility and other borrowings contain certain non-financial covenants. As of December 31, 2015, the Company, SIRIUS XM and Braves Holdings were in compliance with all debt covenants.

Fair Value of Debt

The fair value, based on quoted market prices of the same instruments but not considered to be active markets (Level 2), of SIRIUS XM's publicly traded debt securities is as follows (amounts in millions):

	December 31, 2015
SIRIUS XM 5.875% Senior Notes due 2020	\$ 681
SIRIUS XM 5.75% Senior Notes due 2021	\$ 618
SIRIUS XM 5.25% Senior Secured Notes due 2022	\$ 423
SIRIUS XM 4.25% Senior Notes due 2020	\$ 507
SIRIUS XM 4.625% Senior Notes due 2023	\$ 490
SIRIUS XM 6% Senior Notes due 2024	\$ 1,567
SIRIUS XM 5.375% Senior Notes due 2025	\$ 1,010

Due to the variable rate nature of the Credit Facility, margin loans and other debt, the Company believes that the carrying amount approximates fair value at December 31, 2015.

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Five Year Maturities

The annual principal maturities of outstanding debt obligations for each of the next five years is as follows (amounts in millions):

2016	\$ 256
2017	\$ 5
2018	\$ 46
2019	\$ 3
2020	\$ 1,596

(10) Income Taxes

Income tax benefit (expense) consists of:

	Years ended December 31,		
	2015	2014	2013
	amounts in millions		
Current:			
Federal	\$ (17)	18	(45)
State and local	(17)	7	3
Foreign	(1)	—	5
	<u>(35)</u>	<u>25</u>	<u>(37)</u>
Deferred:			
Federal	(145)	(103)	165
State and local	(30)	12	7
Foreign	—	—	—
	<u>(175)</u>	<u>(91)</u>	<u>172</u>
Income tax benefit (expense)	<u>\$ (210)</u>	<u>(66)</u>	<u>135</u>

Income tax benefit (expense) differs from the amounts computed by applying the U.S. federal income tax rate of 35% as a result of the following:

	Years ended December 31,		
	2015	2014	2013
	amounts in millions		
Computed expected tax benefit (expense)	\$ (160)	(161)	(3,100)
Non-taxable gain on book consolidation of SIRIUS XM	—	—	3,054
Liquidation of consolidated subsidiaries	—	107	—
Non-taxable exchange of subsidiary	—	—	174
Dividends received deductions	2	99	46
Sale of subsidiary shares to subsidiary treated as a dividend for tax	—	(123)	(56)
State and local income taxes, net of federal income taxes	(1)	(4)	11
Change in valuation allowance affecting tax expense	(44)	(2)	9
Recognition of tax benefits not previously recognized, net	—	11	—
Other, net	(7)	7	(3)
Income tax benefit (expense)	<u>\$ (210)</u>	<u>(66)</u>	<u>135</u>

For the year ended December 31, 2015 the significant reconciling item, as noted in the table above, is a \$44 million increase in the valuation allowance due to the effect of a tax law change in the District of Columbia ("D.C.") which reduces

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the future allocation of SIRIUS XM's taxable income in D.C. As a result, SIRIUS XM expects it will utilize less of its D.C. net operating losses in the future, resulting in a \$44 million increase in the valuation allowance offsetting the deferred tax asset for these net operating losses.

For the year ended December 31, 2014 the significant reconciling items, as noted in the table above, are the result of taxes attributable to our sale of Sirius XM shares to Sirius XM, which is treated as a taxable distribution, but is not recognized for financial statement purposes. In addition, we recognized a benefit on our liquidation of a consolidated partnership investment and the related reduction in the tax basis of the partnership's assets, which was not recognized for financial statement purposes and a dividends received deduction, primarily attributable to the taxable SIRIUS XM distribution during the year.

For the year ended December 31, 2013 the significant reconciling items, as noted in the table above, are the result of \$7.5 billion non-taxable gain on the consolidation of SIRIUS XM on January 18, 2013, as discussed in note 3, and the non-taxable exchange of one of Liberty's consolidated subsidiaries on October 4, 2013, in exchange for Liberty shares (see note 11 for further discussion of this transaction).

The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities are presented below:

	December 31,	
	2015	2014
	amounts in millions	
Deferred tax assets:		
Net operating and capital loss carryforwards	\$ 1,795	2,119
Accrued stock compensation	140	127
Other accrued liabilities	76	88
Deferred revenue	729	678
Other future deductible amounts	7	10
Deferred tax assets	<u>2,747</u>	<u>3,022</u>
Valuation allowance	(49)	(5)
Net deferred tax assets	<u>2,698</u>	<u>3,017</u>
Deferred tax liabilities:		
Investments	67	229
Intangible assets	3,955	3,991
Discount on debt	30	—
Other	313	304
Deferred tax liabilities	<u>4,365</u>	<u>4,524</u>
Net deferred tax liabilities	<u>\$ 1,667</u>	<u>1,507</u>

SIRIUS XM's deferred tax assets and liabilities are included in the amounts above although SIRIUS XM's deferred tax assets and liabilities are not offset with Liberty's deferred tax assets and liabilities as SIRIUS XM is not included in the group tax return of Liberty. Liberty's acquisition of a controlling interest in SIRIUS XM's outstanding common stock during January 2013 did not create a change in control under Section 382 of the Internal Revenue Code.

The Company's net increase in the valuation allowance of \$44 million in 2015 was recorded entirely to income tax expense.

At December 31, 2015, the Company had federal net operating loss carryforwards for income tax purposes which, if not utilized to reduce taxable income in future periods, will expire between 2017 and 2035, most of which expire between 2025 and 2035. The Company's federal net operating loss carryforwards are primarily attributable to those at the SIRIUS

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XM level (\$4.6 billion, \$1.61 billion tax effected). SIRIUS XM also has state net operating loss carryforwards, tax effected, of \$148 million. The Company also has federal net operating losses at the Liberty level of \$95 million (\$33 million tax effected) and state net operating loss carryforwards, tax effected, of \$4 million.

In addition, Liberty currently has \$191 million of excess share-based compensation deductions which are included in the gross operating loss carryforward on its tax return of \$286 million. Excess tax compensation benefits are recorded off balance sheet until the excess tax benefit is realized through a reduction of taxes payable.

A reconciliation of unrecognized tax benefits is as follows:

	December 31,		
	2015	2014	2013
	amounts in millions		
Balance at beginning of year	\$ 2	30	29
Reductions for tax positions of prior years	—	(11)	—
Lapse in the statute of limitations	—	(17)	—
Increase in tax positions from prior years	252	—	—
Increase in tax positions from acquisition	—	—	1
Balance at end of year	<u>\$ 254</u>	<u>2</u>	<u>30</u>

As of December 31, 2015, the Company had recorded tax reserves of \$254 million related to unrecognized tax benefits for uncertain tax positions. If such tax benefits were to be recognized for financial statement purposes, less than \$184 million dollars would be reflected in the Company's tax expense and affect its effective tax rate. We do not currently anticipate that our existing reserves related to uncertain tax positions as of December 31, 2015 will significantly increase or decrease during the twelve-month period ending December 31, 2016; however, various events could cause our current expectations to change in the future. The Company's estimate of its unrecognized tax benefits related to uncertain tax positions requires a high degree of judgment.

During 2015, the Company increased its unrecognized tax benefits balance to \$254 million. The increase is primarily attributable to additional state net operating losses recorded for prior tax years at SIRIUS XM as a result of a state law change. Because SIRIUS XM does not believe its position with respect to the state net operating losses is greater than more-likely-than-not, it recorded a corresponding amount of unrecognized tax benefits during 2015.

As of December 31, 2015, the Company's tax years prior to 2012 are closed for federal income tax purposes, and the IRS has completed its examination of the Company's 2012 through 2014 tax years. The Company's tax loss carryforwards from its 2011 through 2014 tax years are still subject to adjustment. The Company's 2015 tax year is being examined currently as part of the IRS's Compliance Assurance Process ("CAP") program. Various states are currently examining the Company's prior years state income tax returns. Sirius XM, which does not consolidate with Liberty for income tax purposes, has federal and certain state income tax audits pending. We do not expect the ultimate disposition of these audits to have a material adverse effect on our financial position or results of operations.

As of December 31, 2015, the Company had less than a million dollars in accrued interest and penalties recorded related to uncertain tax positions.

(11) Stockholders' Equity

Preferred Stock

Liberty's preferred stock is issuable, from time to time, with such designations, preferences and relative participating, optional or other rights, qualifications, limitations or restrictions thereof, as shall be stated and expressed in a resolution or

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resolutions providing for the issue of such preferred stock adopted by Liberty's board of directors. As of December 31, 2015, no shares of preferred stock were issued.

Common Stock

As discussed in note 1, on July 23, 2014, holders of Series A and Series B common stock received a dividend of two shares of Series C common stock for each share of Series A or Series B common stock held by them as of July 7, 2014.

Liberty's Series A common stock has one vote per share, Liberty's Series B common stock has ten votes per share and Liberty's Series C common stock has no votes per share. Each share of the Series B common stock is exchangeable at the option of the holder for one share of Series A common stock. All series of our common stock participate on an equal basis with respect to dividends and distributions.

As of December 31, 2015, there were 2.4 million shares of Series A and 10.6 million shares of Series C common stock reserved for issuance under exercise privileges of outstanding stock options.

Purchases of Common Stock

During the year ended December 31, 2013 the Company repurchased 1,264,550 shares of Series A Liberty common stock for aggregate cash consideration of \$140 million under the authorized repurchase program. Additionally, Liberty obtained shares of Liberty Series A common stock on October 3, 2013, pursuant to a transaction in which a subsidiary of Comcast, Inc. exchanged approximately 6.3 million shares of Liberty's Series A common stock for a newly created subsidiary of Liberty which held Liberty's wholly-owned subsidiary Leisure Arts, Inc., approximately \$417 million in cash and Liberty's rights in and to a revenue sharing agreement relating to the carriage of CNBC ("CNBC Agreement"). Liberty recorded a gain of approximately \$496 million determined based on the difference between the fair value of the shares obtained in the exchange transaction and the carrying value assets and businesses delivered. These exchange shares obtained were done so through special approval from the Company's Board of Directors and was not considered a repurchase of shares under the Company's formal share repurchase program. Liberty treated the transaction as a tax-free exchange. In January 2014, the IRS completed its review of the exchange and notified Liberty that it agreed with the non-taxable characterization of the transaction.

There were no repurchases of Liberty common stock made pursuant to the Company's authorized repurchase program during the year ended December 31, 2014.

During the year ended December 31, 2015, the Company repurchased 9.2 million shares of Liberty Media Series A and Series C common stock for aggregate cash consideration of \$350 million under the authorized repurchase program.

All of the foregoing shares obtained have been retired and returned to the status of authorized and available for issuance.

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Potential Recapitalization of Tracking Stock Groups

During November 2015, Liberty's board of directors authorized management to pursue a reclassification of the Company's common stock into three new tracking stock groups, one to be designated as the Liberty Braves tracking stock, one to be designated as the Liberty Media tracking stock and one to be designated as the Liberty SiriusXM tracking stock, and to cause to be distributed subscription rights related to the Liberty Braves tracking stock following the creation of the new tracking stocks.

In connection with the creation of the new tracking stocks, each outstanding share of Liberty's Series A, Series B and Series C common stock would be cancelled and reclassified by exchanging each such share for newly issued shares of the corresponding series of Liberty Braves tracking stock, Liberty Media tracking stock and Liberty SiriusXM tracking stock. Cash will be paid in lieu of the issuance of any fractional shares. In addition, following the creation of the new tracking stocks, Liberty would distribute to holders of its Liberty Braves tracking stock subscription rights to acquire shares of Series C Liberty Braves tracking stock. The record dates, distribution dates, and distribution ratios for the creation of the new tracking stocks and the distribution of subscription rights will be announced at a later date.

The Liberty Braves tracking stock would be intended to track and reflect the separate economic performance of the businesses, assets and liabilities to be attributed to the Liberty Braves Group. Liberty intends to attribute to the Liberty Braves Group its subsidiary, Braves Holdings, LLC ("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"), cash 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. The Intergroup Note is expected to be repaid using proceeds from the proposed subscription rights offering (as described in more detail below). Any remaining proceeds from the rights offering will be attributed to the Liberty Braves Group.

The Liberty SiriusXM tracking stock would be intended to track and reflect the separate economic performance of the businesses, assets and liabilities to be attributed to the Liberty SiriusXM Group. Liberty intends to attribute to the Liberty SiriusXM Group its subsidiary SIRIUS XM, cash and its margin loan obligation incurred by a wholly-owned special purpose subsidiary of Liberty.

The Liberty Media tracking stock would be intended to track and reflect the separate economic performance of the businesses, assets and liabilities to be attributed to the Liberty Media Group. Liberty intends to attribute to the Liberty Media Group all of the businesses, assets and liabilities of Liberty other than those specifically attributed to the Liberty Braves Group or the Liberty SiriusXM Group, including Liberty's interests in Live Nation, minority equity investments in Time Warner, Inc. and Viacom, Inc., the Intergroup Note, any 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 will also hold an approximate 20% inter-group interest in the Liberty Braves Group.

The subscription rights to acquire shares of Series C Liberty Braves tracking stock are expected to be issued to raise capital to repay the Intergroup Note and for working capital purposes. The subscription rights would enable the holders to acquire shares of Series C Liberty Braves tracking stock at a 20% discount to the market 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.

Liberty expects that the Series A, Series B and Series C Liberty Braves Group common stock will trade under the symbols BATRA/B/K respectively, that the Series A, Series B and Series C Liberty Media Group common stock will trade under the symbols LMCA/B/K, respectively, and that the Series A, Series B and Series C Liberty SiriusXM Group common stock will trade under the symbols LSXMA/B/K, respectively. Liberty expects that Series A and Series C of each

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of the Liberty Braves tracking stock and the Liberty Media tracking stock will trade on the Nasdaq Stock Market and that Series B of each of these stocks will trade on the OTC Markets. In addition, Liberty expects that each series (Series A, Series B and Series C) of the Liberty SiriusXM tracking stock will trade on the Nasdaq Stock Market.

The creation of the new tracking stocks will be subject to various conditions, including the requisite approval of the holders of Liberty's common stock at a stockholders' meeting and the receipt of the opinion of tax counsel. Liberty expects to complete the creation of the new tracking stocks in the first half of 2016. The rights offering will also be subject to various conditions, including the creation of the new tracking stocks.

(12) Transactions with Officers and Directors

Chief Executive Officer Compensation Arrangement

In December 2014, the Compensation Committee (the "Committee") of Liberty approved a compensation arrangement including term options as discussed in note 13, for its President and Chief Executive Officer (the "CEO"). The arrangement provides for a five year employment term which began on January 1, 2015 and ends December 31, 2019, with an annual base salary of \$960,750, increasing annually by 5% of the prior year's base salary, and an annual target cash bonus equal to 250% of the applicable year's annual base salary. The arrangement also provides that, in the event the CEO is terminated for "cause," he will be entitled only to his accrued base salary and any amounts due under applicable law and he will forfeit all rights to his unvested term options. If, however, the CEO is terminated by Liberty without cause or if he terminates his employment for "good reason," he will be entitled to his accrued base salary, his accrued but unpaid bonus and any amounts due under applicable law, a severance payment of 1.5 times his base salary during the year of his termination, a payment equal to \$11,750,000 pro rated based upon the elapsed number of days in the calendar year of termination, a payment equal to \$17.5 million, and his unvested term options will generally vest pro rata based on the portion of the term elapsed through the termination date plus 18 months and for all vested and accelerated options to remain exercisable until their respective expiration dates. If, however, the CEO terminates his employment without "good reason," he will be entitled to his accrued base salary, his accrued but unpaid bonus and any amounts due under applicable law, a payment equal to \$11,750,000 pro rated based upon the elapsed number of days in the calendar year of termination, and for his unvested term options to generally vest pro rata based on the portion of the term elapsed through the termination date and all vested and accelerated options to remain exercisable until their respective expiration dates. Lastly, in the case of the CEO's death or his disability, he is entitled to his accrued base salary, his accrued but unpaid bonus and any amounts due under applicable law, a payment of 1.5 times his base salary during the year of his termination, a payment equal to \$11,750,000 pro rated based upon the elapsed number of days in the calendar year of termination, a payment equal to \$17.5 million, and for his unvested term options to fully vest and for his vested and accelerated term options to remain exercisable until their respective expiration dates.

Beginning in 2015, the CEO receives annual performance-based options to purchase shares of LMCK with a term of 7 years (the "Performance Options") and performance-based restricted stock units with respect to LMCK (the "Performance RSUs" and together with the Performance Options, the "Performance Awards") during the employment term. Grants of Performance Awards will be allocated between Liberty and Liberty Interactive. The aggregate target amount to be allocated between Liberty and Liberty Interactive will be \$16 million with respect to calendar year 2015, \$17 million with respect to calendar year 2016, \$18 million with respect to calendar year 2017, \$19 million with respect to calendar year 2018 and \$20 million with respect to calendar year 2019. Vesting of the Performance Awards will be determined based on satisfaction of performance metrics that will be set by Liberty and Liberty Interactive's respective compensation committees in the first quarter of each applicable year, except that the CEO will forfeit his unvested Performance Awards if his employment is terminated for any reason before the end of the applicable year, except that the CEO will forfeit his unvested Performance Awards if his employment is terminated for any reason before the end of the applicable year. In addition, Liberty and Liberty Interactive's compensation committees may grant additional Performance Awards, with a value of up to 50% of the target amount allocated to Liberty for the relevant year (the "Above Target

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Awards”), and the compensation committees may determine to establish additional performance metrics with respect to such Above Target Awards.

Salary compensation related to services provided by the CEO is charged from Liberty to Liberty TripAdvisor and Liberty Broadband pursuant to the Services Agreements with each respective company. Any cash bonus attributable to the performance of Liberty or Liberty Interactive is paid directly by each respective company.

Chairman's Employment Agreement

On December 12, 2008, the Committee determined to modify its employment arrangements with its Chairman of the Board, to permit the Chairman to begin receiving payments in 2009 in satisfaction of Liberty's obligations to him under two deferred compensation plans and a salary continuation plan. Under one of the deferred compensation plans (the "8% Plan"), compensation has been deferred by the Chairman since January 1, 1993 and accrues interest at the rate of 8% per annum compounded annually from the applicable date of deferral. The amount owed to the Chairman under the 8% Plan aggregated approximately \$2.4 million at December 31, 2008. Under the second plan (the "13% Plan"), compensation was deferred by the Chairman from 1982 until December 31, 1992 and accrues interest at the rate of 13% per annum compounded annually from the applicable date of deferral. The amount owed to the Chairman under the 13% Plan aggregated approximately \$20 million at December 31, 2008. Both deferred compensation plans had provided for payment of the amounts owed to him in 240 monthly installments beginning upon termination of his employment. Under his salary continuation plan, the Chairman would have been entitled to receive \$15,000 (increased at the rate of 12% per annum compounded annually from January 1, 1998 to the date of the first payment, (the "Base Amount") per month for 240 months beginning upon termination of his employment. The amount owed to the Chairman under the salary continuation plan aggregated approximately \$39 million at December 31, 2008. There is no further accrual of interest under the salary continuation plan once payments have begun.

The Committee determined to modify all three plans and began making payments to the Chairman in 2009, while he remains employed by the Company. By commencing payments under the salary continuation plan, interest ceased to accrue on the Base Amount. As a result of these modifications, the Chairman will receive 240 equal monthly installments as follows: (1) approximately \$20,000 under the 8% Plan; (2) approximately \$237,000 under the 13% Plan; and (3) approximately \$164,000 under the salary continuation plan.

The Committee also approved certain immaterial amendments to the Chairman's employment agreement intended to comply with Section 409A of the Internal Revenue Code.

(13) Stock-Based Compensation

Liberty - Incentive Plans

Pursuant to the Liberty Media Corporation 2013 Incentive Plan (the "2013 Plan"), the Company may grant stock options ("Awards") to purchase shares of Series A, Series B and Series C Liberty common stock. The 2013 Plan provides for Awards to be made in respect of a maximum of 75 million shares of Liberty common stock. Awards generally vest over 4-5 years and have a term of 7-10 years. Liberty issues new shares upon exercise of equity awards. The Company measures the cost of employee services received in exchange for an Award of equity instruments (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).

Pursuant to the Liberty Media Corporation 2013 Nonemployee Director Incentive Plan, as amended from time to time (the "2013 NDIP"), the Liberty Board of Directors has the full power and authority to grant eligible nonemployee directors stock options, SARs, stock options with tandem SARs, and restricted stock.

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On July 23, 2014 a dividend of Series C common stock was distributed and adjustments to the Awards outstanding were required to reflect the changes to the capital structure of the Company. For every Series A Award held, two Series C Awards were issued with an exercise price equal to one third the exercise price of the outstanding Award. Additionally, the exercise price of the outstanding Series A Awards was adjusted to one third the exercise price associated with such Award. The change to outstanding Awards did not change the aggregate intrinsic value associated with the Awards outstanding just prior to the distribution and immediately following the distribution.

In connection with the Broadband Spin-Off during 2014, the holder of an outstanding Award to purchase shares of Series A, Series B, and Series C common stock on the record date (a “Liberty Award”) received an Award to purchase shares of the corresponding series of Liberty Broadband common stock and an adjustment to the exercise price and number of shares subject to the original Liberty Award (as so adjusted, an “adjusted Liberty Award”). Following the Broadband Spin-Off, employees of Liberty hold Awards in both Liberty common stock and Liberty Broadband common stock. The compensation expense relating to employees of Liberty is recorded at Liberty and included in the Company’s consolidated financial statements.

Similarly, following the Starz Spin-Off during 2013, employees of Liberty and Starz hold Awards in both Liberty common stock and Starz common stock. The compensation expense relating to the employees of Liberty is recorded at Liberty and the compensation expense relating to employees of Starz is recorded at Starz.

Liberty - Grants of stock options

Awards granted in 2015, 2014 and 2013 pursuant to the Incentive Plans discussed above are summarized as follows:

	Years ended December 31,					
	2015		2014		2013	
	Options granted (000's)	Weighted average grant-date fair value	Options granted (000's)	Weighted average grant-date fair value	Options granted (000's)	Weighted average grant-date fair value
Series A Liberty common stock	—	\$ —	1	\$ 38.86	23	\$ 55.16
Series C Liberty common stock	2,476	\$ 13.37	3,359	\$ 11.09	NA	\$ NA

During the year ended December 31, 2015, the Company granted a total of approximately 2.5 million options to purchase shares of Series C common stock. A portion of the options granted was comprised of 676 thousand options with a weighted average grant-date fair value (“GDFV”) of \$10.86 per share that vest annually over 3 years and 1.3 million options with a weighted average GDFV of \$15.52 per share that vest 50% each on December 31, 2019 and 2020.

In connection with our CEO’s employment agreement, Liberty also granted 420 thousand performance-based options of Series C common stock and 34 thousand performance-based restricted stock units of Series C common stock during 2015. Such options and restricted stock units had a weighted average grant-date fair value of \$12.15 per share and \$38.20 per share, respectively. The performance-based options and performance-based restricted stock units cliff vest in one year, subject to satisfaction of certain performance objectives.

During the year ended December 31, 2014, Liberty granted 3.3 million options to purchase shares of Series C common stock to the CEO of Liberty in connection with his employment agreement (see note 12); of those options, one half vest on December 24, 2018 and the other half vest on December 24, 2019. The remainder of the options granted typically vest quarterly over a 4 year vesting period.

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The Company has calculated the grant-date fair value for all of its equity classified awards using the Black-Scholes Model. The Company estimates the expected term of the Awards based on historical exercise and forfeiture data. For grants made in 2015, 2014 and 2013, the range of expected terms was 4.6 to 7.9 years. The volatility used in the calculation for Awards is based on the historical volatility of Liberty's stocks and the implied volatility of publicly traded Liberty options. The Company uses a zero dividend rate and the risk-free rate for Treasury Bonds with a term similar to that of the subject options.

The following table presents the volatilities used by the Company in the Black-Scholes Model for the 2015, 2014 and 2013 grants.

	Volatility	
<i>2015 grants</i>		
Liberty options	24.7 %	- 36.7 %
<i>2014 grants</i>		
Liberty options	28.2 %	- 31.3 %
<i>2013 grants</i>		
Liberty options	31.3 %	- 41.4 %

Liberty - Outstanding Awards

The following table presents 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, as well as the weighted average remaining life and aggregate intrinsic value of the Awards.

	Series A			
	Liberty		Weighted average remaining life	Aggregate intrinsic value (in millions)
	Awards (000's)	WAEP		
Outstanding at January 1, 2015	3,207	\$ 23.21		
Granted	—	\$ —		
Exercised	(845)	\$ 22.77		
Forfeited/Cancelled/Exchanged	(2)	\$ 32.20		
Outstanding at December 31, 2015	<u>2,360</u>	\$ 23.36	3.3 years	\$ 37
Exercisable at December 31, 2015	<u>2,264</u>	\$ 23.24	3.1 years	\$ 36

	Series C			
	Liberty		Weighted average remaining life	Aggregate intrinsic value (in millions)
	Awards (000's)	WAEP		
Outstanding at January 1, 2015	9,833	\$ 26.71		
Granted	2,476	\$ 38.29		
Exercised	(1,691)	\$ 22.47		
Forfeited/Cancelled/Exchanged	(5)	\$ 31.95		
Outstanding at December 31, 2015	<u>10,613</u>	\$ 30.09	5.0 years	\$ 86
Exercisable at December 31, 2015	<u>4,598</u>	\$ 22.96	3.2 years	\$ 70

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There were no outstanding Series B options during 2015.

As of December 31, 2015, the total unrecognized compensation cost related to unvested Liberty Awards was approximately \$56 million. Such amount will be recognized in the Company's consolidated statements of operations over a weighted average period of approximately 2.5 years.

Liberty - Exercises

The aggregate intrinsic value of all options exercised during the years ended December 31, 2015, 2014 and 2013 was \$40 million, \$17 million and \$23 million, respectively.

Liberty - Restricted Stock

The Company had approximately 214,000 unvested restricted shares of Liberty common stock held by certain directors, officers and employees of the Company as of December 31, 2015, with a weighted average grant-date fair value of \$20.27 per share.

The aggregate fair value of all restricted shares of Liberty common stock that vested during the years ended December 31, 2015, 2014 and 2013 was \$2 million, \$1 million and \$7 million, respectively.

SIRIUS XM - Stock-based Compensation

During the year ended December 31, 2015, SIRIUS XM granted stock options and restricted stock units to its employees and members of its board of directors and granted stock options to certain third parties. SIRIUS XM also calculates the grant-date fair value for all of its equity classified awards and any subsequent remeasurement of its liability classified awards using the Black-Scholes Model. The weighted average volatility applied to the fair value determination of SIRIUS XM's option grants during 2015, 2014 and 2013 was 29%, 33% and 47%, respectively. During the year ended December 31, 2015, SIRIUS XM granted approximately 145.4 million stock options with a weighted-average exercise price of \$3.95 per share and a grant date fair value of \$1.11 per share. As of December 31, 2015, SIRIUS XM has approximately 338.5 million options outstanding of which approximately 121.8 million are exercisable, each with a weighted-average exercise price per share of \$3.29 and \$2.51, respectively. The aggregate intrinsic value of these outstanding and exercisable options was \$268 million and \$194 million, respectively. During the year ended December 31, 2015, SIRIUS XM granted approximately 9 million restricted stock units with a grant date fair value of \$3.92 per share. The stock-based compensation related to SIRIUS XM stock options and restricted stock awards was \$157 million, \$148 million and \$133 million for the years ended December 31, 2015, 2014, and 2013, respectively. As of December 31, 2015, the total unrecognized compensation cost related to unvested SIRIUS XM stock options was \$262 million. The SIRIUS XM unrecognized compensation cost will be recognized in the Company's consolidated statements of operations over a weighted average period of approximately 3.0 years.

Other

Certain of the Company's other subsidiaries have stock based compensation plans under which employees and non-employees are granted options or similar stock based awards. Awards made under these plans vest and become exercisable over various terms. The awards and compensation recorded, if any, under these plans is not significant to the Company.

(14) Employee Benefit Plans

Liberty is the sponsor of the Liberty Media 401(k) Savings Plan (the "Liberty 401(k) Plan"), which provides its employees and the employees of certain of its subsidiaries an opportunity for ownership in the Company and creates a

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retirement fund. The Liberty 401(k) Plan provides for employees to make contributions to a trust for investment in Liberty common stock, as well as several mutual funds. The Company and its subsidiaries make matching contributions to the Liberty 401(k) Plan based on a percentage of the amount contributed by employees. In addition, certain of the Company's subsidiaries have similar employee benefit plans. Employer cash contributions to all plans aggregated \$15 million, \$11 million and \$12 million for each of the years ended December 31, 2015, 2014 and 2013, respectively.

(15) Other Comprehensive Earnings (Loss)

Accumulated other comprehensive earnings (loss) included in Liberty's consolidated balance sheets and consolidated statements of equity reflect the aggregate of foreign currency translation adjustments, unrealized holding gains and losses on AFS securities and Liberty's share of accumulated other comprehensive earnings of affiliates.

The change in the components of accumulated other comprehensive earnings (loss), net of taxes ("AOCI"), is summarized as follows:

	Unrealized holding gains (losses) on securities	Foreign currency translation adjustment	Other	AOCI of discontinued operations	AOCI
	amounts in millions				
Balance at January 1, 2013	\$ 20	—	(5)	(3)	12
Other comprehensive earnings (loss) attributable to Liberty Media Corporation stockholders	(15)	—	4	—	(11)
Distribution to stockholders for Starz Spin-Off	—	—	—	3	3
Balance at December 31, 2013	5	—	(1)	—	4
Other comprehensive earnings (loss) attributable to Liberty Media Corporation stockholders	(8)	—	(9)	—	(17)
Distribution to stockholders for Broadband Spin-Off	(7)	—	(1)	—	(8)
Balance at December 31, 2014	(10)	—	(11)	—	(21)
Other comprehensive earnings (loss) attributable to Liberty Media Corporation stockholders	—	(23)	(7)	—	(30)
Balance at December 31, 2015	\$ (10)	(23)	(18)	—	(51)

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The components of other comprehensive earnings (loss) are reflected in Liberty's consolidated statements of comprehensive earnings (loss) net of taxes. The following table summarizes the tax effects related to each component of other comprehensive earnings (loss).

	Before-tax amount	Tax (expense) benefit	Net-of-tax amount
amounts in millions			
<i>Year ended December 31, 2015:</i>			
Foreign currency translation adjustments	\$ (77)	28	(49)
Other comprehensive earnings	<u>\$ (77)</u>	<u>28</u>	<u>(49)</u>
<i>Year ended December 31, 2014:</i>			
Unrealized holding gains (losses) on securities arising during period	\$ (13)	5	(8)
Foreign currency translation adjustments	(14)	5	(9)
Other comprehensive earnings	<u>\$ (27)</u>	<u>10</u>	<u>(17)</u>
<i>Year ended December 31, 2013:</i>			
Unrealized holding gains (losses) on securities arising during period	\$ 16	(6)	10
Reclassification adjustment for holding (gains) losses realized in net earnings (loss)	(40)	15	(25)
Foreign currency translation adjustments	6	(2)	4
Other comprehensive earnings	<u>\$ (18)</u>	<u>7</u>	<u>(11)</u>

(16) Commitments and Contingencies

Guarantees

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. The Company is unable to estimate the maximum potential liability for these types of indemnification obligations as the sale agreements may not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, the Company has not made any significant indemnification payments under such agreements and no amount has been accrued in the accompanying consolidated financial statements with respect to these indemnification guarantees.

Employment Contracts

The Atlanta Braves and certain of their players and coaches have entered into long-term employment contracts whereby such individuals' compensation is guaranteed. Amounts due under guaranteed contracts as of December 31, 2015 aggregated \$273 million, which is payable as follows: \$77 million in 2016, \$54 million in 2017, \$49 million in 2018, \$40 million in 2019, and \$53 million thereafter. In addition to the foregoing amounts, certain players and coaches may earn incentive compensation under the terms of their employment contracts.

Operating Leases

The Company leases business offices, has entered into satellite transponder lease agreements and uses certain equipment under lease arrangements. These leases provide for minimum lease payments, additional operating expense charges, leasehold improvements and rent escalations, and certain leases have options to renew. The effect of the rent holidays and rent concessions are recognized on a straight-line basis over the lease term, including reasonably assured renewal periods.

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Rental expense under such arrangements amounted to \$53 million, \$52 million and \$48 million for the years ended December 31, 2015, 2014 and 2013, respectively.

A summary of future minimum lease payments under cancelable and noncancelable operating leases as of December 31, 2015 follows (amounts in millions):

Years ending December 31:	
2016	\$ 48
2017	\$ 50
2018	\$ 49
2019	\$ 44
2020	\$ 41
Thereafter	\$ 351

It is expected that in the normal course of business, leases that expire generally will be renewed or replaced by leases on other properties; thus, it is anticipated that future lease commitments will not be less than the amount shown for 2015.

Programming and content

SIRIUS XM has entered into various programming agreements under which SIRIUS XM's obligations include fixed payments, advertising commitments and revenue sharing arrangements. Amounts due under such agreements are payable as follows: \$247 million in 2016, \$225 million in 2017, \$205 million in 2018, \$188 million in 2019 and \$163 million in 2020. Future revenue sharing costs are dependent upon many factors and are difficult to estimate; therefore, they are not included in the amounts above.

Litigation

The Company has contingent liabilities related to legal and tax proceedings and other matters arising in the ordinary course of business. We record a liability when we believe that it is both probable that a liability will be incurred and the amount of loss can be reasonably estimated. We evaluate developments in legal matters that could affect the amount of the liability accrual and make adjustments as appropriate. Significant judgment is required to determine both probability and the estimated amount of a loss or potential loss. We may be unable to reasonably estimate the reasonably possible loss or range of loss for a particular legal contingency for various reasons, including, among others, because: (i) the damages sought are indeterminate; (ii) the proceedings are in the relative early stages; (iii) there is uncertainty as to the outcome of pending proceedings (including motions and appeals); (iv) there is uncertainty as to the likelihood of settlement and the outcome of any negotiations with respect thereto; (v) there remain significant factual issues to be determined or resolved; (vi) the relevant law is unsettled; or (vii) the proceedings involve novel or untested legal theories. In such instances, there may be considerable uncertainty regarding the ultimate resolution of such matters, including a possible eventual loss, if any. 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 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 €765 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 €945 million, including prejudgment interest. The parties negotiated a stay of the execution of the judgment during the pendency of the appeal. Vivendi filed notice of its appeal of the judgment to the United States Court of Appeals for the Second Circuit. Subsequent to December 31, 2015

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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 expects to net pre-tax proceeds of approximately \$510 million. This settlement will result 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 certain 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 their 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. SIRIUS XM's vendors make millions of calls each month to consumers, including SIRIUS XM's subscribers, as part of its customer service and marketing efforts. The plaintiffs in these suits are seeking various forms of relief, including statutory damages of five-hundred dollars for each violation of the TCPA or, in the alternative, treble damages of up to fifteen-hundred dollars for each knowing and willful violation of the TCPA, as well as payment of interest, attorneys' fees and costs, and certain injunctive relief prohibiting violations of the TCPA in the future. SIRIUS XM believes it has substantial defenses to the claims asserted in these actions and intends to defend them vigorously.

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 Horizons, Inc., No. 1:15-cv-02093 (N.D. Ill.), and Anthony Parker v. Sirius XM Radio, Inc., No. 8:15-cv-01710-JSM-EAJ (M.D. Fla). These actions were commenced in February 2012, January 2013, April 2015 and July 2015, respectively, in the United States District Court for the Eastern District of Virginia, Newport News Division, the United States District Court for the Southern District of California, the United States District Court for the Northern District of Illinois and the United States District Court for the Middle District of Florida, respectively. Information concerning each of these actions is publicly available in court filings under their docket numbers.

SIRIUS XM has notified certain of its call center vendors of these actions and requested that they defend and indemnify it against these claims pursuant to the provisions of their existing or former agreements with SIRIUS XM. SIRIUS XM believes it has valid contractual claims against certain call center vendors in connection with these claims and intends to preserve and pursue its rights to recover from these entities.

Since 2013, SIRIUS XM has been named as a defendant in several suits, including putative class action suits, which challenge SIRIUS XM's use and public performance via satellite radio and the Internet of sound recordings fixed prior to February 15, 1972 under various state laws. SIRIUS XM has entered into certain direct licenses with certain owners of pre-1972 recordings, which in many cases include releases of any claims associated with our use of pre-1972 recordings. Several putative class actions suits challenging SIRIUS XM's use and public performance of other pre-1972 recordings under various state laws remain pending. SIRIUS XM believes it has substantial defenses to the claims asserted, SIRIUS XM is defending these actions vigorously and does not believe that the resolution of these remaining cases will have a material adverse effect on its business, financial condition or results of operations.

In June 2015, SIRIUS XM settled a suit brought by Capitol Records LLC, Sony Music Entertainment, UMG Recordings, Inc., Warner Music Group Corp. and ABKCO Music & Records, Inc. relating to SIRIUS XM's use and public performance of pre-1972 recordings for \$210 million, which was paid during July 2015. The settling record companies claim to own, control or otherwise have the right to settle with respect to approximately 85% of the pre-1972 recordings SIRIUS XM has historically played. SIRIUS XM has also entered into certain direct licenses with other owners of pre-1972 recordings, which in many cases include releases of any claims associated with its use of pre-1972 recordings.

SIRIUS XM recognized \$108 million during June 2015 for the portion of the \$210 million Capitol Settlement related to SIRIUS XM's use of pre-1972 sound recordings for the periods prior to the Capitol Records lawsuit settlement during

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
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June 2015. The \$108 million expense is included in the Revenue share and royalties line item in the accompanying consolidated financial statements for the year ended December 31, 2015 but has been excluded from Adjusted OIBDA for the corresponding period as this expense was not incurred as a part of the Company's normal operations for the period, and this lump sum amount does not relate to the on-going performance of the business. SIRIUS XM recognized approximately \$19 million to Revenue share and royalties within the consolidated statement of operations with respect to the Capitol Settlement subsequent to the settlement date related to SIRIUS XM's use of pre-1972 sound recordings during the period and is included as a component of Adjusted OIBDA. Of the remaining \$83 million of the settlement, approximately \$40 million was recorded to Other current assets and approximately \$43 million was recorded to Other long-term assets within the consolidated balance sheets as of December 31, 2015, which will be amortized to Revenue share and royalties within the consolidated statement of operations over the future service period through December 2017.

In addition, in August 2013, SoundExchange, Inc. filed a complaint in the United States District Court for the District of Columbia alleging that SIRIUS XM underpaid royalties for statutory licenses during the 2007-2012 rate period in violation of the regulations established by the Copyright Royalty Board for that period. SoundExchange principally alleges that SIRIUS XM improperly reduced its calculation of gross revenue, on which the royalty payments are based, by deducting non-recognized revenue attributable to pre-1972 recordings and Premier package revenue that is not "separately charged" as required by the regulations. SoundExchange is seeking compensatory damages of not less than \$50 million and up to \$100 million or more, payment of late fees and interest, and attorneys' fees and costs.

In August 2014, the United States District Court for the District of Columbia granted SIRIUS XM's motion to dismiss the complaint without prejudice on the grounds that the case properly should be pursued before the Copyright Royalty 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. The Copyright Royalty Board has requested that the parties submit briefs regarding whether the agency properly has jurisdiction to interpret the regulations and adjudicate this matter under the applicable statute. At this point SIRIUS XM cannot estimate the reasonably possible loss, or range of loss, which could be incurred if the plaintiffs were to prevail in the allegations, but SIRIUS XM believes they have substantial defenses to the claims asserted and intend to defend these actions vigorously.

These matters are inherently unpredictable and subject to significant uncertainties, many of which are beyond SIRIUS XM's control. No provision was made for losses to the extent such losses are not probable and estimable. There can be no assurance that the final outcome of these matters will not materially and adversely affect the business, financial condition, results of operations, or cash flows.

(17) Information About Liberty's Operating Segments

The Company, through its ownership interests in subsidiaries and other companies, is primarily engaged in the media and entertainment industries. The Company identifies its reportable segments as (A) those consolidated subsidiaries that represent 10% or more of its consolidated annual revenue, annual Adjusted OIBDA or total assets and (B) those equity method affiliates whose share of earnings represent 10% or more of the Company's annual pre-tax earnings. The segment presentation for prior periods has been conformed to the current period segment presentation, as discussed below.

The Company evaluates performance and makes decisions about allocating resources to its operating segments based on financial measures such as revenue and Adjusted OIBDA. In addition, the Company reviews nonfinancial measures such as subscriber growth and penetration.

The Company defines Adjusted OIBDA as revenue less operating expenses, and selling, general and administrative expenses (excluding stock-based compensation). The Company believes this measure is an important indicator of the operational strength and performance of its businesses, including each business's ability to service debt and fund capital expenditures. In addition, this measure allows management to view operating results and perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. This measure of performance

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excludes depreciation and amortization, stock-based compensation, separately reported litigation settlements and restructuring and impairment charges that are included in the measurement of operating income pursuant to GAAP. Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with GAAP. The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties, that is, at current prices.

The Company has identified SIRIUS XM as its reportable segment. SIRIUS XM is a consolidated subsidiary that provides a subscription based satellite radio service. SIRIUS XM transmits music, sports, entertainment, comedy, talk, news, traffic and weather channels, as well as infotainment services, in the United States on a subscription fee basis through its two proprietary satellite radio systems - the Sirius system and the XM system. Subscribers can also receive music and other channels, plus features such as SiriusXM On Demand and MySXM, over the Internet, including through applications for mobile devices.

The Company's reportable segments are strategic business units that offer different products and services. They are managed separately because each segment requires different technologies, distribution channels and marketing strategies. The accounting policies of the segments that are also consolidated subsidiaries are the same as those described in the Company's summary of significant policies.

Performance Measures

	Years ended December 31,					
	2015		2014		2013	
	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA
	amounts in millions					
SIRIUS XM	\$ 4,552	1,660	4,141	1,466	3,625	1,289
Corporate and other	243	(32)	309	(49)	377	33
Total	<u>\$ 4,795</u>	<u>1,628</u>	<u>4,450</u>	<u>1,417</u>	<u>4,002</u>	<u>1,322</u>

Other Information

	December 31, 2015			December 31, 2014		
	Total assets	Investments in affiliates	Capital expenditures	Total assets	Investments in affiliates	Capital expenditures
	amounts in millions					
SIRIUS XM	\$ 27,001	153	135	27,091	237	126
Corporate and other	2,797	962	161	3,178	614	68
Total	<u>\$ 29,798</u>	<u>1,115</u>	<u>296</u>	<u>30,269</u>	<u>851</u>	<u>194</u>

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The following table provides a reconciliation of segment Adjusted OIBDA to earnings (loss) from continuing operations before income taxes:

	<u>Years ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Consolidated segment Adjusted OIBDA	\$ 1,628	1,417	1,322
Legal settlement (note 16)	(108)	—	—
Stock-based compensation	(204)	(217)	(193)
Depreciation and amortization	(362)	(359)	(315)
Interest expense	(328)	(255)	(132)
Dividend and interest income	17	27	48
Share of earnings (losses) of affiliates, net	(40)	(113)	(32)
Realized and unrealized gains (losses) on financial instruments, net	(140)	38	295
Gains (losses) on transactions, net	(4)	—	7,978
Other, net	(1)	(77)	(115)
Earnings (loss) from continuing operations before income taxes	<u>\$ 458</u>	<u>461</u>	<u>8,856</u>

(18) Quarterly Financial Information (Unaudited)

	<u>1st</u>	<u>2nd</u>	<u>3rd</u>	<u>4th</u>
	<u>Quarter</u>	<u>Quarter</u>	<u>Quarter</u>	<u>Quarter</u>
amounts in millions, except per share amounts				
<i>2015:</i>				
Revenue	\$ 1,081	1,222	1,284	1,208
Operating income (loss)	\$ 245	171	321	217
Net earnings (loss)	\$ 19	99	41	89
Net earnings (loss) attributable to Liberty stockholders	\$ (19)	61	(22)	44
Basic net earnings (loss) attributable to Liberty Media Corporation stockholders per common share	\$ (0.06)	0.18	(0.07)	0.13
Diluted net earnings (loss) attributable to Liberty Media Corporation stockholders per common share	\$ (0.06)	0.18	(0.07)	0.13

	<u>1st</u>	<u>2nd</u>	<u>3rd</u>	<u>4th</u>
	<u>Quarter</u>	<u>Quarter</u>	<u>Quarter</u>	<u>Quarter</u>
amounts in millions, except per share amounts				
<i>2014:</i>				
Revenue	\$ 1,011	1,160	1,184	1,095
Operating income	\$ 155	231	249	206
Net earnings (loss)	\$ 72	106	87	130
Net earnings (loss) attributable to Liberty stockholders	\$ 22	50	33	73
Basic net earnings (loss) attributable to Liberty stockholders per common share	\$ 0.06	0.15	0.10	0.21
Diluted net earnings (loss) attributable to Liberty stockholders per common share	\$ 0.06	0.14	0.10	0.21

PART III.

The following required information will be included in an amendment to this Form 10-K:

<u>Item 10.</u>	Directors, Executive Officers and Corporate Governance
<u>Item 11.</u>	Executive Compensation
<u>Item 12.</u>	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters
<u>Item 13.</u>	Certain Relationships and Related Transactions, and Director Independence
<u>Item 14.</u>	Principal Accountant Fees and Services

We expect to file an amendment to this Form 10-K with the Securities and Exchange Commission on or before April 29, 2016.

PART IV.

Item 15. Exhibits and Financial Statement Schedules.

(a)(1) Financial Statements

Included in Part II of this Report:

	<u>Page No.</u>
Liberty Media Corporation:	
Reports of Independent Registered Public Accounting Firm	II-25
Consolidated Balance Sheets, December 31, 2015 and 2014	II-27
Consolidated Statements of Operations, Years ended December 31, 2015, 2014 and 2013	II-29
Consolidated Statements of Comprehensive Earnings (Loss), Years ended December 31, 2015, 2014 and 2013	II-30
Consolidated Statements of Cash Flows, Years Ended December 31, 2015, 2014 and 2013	II-31
Consolidated Statements of Equity, Years ended December 31, 2015, 2014 and 2013	II-32
Notes to Consolidated Financial Statements, December 31, 2015, 2014 and 2013	II-33

(a)(2) Financial Statement Schedules

- (i) All schedules have been omitted because they are not applicable, not material or the required information is set forth in the financial statements or notes thereto.

(a)(3) Exhibits

Listed below are the exhibits which are filed as a part of this Report (according to the number assigned to them in Item 601 of Regulation S-K):

2 - Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession:

- 2.1 Reorganization Agreement, dated as of October 28, 2014, between Liberty Media Corporation and Liberty Broadband Corporation (incorporated by reference to Exhibit 2.1 to Liberty Broadband Corporation's Current Report on Form 8-K filed on November 10, 2014 (File No. 001-36713) (the "Broadband 8-K")).

3 - Articles of Incorporation and Bylaws:

- 3.1 Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on January 17, 2013 (File No. 001-35707) (the "Liberty 8-K")).
- 3.2 Amended and Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.1 to Liberty Media Corporation's Current Report on Form 8-K (File No. 001-35707) as filed on August 6, 2015).

4 - Instruments Defining the Rights of Securities Holders, including Indentures:

- 4.1 Specimen certificate for shares of the Registrant's Series A common stock, par value \$.01 per share (incorporated by reference to Exhibit 4.1 to Registrant's Registration Statement on Form 10 filed on October 19, 2012 (File No. 001-35707) (the "Liberty Form 10")).
- 4.2 Specimen certificate for shares of the Registrant's Series B common stock, par value \$.01 per share (incorporated by reference to Exhibit 4.2 to the Liberty Form 10).
- 4.3 Specimen Certificate for Shares of the Registrant's Series C common stock, par value \$.01 per share (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form 8-A filed on June 25, 2014 (File No. 001-35707)).
- 4.4 Indenture dated as of October 17, 2013 among the Registrant, as issuer, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the

quarter ended September 30, 2013 filed on November 5, 2013 (File No. 001-35707) (the “Liberty Q3 201310-Q”).

- 4.5 The Registrant undertakes to furnish to the Securities and Exchange Commission, upon request, a copy of all instruments with respect to long-term debt not filed herewith.

10 - Material Contracts:

- 10.1 Form of Liberty Media Corporation 2013 Incentive Plan (Amended and Restated as of March 31, 2015) (the “2013 Plan”) (incorporated by reference to Exhibit 10.2 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2015 filed on May 8, 2015 (File No. 001-35707)).
- 10.2 Form of Non-Qualified Stock Option Agreement (incorporated by reference to Exhibit 10.3 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2013 filed on February 28, 2014 (File No. 001-35707) (the “Liberty 2013 10-K”).
- 10.3 Form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.4 to the Liberty 2013 10-K).
- 10.4 Form of Non-Qualified Stock Option Agreement under the 2013 Plan [for certain designated award recipients] (incorporated by reference to Exhibit 10.2 to Starz’s Annual Report on Form 10-K for the year ended December 31, 2011 filed on February 23, 2012 (File No. 001-35294) (the “Starz 2011 10-K”).
- 10.5 Liberty Media Corporation 2013 Nonemployee Director Incentive Plan (Amended and Restated as of December 17, 2015) (the “2013 Nonemployee Director Plan”).*
- 10.6 Form of Non-Qualified Stock Option Agreement under the 2013 Nonemployee Director Plan (incorporated by reference to Exhibit 10.4 to the Starz 2011 10-K).
- 10.7 Form of Restricted Stock Award Agreement under the 2013 Non-Employee Director Incentive Plan (incorporated by reference to Exhibit 10.5 to the Starz 2011 10-K).
- 10.8 Form of Liberty Media Corporation Transitional Stock Adjustment Plan (incorporated by reference to Exhibit 10.3 to Amendment No. 2 to the Registrant’s Registration Statement on Form 10 filed on December 17, 2012 (File No. 001-35707)).
- 10.9 Liberty Media Corporation 2006 Deferred Compensation Plan (Amended and Restated as of January 1, 2016).*
- 10.10 Tax Sharing Agreement, dated as of September 23, 2011, by and between Liberty Interactive Corporation, Liberty Interactive LLC and Liberty Media Corporation (as assignee of Starz (f/k/a Liberty Media Corporation) (incorporated by reference to Exhibit 10.4 to Post-Effective Amendment No. 1 to Starz’s Registration Statement on Form S-4 filed on September 23, 2011 (File No. 333-171201) (the “Starz S-4”).
- 10.11 Tax Sharing Agreement, dated as of January 11, 2013, by and between Starz and Liberty Media Corporation (incorporated by reference to Exhibit 10.1 to the Starz 8-K).
- 10.12 Tax Sharing Agreement, dated as of November 4, 2014, between Liberty Media Corporation and Liberty Broadband Corporation (incorporated by reference to Exhibit 10.1 to the Broadband 8-K).
- 10.13 Services Agreement, dated as of September 23, 2011, by and between Liberty Interactive Corporation and Liberty Media Corporation (as assignee of Starz (f/k/a Liberty Media Corporation)) (incorporated by reference to Exhibit 10.5 to the Starz S-4).
- 10.14 Form of Indemnification Agreement by and between the Registrant and its executive officers/directors (incorporated by reference to Exhibit 10.13 to the Liberty Form 10).
- 10.15 Restated and Amended Employment Agreement dated November 1, 1992, between Tele-Communications, Inc. and John C. Malone (assumed by Liberty Media LLC as of March 9, 1999), and the amendment thereto dated June 30, 1999 and effective as of March 9, 1999, between Liberty Media LLC and John C. Malone (collectively, the “Malone Employment Agreement” (assumed, as amended, by the Registrant as of January 10, 2013)) (incorporated by reference to Exhibit 10.11 to Liberty Interactive Corporation’s Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 25, 2010 (File No. 001-33982) (the “Liberty Interactive 2009 10-K”).
- 10.16 Second Amendment to Malone Employment Agreement effective January 1, 2003 (incorporated by reference to Exhibit 10.12 to the Liberty Interactive 2009 10-K).

- 10.17 Third Amendment to Malone Employment Agreement effective January 1, 2007 (incorporated by reference to Exhibit 10.13 to Liberty Interactive Corporation's Annual Report on Form 10-K for the year ended December 31, 2008 filed on February 27, 2009 (File No. 001-33982)) (the "Liberty Interactive 2008 10-K").
- 10.18 Fourth Amendment to Malone Employment Agreement effective January 1, 2009 (incorporated by reference to Exhibit 10.14 to the Liberty Interactive 2008 10-K).
- 10.19 Employment Agreement dated December 29, 2014, between Gregory B. Maffei and Liberty Media Corporation (incorporated by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014 filed on February 26, 2015 (File No. 001-35707)).
- 10.20 Non-Qualified Stock Option Agreement under the Liberty Media Corporation 2013 Incentive Plan (Amended and Restated as of March 31, 2015) for Gregory B. Maffei, effective December 24, 2014 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 filed on August 5, 2015 (File No. 001-35707)).
- 10.21 Letter Agreement regarding personal use of Liberty Media's aircraft, dated as of February 5, 2013, between Gregory B. Maffei and Liberty Media Corporation (incorporated by reference to Exhibit 10.23 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012 filed on February 28, 2013 (File No. 001-35707) (the "Liberty 2012 10-K").
- 10.22 Letter Agreement regarding personal use of Liberty Media's aircraft, dated as of November 11, 2015, between Gregory B. Maffei and Liberty Media Corporation.*
- 10.23 Executive Employment Agreement dated effective as of October 31, 2012, by and between Liberty Media Corporation (as assignee of Starz (f/k/a Liberty Media Corporation)) and Richard Baer (incorporated by reference to Exhibit 10.24 to the Liberty 2012 10-K).
- 10.24 Credit Agreement, dated as of December 5, 2012 among the Sirius XM Radio, Inc. ("Sirius XM Radio"), JPMorgan Chase Bank, N.A. as administrative agent, and the other agents and lenders party thereto (incorporated by reference to Sirius XM Radio's Current Report on Form 8-K filed on December 10, 2012 (File No. 001-34295)).
- 10.25 Amendment No. 1, dated as of April 22, 2014, to the Credit Agreement, dated as of December 5, 2012, among Sirius XM Radio, the Lenders party thereto and JPMorgan Chase Bank, N.A. as administrative agent for the Lenders, as collateral agent for the Secured Parties and as an Issuing Bank (incorporated by reference to Exhibit 10.1 to Sirius XM Radio's Current Report on Form 8-K filed on April 22, 2014).
- 10.26 Amendment No. 2, dated as of June 16, 2015, to the Credit Agreement, dated as of December 5, 2012, among Sirius XM Radio Inc., JPMorgan Chase Bank, N.A., as administrative agent, and the other agents and lenders parties thereto. (incorporated by reference to Exhibit 10.1 to Sirius XM Radio's Current Report on Form 8-K filed on June 19, 2015 (File No. 001-34295)).
- 10.27 Indenture, dated as of August 13, 2012, among Sirius XM Radio, the guarantors named therein and U.S. Bank National Association, as trustee, relating to Sirius XM Radio's 5.25% Senior Secured Notes due 2022 (incorporated by reference to Exhibit 4.1 to Sirius XM Radio's Current Report on Form 8-K filed on August 14, 2012 (File No. 001-34295)).
- 10.28 Supplemental Indenture, dated as of April 10, 2014, among Sirius XM Radio, the guarantors named therein and U.S. Bank National Association, as trustee, relating to the 5.25% Senior Notes due 2022 (incorporated by reference to Exhibit 4.1 to Sirius XM Radio's Current Report on Form 8-K filed on April 10, 2014 (File No. 001-34295)).
- 10.29 Indenture, dated as of May 16, 2013, among Sirius XM Radio, the guarantors named therein and U.S. Bank National Association, as trustee, relating to Sirius XM Radio's 4.25% Senior Notes due 2020 (incorporated by reference to Exhibit 4.1 to Sirius XM Radio's Current Report on Form 8-K filed on May 20, 2013 (File No. 001-34295) (the "Sirius XM Radio 8-K").
- 10.30 Indenture, dated as of May 16, 2013, among Sirius XM Radio, the guarantors named therein and U.S. Bank National Association, as trustee, relating to Sirius XM Radio's 4.625% Senior Notes due 2023 (incorporated by reference to Exhibit 4.2 to the Sirius XM Radio 8-K).
- 10.31 Indenture, dated as of August 1, 2013, among Sirius XM Radio, the guarantors named therein and U.S. Bank National Association, as trustee, relating to Sirius XM Radio's 5.75% Senior Notes due 2021 (incorporated by reference to Exhibit 4.1 to Sirius XM Radio's Current Report on Form 8-K filed on August 1, 2013 (File No. 001-34295)).

- 10.32 Indenture, dated as of September 24, 2013, among Sirius XM Radio, the guarantors named therein and U.S. Bank National Association, as trustee, relating to Sirius XM Radio's 5.875% Senior Notes due 2020 (incorporated by reference to Exhibit 4.2 to Sirius XM Radio's Current Report on Form 8-K filed on September 25, 2013 (File No. 001-34295)).
- 10.33 Indenture, dated as of May 6, 2014, among Sirius XM Radio, the guarantors named therein and U.S. Bank National Association, as trustee, relating to the 6.00% Senior Notes due 2024 (incorporated by reference to Exhibit 4.1 to Sirius XM Radio's Current Report on Form 8-K filed on May 7, 2014 (File No. 001-34295)).
- 10.34 Indenture, dated as of March 6, 2015, among Sirius XM Radio Inc., the guarantors named therein and U.S. Bank National Association, as trustee, relating to the 5.375% Senior Notes due 2025 (incorporated by reference to Exhibit 4.1 to Sirius XM Radio's Current Report on Form 8-K filed on March 6, 2015 (File No. 001-34295)).
- 10.35 Share Repurchase Agreement, dated as of October 9, 2013, by and between the Registrant and SIRIUS XM (incorporated by reference to Exhibit 99.2 to the Registrant's Current Report on Form 8-K filed on October 10, 2013 (File No. 001-35707)).
- 10.36 Technology Licensing Agreement among XM Satellite Radio Inc., XM Satellite Radio Holdings Inc., WorldSpace Management Corporation and American Mobile Satellite Corporation, dated as of January 1, 1998, amended by Amendment No. 1 to Technology Licensing Agreement, dated June 7, 1999 (incorporated by reference to Exhibit 10.3 to XM Satellite Radio Holdings Inc.'s Annual Report on Form 10-K for the year ended December 31, 2007 filed on February 28, 2008 (File No. 333-39178)(the "XM Satellite Radio 10-K")).***
- 10.37 Third Amended and Restated Distribution and Credit Agreement, dated as of February 6, 2008, among General Motors Corporation, XM Satellite Radio Holdings Inc. and XM Satellite Radio Inc. (incorporated by reference to Exhibit 10.63 to the XM Satellite Radio 10-K)).***
- 10.38 Third Amended and Restated Satellite Purchase Contract for In-Orbit Delivery, dated as of May 15, 2001, between XM Satellite Radio Inc. and Boeing Satellite Systems International Inc. (incorporated by reference to Exhibit 10.36 to Amendment No. 1 to XM Satellite Radio Holdings Inc.'s Registration Statement on Form S-3 filed on June 21, 2002 (File No. 333-89132)).***
- 10.39 Amended and Restated Amendment to the Satellite Purchase Contract for In-Orbit Delivery, dated May 22, 2003, among XM Satellite Radio Inc. and XM Satellite Radio Holdings Inc. and Boeing Satellite Systems International Inc. (incorporated by reference to Exhibit 10.53 to XM Satellite Radio Holdings Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 filed on August 14, 2003 (File No. 000-27441) (the "XM Satellite Radio 10-Q")).***
- 10.40 Amendment to the Satellite Purchase Contract for In-Orbit Delivery, dated July 31, 2003, among XM Satellite Radio Inc. and XM Satellite Radio Holdings Inc. and Boeing Satellite Systems International Inc. (incorporated by reference to Exhibit 10.54 to the XM Satellite Radio 10-Q)).***
- 10.41 Amendment to the Satellite Purchase Contract for In-Orbit Delivery, dated December 19, 2003, among XM Satellite Radio Inc., XM Satellite Radio Holdings Inc. and Boeing Satellite Systems International Inc. (incorporated by reference to Exhibit 10.57 to XM Satellite Radio Holdings Inc.'s Annual Report on Form 10-K for the year ended December 31, 2003 filed on March 15, 2004 (File No. 000-27441)).***
- 10.42 Confirmation, dated October 10, 2013, of Base Cash Convertible Bond Hedge Transaction between J.P. Morgan Chase Bank N.A., London Branch and Liberty Media Corporation (incorporated by reference to Exhibit 10.5 to the Liberty Q3 2013 10-Q)).***
- 10.43 Confirmation, dated October 10, 2013, of Base Warrants Transaction between J.P. Morgan Chase Bank N.A., London Branch and Liberty Media Corporation (incorporated by reference to Exhibit 10.6 to the Liberty Q3 2013 10-Q)).***
- 10.44 Confirmation, dated October 10, 2013, of Base Cash Convertible Bond Hedge Transaction between Wells Fargo Bank, N.A. and Liberty Media Corporation (incorporated by reference to Exhibit 10.7 to the Liberty Q3 2013 10-Q)).***
- 10.45 Confirmation, dated October 10, 2013, of Base Warrants Transaction between Wells Fargo Bank, N.A. and Liberty Media Corporation (incorporated by reference to Exhibit 10.8 to the Liberty Q3 2013 10-Q)).***
- 10.46 Confirmation, dated October 10, 2013, of Base Cash Convertible Bond Hedge Transaction between Deutsche Bank AG, London Branch and Liberty Media Corporation (incorporated by reference to Exhibit 10.9 to the Liberty Q3 2013 10-Q)).***

10.47	Confirmation, dated October 10, 2013, of Base Warrants Transaction between Deutsche Bank AG, London Branch and Liberty Media Corporation (incorporated by reference to Exhibit 10.10 to the Liberty Q3 2013 10-Q).***
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10.53	Confirmation, dated October 11, 2013, of Additional Warrants Transaction between Deutsche Bank AG, London Branch and Liberty Media Corporation (incorporated by reference to Exhibit 10.16 to the Liberty Q3 2013 10-Q).***
10.54	Liberty Media Corporation Nonemployee Director Deferred Compensation Plan (incorporated by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015 filed on May 8, 2015 (File No. 001-35707)).
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10.56	Form of Restricted Stock Award Agreement.*
21	Subsidiaries of Liberty Media Corporation.*
23.1	Consent of KPMG LLP.*
31.1	Rule 13a-14(a)/15d - 14(a) Certification.*
31.2	Rule 13a-14(a)/15d - 14(a) Certification.*
32	Section 1350 Certification. **
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101.SCH	XBRL Taxonomy Extension Schema Document.*
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101.DEF	XBRL Taxonomy Definition Document.*

* Filed herewith.

** Furnished herewith.

*** Pursuant to the Commission's Orders Granting Confidential Treatment under Rule 406 of the Securities Act of 1933, as amended, or Rule 24(b)-2 under the Securities Exchange Act of 1934, as amended, certain confidential portions of this Exhibit were omitted by means of redacting a portion of the text.

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.

Date: February 26, 2016

LIBERTY MEDIA CORPORATION

By: /s/ GREGORY B. MAFFEI

Gregory B. Maffei
President and Chief Executive Officer

Date: February 26, 2016

By: /s/ CHRISTOPHER W. SHEAN

Christopher W. Shean
Chief Financial Officer (Principal Financial Officer and Principal
Accounting Officer)

[Table of Contents](#)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/John C. Malone</u> John C. Malone	Chairman of the Board and Director	February 26, 2016
<u>/s/Gregory B. Maffei</u> Gregory B. Maffei	Director, President and Chief Executive Officer	February 26, 2016
<u>/s/Christopher W. Shean</u> Christopher W. Shean	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	February 26, 2016
<u>/s/Robert R. Bennett</u> Robert R. Bennett	Director	February 26, 2016
<u>/s/Brian Deevy</u> Brian Deevy	Director	February 26, 2016
<u>/s/M. Ian G. Gilchrist</u> M. Ian G. Gilchrist	Director	February 26, 2016
<u>/s/Evan D. Malone</u> Evan D. Malone	Director	February 26, 2016
<u>/s/David E. Rapley</u> David E. Rapley	Director	February 26, 2016
<u>/s/Larry E. Romrell</u> Larry E. Romrell	Director	February 26, 2016
<u>/s/Andrea L. Wong</u> Andrea L. Wong	Director	February 26, 2016

EXHIBIT INDEX

Listed below are the exhibits which are filed as a part of this Report (according to the number assigned to them in Item 601 of Regulation S-K):

2 - Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession:

- 2.1 Reorganization Agreement, dated as of October 28, 2014, between Liberty Media Corporation and Liberty Broadband Corporation (incorporated by reference to Exhibit 2.1 to Liberty Broadband Corporation's Current Report on Form 8-K filed on November 10, 2014 (File No. 001-36713) (the "Broadband 8-K")).

3 - Articles of Incorporation and Bylaws:

- 3.1 Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on January 17, 2013 (File No. 001-35707) (the "Liberty 8-K").
- 3.2 Amended and Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.1 to Liberty Media Corporation's Current Report on Form 8-K (File No. 001-35707) as filed on August 6, 2015).

4 - Instruments Defining the Rights of Securities Holders, including Indentures:

- 4.1 Specimen certificate for shares of the Registrant's Series A common stock, par value \$.01 per share (incorporated by reference to Exhibit 4.1 to Registrant's Registration Statement on Form 10 filed on October 19, 2012 (File No. 001-35707) (the "Liberty Form 10").
- 4.2 Specimen certificate for shares of the Registrant's Series B common stock, par value \$.01 per share (incorporated by reference to Exhibit 4.2 to the Liberty Form 10).
- 4.3 Specimen Certificate for Shares of the Registrant's Series C common stock, par value \$.01 per share (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form 8-A filed on June 25, 2014 (File No. 001-35707)).
- 4.4 Indenture dated as of October 17, 2013 among the Registrant, as issuer, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 filed on November 5, 2013 (File No. 001-35707) (the "Liberty Q3 2013 10-Q")).
- 4.5 The Registrant undertakes to furnish to the Securities and Exchange Commission, upon request, a copy of all instruments with respect to long-term debt not filed herewith.

10 - Material Contracts:

- 10.1 Form of Liberty Media Corporation 2013 Incentive Plan (Amended and Restated as of March 31, 2015) (the "2013 Plan") (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015 filed on May 8, 2015 (File No. 001-35707)).
- 10.2 Form of Non-Qualified Stock Option Agreement (incorporated by reference to Exhibit 10.3 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2013 filed on February 28, 2014 (File No. 001-35707) (the "Liberty 2013 10-K")).
- 10.3 Form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.4 to the Liberty 2013 10-K).
- 10.4 Form of Non-Qualified Stock Option Agreement under the 2013 Plan [for certain designated award recipients] (incorporated by reference to Exhibit 10.2 to Starz's Annual Report on Form 10-K for the year ended December 31, 2011 filed on February 23, 2012 (File No. 001-35294) (the "Starz 2011 10-K")).
- 10.5 Liberty Media Corporation 2013 Nonemployee Director Incentive Plan (Amended and Restated as of December 17, 2015) (the "2013 Nonemployee Director Plan").*
- 10.6 Form of Non-Qualified Stock Option Agreement under the 2013 Nonemployee Director Plan (incorporated by reference to Exhibit 10.4 to the Starz 2011 10-K).

- 10.7 Form of Restricted Stock Award Agreement under the 2013 Non-Employee Director Incentive Plan (incorporated by reference to Exhibit 10.5 to the Starz 2011 10-K).
- 10.8 Form of Liberty Media Corporation Transitional Stock Adjustment Plan (incorporated by reference to Exhibit 10.3 to Amendment No. 2 to the Registrant's Registration Statement on Form 10 filed on December 17, 2012 (File No. 001-35707)).
- 10.9 Liberty Media Corporation 2006 Deferred Compensation Plan (Amended and Restated as of January 1, 2016).*
- 10.10 Tax Sharing Agreement, dated as of September 23, 2011, by and between Liberty Interactive Corporation, Liberty Interactive LLC and Liberty Media Corporation (as assignee of Starz (f/k/a Liberty Media Corporation)) (incorporated by reference to Exhibit 10.4 to Post-Effective Amendment No. 1 to Starz's Registration Statement on Form S-4 filed on September 23, 2011 (File No. 333-171201) (the "Starz S-4")).
- 10.11 Tax Sharing Agreement, dated as of January 11, 2013, by and between Starz and Liberty Media Corporation (incorporated by reference to Exhibit 10.1 to the Starz 8-K).
- 10.12 Tax Sharing Agreement, dated as of November 4, 2014, between Liberty Media Corporation and Liberty Broadband Corporation (incorporated by reference to Exhibit 10.1 to the Broadband 8-K).
- 10.13 Services Agreement, dated as of September 23, 2011, by and between Liberty Interactive Corporation and Liberty Media Corporation (as assignee of Starz (f/k/a Liberty Media Corporation)) (incorporated by reference to Exhibit 10.5 to the Starz S-4).
- 10.14 Form of Indemnification Agreement by and between the Registrant and its executive officers/directors (incorporated by reference to Exhibit 10.13 to the Liberty Form 10).
- 10.15 Restated and Amended Employment Agreement dated November 1, 1992, between Tele-Communications, Inc. and John C. Malone (assumed by Liberty Media LLC as of March 9, 1999), and the amendment thereto dated June 30, 1999 and effective as of March 9, 1999, between Liberty Media LLC and John C. Malone (collectively, the "Malone Employment Agreement" (assumed, as amended, by the Registrant as of January 10, 2013)) (incorporated by reference to Exhibit 10.11 to Liberty Interactive Corporation's Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 25, 2010 (File No. 001-33982) (the "Liberty Interactive 2009 10-K")).
- 10.16 Second Amendment to Malone Employment Agreement effective January 1, 2003 (incorporated by reference to Exhibit 10.12 to the Liberty Interactive 2009 10-K).
- 10.17 Third Amendment to Malone Employment Agreement effective January 1, 2007 (incorporated by reference to Exhibit 10.13 to Liberty Interactive Corporation's Annual Report on Form 10-K for the year ended December 31, 2008 filed on February 27, 2009 (File No. 001-33982)) (the "Liberty Interactive 2008 10-K").
- 10.18 Fourth Amendment to Malone Employment Agreement effective January 1, 2009 (incorporated by reference to Exhibit 10.14 to the Liberty Interactive 2008 10-K).
- 10.19 Employment Agreement dated December 29, 2014, between Gregory B. Maffei and Liberty Media Corporation (incorporated by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014 filed on February 26, 2015 (File No. 001-35707)).
- 10.20 Non-Qualified Stock Option Agreement under the Liberty Media Corporation 2013 Incentive Plan (Amended and Restated as of March 31, 2015) for Gregory B. Maffei, effective December 24, 2014 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 filed on August 5, 2015 (File No. 001-35707)).
- 10.21 Letter Agreement regarding personal use of Liberty Media's aircraft, dated as of February 5, 2013, between Gregory B. Maffei and Liberty Media Corporation (incorporated by reference to Exhibit 10.23 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012 filed on February 28, 2013 (File No. 001-35707) (the "Liberty 2012 10-K").
- 10.22 Letter Agreement regarding personal use of Liberty Media's aircraft, dated as of November 11, 2015, between Gregory B. Maffei and Liberty Media Corporation.*

- 10.23 Executive Employment Agreement dated effective as of October 31, 2012, by and between Liberty Media Corporation (as assignee of Starz (f/k/a Liberty Media Corporation)) and Richard Baer (incorporated by reference to Exhibit 10.24 to the Liberty 2012 10-K).
- 10.24 Credit Agreement, dated as of December 5, 2012 among the Sirius XM Radio, Inc. (“Sirius XM Radio”), JPMorgan Chase Bank, N.A. as administrative agent, and the other agents and lenders party thereto (incorporated by reference to Sirius XM Radio’s Current Report on Form 8-K filed on December 10, 2012 (File No. 001-34295)).
- 10.25 Amendment No. 1, dated as of April 22, 2014, to the Credit Agreement, dated as of December 5, 2012, among Sirius XM Radio, the Lenders party thereto and JPMorgan Chase Bank, N.A. as administrative agent for the Lenders, as collateral agent for the Secured Parties and as an Issuing Bank (incorporated by reference to Exhibit 10.1 to Sirius XM Radio’s Current Report on Form 8-K filed on April 22, 2014).
- 10.26 Amendment No. 2, dated as of June 16, 2015, to the Credit Agreement, dated as of December 5, 2012, among Sirius XM Radio Inc., JPMorgan Chase Bank, N.A., as administrative agent, and the other agents and lenders parties thereto. (incorporated by reference to Exhibit 10.1 to Sirius XM Radio’s Current Report on Form 8-K filed on June 19, 2015 (File No. 001-34295)).
- 10.27 Indenture, dated as of August 13, 2012, among Sirius XM Radio, the guarantors named therein and U.S. Bank National Association, as trustee, relating to Sirius XM Radio’s 5.25% Senior Secured Notes due 2022 (incorporated by reference to Exhibit 4.1 to Sirius XM Radio’s Current Report on Form 8-K filed on August 14, 2012 (File No. 001-34295)).
- 10.28 Supplemental Indenture, dated as of April 10, 2014, among Sirius XM Radio, the guarantors named therein and U.S. Bank National Association, as trustee, relating to the 5.25% Senior Notes due 2022 (incorporated by reference to Exhibit 4.1 to Sirius XM Radio’s Current Report on Form 8-K filed on April 10, 2014 (File No. 001-34295)).
- 10.29 Indenture, dated as of May 16, 2013, among Sirius XM Radio, the guarantors named therein and U.S. Bank National Association, as trustee, relating to Sirius XM Radio’s 4.25% Senior Notes due 2020 (incorporated by reference to Exhibit 4.1 to Sirius XM Radio’s Current Report on Form 8-K filed on May 20, 2013 (File No. 001-34295) (the “Sirius XM Radio 8-K”)).
- 10.30 Indenture, dated as of May 16, 2013, among Sirius XM Radio, the guarantors named therein and U.S. Bank National Association, as trustee, relating to Sirius XM Radio’s 4.625% Senior Notes due 2023 (incorporated by reference to Exhibit 4.2 to the Sirius XM Radio 8-K).
- 10.31 Indenture, dated as of August 1, 2013, among Sirius XM Radio, the guarantors named therein and U.S. Bank National Association, as trustee, relating to Sirius XM Radio’s 5.75% Senior Notes due 2021 (incorporated by reference to Exhibit 4.1 to Sirius XM Radio’s Current Report on Form 8-K filed on August 1, 2013 (File No. 001-34295)).
- 10.32 Indenture, dated as of September 24, 2013, among Sirius XM Radio, the guarantors named therein and U.S. Bank National Association, as trustee, relating to Sirius XM Radio’s 5.875% Senior Notes due 2020 (incorporated by reference to Exhibit 4.2 to Sirius XM Radio’s Current Report on Form 8-K filed on September 25, 2013 (File No. 001-34295)).
- 10.33 Indenture, dated as of May 6, 2014, among Sirius XM Radio, the guarantors named therein and U.S. Bank National Association, as trustee, relating to the 6.00% Senior Notes due 2024 (incorporated by reference to Exhibit 4.1 to Sirius XM Radio’s Current Report on Form 8-K filed on May 7, 2014 (File No. 001-34295)).
- 10.34 Indenture, dated as of March 6, 2015, among Sirius XM Radio Inc., the guarantors named therein and U.S. Bank National Association, as trustee, relating to the 5.375% Senior Notes due 2025 (incorporated by reference to Exhibit 4.1 to Sirius XM Radio’s Current Report on Form 8-K filed on March 6, 2015 (File No. 001-34295)).
- 10.35 Share Repurchase Agreement, dated as of October 9, 2013, by and between the Registrant and SIRIUS XM (incorporated by reference to Exhibit 99.2 to the Registrant’s Current Report on Form 8-K filed on October 10, 2013 (File No. 001-35707)).

- 10.36 Technology Licensing Agreement among XM Satellite Radio Inc., XM Satellite Radio Holdings Inc., WorldSpace Management Corporation and American Mobile Satellite Corporation, dated as of January 1, 1998, amended by Amendment No. 1 to Technology Licensing Agreement, dated June 7, 1999 (incorporated by reference to Exhibit 10.3 to XM Satellite Radio Holdings Inc.'s Annual Report on Form 10-K for the year ended December 31, 2007 filed on February 28, 2008 (File No. 333-39178)(the "XM Satellite Radio 10-K")).***
- 10.37 Third Amended and Restated Distribution and Credit Agreement, dated as of February 6, 2008, among General Motors Corporation, XM Satellite Radio Holdings Inc. and XM Satellite Radio Inc. (incorporated by reference to Exhibit 10.63 to the XM Satellite Radio 10-K).***
- 10.38 Third Amended and Restated Satellite Purchase Contract for In-Orbit Delivery, dated as of May 15, 2001, between XM Satellite Radio Inc. and Boeing Satellite Systems International Inc. (incorporated by reference to Exhibit 10.36 to Amendment No. 1 to XM Satellite Radio Holdings Inc.'s Registration Statement on Form S-3 filed on June 21, 2002 (File No. 333-89132)).***
- 10.39 Amended and Restated Amendment to the Satellite Purchase Contract for In-Orbit Delivery, dated May 22, 2003, among XM Satellite Radio Inc. and XM Satellite Radio Holdings Inc. and Boeing Satellite Systems International Inc. (incorporated by reference to Exhibit 10.53 to XM Satellite Radio Holdings Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 filed on August 14, 2003 (File No. 000-27441) (the "XM Satellite Radio 10-Q")).***
- 10.40 Amendment to the Satellite Purchase Contract for In-Orbit Delivery, dated July 31, 2003, among XM Satellite Radio Inc. and XM Satellite Radio Holdings Inc. and Boeing Satellite Systems International Inc. (incorporated by reference to Exhibit 10.54 to the XM Satellite Radio 10-Q).***
- 10.41 Amendment to the Satellite Purchase Contract for In-Orbit Delivery, dated December 19, 2003, among XM Satellite Radio Inc., XM Satellite Radio Holdings Inc. and Boeing Satellite Systems International Inc. (incorporated by reference to Exhibit 10.57 to XM Satellite Radio Holdings Inc.'s Annual Report on Form 10-K for the year ended December 31, 2003 filed on March 15, 2004 (File No. 000-27441)).***
- 10.42 Confirmation, dated October 10, 2013, of Base Cash Convertible Bond Hedge Transaction between J.P. Morgan Chase Bank N.A., London Branch and Liberty Media Corporation (incorporated by reference to Exhibit 10.5 to the Liberty Q3 2013 10-Q).***
- 10.43 Confirmation, dated October 10, 2013, of Base Warrants Transaction between J.P. Morgan Chase Bank N.A., London Branch and Liberty Media Corporation (incorporated by reference to Exhibit 10.6 to the Liberty Q3 2013 10-Q).***
- 10.44 Confirmation, dated October 10, 2013, of Base Cash Convertible Bond Hedge Transaction between Wells Fargo Bank, N.A. and Liberty Media Corporation (incorporated by reference to Exhibit 10.7 to the Liberty Q3 2013 10-Q).***
- 10.45 Confirmation, dated October 10, 2013, of Base Warrants Transaction between Wells Fargo Bank, N.A. and Liberty Media Corporation (incorporated by reference to Exhibit 10.8 to the Liberty Q3 2013 10-Q).***
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November 11, 2015

Mr. Gregory B. Maffei
Liberty Media Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112

Re: Personal Use of Company Aircraft

Dear Greg:

This letter (this “Agreement”) sets forth our agreement with respect to your personal use of aircraft (the “Aircraft”) owned or leased by Liberty Media Corporation (“LMC”) pursuant to the Aircraft Time Sharing Agreements, dated as of the date of this Agreement between LMC or one or more of its affiliates and you (the “Time Sharing Agreements”). This Agreement is in addition to and supplements our prior letter concerning the Aircraft, dated February 5, 2013 (the “Prior Letter”).

1. **Use of the Aircraft.** During the Term (as defined below), you may use up to 30 hours per year of flight time for personal use (the “TSA Allotment”) if you reimburse LMC for such usage pursuant to the Time Sharing Agreements. You may schedule flights with LMC’s flight department pursuant to the TSA Allotment subject to availability of the Aircraft. LMC will not have any obligation to pay you for any unused TSA Allotment, and LMC will have no obligation to continue to own or lease any Aircraft.
 2. **IRS Reporting.** Pursuant to IRS regulations based on the Standard Industry Fare Level formula (SIFL), the fair market value of flights pursuant to the TSA Allotment minus amounts paid by you under the Time Sharing Agreements, will be reflected as income on your Form W-2.
 3. **Term.** The term of this Agreement (the “Term”) will be deemed to have commenced on November 11, 2015, and will expire on the earliest of (i) the date that you cease to be employed by LMC, and (ii) the date that LMC ceases to own or lease any Aircraft.
 4. **Governing Law.** This Agreement will be governed by, and will be construed and enforced in accordance with, the laws of the State of Colorado without regard to the conflicts of laws principles of that jurisdiction.
 5. **Entire Agreement.** This Agreement, the Liberty Media Corporation Executive Employment Agreement, dated effective as of December 29, 2014, the Prior Letter and the Time Sharing Agreements constitute the entire agreement and understanding between the parties with respect to the subject matter hereof and supersede any and all previous
-

written or oral representations, promises, agreements or understandings of whatever nature between the parties with respect to the subject matter. This Agreement may not be altered or amended except by an agreement in writing signed by both parties. This Agreement may be signed in counterparts.

If you are in agreement with the foregoing, please execute the enclosed copy of this letter.

Very truly yours,

Liberty Media Corporation

By: /s/ Richard N. Baer
Date: November 11, 2015
Richard N. Baer
Senior Vice President

Agreed:

/s/ Gregory B. Maffei
Gregory B. Maffei
Date: November 11, 2015

LIBERTY MEDIA CORPORATION
2013 NONEMPLOYEE DIRECTOR INCENTIVE PLAN

(Amended and Restated as of December 17, 2015)

ARTICLE I

PURPOSE OF PLAN

1.1 Purpose. The purpose of the Plan is to provide a method whereby eligible Nonemployee Directors of the Company may be awarded additional remuneration for services rendered and encouraged to invest in capital stock of the Company, thereby increasing their proprietary interest in the Company's businesses and increasing their personal interest in the continued success and progress of the Company. The Plan is also intended to aid in attracting Persons of exceptional ability to become Nonemployee Directors of the Company.

ARTICLE II

DEFINITIONS

2.1 Certain Defined Terms. Capitalized terms not defined elsewhere in the Plan shall have the following meanings (whether used in the singular or plural):

"Account" has the meaning ascribed thereto in Section 8.2.

"Affiliate" of the Company means any corporation, partnership, or other business association that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the Company.

"Agreement" means a stock option agreement, stock appreciation rights agreement, restricted shares agreement, restricted stock units agreement, or an agreement evidencing more than one type of Award, specified in Section 10.4, as any such Agreement may be supplemented or amended from time to time.

"Approved Transaction" means any transaction in which the Board (or, if approval of the Board is not required as a matter of law, the stockholders of the Company) shall approve (i) any consolidation or merger of the Company, or binding share exchange, pursuant to which shares of Common Stock of the Company would be changed or converted into or exchanged for cash, securities, or other property, other than any such transaction in which the common stockholders of the Company immediately prior to such transaction have the same proportionate ownership of the Common Stock of, and voting power with respect to, the surviving corporation immediately after such transaction, (ii) any merger, consolidation, or binding share exchange to which the Company is a party as a result of which the Persons who are common stockholders of the Company immediately prior thereto have less than a majority of the combined voting power of the outstanding capital stock of the Company ordinarily (and apart from the rights accruing under special circumstances) having the right to vote in the election of directors immediately following such merger, consolidation, or binding share exchange, (iii) the adoption of any plan or proposal

for the liquidation or dissolution of the Company, or (iv) any sale, lease, exchange, or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Company.

“Award” means a grant of Options, SARs, Restricted Shares, Restricted Stock Units and/or cash under the Plan.

“Board” means the Board of Directors of the Company.

“Board Change” means, during any period of two consecutive years, individuals who at the beginning of such period constituted the entire Board cease for any reason to constitute a majority thereof unless the election, or the nomination for election, of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute or statutes thereto. Reference to any specific Code section shall include any successor section.

“Common Stock” means each or any (as the context may require) series of the Company’s common stock.

“Company” means Liberty Media Corporation (f/k/a Liberty Spinco, Inc.), a Delaware corporation.

“Control Purchase” means any transaction (or series of related transactions) in which any person (as such term is defined in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), corporation, or other entity (other than the Company, any Subsidiary of the Company, or any employee benefit plan sponsored by the Company or any Subsidiary of the Company or any Exempt Person (as defined below)) shall become the “beneficial owner” (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the then outstanding securities of the Company ordinarily (and apart from the rights accruing under special circumstances) having the right to vote in the election of directors (calculated as provided in Rule 13d-3(d) under the Exchange Act in the case of rights to acquire the Company’s securities), other than in a transaction (or series of related transactions) approved by the Board. For purposes of this definition, “Exempt Person” means each of (a) the Chairman of the Board, the President and each of the directors of the Company as of the Distribution Date, and (b) the respective family members, estates, and heirs of each of the Persons referred to in clause (a) above and any trust or other investment vehicle for the primary benefit of any of such Persons or their respective family members or heirs. As used with respect to any Person, the term “family member” means the spouse, siblings and lineal descendants of such Person.

“Director Compensation” means the annual retainer and meeting fees, and any other regular cash compensation payable by the Company to a Nonemployee Director for service on the Board.

“Disability” means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

“Distribution” means the distribution by Starz (f/k/a Liberty Media Corporation) to the holders of its common stock of all of the issued and outstanding shares of Common Stock.

“Distribution Date” means the date on which the Distribution occurs.

“Dividend Equivalents” means, with respect to Restricted Stock Units, to the extent specified by the Board only, an amount equal to all dividends and other distributions (or the economic equivalent thereof) which are payable to stockholders of record during the Restriction Period on a like number and kind of shares of Common Stock.

“Domestic Relations Order” means a domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder.

“Effective Date” means the Distribution Date. The Plan was amended on August 5, 2013, amended and restated as of May 6, 2015 and further amended and restated as of December 17, 2015.

“Equity Security” shall have the meaning ascribed to such term in Section 3(a)(11) of the Exchange Act, and an equity security of an issuer shall have the meaning ascribed thereto in Rule 16a-1 promulgated under the Exchange Act, or any successor Rule.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, or any successor statute or statutes thereto. Reference to any specific Exchange Act section shall include any successor section.

“Fair Market Value” of a share of any series of Common Stock on any day means (i) for Option and SAR exercise transactions effected on any third-party incentive award administration system provided by the Company, the current high bid price of a share of any series of Common Stock as reported on the consolidated transaction reporting system on the principal national securities exchange on which shares of such series of Common Stock are listed on such day or if such shares are not then listed on a national securities exchange, then as quoted by OTC Markets Group Inc., or (ii) for all other purposes under the Plan, the closing price of a share of such series of Common Stock on such day (or if such day is not a trading day, on the next preceding trading day) as reported on the consolidated transaction reporting system for the principal national securities exchange on which shares of such series of Common Stock are listed on such day or if such shares are not then listed on a national securities exchange, then as quoted by OTC Markets Group Inc. If for any day the Fair Market Value of a share of the applicable series of Common Stock is not determinable by any of the foregoing means, or if there is insufficient trading volume in the applicable series of Common Stock on such trading day, then the Fair Market Value for such day shall be determined in good faith by the Board on the basis of such quotations and other considerations as the Board deems appropriate.

“Free Standing SAR” has the meaning ascribed thereto in Section 7.1.

“Holder” means a Person who has received an Award under the Plan.

“Nonemployee Director” means an individual who is a member of the Board and who is neither an officer nor an employee of the Company or any Subsidiary.

“Option” means a stock option granted under Article VI.

“Person” means an individual, corporation, limited liability company, partnership, trust, incorporated or unincorporated association, joint venture or other entity of any kind.

“Plan” means this Liberty Media Corporation 2013 Nonemployee Director Incentive Plan, amended and restated as of December 17, 2015.

“Restricted Shares” means shares of any series of Common Stock awarded pursuant to Section 8.1.

“Restricted Stock Unit” means a unit evidencing the right to receive in specified circumstances one share of the specified series of Common Stock or the equivalent value in cash, which right may be subject to a Restriction Period or forfeiture provisions.

“Restriction Period” means a period of time beginning on the date of each Award of Restricted Shares or Restricted Stock Units and ending on the Vesting Date with respect to such Award.

“Retained Distribution” has the meaning ascribed thereto in Section 8.3.

“SARs” means stock appreciation rights, awarded pursuant to Article VII, with respect to shares of any specified series of Common Stock.

“Subsidiary” of a Person means any present or future subsidiary (as defined in Section 424(f) of the Code) of such Person or any business entity in which such Person owns, directly or indirectly, 50% or more of the voting, capital, or profits interests. An entity shall be deemed a subsidiary of a Person for purposes of this definition only for such periods as the requisite ownership or control relationship is maintained.

“Tandem SARs” has the meaning ascribed thereto in Section 7.1.

“Vesting Date,” with respect to any Restricted Shares or Restricted Stock Units awarded hereunder, means the date on which such Restricted Shares or Restricted Stock Units cease to be subject to a risk of forfeiture, as designated in or determined in accordance with the Agreement with respect to such Award of Restricted Shares or Restricted Stock Units pursuant to Article VIII. If more than one Vesting Date is designated for an Award of Restricted Shares or Restricted Stock Units, reference in the Plan to a Vesting Date in respect of such Award shall be deemed to refer to each part of such Award and the Vesting Date for such part. The Vesting Date for a particular Award will be established by the Board and, for the avoidance of doubt, may be contemporaneous with the date of grant.

ARTICLE III

ADMINISTRATION

3.1 Administration. The Plan shall be administered by the Board, provided that it may delegate to employees of the Company certain administrative or ministerial duties in carrying out the purposes of the Plan.

3.2 Powers. The Board shall have full power and authority to grant to eligible Persons Options under Article VI of the Plan, SARs under Article VII of the Plan, Restricted Shares under Article VIII of the Plan, and/or Stock Units under Article IX of the Plan, to determine the terms and conditions (which need not be identical) of all Awards so granted, to interpret the provisions of the Plan and any Agreements relating to Awards granted under the Plan, and to supervise the administration of the Plan. The Board in making an Award may provide for the granting or issuance of additional, replacement, or alternative Awards upon the occurrence of specified events, including the exercise of the original Award. The Board shall have sole authority in the selection of Persons to whom Awards may be granted under the Plan and in the determination of the timing, pricing, and amount of any such Award, subject only to the express provisions of the Plan. In making determinations hereunder, the Board may take into account such factors as the Board in its discretion deems relevant.

3.3 Interpretation. The Board is authorized, subject to the provisions of the Plan, to establish, amend, and rescind such rules and regulations as it deems necessary or advisable for the proper administration of the Plan and to take such other action in connection with or in relation to the Plan as it deems necessary or advisable. Each action and determination made or taken pursuant to the Plan by the Board, including any interpretation or construction of the Plan, shall be final and conclusive for all purposes and upon all Persons. No member of the Board shall be liable for any action or determination made or taken by such member or the Board in good faith with respect to the Plan.

ARTICLE IV

SHARES SUBJECT TO THE PLAN

4.1 Number of Shares. Subject to the provisions of this Article IV, the maximum number of shares of Common Stock (i) which may be issued in lieu of Director Compensation pursuant to Section 9.1 and (ii) with respect to which Awards may be granted during the term of the Plan shall be 4,490,000 shares. Shares of Common Stock will be made available from the authorized but unissued shares of the Company or from shares reacquired by the Company, including shares purchased in the open market. The shares of Common Stock subject to (i) any Award granted under the Plan that shall expire, terminate or be cancelled or annulled for any reason without having been exercised (or considered to have been exercised as provided in Section 7.2), (ii) any Award of any SARs granted under the Plan the terms of which provide for settlement in cash, and (iii) any Award of Restricted Shares or Restricted Stock Units that shall be forfeited prior to becoming vested (provided that the Holder received no benefits of ownership of such Restricted Shares or Restricted Stock Units other than voting rights and the accumulation of Retained Distributions and unpaid Dividend Equivalents that are likewise forfeited) shall again be available

for purposes of the Plan. Notwithstanding the foregoing, the following shares of Common Stock may not again be made available for issuance as Awards under the Plan: (a) shares of Common Stock not issued or delivered as a result of the net settlement of an outstanding Option or SAR, (b) shares of Common Stock used to pay the purchase price or withholding taxes related to an outstanding Award, or (c) shares of Common Stock repurchased on the open market with the proceeds of an Option purchase price. No Nonemployee Director may be granted during any calendar year Awards having a value determined on the date of grant in excess of \$3 million.

4.2 Adjustments.

(a) If the Company subdivides its outstanding shares of any series of Common Stock into a greater number of shares of such series of Common Stock (by stock dividend, stock split, reclassification, or otherwise) or combines its outstanding shares of any series of Common Stock into a smaller number of shares of such series of Common Stock (by reverse stock split, reclassification, or otherwise) or if the Board determines that any stock dividend, extraordinary cash dividend, reclassification, recapitalization, reorganization, stock redemption, split-up, spin-off, combination, exchange of shares, warrants or rights offering to purchase such series of Common Stock or other similar corporate event (including mergers or consolidations other than those which constitute Approved Transactions, adjustments with respect to which shall be governed by Section 10.1(b)) affects any series of Common Stock so that an adjustment is required to preserve the benefits or potential benefits intended to be made available under the Plan, then the Board, in such manner as the Board, in its sole discretion, deems equitable and appropriate, shall make such adjustments to any or all of (i) the number and kind of shares of stock which thereafter may be awarded, optioned or otherwise made subject to the benefits contemplated by the Plan, (ii) the number and kind of shares of stock subject to outstanding Awards, and (iii) the purchase or exercise price and the relevant appreciation base with respect to any of the foregoing, provided, however, that the number of shares subject to any Award shall always be a whole number. The Board may, if deemed appropriate, provide for a cash payment to any Holder of an Award in connection with any adjustment made pursuant to this Section 4.2.

(b) Notwithstanding any provision of the Plan to the contrary, in the event of a corporate merger, consolidation, acquisition of property or stock, separation, reorganization or liquidation, the Board shall be authorized, in its discretion, (i) to provide, prior to the transaction, for the acceleration of the vesting and exercisability of, or lapse of restrictions with respect to, the Award and, if the transaction is a cash merger, provide for the termination of any portion of the Award that remains unexercised at the time of such transaction, or (ii) to cancel any such Awards and to deliver to the Holders cash in an amount that the Board shall determine in its sole discretion is equal to the fair market value of such Awards on the date of such event, which in the case of Options or SARs shall be the excess of the Fair Market Value (as determined in subsection (ii) of the definition of such term) of Common Stock on such date over the purchase price of the Options or the base price of the SARs, as applicable. For the avoidance of doubt, if the purchase price of the Options or base price of the SARs, as applicable, is greater than such Fair Market Value, the Options or SARs may be canceled for no consideration pursuant to this section.

(c) No adjustment or substitution pursuant to this Section 4.2 shall be made in a manner that results in noncompliance with the requirements of Section 409A of the Code, to the extent applicable.

ARTICLE V

ELIGIBILITY

5.1 General. The Persons who shall be eligible to participate in the Plan and to receive Awards under the Plan shall, subject to Section 5.2, be such Persons who are Nonemployee Directors as the Board shall select. Awards may be made to Nonemployee Directors who hold or have held Awards under the Plan or any similar or other awards under any other plan of the Company or any of its Affiliates.

5.2 Ineligibility. No Person who is not a Nonemployee Director shall be eligible to receive an Award.

ARTICLE VI

STOCK OPTIONS

6.1 Grant of Options. Subject to the limitations of the Plan, the Board shall designate from time to time those eligible Persons to be granted Options, the time when each Option shall be granted to such eligible Persons, the series and number of shares of Common Stock subject to such Option, and, subject to Section 6.2, the purchase price of the shares of Common Stock subject to such Option.

6.2 Option Price. The price at which shares may be purchased upon exercise of an Option shall be fixed by the Board and may be no less than the Fair Market Value of the shares of the applicable series of Common Stock subject to the Option as of the date the Option is granted.

6.3 Term of Options. Subject to the provisions of the Plan with respect to death, retirement and termination of service, the term of each Option shall be for such period as the Board shall determine as set forth in the applicable Agreement; provided that such term may not exceed ten years. However, if the term of an Option expires when trading in the Common Stock is prohibited by law or the Company's insider trading policy, then the term of such Option shall expire on the 30th day after the expiration of such prohibition.

6.4 Exercise of Options. An Option granted under the Plan shall become (and remain) exercisable during the term of the Option to the extent provided in the applicable Agreement and the Plan and, unless the Agreement otherwise provides, may be exercised to the extent exercisable, in whole or in part, at any time and from time to time during such term; provided, however, that subsequent to the grant of an Option, the Board, at any time before complete termination of such Option, may accelerate the time or times at which such Option may be exercised in whole or in part (without reducing the term of such Option).

6.5 Manner of Exercise.

(a) *Form of Payment.* An Option shall be exercised by written notice to the Company upon such terms and conditions as the Agreement may provide and in accordance with such other procedures for the exercise of Options as the Board may establish from time to time. The method or methods of payment of the purchase price for the shares to be purchased upon

exercise of an Option and of any amounts required by Section 10.8 shall be determined by the Board and may consist of (i) cash, (ii) check, (iii) promissory note (subject to applicable law), (iv) whole shares of any series of Common Stock, (v) the withholding of shares of the applicable series of Common Stock issuable upon such exercise of the Option, (vi) the delivery, together with a properly executed exercise notice, of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds required to pay the purchase price, or (vii) any combination of the foregoing methods of payment, or such other consideration and method of payment as may be permitted for the issuance of shares under the Delaware General Corporation Law. The permitted method or methods of payment of the amounts payable upon exercise of an Option, if other than in cash, shall be set forth in the applicable Agreement and may be subject to such conditions as the Board deems appropriate.

(b) *Value of Shares*. Unless otherwise determined by the Board and provided in the applicable Agreement, shares of any series of Common Stock delivered in payment of all or any part of the amounts payable in connection with the exercise of an Option, and shares of any series of Common Stock withheld for such payment, shall be valued for such purpose at their Fair Market Value as of the exercise date.

(c) *Issuance of Shares*. The Company shall effect the transfer of the shares of Common Stock purchased under the Option as soon as practicable after the exercise thereof and payment in full of the purchase price therefor and of any amounts required by Section 10.8, and within a reasonable time thereafter, such transfer shall be evidenced on the books of the Company. Unless otherwise determined by the Board and provided in the applicable Agreement, (i) no Holder or other Person exercising an Option shall have any of the rights of a stockholder of the Company with respect to shares of Common Stock subject to an Option granted under the Plan until due exercise and full payment has been made, and (ii) no adjustment shall be made for cash dividends or other rights for which the record date is prior to the date of such due exercise and full payment.

ARTICLE VII

SARS

7.1 Grant of SARs. Subject to the limitations of the Plan, SARs may be granted by the Board to such eligible Persons in such numbers, with respect to any specified series of Common Stock, and at such times during the term of the Plan as the Board shall determine. A SAR may be granted to a Holder of an Option (hereinafter called a “related Option”) with respect to all or a portion of the shares of Common Stock subject to the related Option (a “Tandem SAR”) or may be granted separately to an eligible Nonemployee Director (a “Free Standing SAR”). Subject to the limitations of the Plan, SARs shall be exercisable in whole or in part upon notice to the Company upon such terms and conditions as are provided in the Agreement.

7.2 Tandem SARs. A Tandem SAR may be granted either concurrently with the grant of the related Option or at any time thereafter prior to the complete exercise, termination, expiration, or cancellation of such related Option. Tandem SARs shall be exercisable only at the time and to the extent that the related Option is exercisable (and may be subject to such additional limitations on exercisability as the Agreement may provide) and in no event after the complete termination or full exercise of the related Option. Upon the exercise or termination of the related

Option, the Tandem SARs with respect thereto shall be canceled automatically to the extent of the number of shares of Common Stock with respect to which the related Option was so exercised or terminated. Subject to the limitations of the Plan, upon the exercise of a Tandem SAR and unless otherwise determined by the Board and provided in the applicable Agreement, (i) the Holder thereof shall be entitled to receive from the Company, for each share of the applicable series of Common Stock with respect to which the Tandem SAR is being exercised, consideration (in the form determined as provided in Section 7.4) equal in value to the excess of the Fair Market Value of a share of the applicable series of Common Stock with respect to which the Tandem SAR was granted on the date of exercise over the related Option purchase price per share, and (ii) the related Option with respect thereto shall be canceled automatically to the extent of the number of shares of Common Stock with respect to which the Tandem SAR was so exercised.

7.3 Free Standing SARs. Free Standing SARs shall be exercisable at the time, to the extent and upon the terms and conditions set forth in the applicable Agreement. The base price of a Free Standing SAR may be no less than the Fair Market Value of the applicable series of Common Stock with respect to which the Free Standing SAR was granted as of the date the Free Standing SAR is granted. Subject to the limitations of the Plan, upon the exercise of a Free Standing SAR and unless otherwise determined by the Board and provided in the applicable Agreement, the Holder thereof shall be entitled to receive from the Company, for each share of the applicable series of Common Stock with respect to which the Free Standing SAR is being exercised, consideration (in the form determined as provided in Section 7.4) equal in value to the excess of the Fair Market Value of a share of the applicable series of Common Stock with respect to which the Free Standing SAR was granted on the date of exercise over the base price per share of such Free Standing SAR. The term of a Free Standing SAR may not exceed ten years. However, if the term of a Free Standing SAR expires when trading in the Common Stock is prohibited by law or the Company's insider trading policy, then the term of such Free Standing SAR shall expire on the 30th day after the expiration of such prohibition.

7.4 Consideration. The consideration to be received upon the exercise of a SAR by the Holder shall be paid in cash, shares of the applicable series of Common Stock with respect to which the SAR was granted (valued at Fair Market Value on the date of exercise of such SAR), a combination of cash and such shares of the applicable series of Common Stock or such other consideration, in each case, as provided in the Agreement. No fractional shares of Common Stock shall be issuable upon exercise of a SAR, and unless otherwise provided in the applicable Agreement, the Holder will receive cash in lieu of fractional shares. Unless the Board shall otherwise determine, to the extent a Free Standing SAR is exercisable, it will be exercised automatically for cash on its expiration date.

7.5 Limitations. The applicable Agreement may provide for a limit on the amount payable to a Holder upon exercise of SARs at any time or in the aggregate, for a limit on the number of SARs that may be exercised by the Holder in whole or in part for cash during any specified period, for a limit on the time periods during which a Holder may exercise SARs, and for such other limits on the rights of the Holder and such other terms and conditions of the SAR, including a condition that the SAR may be exercised only in accordance with rules and regulations adopted from time to time, as the Board may determine. Unless otherwise so provided in the applicable Agreement, any such limit relating to a Tandem SAR shall not restrict the exercisability of the related Option. Such rules and regulations may govern the right to exercise SARs granted

prior to the adoption or amendment of such rules and regulations as well as SARs granted thereafter.

7.6 Exercise. For purposes of this Article VII, the date of exercise of a SAR shall mean the date on which the Company shall have received notice from the Holder of the SAR of the exercise of such SAR (unless otherwise determined by the Board and provided in the applicable Agreement).

ARTICLE VIII

RESTRICTED SHARES AND RESTRICTED STOCK UNITS

8.1 Grant of Restricted Shares. Subject to the limitations of the Plan, the Board shall designate those eligible Persons to be granted Awards of Restricted Shares, shall determine the time when each such Award shall be granted, and shall designate (or set forth the basis for determining) the Vesting Date or Vesting Dates for each Award of Restricted Shares, and may prescribe other restrictions, terms and conditions applicable to the vesting of such Restricted Shares in addition to those provided in the Plan. The Board shall determine the price, if any, to be paid by the Holder for the Restricted Shares; provided, however, that the issuance of Restricted Shares shall be made for at least the minimum consideration necessary to permit such Restricted Shares to be deemed fully paid and nonassessable. All determinations made by the Board pursuant to this Section 8.1 shall be specified in the Agreement.

8.2 Issuance of Restricted Shares. An Award of Restricted Shares shall be registered in a book entry account (the "Account") in the name of the Holder to whom such Restricted Shares shall have been awarded. During the Restriction Period, the Account, any statement of ownership representing the Restricted Shares that may be issued during the Restriction Period and any securities constituting Retained Distributions shall bear a restrictive legend to the effect that ownership of the Restricted Shares (and such Retained Distributions), and the enjoyment of all rights appurtenant thereto, are subject to the restrictions, terms, and conditions provided in the Plan and the applicable Agreement.

8.3 Restrictions with Respect to Restricted Shares. During the Restriction Period, Restricted Shares shall constitute issued and outstanding shares of the applicable series of Common Stock for all corporate purposes. The Holder will have the right to vote such Restricted Shares, to receive and retain such dividends and distributions, as the Board may designate, paid or distributed on such Restricted Shares, and to exercise all other rights, powers and privileges of a Holder of shares of the applicable series of Common Stock with respect to such Restricted Shares; except, that, unless otherwise determined by the Board and provided in the applicable Agreement, (i) the Holder will not be entitled to delivery of the Restricted Shares until the Restriction Period shall have expired and unless all other vesting requirements with respect thereto shall have been fulfilled or waived; (ii) the Company or its designee will retain custody of the Restricted Shares during the Restriction Period as provided in Section 8.2; (iii) other than such dividends and distributions as the Board may designate, the Company or its designee will retain custody of all distributions ("Retained Distributions") made or declared with respect to the Restricted Shares (and such Retained Distributions will be subject to the same restrictions, terms and vesting, and

other conditions as are applicable to the Restricted Shares) until such time, if ever, as the Restricted Shares with respect to which such Retained Distributions shall have been made, paid or declared shall have become vested, and such Retained Distributions shall not bear interest or be segregated in a separate account; (iv) the Holder may not sell, assign, transfer, pledge, exchange, encumber or dispose of the Restricted Shares or any Retained Distributions or such Holder's interest in any of them during the Restriction Period; and (v) a breach of any restrictions, terms or conditions provided in the Plan or established by the Board with respect to any Restricted Shares or Retained Distributions will cause a forfeiture of such Restricted Shares and any Retained Distributions with respect thereto.

8.4 Grant of Restricted Stock Units. Subject to the limitations of the Plan, the Board shall designate those eligible Persons to be granted Awards of Restricted Stock Units, the value of which is based, in whole or in part, on the Fair Market Value of the shares of any specified series of Common Stock. Subject to the provisions of the Plan, including any rules established pursuant to Section 8.5, Awards of Restricted Stock Units shall be subject to such terms, restrictions, conditions, vesting requirements and payment rules as the Board may determine in its discretion, which need not be identical for each Award. Such Awards may provide for the payment of cash consideration by the Person to whom such Award is granted or provide that the Award, and any shares of Common Stock to be issued in connection therewith, if applicable, shall be delivered without the payment of cash consideration; provided, however, that the issuance of any shares of Common Stock in connection with an Award of Restricted Stock Units shall be for at least the minimum consideration necessary to permit such shares to be deemed fully paid and nonassessable. The determinations made by the Board pursuant to this Section 8.4 shall be specified in the applicable Agreement.

8.5 Restrictions with Respect to Restricted Stock Units. Any Award of Restricted Stock Units, including any shares of Common Stock which are part of an Award of Restricted Stock Units, may not be assigned, sold, transferred, pledged or otherwise encumbered prior to the date on which the shares are issued or, if later, the date provided by the Board at the time of the Award. A breach of any restrictions, terms or conditions provided in the Plan or established by the Board with respect to any Award of Restricted Stock Units will cause a forfeiture of such Restricted Stock Units and any Dividend Equivalents with respect thereto.

8.6 Issuance of Restricted Stock Units. Restricted Stock Units shall be issued at the end of the Restriction Period, shall not constitute issued and outstanding shares of the applicable series of Common Stock, and the Holder shall not have any of the rights of a stockholder with respect to the shares of Common Stock covered by such an Award of Restricted Stock Units, in each case until such shares shall have been issued to the Holder at the end of the Restriction Period. If and to the extent that shares of Common Stock are to be issued at the end of the Restriction Period, the Holder shall be entitled to receive Dividend Equivalents with respect to the shares of Common Stock covered thereby either (i) during the Restriction Period or (ii) in accordance with the rules applicable to Retained Distributions, as the Board may specify in the Agreement.

8.7 Cash Payments. In connection with any Award of Restricted Shares or Restricted Stock Units, an Agreement may provide for the payment of a cash amount to the Holder of such Awards at any time after such Awards shall have become vested. Such cash amounts shall be payable in accordance with such additional restrictions, terms, and conditions as shall be

prescribed by the Board in the Agreement and shall be in addition to any other compensation payments which such Holder shall be otherwise entitled or eligible to receive from the Company.

8.8 Completion of Restriction Period. On the Vesting Date with respect to each Award of Restricted Shares or Restricted Stock Units and the satisfaction of any other applicable restrictions, terms, and conditions, (a) all or the applicable portion of such Restricted Shares or Restricted Stock Units shall become vested, (b) any Retained Distributions with respect to such Restricted Shares and any unpaid Dividend Equivalents with respect to such Restricted Stock Units shall become vested to the extent that the Awards related thereto shall have become vested, and (c) any cash amount to be received by the Holder with respect to such Restricted Shares or Restricted Stock Units shall become payable, all in accordance with the terms of the applicable Agreement. Any such Restricted Shares, Restricted Stock Units, Retained Distributions, and any unpaid Dividend Equivalents that shall not become vested shall be forfeited to the Company, and the Holder shall not thereafter have any rights (including dividend and voting rights) with respect to such Restricted Shares, Restricted Stock Units, Retained Distributions, and any unpaid Dividend Equivalents that shall have been so forfeited. The Board may, in its discretion, provide that the delivery of any Restricted Shares, Restricted Stock Units, Retained Distributions, and unpaid Dividend Equivalents that shall have become vested, and payment of any related cash amounts that shall have become payable under this Article VIII, shall be deferred until such date or dates as the recipient may elect. Any election of a recipient pursuant to the preceding sentence shall be filed in writing with the Board in accordance with such rules and regulations, including any deadline for the making of such an election, as the Board may provide, and shall be made in compliance with Section 409A of the Code.

ARTICLE IX

STOCK AWARDS IN LIEU OF CASH DIRECTOR FEES

9.1 General. Each Nonemployee Director shall have the option to elect to receive shares of one or more series of Common Stock, as prescribed by the Board, in lieu of all or part of the Director Compensation otherwise payable by the Company during each calendar quarter. Subject to any applicable Purchase Restriction as described in Section 9.3, to the extent a Nonemployee Director has elected in writing to receive stock in lieu of Director Compensation, such Nonemployee Director will receive shares of Common Stock on the last day of the calendar quarter for which the Director Compensation was earned. The Director Compensation shall be converted to a number of shares of Common Stock equal in value to such Director Compensation based on the Fair Market Value of such shares on the last day of the calendar quarter for which the Director Compensation would otherwise be payable to the Nonemployee Director, with any fractional shares paid in cash. For this purpose, if the last day of the calendar quarter is not a trading day, then Fair Market Value shall be determined as of the next succeeding trading day. Any shares issued in lieu of Director Compensation shall be issued free of all restrictions except as required by law.

9.2 Timing of Election. A Nonemployee Director's election pursuant to Section 9.1 must be made no later than the 30th calendar day (or such other day as the Board may prescribe) prior to the end of the calendar quarter to which the election applies in accordance with the

procedures established by the Board. Once an election is made with respect to a particular calendar quarter, it may not be withdrawn or substituted unless the Board determines, in its sole discretion, that the withdrawal or substitution is occasioned by an extraordinary or unanticipated event.

9.3 Election Void During Restricted Period. If, on the date shares would be purchased pursuant to an election under Section 9.1, there is in place any restriction under applicable law (including a blackout period under the Sarbanes-Oxley Act of 2002) or the rules of the principal national securities exchange on which shares of the applicable series of Common Stock are traded (a "Purchase Restriction") which would prohibit the Nonemployee Director from making such a purchase, then such shares shall be purchased on the first trading day following the lapse or removal of the Purchase Restriction based on the Fair Market Value of the shares on such trading day.

9.4 Conditions. Nothing contained herein shall preclude the Board, in its sole discretion, from imposing conditions on any election made under Section 9.1, including the conditions described in Section 9.3.

ARTICLE X

GENERAL PROVISIONS

10.1 Acceleration of Awards.

(a) *Death or Disability.* If a Holder's service shall terminate by reason of death or Disability, notwithstanding any contrary waiting period, installment period, vesting schedule, or Restriction Period in any Agreement or in the Plan, unless the applicable Agreement provides otherwise: (i) in the case of an Option or SAR, each outstanding Option or SAR granted under the Plan shall immediately become exercisable in full in respect of the aggregate number of shares covered thereby; (ii) in the case of Restricted Shares, the Restriction Period applicable to each such Award of Restricted Shares shall be deemed to have expired and all such Restricted Shares and any related Retained Distributions shall become vested and any related cash amounts payable pursuant to the applicable Agreement shall be adjusted in such manner as may be provided in the Agreement; and (iii) in the case of Restricted Stock Units, the Restriction Period applicable to each such Award of Restricted Stock Units shall be deemed to have expired and all such Restricted Stock Units and any unpaid Dividend Equivalents shall become vested and any related cash amounts payable pursuant to the applicable Agreement shall be adjusted in such manner as may be provided in the Agreement.

(b) *Approved Transactions; Board Change; Control Purchase.* In the event of any Approved Transaction, Board Change or Control Purchase, notwithstanding any contrary waiting period, installment period, vesting schedule, or Restriction Period in any Agreement or in the Plan, unless the applicable Agreement provides otherwise: (i) in the case of an Option or SAR, each such outstanding Option or SAR granted under the Plan shall become exercisable in full in respect of the aggregate number of shares covered thereby; (ii) in the case of Restricted Shares, the Restriction Period applicable to each such Award of Restricted Shares shall be deemed to have expired and all such Restricted Shares and any related Retained Distributions shall become vested and any related cash amounts payable pursuant to the applicable Agreement shall be adjusted in

such manner as may be provided in the Agreement; and (iii) in the case of Restricted Stock Units, the Restriction Period applicable to each such Award of Restricted Stock Units shall be deemed expired and all such Restricted Stock Units and any unpaid Dividend Equivalents shall become vested and any related cash amounts payable pursuant to the applicable Agreement shall be adjusted in such manner as may be provided in the Agreement, in each case effective upon the Board Change or Control Purchase or immediately prior to consummation of the Approved Transaction. Notwithstanding the foregoing, unless otherwise provided in the applicable Agreement, the Board may, in its discretion, determine that any or all outstanding Awards of any or all types granted pursuant to the Plan will not vest or become exercisable on an accelerated basis in connection with an Approved Transaction if effective provision has been made for the taking of such action which, in the opinion of the Board, is equitable and appropriate to substitute a new Award for such Award or to assume such Award and to make such new or assumed Award, as nearly as may be practicable, equivalent to the old Award (before giving effect to any acceleration of the vesting or exercisability thereof), taking into account, to the extent applicable, the kind and amount of securities, cash, or other assets into or for which the applicable series of Common Stock may be changed, converted, or exchanged in connection with the Approved Transaction.

10.2 Termination of Service.

(a) *General.* If a Holder's service shall terminate prior to an Option or SAR becoming exercisable or being exercised (or deemed exercised, as provided in Section 7.2), in full, or during the Restriction Period with respect to any Restricted Shares or any Restricted Stock Units, then such Option or SAR shall thereafter become or be exercisable, and the Holder's rights to any unvested Restricted Shares, Retained Distributions and related cash amounts and any unvested Restricted Stock Units, unpaid Dividend Equivalents and related cash amounts shall thereafter vest, in each case solely to the extent provided in the applicable Agreement; provided, however, that, unless otherwise determined by the Board and provided in the applicable Agreement, (i) no Option or SAR may be exercised after the scheduled expiration date thereof; (ii) if the Holder's service terminates by reason of death or Disability, the Option or SAR shall remain exercisable for a period of at least one year following such termination (but not later than the scheduled expiration of such Option or SAR); and (iii) any termination of the Holder's service for cause will be treated in accordance with the provisions of Section 10.2(b). For the avoidance of doubt, in the discretion of the Board, an Award may provide that a Holder's service shall be deemed to have continued for purposes of the Award while a Holder provides services to the Company, any Subsidiary, or any former affiliate of the Company or any Subsidiary.

(b) *Termination for Cause.* If a Holder's service on the Board shall be terminated by the Company during the Restriction Period with respect to any Restricted Shares or Restricted Stock Units, or prior to any Option or SAR becoming exercisable or being exercised in full, for "cause" (for these purposes, cause shall include, but not be limited to, insubordination, dishonesty, incompetence, moral turpitude, other misconduct of any kind, and the refusal to perform such Holder's duties and responsibilities for any reason other than illness or incapacity; provided, however, that if such termination occurs within 12 months after an Approved Transaction or Control Purchase or Board Change, termination for cause shall mean only a felony conviction for fraud, misappropriation, or embezzlement), then, unless otherwise determined by the Board and provided in the applicable Agreement, (i) all Options and SARs held by such Holder shall immediately terminate and (ii) such Holder's rights to all Restricted Shares, Restricted Stock

Units, Retained Distributions, any unpaid Dividend Equivalents and any related cash amounts shall be forfeited immediately.

10.3 Nonalienation of Benefits. Except as set forth herein, no right or benefit under the Plan shall be subject to anticipation, alienation, sale, assignment, hypothecation, pledge, exchange, transfer, encumbrance, or charge, and any attempt to anticipate, alienate, sell, assign, hypothecate, pledge, exchange, transfer, encumber or charge the same shall be void. No right or benefit hereunder shall in any manner be liable for or subject to the debts, contracts, liabilities, or torts of the Person entitled to such benefits.

10.4 Written Agreement. Each Award under the Plan shall be evidenced by a written agreement, in such form as the Board shall approve from time to time in its discretion, specifying the terms and provisions of such Award which may not be inconsistent with the provisions of the Plan; provided, however, that if more than one type of Award is made to the same Holder, such Awards may be evidenced by a single Agreement with such Holder. Each grantee of an Option, SAR, Restricted Shares or Restricted Stock Units shall be notified promptly of such grant, and a written Agreement shall be promptly delivered by the Company. Any such written Agreement may contain (but shall not be required to contain) such provisions as the Board deems appropriate (i) to insure that the penalty provisions of Section 4999 of the Code will not apply to any stock or cash received by the Holder from the Company or (ii) to provide cash payments to the Holder to mitigate the impact of such penalty provisions upon the Holder. Any such Agreement may be supplemented or amended from time to time as approved by the Board as contemplated by Section 10.6(b).

10.5 Nontransferability. Unless otherwise determined by the Board and expressly provided for in an Agreement, Awards are not transferable (either voluntarily or involuntarily), before or after a Holder's death, except as follows: (a) during the Holder's lifetime, pursuant to a Domestic Relations Order, issued by a court of competent jurisdiction, that is not contrary to the terms and conditions of the Plan or any applicable Agreement, and in a form acceptable to the Board; or (b) after the Holder's death, by will or pursuant to the applicable laws of descent and distribution, as may be the case. Any person to whom Awards are transferred in accordance with the provisions of the preceding sentence shall take such Awards subject to all of the terms and conditions of the Plan and any applicable Agreement.

10.6 Termination and Amendment.

(a) *General.* Unless the Plan shall theretofore have been terminated as hereinafter provided, no Awards may be made under the Plan on or after the fifth anniversary of the Effective Date. The Plan may be terminated at any time prior to such date and may, from time to time, be suspended or discontinued or modified or amended if such action is deemed advisable by the Board.

(b) *Modification.* No termination, modification or amendment of the Plan may, without the consent of the Person to whom any Award shall theretofore have been granted, adversely affect the rights of such Person with respect to such Award. No modification, extension, renewal, or other change in any Award granted under the Plan shall be made after the grant of such Award, unless the same is consistent with the provisions of the Plan. With the consent of the Holder

and subject to the terms and conditions of the Plan (including Section 10.6(a)), the Board may amend outstanding Agreements with any Holder, including any amendment which would (i) accelerate the time or times at which the Award may be exercised and/or (ii) extend the scheduled expiration date of the Award. Without limiting the generality of the foregoing, the Board may, but solely with the Holder's consent unless otherwise provided in the Agreement, agree to cancel any Award under the Plan and grant a new Award in substitution therefor, provided that the Award so substituted shall satisfy all of the requirements of the Plan as of the date such new Award is made. Nothing contained in the foregoing provisions of this Section 10.6(b) shall be construed to prevent the Board from providing in any Agreement that the rights of the Holder with respect to the Award evidenced thereby shall be subject to such rules and regulations as the Board may, subject to the express provisions of the Plan, adopt from time to time or impair the enforceability of any such provision.

10.7 Government and Other Regulations. The obligation of the Company with respect to Awards shall be subject to all applicable laws, rules, and regulations and such approvals by any governmental agencies as may be required, including the effectiveness of any registration statement required under the Securities Act of 1933, and the rules and regulations of any securities exchange or association on which the Common Stock may be listed or quoted. For so long as any series of Common Stock are registered under the Exchange Act, the Company shall use its reasonable efforts to comply with any legal requirements (i) to maintain a registration statement in effect under the Securities Act of 1933 with respect to all shares of the applicable series of Common Stock that may be issuable, from time to time, to Holders under the Plan and (ii) to file in a timely manner all reports required to be filed by it under the Exchange Act.

10.8 Withholding. The Company's obligation to deliver shares of Common Stock or pay cash in respect of any Award under the Plan shall be subject to applicable federal, state, and local tax withholding requirements. Federal, state, and local withholding tax due at the time of an Award, upon the exercise of any Option or SAR or upon the vesting of, or expiration of restrictions with respect to, Restricted Shares or Restricted Stock Units, as appropriate, may, in the discretion of the Board, be paid in shares of Common Stock already owned by the Holder or through the withholding of shares otherwise issuable to such Holder, upon such terms and conditions (including the conditions referenced in Section 6.5) as the Board shall determine. If the Holder shall fail to pay, or make arrangements satisfactory to the Board for the payment to the Company of, all such federal, state and local taxes required to be withheld by the Company, then the Company shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to such Holder an amount equal to any federal, state, or local taxes of any kind required to be withheld by the Company with respect to such Award.

10.9 Nonexclusivity of the Plan. The adoption of the Plan by the Board shall not be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including the granting of stock options and the awarding of stock and cash otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

10.10 Exclusion from Other Plans. By acceptance of an Award, unless otherwise provided in the applicable Agreement, each Holder shall be deemed to have agreed that such Award is special incentive compensation that will not be taken into account, in any manner, as

compensation or bonus in determining the amount of any payment under any pension, retirement or other benefit plan, program, or policy of the Company or any Subsidiary of the Company. In addition, each beneficiary of a deceased Holder shall be deemed to have agreed that such Award will not affect the amount of any life insurance coverage, if any, provided by the Company on the life of the Holder which is payable to such beneficiary under any life insurance plan of the Company or any Subsidiary of the Company. Director Compensation elected to be received in the form of stock in lieu of cash shall be treated as regular compensation for purposes of any Director retirement or life insurance plan.

10.11 Unfunded Plan. Neither the Company nor any Subsidiary of the Company shall be required to segregate any cash or any shares of Common Stock which may at any time be represented by Awards, and the Plan shall constitute an “unfunded” plan of the Company. Except as provided in Article VIII with respect to Awards of Restricted Shares and except as expressly set forth in an Agreement, no Holder shall have voting or other rights with respect to the shares of Common Stock covered by an Award prior to the delivery of such shares. Neither the Company nor any Subsidiary of the Company shall, by any provisions of the Plan, be deemed to be a trustee of any shares of Common Stock or any other property, and the liabilities of the Company and any Subsidiary of the Company to any Holder pursuant to the Plan shall be those of a debtor pursuant to such contract obligations as are created by or pursuant to the Plan, and shall be limited to those of a general creditor of the Company or the applicable Subsidiary of the Company, as the case may be. In its sole discretion, the Board may authorize the creation of trusts or other arrangements to meet the obligations of the Company under the Plan, provided, however, that the existence of such trusts or other arrangements is consistent with the unfunded status of the Plan.

10.12 Governing Law. The Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware.

10.13 Accounts. The delivery of any shares of Common Stock and the payment of any amount in respect of an Award shall be for the account of the Company or the applicable Subsidiary of the Company, as the case may be, and any such delivery or payment shall not be made until the recipient shall have paid or made satisfactory arrangements for the payment of any applicable withholding taxes as provided in Section 10.8.

10.14 Legends. Any statement of ownership evidencing shares of Common Stock subject to an Award shall bear such legends as the Board deems necessary or appropriate to reflect or refer to any terms, conditions, or restrictions of the Award applicable to such shares, including any to the effect that the shares represented thereby may not be disposed of unless the Company has received an opinion of counsel, acceptable to the Company, that such disposition will not violate any federal or state securities laws.

10.15 Company’s Rights. The grant of Awards pursuant to the Plan shall not affect in any way the right or power of the Company to make reclassifications, reorganizations, or other changes of or to its capital or business structure or to merge, consolidate, liquidate, sell, or otherwise dispose of all or any part of its business or assets.

10.16 Section 409A. It is the intent of the Company that Awards under this Plan comply with the requirements of, or be exempt from the application of, Section 409A of the Code and

related regulations and United States Department of the Treasury pronouncements (“Section 409A”), and the provisions of this Plan will be administered, interpreted and construed accordingly. Notwithstanding anything in this Plan to the contrary, if any Plan provision or Award under the Plan would result in the imposition of an additional tax under Section 409A, that Plan provision or Award will be construed or reformed to avoid imposition of the applicable tax and no action taken to comply with Section 409A shall be deemed to adversely affect the Holder’s rights to an Award.

NONQUALIFIED STOCK OPTION AGREEMENT

THIS NONQUALIFIED STOCK OPTION AGREEMENT (this “Agreement”) is made as of the date set forth on Schedule I hereto (the “Grant Date”), by and between the issuer identified in Schedule I hereto (the “Company”), and the recipient (the “Grantee”) of an Award of Options granted by the Plan Administrator (as defined in Schedule I hereto) as set forth in this Agreement.

The Company has adopted the incentive plan identified on Schedule I hereto (as has been or may hereafter be amended, the “Plan”), a copy of which is attached via a link at the end of this online Agreement as Exhibit A and by this reference made a part hereof, for the benefit of eligible persons as specified in the Plan. Capitalized terms used and not otherwise defined in this Agreement will have the meanings ascribed to them in the Plan.

Pursuant to the Plan, the Plan Administrator has determined that it would be in the interest of the Company and its stockholders to award Options to the Grantee, subject to the conditions and restrictions set forth herein and in the Plan, in order to provide the Grantee with additional remuneration for services rendered, to encourage the Grantee to remain in the service or employ of the Company or its Subsidiaries and to increase the Grantee’s personal interest in the continued success and progress of the Company.

The Company and the Grantee therefore agree as follows:

1. Definitions. The following terms, when used in this Agreement, have the following meanings:

“Base Price” means , with respect to each type of Common Stock for which Options are granted hereunder, the amount set forth on Schedule I hereto as the Base Price for such Common Stock, which is the Fair Market Value of a share of such Common Stock on the Grant Date.

“Business Day” means any day other than Saturday, Sunday or a day on which banking institutions in Denver, Colorado, are required or authorized to be closed.

“Cause” has the meaning specified as “cause” in Section 10.2(b) of the Plan.

“Close of Business” means, on any day, 5:00 p.m., Denver, Colorado time.

“Common Stock” has the meaning specified in Schedule I hereto.

“Company” has the meaning specified in the preamble to this Agreement.

“Grant Date” has the meaning specified in the preamble to this Agreement.

“Grantee” has the meaning specified in the preamble to this Agreement.

“Options” has the meaning specified in Section 2.

“Option Share” has the meaning specified in Section 4(c)(i).

“Option Termination Date” has the meaning specified in Schedule I hereto.

“Plan” has the meaning specified in the recitals of this Agreement.

“Plan Administrator” has the meaning specified in Schedule I hereto.

“Required Withholding Amount” has the meaning specified in Section 5.

“Section 409(A)” has the meaning specified in Section 21.

“Term” has the meaning specified in Section 2.

“Unvested Fractional Option” has the meaning specified in Section 3(b).

“Vesting Date” has the meaning specified in Section 3(a).

“Vesting Percentage” has the meaning specified in Section 3(a).

2. Award. Pursuant to the terms of the Plan and in consideration of the covenants and promises of the Grantee herein contained, the Company hereby awards to the Grantee as of the Grant Date nonqualified stock options to purchase from the Company at the applicable Base Price the number and type of shares of Common Stock authorized by the Plan Administrator and set forth in the notice of online grant delivered to the Grantee pursuant to the Company’s online grant and administration program, subject to the conditions and restrictions set forth in this Agreement and in the Plan (the “Options”). The Options are exercisable as set forth in Section 3 during the period commencing on the Grant Date and expiring at the Close of Business on the Option Termination Date (the “Term”), subject to earlier termination as provided in Section 7 below. However, if the Term expires when trading in the Common Stock is prohibited by law or the Company’s insider trading policy, then the Term shall expire on the 30th day after the expiration of such prohibition. No fractional shares of Common Stock will be issuable upon exercise of an Option, and the Grantee will receive, in lieu of any fractional share of such Common Stock that the Grantee otherwise would receive upon such exercise, cash equal to the fraction representing such fractional share multiplied by the Fair Market Value of one share of such Common Stock as of the date on which such exercise is considered to occur pursuant to Section 4.

3. Conditions of Exercise. Unless otherwise determined by the Plan Administrator in its sole discretion, the Options will be exercisable only in accordance with the conditions stated in this Section 3.

(a) Except as otherwise provided in Section 10.1(b) of the Plan, the Options may be exercised only to the extent they have become exercisable in accordance with the provisions of this Section 3(a) or Section 3(b), and subject to the provisions of Section 3(c). That number of each type of Options that is equal to the fraction or percentage specified on Schedule I hereto (the “Vesting Percentage”) of the total number of such type of Options that are subject to this Agreement, in each case rounded down to the nearest whole number of such type of Options, shall become

exercisable on each of the dates specified on Schedule I hereto (each such date, together with any other date on which Options vest pursuant to this Agreement, a “Vesting Date”).

(b) If rounding pursuant to Section 3(a) prevents any portion of an Option from becoming exercisable on a particular Vesting Date (any such portion, an “Unvested Fractional Option”), one additional Option to purchase a share of the type of Common Stock covered by such Option will become exercisable on the earliest succeeding Vesting Date on which the cumulative fractional amount of all Unvested Fractional Options to purchase shares of such type of Common Stock (including any Unvested Fractional Option created on such succeeding Vesting Date) equals or exceeds one whole Option, with any excess treated as an Unvested Fractional Option thereafter subject to the application of this Section 3(b). Any Unvested Fractional Option comprising part of a whole Option that vests pursuant to the preceding sentence will thereafter cease to be an Unvested Fractional Option.

(c) Notwithstanding the foregoing, (i) in the event that any date on which Options would otherwise become exercisable is not a Business Day, such Options will become exercisable on the first Business Day following such date, (ii) all Options will become exercisable on the date of the Grantee’s termination of employment or, if the Grantee is a non-employee director of the Company, on the date of the Grantee’s termination of service as such if (A) the Grantee’s employment with the Company or a Subsidiary or service as a non-employee director, as applicable terminates by reason of Disability or (B) the Grantee dies while employed by the Company or a Subsidiary or while serving as a non-employee director of the Company, as applicable, and (iii) if the Grantee’s employment with the Company or a Subsidiary is terminated by the Company or such Subsidiary without Cause, any unvested Options will become exercisable to the extent, if any, indicated on Schedule I.

(d) To the extent the Options become exercisable, such Options may be exercised in whole or in part (at any time or from time to time, except as otherwise provided herein) until expiration of the Term or earlier termination thereof.

(e) The Grantee acknowledges and agrees that the Plan Administrator, in its discretion and as contemplated by Section 3.3 of the Plan, may adopt rules and regulations from time to time after the date hereof with respect to the exercise of the Options and that the exercise by the Grantee of Options will be subject to the further condition that such exercise is made in accordance with all such rules and regulations as the Plan Administrator may determine are applicable thereto.

4. Manner of Exercise. Options will be considered exercised (as to the number of Options specified in the notice referred to in Section 4(c)(i)) on the latest of (a) the date of exercise designated in the written notice referred to in Section 4(c)(i), (b) if the date so designated is not a Business Day, the first Business Day following such date or (c) the earliest Business Day by which the Company has received all of the following:

(i) Written notice, in such form as the Plan Administrator may require, containing such representations and warranties as the Plan Administrator may require and designating, among other things, the date of exercise and the number and type of shares of Common Stock to be purchased by exercise of Options (each, an “Option Share”);

(ii) Payment of the applicable Base Price for each Option Share in any (or a combination) of the following forms: (A) cash, (B) check, (C) the delivery, together with a properly executed exercise notice, of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds required to pay such Base Price (and, if applicable, the Required Withholding Amount as described in Section 5) or (D) at the option of the Company, the delivery of irrevocable instructions via the Company’s online grant and administration program for the Company to withhold the number of shares of Common Stock (valued at the Fair Market Value of such Common Stock on the date of exercise) required to pay such Base Price (and, if applicable, the Required Withholding Amount as described in Section 5) that would otherwise be delivered by the Company to the Grantee upon exercise of the Options; and

(iii) Any other documentation that the Plan Administrator may reasonably require.

5. Mandatory Withholding for Taxes. The Grantee acknowledges and agrees that the Company will deduct from the shares of Common Stock otherwise payable or deliverable upon exercise of any Options that number of shares of the applicable Common Stock (valued at the Fair Market Value of such Common Stock on the date of exercise) that is equal to the amount of all federal, state and other governmental taxes required to be withheld by the Company or any Subsidiary of the Company upon such exercise, as determined by the Company (the “Required Withholding Amount”), unless provisions to pay such Required Withholding Amount have been made to the satisfaction of the Company. If the Grantee elects to make payment of the applicable Base Price by delivery of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds required to pay such Base Price, such instructions may also include instructions to deliver the Required Withholding Amount to the Company. In such case, the Company will notify the broker promptly of its determination of the Required Withholding Amount.

6. Payment or Delivery by the Company. As soon as practicable after receipt of all items referred to in Section 4, and subject to the withholding referred to in Section 5, the Company will (a) deliver or cause to be delivered to the Grantee certificates issued in the Grantee’s name for, or cause to be transferred to a brokerage account through Depository Trust Company for the benefit of the Grantee, the number of shares of Common Stock purchased by exercise of Options and (b) deliver any cash payment to which the Grantee is entitled in lieu of a fractional share of Common Stock as provided in Section 2. Any delivery of shares of Common Stock will be deemed effected for all purposes when certificates representing such shares have been delivered personally to the Grantee or, if delivery is by mail, when the stock transfer agent of the Company has deposited the certificates in the United States mail, addressed to the Grantee or at the time the stock transfer agent initiates transfer of shares to a brokerage account through Depository Trust

Company for the benefit of the Grantee, if applicable, and any cash payment will be deemed effected when a check from the Company, payable to the Grantee and in the amount equal to the amount of the cash payment, has been delivered personally to the Grantee or deposited in the United States mail, addressed to the Grantee.

7. Early Termination of Options. Subject to any longer period of exercisability specified in Schedule I hereto, the Options will terminate, prior to the expiration of the Term, at the time specified below:

(a) Subject to Section 7(b), if the Grantee's employment with the Company or a Subsidiary is terminated or, if the Grantee is a non-employee director of the Company, if the Grantee's service to the Company as such is terminated, in each case other than (i) by the Company or such Subsidiary for Cause, or (ii) by reason of death or Disability, then the Options will terminate at the Close of Business on the first Business Day following the expiration of the 90-day period that began on the date of termination of the Grantee's employment, or, in the case of a non-employee director of the Company, at the Close of Business on the first Business Day following the expiration of the one-year period that began on the date of termination of the Grantee's service as a non-employee director of the Company.

(b) If the Grantee dies while employed by the Company or a Subsidiary or while serving as a non-employee director of the Company, as applicable, or prior to the expiration of a period of time following termination of the Grantee's employment or service during which the Options remain exercisable as provided in Section 7(a) or Section 7(c), as applicable, the Options will terminate at the Close of Business on the first Business Day following the expiration of the one-year period that began on the date of the Grantee's death .

(c) Subject to Section 7(b), if the Grantee's employment with the Company or a Subsidiary terminates by reason of Disability, or, if the Grantee is a non-employee director of the Company, if the Grantee's service to the Company as such is terminated by reason of Disability, then the Options will terminate at the Close of Business on the first Business Day following the expiration of the one-year period that began on the date of termination of the Grantee's employment or service.

(d) If the Grantee's employment with the Company or a Subsidiary is terminated by the Company or such Subsidiary for Cause, or, if the Grantee is a non-employee director of the Company, if the Grantee's service to the Company as such is terminated by the Company for Cause, then the Options will terminate immediately upon such termination of the Grantee's employment or service.

In any event in which Options remain exercisable for a period of time following the date of termination of the Grantee's employment or service as provided above or on Schedule I, the Options may be exercised during such period of time only to the extent the same were exercisable as provided in Section 3 effective as of such date of termination of the Grantee's employment or service. Notwithstanding any period of time referenced in this Section 7 or any

other provision of this Section 7 that may be construed to the contrary, the Options will in any event terminate upon the expiration of the Term.

Unless the Plan Administrator otherwise determines, a change of the Grantee's employment from the Company to a Subsidiary or from a Subsidiary to the Company or another Subsidiary will not be considered a termination of the Grantee's employment for purposes of this Agreement if such change of employment is made at the request or with the express consent of the Company. Unless the Plan Administrator otherwise determines, however, any such change of employment that is not made at the request or with the express consent of the Company will be a termination of the Grantee's employment within the meaning of this Agreement.

8. Nontransferability. Options are not transferable (either voluntarily or involuntarily), before or after Grantee's death, except as follows: (a) during Grantee's lifetime, pursuant to a domestic relations order, issued by a court of competent jurisdiction, that is not contrary to the terms and conditions of the Plan or this Agreement, and in a form acceptable to the Plan Administrator; or (b) after Grantee's death, by will or pursuant to the applicable laws of descent and distribution, as may be the case. Any person to whom Options are transferred in accordance with the provisions of the preceding sentence shall take such Options subject to all of the terms and conditions of the Plan and this Agreement, including that the vesting and termination provisions of this Agreement will continue to be applied with respect to the Grantee. Options are exercisable only by the Grantee (or, during the Grantee's lifetime, by the Grantee's court appointed legal representative) or a person to whom the Options have been transferred in accordance with this Section.

9. No Stockholder Rights. Prior to the exercise of Options in accordance with the terms and conditions set forth in this Agreement, the Grantee will not be deemed for any purpose to be, or to have any of the rights of, a stockholder of the Company with respect to any shares of Common Stock represented by the Options, nor will the existence of this Agreement affect in any way the right or power of the Company or its stockholders to accomplish any corporate act, including, without limitation, the acts referred to in Section 10.15 or Section 10.16, as applicable, of the Plan.

10. Adjustments.

(a) The Options will be subject to adjustment (including, without limitation, as to the Base Price) in such manner as the Plan Administrator, in its sole discretion, deems equitable and appropriate in connection with the occurrence of any of the events described in Section 4.2 of the Plan following the Grant Date.

(b) In the event of any Approved Transaction, Board Change or Control Purchase following the Grant Date, the Options may become exercisable in accordance with Section 10.1(b) of the Plan.

11. Restrictions Imposed by Law. Without limiting the generality of Section 10.7 or Section 10.8, as applicable, of the Plan, the Grantee will not exercise the Options, and the Company will not be obligated to make any cash payment or issue or cause to be issued any shares of Common Stock, if counsel to the Company determines that such exercise, payment or issuance

would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which shares of Common Stock are listed or quoted. The Company will in no event be obligated to take any affirmative action in order to cause the exercise of the Options or the resulting payment of cash or issuance of shares of Common Stock to comply with any such law, rule, regulation or agreement.

12. Notice. Unless the Company notifies the Grantee in writing of a different procedure or address, any notice or other communication to the Company with respect to this Agreement will be in writing and will be delivered personally or sent by first class mail, postage prepaid, to the address specified for the Company in Schedule I hereto. Unless the Company elects to notify the Grantee electronically pursuant to the online grant and administration program or via email, any notice or other communication to the Grantee with respect to this Agreement will be in writing and will be delivered personally, or will be sent by first class mail, postage prepaid, to the Grantee's address as listed in the records of the Company or any Subsidiary of the Company on the Grant Date, unless the Company has received written notification from the Grantee of a change of address.

13. Amendment. Notwithstanding any other provision hereof, this Agreement may be supplemented or amended from time to time as approved by the Plan Administrator as contemplated by Section 10.6(b) or Section 10.7(b), as applicable, of the Plan. Without limiting the generality of the foregoing, without the consent of the Grantee:

(a) this Agreement may be amended or supplemented from time to time as approved by the Plan Administrator (i) to cure any ambiguity or to correct or supplement any provision herein that may be defective or inconsistent with any other provision herein, (ii) to add to the covenants and agreements of the Company for the benefit of the Grantee or surrender any right or power reserved to or conferred upon the Company in this Agreement, subject to any required approval of the Company's stockholders, and provided, in each case, that such changes or corrections will not adversely affect the rights of the Grantee with respect to the Award evidenced hereby or (iii) to make such other changes as the Company, upon advice of counsel, determines are necessary or advisable because of the adoption or promulgation of, or change in the interpretation of, any law or governmental rule or regulation, including any applicable federal or state securities laws; and

(b) subject to any required action by the Board of Directors or the stockholders of the Company, the Options granted under this Agreement may be canceled by the Plan Administrator and a new Award made in substitution therefor, provided that the Award so substituted will satisfy all of the requirements of the Plan as of the date such new Award is made and no such action will adversely affect any Options to the extent then exercisable.

14. Grantee Employment or Status as a Director. Nothing contained in this Agreement, and no action of the Company or the Plan Administrator with respect hereto, will confer or be construed to confer on the Grantee any right to continue in the employ of the Company or any Subsidiary or as a non-employee director of the Company or interfere in any way with the

right of the Company or any employing Subsidiary (or the Company's stockholders in the case of a non-employee director) to terminate the Grantee's employment or service, as applicable, at any time, with or without Cause, subject to the provisions of any employment agreement between the Grantee and the Company or any Subsidiary.

15. Nonalienation of Benefits. Except as provided in Section 8, (a) no right or benefit under this Agreement will be subject to anticipation, alienation, sale, assignment, hypothecation, pledge, exchange, transfer, encumbrance or charge, and any attempt to anticipate, alienate, sell, assign, hypothecate, pledge, exchange, transfer, encumber or charge the same will be void, and (b) no right or benefit hereunder will in any manner be subjected to or liable for the debts, contracts, liabilities or torts of the Grantee or other person entitled to such benefits.

16. Governing Law. This Agreement will be governed by, and construed in accordance with, the internal laws of the State of Colorado. Each party irrevocably submits to the general jurisdiction of the state and federal courts located in the State of Colorado in any action to interpret or enforce this Agreement and irrevocably waives any objection to jurisdiction that such party may have based on inconvenience of forum.

17. Construction. References in this Agreement to "this Agreement" and the words "herein," "hereof," "hereunder" and similar terms include all Exhibits and Schedules appended hereto, including the Plan. All references to "Sections" in this Agreement shall be to Sections of this Agreement unless explicitly stated otherwise. The word "include" and all variations thereof are used in an illustrative sense and not in a limiting sense. All decisions of the Plan Administrator upon questions regarding the Plan or this Agreement will be conclusive. Unless otherwise expressly stated herein, in the event of any inconsistency between the terms of the Plan and this Agreement, the terms of the Plan will control. The headings of the sections of this Agreement have been included for convenience of reference only, are not to be considered a part hereof and will in no way modify or restrict any of the terms or provisions hereof.

18. Rules by Plan Administrator. The rights of the Grantee and the obligations of the Company hereunder will be subject to such reasonable rules and regulations as the Plan Administrator may adopt from time to time.

19. Entire Agreement. This Agreement is in satisfaction of and in lieu of all prior discussions and agreements, oral or written, between the Company and the Grantee regarding the subject matter hereof. The Grantee and the Company hereby declare and represent that no promise or agreement not herein expressed has been made and that this Agreement contains the entire agreement between the parties hereto with respect to the Award and replaces and makes null and void any prior agreements between the Grantee and the Company regarding the Award. Subject to the restrictions set forth in Sections 8 and 15, this Agreement will be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns.

20. Grantee Acknowledgment. The Grantee will signify acceptance of the terms and conditions of this Agreement by acknowledging the acceptance of this Agreement via the procedures described in the online grant and administration program utilized by the Company.

21. Code Section 409A Compliance. To the extent that Section 409A of the Code or the related regulations and Treasury pronouncements (“Section 409A”) is applicable to the Grantee in connection with the Award, if any provision of this Agreement would result in the imposition of an excise tax under Section 409A, that provision will be reformed to avoid imposition of the excise tax and no action taken to comply with Section 409A shall be deemed to impair a benefit under this Agreement.

Schedule I
to Liberty Media Corporation
Nonqualified Stock Option Agreement
[KOA][KND]_____

Grant Date: _____, 201_

Issuer/Company: Liberty Media Corporation, a Delaware corporation

Plan: Liberty Media Corporation _____ Incentive Plan

Plan Administrator: **[The Compensation Committee of the Board of Directors of the Company appointed by the Board of Directors of the Company pursuant to Section 3.1 of the Plan to administer the Plan] [The Board of Directors of the Company]**

Common Stock: Series C Common Stock

Option Termination Date: The [7th] [10th] anniversary of the Grant Date

Base Price: \$ _____

Vesting Percentage: _____ %

Vesting Dates: _____

Additional Vesting Terms
Upon Termination Without
Cause:

[INCLUDE ONLY IN STANDARD OPTION AGREEMENT FOR LMC EMPLOYEES WHO ARE NOT A VP OR SVP; DO NOT INCLUDE IN STANDARD OPTION AGREEMENT FOR LMC NON-EMPLOYEE DIRECTORS OR IN MULTI-YEAR OPTION AGREEMENT OR IN STANDARD OPTION AGREEMENT FOR LMC EMPLOYEES WHO ARE A VP OR SVP.]

If the Grantee's employment with the Company or a Subsidiary is terminated by the Company or such Subsidiary without Cause, any unvested Options that otherwise would become exercisable during the remainder of the calendar year in which the date of termination of the Grantee's employment with the Company or a Subsidiary (the "**Termination Date**") occurs, will become exercisable effective as of the Termination Date if the following two conditions (the "**Release Conditions**") are subsequently satisfied: (1) not later than 60 days following the Termination Date the Grantee has executed and delivered to the Company in accordance with the notice requirements of this Agreement, a general release agreement in a form satisfactory to the Company and (2) not later than 60 days following the Termination Date such release has become irrevocable in accordance with its terms. The Grantee acknowledges that while certain Options will retroactively vest effective as of the Termination Date if the Release Conditions are met, the Grantee will nonetheless not be able to exercise any such Options unless and until such conditions are met.

[INCLUDE ONLY IN STANDARD OPTION AGREEMENT FOR LMC EMPLOYEES WHO ARE A VP OR SVP; DO NOT INCLUDE IN STANDARD OPTION AGREEMENT FOR LMC NON-EMPLOYEE DIRECTORS OR IN MULTI-YEAR OPTION AGREEMENT OR IN STANDARD OPTION AGREEMENT FOR LMC EMPLOYEES WHO ARE NOT A VP OR SVP.]

If the Grantee's employment with the Company or a Subsidiary is terminated by the Company or such Subsidiary without Cause, any unvested Options that otherwise would become exercisable during the period that begins on the date of termination of the Grantee's employment with the Company or a Subsidiary (the "**Termination Date**"), and ends on the 12-month anniversary of the Termination Date, will become exercisable effective as of the Termination Date if the following two conditions (the "**Release Conditions**") are subsequently satisfied: (1) not later than 60 days following the Termination Date the Grantee has executed and delivered to the Company in accordance with the notice requirements of this Agreement, a general release agreement in a form satisfactory to the Company and (2) not later than 60 days following the Termination Date such release has become irrevocable in accordance with its terms. The Grantee acknowledges that while certain Options will retroactively vest effective as of the Termination Date if the Release Conditions are met, the Grantee will nonetheless not be able to exercise any such Options unless and until such conditions are met.

[INCLUDE ONLY IN MULTI-YEAR OPTION AGREEMENT FOR LMC EMPLOYEES.]

If the Grantee's employment with the Company or a Subsidiary is terminated by the Company or such Subsidiary without Cause prior to _____ **[Insert final Vesting Date]**, certain Options will become exercisable effective as of the date of termination of the Grantee's employment with the Company or a Subsidiary (the "**Termination Date**") if the following two conditions (the "**Release Conditions**") are subsequently satisfied: (1) not later than 60 days following the Termination Date the Grantee has executed and delivered to the Company in accordance with the notice requirements of this Agreement, a general release agreement in a form satisfactory to the Company, and (2) not later than 60 days following the Termination Date such release has become irrevocable in accordance with its terms. The Grantee acknowledges that while certain Options will retroactively vest effective as of the Termination Date if the Release Conditions are met, the Grantee will nonetheless not be able to exercise any such Options unless and until such conditions are met.

The number of each type of Option subject to this Agreement that will become exercisable as of the Termination Date if the Release Conditions are met shall equal the sum of (a) the number of such Options that would have become exercisable during the Forward Vesting Period had the Grantee remained in the employ of the Company or a Subsidiary for the entire Forward Vesting Period plus (b) the number of such Options that is equal to the product (rounded down to the nearest whole number) of (i) the total number of such Options subject to this Agreement minus (A) any such Options that have already become exercisable prior to the Termination Date and (B) any such Options that would have become exercisable during the Forward Vesting Period in clause (a) above multiplied by (ii) a fraction, the numerator of which is the total number of days elapsed during the period beginning on the Grant Date, and ending on the Termination Date, inclusive, and the denominator of which is the total number of days during the period beginning on the Grant Date, and ending on _____ **[Insert final Vesting Date]**, inclusive.

For purposes of determining the number of Options that would have become exercisable in clause (a) above, "Forward Vesting Period" shall mean the period beginning on the Termination Date and ending on the corresponding day (or, if there is no corresponding day, on the last day) of (x) the ninth month thereafter, if the Grantee is an Assistant Vice President or Vice President of the Company or a Subsidiary on the Termination Date or (y) the twelfth month thereafter, if the Grantee is a Senior Vice President or Executive Vice President of the Company or a Subsidiary on the Termination Date.

Additional Exercisability
Terms:

[INCLUDE IN STANDARD AND MULTI-YEAR OPTION AGREEMENTS FOR LMC EMPLOYEES, INCLUDING STANDARD VP & STANDARD SVP GRANTS; DO NOT INCLUDE IN STANDARD OPTION AGREEMENT FOR LMC NON-EMPLOYEE DIRECTORS.]

Section 7 of the Option Agreement is amended as follows:

1. If the Release Conditions are met, the following sentence is added to the end of Section 7(b):

If the Grantee dies prior to the expiration of a period of time following termination of the Grantee's employment during which the Options remain exercisable as provided in Section 7(e), the Options will terminate at the Close of Business on the first Business Day following the later of the expiration of (i) the one-year period that began on the date of the Grantee's death or (ii) the Special Termination Period (as defined in Section 7(e)).

2. If the Release Conditions are met, the following provisions are added as Section 7(e):

Subject to Section 7(b), if the Grantee's employment with the Company or a Subsidiary is terminated by the Company or such Subsidiary without Cause, the Options will terminate at the Close of Business on the first Business Day following the expiration of the Special Termination Period. The Special Termination Period is the period of time beginning on the Termination Date and continuing for the number of days that is equal to the sum of (i) 90, plus (ii) 180 multiplied by the Grantee's total Years of Continuous Service. A Year of Continuous Service means a consecutive 12-month period, measured by the Grantee's hire date (as reflected in the payroll records of the Company or a Subsidiary) and the anniversaries of that date, during which the Grantee is employed by the Company or a Subsidiary (or an applicable predecessor of the Company) without interruption. If the Grantee was employed by a Subsidiary at the time of such Subsidiary's acquisition by the Company, the Grantee's employment with the Subsidiary prior to the acquisition date will be included in determining the Grantee's Years of Continuous Service unless the Plan Administrator, in its sole discretion, determines that such prior employment will be excluded.

[INCLUDE IN STANDARD AND MULTI-YEAR OPTION AGREEMENTS FOR LMC EMPLOYEES; DO NOT INCLUDE IN STANDARD OPTION AGREEMENT FOR LMC NON-EMPLOYEE DIRECTORS.]

Forfeiture for Misconduct and Repayment of Certain Amounts. If (i) a material restatement of any financial statement of the Company (including any consolidated financial statement of the Company and its consolidated Subsidiaries) is required and (ii) in the reasonable judgment of the Plan Administrator, (A) such restatement is due to material noncompliance with any financial reporting requirement under applicable securities laws and (B) such noncompliance is a result of misconduct on the part of the Grantee, the Grantee will repay to the Company Forfeitable Benefits received by the Grantee during the Misstatement Period in such amount as the Plan Administrator may reasonably determine, taking into account, in addition to any other factors deemed relevant by the Plan Administrator, the extent to which the market value of Common Stock during the Misstatement Period was affected by the error(s) giving rise to the need for such restatement. "Forfeitable Benefits" means (i) any and all cash and/or shares of Common Stock received by the Grantee (A) upon the exercise during the Misstatement Period of any SARs held by the Grantee or (B) upon the payment during the Misstatement Period of any Cash Award or Performance Award held by the Grantee, the value of which is determined in whole or in part with reference to the value of Common Stock, and (ii) any proceeds received by the Grantee from the sale, exchange, transfer or other disposition during the Misstatement Period of any shares of Common Stock received by the Grantee upon the exercise, vesting or payment during the Misstatement Period of any Award held by the Grantee. By way of clarification, "Forfeitable Benefits" will not include any shares of Common Stock received upon exercise of any Options during the Misstatement Period that are not sold, exchanged, transferred or otherwise disposed of during the Misstatement Period. "Misstatement Period" means the 12-month period beginning on the date of the first public issuance or the filing with the Securities and Exchange Commission, whichever occurs earlier, of the financial statement requiring restatement.

Additional
Provisions Applicable to
Grantees who hold the office
of Vice President or above as
of the Grant Date:

Qualifying Service: **[INCLUDE IN STANDARD AND MULTI-YEAR OPTION AGREEMENTS FOR LMC EMPLOYEES AND IN STANDARD OPTION AGREEMENT FOR LMC NON-EMPLOYEE DIRECTORS.]**

Unless the Plan Administrator in its sole discretion determines otherwise in connection with the commencement of employment or service to Liberty Interactive Corporation or its Subsidiary, notwithstanding anything to the contrary in this Agreement, Grantee's employment or service with Liberty Interactive Corporation or any entity that is a Subsidiary of Liberty Interactive Corporation at the time of determination shall be deemed to be employment or service with the Company for all purposes under the Awards granted pursuant to this Agreement.

Company Notice Address: Liberty Media Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112
Attn: General Counsel

RESTRICTED STOCK AWARD AGREEMENT

THIS RESTRICTED STOCK AWARD AGREEMENT (this “Agreement”) is made as of the date set forth on Schedule I hereto (the “Grant Date”), by and between the issuer identified in Schedule I hereto (the “Company”), and the recipient (the “Grantee”) of an Award of Restricted Shares granted by the Plan Administrator (as defined in Schedule I hereto) as set forth in this Agreement.

The Company has adopted the incentive plan identified on Schedule I hereto (as has been or may hereafter be amended, the “Plan”), a copy of which is attached via a link at the end of this online Agreement as Exhibit A and by this reference made a part hereof, for the benefit of eligible persons as specified in the Plan. Capitalized terms used and not otherwise defined in this Agreement will have the meanings ascribed to them in the Plan.

Pursuant to the Plan, the Plan Administrator has determined that it would be in the interest of the Company and its stockholders to award shares of common stock to the Grantee, subject to the conditions and restrictions set forth herein and in the Plan, in order to provide the Grantee with additional remuneration for services rendered, to encourage the Grantee to remain in the service or employ of the Company or its Subsidiaries and to increase the Grantee’s personal interest in the continued success and progress of the Company.

The Company and the Grantee therefore agree as follows:

1. Definitions. The following terms, when used in this Agreement, have the following meanings:

“Cause” has the meaning specified as “cause” in Section 10.2(b) of the Plan.

“Common Stock” has the meaning specified in Section 2.

“Company” has the meaning specified in the preamble to this Agreement.

“Grant Date” has the meaning specified in the preamble to this Agreement.

“Grantee” has the meaning specified in the preamble to this Agreement.

“Plan” has the meaning specified in Schedule I hereto.

“Plan Administrator” has the meaning specified in the preamble to this Agreement.

“Restricted Shares” has the meaning specified in Section 2.

“Retained Distributions” has the meaning specified in Section 4.

“Section 409(A)” has the meaning specified in Section 23.

“Unvested Fractional Restricted Share” has the meaning specified in Section 5.

“Vesting Date” has the meaning specified in Section 5.

“Vesting Percentage” has the meaning specified in Section 5.

2. Award. Pursuant to the terms of the Plan and in consideration of the covenants and promises of the Grantee herein contained, the Company hereby awards to the Grantee as of the Grant Date the number and type of shares of Common Stock authorized by the Plan Administrator and set forth in the notice of online grant delivered to the Grantee pursuant to the Company’s online grant and administration program, subject to the conditions and restrictions set forth in this Agreement and in the Plan (the “Restricted Shares”).

3. Issuance of Restricted Shares at Beginning of the Restriction Period. Upon issuance of the Restricted Shares, such Restricted Shares will be registered in a book entry account in the name of the Grantee. During the Restriction Period, any statement of ownership representing the Restricted Shares that may be issued during the Restriction Period, and any securities constituting Retained Distributions will bear a restrictive legend to the effect that ownership of the Restricted Shares (and such Retained Distributions), and the enjoyment of all rights appurtenant thereto, are subject to the restrictions, terms and conditions provided in the Plan and this Agreement.

4. Restrictions. The Restricted Shares will constitute issued and outstanding shares of Common Stock for all corporate purposes. The Grantee will have the right to vote such Restricted Shares, to receive and retain such dividends and distributions paid or distributed on such Restricted Shares as the Plan Administrator may in its sole discretion designate –and to exercise all other rights, powers and privileges of a holder of Common Stock with respect to such Restricted Shares, except that (a) the Grantee will not be entitled to delivery of the Restricted Shares until the Restriction Period shall have expired and unless all other vesting requirements with respect thereto shall have been fulfilled or waived, (b) the Company or its designee will retain custody of the Restricted Shares during the Restriction Period as provided in Section 8.2 of the Plan, (c) other than such dividends and distributions as the Plan Administrator may in its sole discretion designate, the Company or its designee will retain custody of all distributions (“Retained Distributions”) made or declared with respect to the Restricted Shares (and such Retained Distributions will be subject to the same restrictions, terms and vesting and other conditions as are applicable to the Restricted Shares) until such time, if ever, as the Restricted Shares with respect to which such Retained Distributions shall have been made, paid or declared shall have become vested, and such Retained Distributions will not bear interest or be segregated in a separate account, (d) except as provided in Section 11, the Grantee may not sell, assign, transfer, pledge, exchange, encumber or dispose of the Restricted Shares or any Retained Distributions or the Grantee’s interest in any of them during the Restriction Period and (e) a breach of any restrictions, terms or conditions provided in the Plan or established by the Plan Administrator with respect to any Restricted Shares or Retained Distributions will cause a forfeiture of such Restricted Shares and any Retained Distributions with respect thereto.

5. Vesting and Forfeiture of Restricted Shares. Subject to earlier vesting in accordance with Section 6, the Grantee will become vested as to that number of each type of

Restricted Shares (if any) subject to this Agreement that is equal to the fraction or percentage set forth on Schedule I hereto (the "Vesting Percentage") of the total number of such type of Restricted Shares that are subject to this Agreement (in each case, rounded down to the nearest whole number of such type of Restricted Shares) on each of the dates indicated on Schedule I hereto (each such date, together with any other date on which Restricted Shares vest pursuant to this Agreement, a "Vesting Date"). If rounding pursuant to the preceding sentence prevents any portion of a Restricted Share from becoming vested on a particular Vesting Date (any such portion, an "Unvested Fractional Restricted Share"), one additional Restricted Share of such type of Restricted Share will become vested on the earliest succeeding Vesting Date on which the cumulative fractional amount of all Unvested Fractional Restricted Shares of such type of Restricted Share (including any Unvested Fractional Restricted Share created on such succeeding Vesting Date) equals or exceeds one whole Restricted Share, with any excess treated as an Unvested Fractional Restricted Share thereafter subject to the application of this sentence and the following sentence. Any Unvested Fractional Restricted Share comprising part of a whole Restricted Share that vests pursuant to the preceding sentence will thereafter cease to be an Unvested Fractional Restricted Share. Notwithstanding the foregoing, (a) the Grantee will not vest, pursuant to this Section 5, in Restricted Shares as to which the Grantee would otherwise vest as of a given date if the Grantee has not been continuously employed by the Company or its Subsidiaries from the date of this Agreement through such date, or, if the Grantee is a non-employee director, the Grantee has not been continuously providing services as a non-employee director through such date (the vesting or forfeiture of such shares to be governed instead by the provisions of Section 6) , and (b) in the event that any date on which vesting would otherwise occur is a Saturday, Sunday or a holiday, such vesting will instead occur on the business day next following such date. Unless otherwise determined by the Plan Administrator in its sole discretion, Retained Distributions will be subject to the same vesting and forfeiture conditions that are applicable to the Restricted Shares to which such Retained Distributions relate.

6. Early Termination or Vesting. Unless otherwise determined by the Plan Administrator in its sole discretion:

- (a) If the Grantee's employment with the Company or a Subsidiary terminates or, if the Grantee is a non-employee director of the Company, if the Grantee's service to the Company as such terminates, in each case for any reason other than death or Disability or a termination by the Company or such Subsidiary without Cause, then the Award, to the extent not theretofore vested, will be forfeited immediately;
- (b) If the Grantee dies while employed by the Company or a Subsidiary or while serving as a non-employee director of the Company, as applicable, then the Award, to the extent not theretofore vested, will immediately become fully vested;
- (c) If the Grantee's employment with the Company or a Subsidiary or service as a non-employee director, as applicable, terminates by reason of Disability, then the Award, to the extent not theretofore vested, will immediately become fully vested; and
- (d) If the Grantee's employment with the Company or a Subsidiary is terminated by the Company or such Subsidiary without Cause, or, if the Grantee is a non-employee director of the Company, if the Grantee's service to the Company as such is terminated by

the Company or such Subsidiary without Cause, then the Award, to the extent not theretofore vested, will be forfeited immediately, except to the extent, if any, otherwise specified on Schedule I hereto.

Unless the Plan Administrator otherwise determines, a change of the Grantee's employment from the Company to a Subsidiary or from a Subsidiary to the Company or another Subsidiary will not be considered a termination of the Grantee's employment for purposes of this Agreement if such change of employment is made at the request or with the express consent of the Company. Unless the Plan Administrator otherwise determines, however, any such change of employment that is not made at the request or with the express consent of the Company will be a termination of the Grantee's employment within the meaning of this Agreement.

7. Completion of the Restriction Period. On the Vesting Date with respect to each award of Restricted Shares, and the satisfaction of any other applicable restrictions, terms and conditions (a) all or the applicable portion of such Restricted Shares will become vested and (b) any Retained Distributions with respect to such Restricted Shares will become vested to the extent that the Restricted Shares related thereto shall have become vested, all in accordance with the terms of this Agreement. Any such Restricted Shares and Retained Distributions that shall not become vested will be forfeited to the Company, and the Grantee will not thereafter have any rights (including dividend and voting rights) with respect to such Restricted Shares or any Retained Distributions that are so forfeited.

8. Adjustments; Early Vesting in Certain Events.

(a) The Restricted Shares will be subject to adjustment (including, without limitation, as to the number of Restricted Shares) in such manner as the Plan Administrator, in its sole discretion, deems equitable and appropriate in connection with the occurrence of any of the events described in Section 4.2 of the Plan following the Grant Date.

(b) In the event of any Approved Transaction, Board Change or Control Purchase following the Grant Date, the restrictions in Sections 3 and 4 may lapse in accordance with Section 10.1(b) of the Plan.

9. Mandatory Withholding for Taxes. The Grantee acknowledges and agrees that, upon the expiration of the Restriction Period, the Company will deduct from the shares of applicable Common Stock otherwise deliverable to the Grantee (or the Grantee's beneficiary, if applicable) that number of shares of such Common Stock (valued at the Fair Market Value on the applicable Vesting Date) that is equal to the amount, as determined by the Company, of all federal, state or other governmental taxes required to be withheld by the Company or any Subsidiary of the Company with respect to the vesting of Restricted Shares and any related Retained Distributions, unless other provisions to pay such withholding requirements have been made to the satisfaction of the Company. Upon the payment of any cash dividends with respect to Restricted Shares during the Restriction Period, the amount of such dividends will be reduced to the extent necessary to satisfy any withholding tax requirements applicable thereto prior to payment to the Grantee.

10. Delivery by the Company. As soon as practicable after the vesting of Restricted Shares pursuant to Sections 5, 6 or 8, but no later than 30 days after such vesting occurs, and subject to the withholding referred to in Section 9, the Company will (a) cause to be removed from the Restricted Shares that have vested the restriction described in Section 3 or cause to be issued and delivered to the Grantee (in certificate or electronic form) shares of Common Stock equal to the number of Restricted Shares that have vested , and (b) shall cause to be delivered to the Grantee any Retained Distributions with respect to such vested shares. If delivery of certificates is by mail, delivery of shares of Common Stock will be deemed effected for all purposes when a stock transfer agent of the Company has deposited the certificates in the United States mail, addressed to the Grantee.

11. Nontransferability of Restricted Shares Before Vesting. Restricted Shares that have not vested are not transferable (either voluntarily or involuntarily), before or after the Grantee's death, except as follows: (a) during the Grantee's lifetime, pursuant to a domestic relations order, issued by a court of competent jurisdiction, that is not contrary to the terms and conditions of the Plan or this Agreement, and in a form acceptable to the Committee; or (b) after the Grantee's death, by will or pursuant to the applicable laws of descent and distribution, as may be the case. Any person to whom Restricted Shares are transferred in accordance with the provisions of the preceding sentence shall take such Restricted Shares subject to all of the terms and conditions of the Plan and this Agreement, including that the vesting and termination provisions of this Agreement will continue to be applied with respect to the Grantee. Certificates representing Restricted Shares that have vested may be delivered (or, in the case of book entry registration, registered) only to the Grantee (or during the Grantee's lifetime, to the Grantee's court appointed legal representative) or to a person to whom the Restricted Shares have been transferred in accordance with this Section.

12. Company's Rights. The existence of this Agreement will not affect in any way the right or power of the Company or its stockholders to accomplish any corporate act, including without limitation, the acts referred to in Section 10.15 or Section 10.16 of the Plan, as applicable.

13. Restrictions Imposed by Law. Without limiting the generality of Section 10.7 or Section 10.8 of the Plan, as applicable, the Grantee will not require the Company to deliver any Restricted Shares and the Company will not be obligated to deliver any Restricted Shares if counsel to the Company determines that such exercise, delivery or payment would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which shares of Common Stock are listed or quoted. The Company will in no event be obligated to take any affirmative action in order to cause the delivery of any Restricted Shares to comply with any such law, rule, regulation or agreement.

14. Notice. Unless the Company notifies the Grantee in writing of a different procedure or address, any notice or other communication to the Company with respect to this Agreement will be in writing and will be delivered personally or sent by first class mail, postage prepaid, to the address specified for the Company in Schedule I hereto. Unless the Company elects to notify the Grantee electronically pursuant to the online grant and administration program or via email, any notice or other communication to the Grantee with respect to this Agreement will be in writing and will be delivered personally, or will be sent by first class mail, postage prepaid, to the

Grantee's address as listed in the records of the Company or any Subsidiary of the Company on the Grant Date, unless the Company has received written notification from the Grantee of a change of address.

15. Amendment. Notwithstanding any other provision hereof, this Agreement may be supplemented or amended from time to time as approved by the Plan Administrator as contemplated by Section 10.6(b) or Section 10.7(b) of the Plan, as applicable. Without limiting the generality of the foregoing, without the consent of the Grantee:

(a) this Agreement may be amended or supplemented from time to time as approved by the Plan Administrator (i) to cure any ambiguity or to correct or supplement any provision herein that may be defective or inconsistent with any other provision herein, (ii) to add to the covenants and agreements of the Company for the benefit of the Grantee or surrender any right or power reserved to or conferred upon the Company in this Agreement, subject to any required approval of the Company's stockholders, and provided, in each case, that such changes or corrections will not adversely affect the rights of the Grantee with respect to the Award evidenced hereby or (iii) to make such other changes as the Company, upon advice of counsel, determines are necessary or advisable because of the adoption or promulgation of, or change in the interpretation of, any law or governmental rule or regulation, including any applicable federal or state securities laws; and

(b) subject to any required action by the Board of Directors or the stockholders of the Company, the Award evidenced by this Agreement may be canceled by the Plan Administrator and a new Award made in substitution therefor, provided that the Award so substituted will satisfy all of the requirements of the Plan as of the date such new Award is made and no such action will adversely affect the Restricted Shares to the extent then vested.

16. Grantee Employment or Status as a Director. Nothing contained in this Agreement, and no action of the Company or the Plan Administrator with respect hereto, will confer or be construed to confer on the Grantee any right to continue in the employ of the Company or any Subsidiary or to continue as a non-employee director of the Company, or interfere in any way with the right of the Company or any employing Subsidiary (or the Company's stockholders in the case of a non-employee director) to terminate the Grantee's employment or service, as applicable, at any time, with or without Cause, subject to the provisions of any employment agreement between the Grantee and the Company or any Subsidiary.

17. Nonalienation of Benefits. Except as provided in Section 11 and prior to the vesting of any Restricted Share, (a) no right or benefit under this Agreement will be subject to anticipation, alienation, sale, assignment, hypothecation, pledge, exchange, transfer, encumbrance or charge, and any attempt to anticipate, alienate, sell, assign, hypothecate, pledge, exchange, transfer, encumber or charge the same will be void, and (b) no right or benefit hereunder will in any manner be subjected to or liable for the debts, contracts, liabilities or torts of the Grantee or other person entitled to such benefits.

18. Governing Law. This Agreement will be governed by, and construed in accordance with, the internal laws of the State of Colorado. Each party irrevocably submits to the

general jurisdiction of the state and federal courts located in the State of Colorado in any action to interpret or enforce this Agreement and irrevocably waives any objection to jurisdiction that such party may have based on inconvenience of forum.

19. Construction. References in this Agreement to “this Agreement” and the words “herein,” “hereof,” “hereunder” and similar terms include all Exhibits and Schedules appended hereto, including the Plan. All references to “Sections” in this Agreement shall be to Sections of this Agreement unless explicitly stated otherwise. The word “include” and all variations thereof are used in an illustrative sense and not in a limiting sense. All decisions of the Plan Administrator upon questions regarding the Plan or this Agreement will be conclusive. Unless otherwise expressly stated herein, in the event of any inconsistency between the terms of the Plan and this Agreement, the terms of the Plan will control. The headings of the sections of this Agreement have been included for convenience of reference only, are not to be considered a part hereof and will in no way modify or restrict any of the terms or provisions hereof.

20. Rules by Plan Administrator. The rights of the Grantee and the obligations of the Company hereunder will be subject to such reasonable rules and regulations as the Plan Administrator may adopt from time to time .

21. Entire Agreement. This Agreement is in satisfaction of and in lieu of all prior discussions and agreements, oral or written, between the Company and the Grantee regarding the subject matter hereof . The Grantee and the Company hereby declare and represent that no promise or agreement not herein expressed has been made and that this Agreement contains the entire agreement between the parties hereto with respect to the Restricted Shares and replaces and makes null and void any prior agreements between the Grantee and the Company regarding the Restricted Shares. Subject to the restrictions set forth in Sections 11 and 17, this Agreement will be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns.

22. Grantee Acknowledgment. The Grantee will signify acceptance of the terms and conditions of this Agreement by acknowledging the acceptance of this Agreement via the procedures described in the online grant and administration program utilized by the Company.

23. Code Section 409A Compliance. To the extent that Section 409A of the Code or the related regulations and Treasury pronouncements (“Section 409A”) is applicable to the Grantee in connection with the Award, if any provision of this Agreement would result in the imposition of an excise tax under Section 409A, that provision will be reformed to avoid imposition of the excise tax and no action taken to comply with Section 409A shall be deemed to impair a benefit under this Agreement.

Schedule I
to Liberty Media Corporation
Restricted Stock Award Agreement
[KRA][KDR]_____

Grant Date: _____, 201_

Issuer/Company: Liberty Media Corporation, a Delaware corporation

Plan: Liberty Media Corporation _____ Incentive Plan

Plan Administrator: **[The Compensation Committee of the Board of Directors of the Company appointed by the Board of Directors of the Company pursuant to Section 3.1 of the Plan to administer the Plan] [The Board of Directors of the Company]**

Common Stock: Series C Common Stock

Vesting Percentage: _____%

Vesting Dates: _____

Additional Vesting Terms:

[INCLUDE ONLY IN STANDARD RSA FOR LMC EMPLOYEES. DO NOT INCLUDE IN LMC MULTI-YEAR RSA, LMC NEW EMPLOYEE LONG-TERM RSA OR IN RSA FOR LMC NON-EMPLOYEE DIRECTORS.]

If the Grantee's employment with the Company or a Subsidiary is terminated by the Company or such Subsidiary without Cause, then any unvested Restricted Shares that otherwise would have vested during the remainder of the calendar year in which the Grantee's employment with the Company or a Subsidiary is terminated will become vested on the date of the Grantee's termination of employment.

[INCLUDE ONLY IN LMC NEW EMPLOYEE LONG-TERM RSA.]

If the Grantee's employment with the Company or a Subsidiary is terminated by the Company or such Subsidiary without Cause after the second anniversary of the Grant Date, then the Award, to the extent not theretofore vested, will become fully vested upon the Grantee's execution and delivery to the Company in accordance with the notice requirements of this Agreement of a general release agreement in a form satisfactory to the Company, provided that such release has been so delivered and has become irrevocable in accordance with its terms not later than 60 days following the date of the Grantee's termination without Cause.

[INCLUDE ONLY IN MULTI-YEAR RSA FOR LMC EMPLOYEES.]

If the Grantee's employment with the Company or a Subsidiary is terminated by the Company or such Subsidiary without Cause prior to _____ **[Insert final Vesting Date]**, the number of each type of Restricted Shares subject to this Agreement that shall become vested as of the date of such termination shall equal the sum of (a) the number of such Restricted Shares that would have become vested during the Forward Vesting Period had the Grantee remained in the employ of the Company or a Subsidiary for the entire Forward Vesting Period plus (b) the number of such Restricted Shares that is equal to the product (rounded down to the nearest whole number) of (i) the total number of such Restricted Shares subject to this Agreement minus (A) any such Restricted Shares that have already become vested prior to the date of such termination and (B) any such Restricted Shares that would have become vested during the Forward Vesting Period in clause (a) above multiplied by (ii) a fraction, the numerator of which is the total number of days elapsed during the period beginning on the Grant Date, and ending on the date of termination, inclusive, and the denominator of which is the total number of days during the period beginning on the Grant Date, and ending on _____ **[Insert final Vesting Date]**, inclusive.

For purposes of determining the number of Restricted Shares that would have become vested in clause (a) above, "Forward Vesting Period" shall mean the period beginning on the date of termination and ending on the corresponding day (or, if there is no corresponding day, on the last day) of (x) the ninth month thereafter, if the Grantee is an Assistant Vice President or Vice President of the Company or a Subsidiary on the date of termination of his or her employment with the Company or a Subsidiary or (y) the twelfth month thereafter, if the Grantee is a Senior Vice President or Executive Vice President of the Company or a Subsidiary on the date of termination of his or her employment with the Company or a Subsidiary.

Additional
Provisions Applicable to
Grantees who hold the office
of Vice President or above as
of the Grant Date:

[INCLUDE IN (1) STANDARD RSA FOR LMC EMPLOYEES, (2) MULTI-YEAR RSA FOR LMC EMPLOYEES AND (3) LMC NEW EMPLOYEE LONG-TERM RSA. DO NOT INCLUDE IN RSA FOR LMC NON-EMPLOYEE DIRECTORS.]

Forfeiture for Misconduct and Repayment of Certain Amounts. If (i) a material restatement of any financial statement of the Company (including any consolidated financial statement of the Company and its consolidated Subsidiaries) is required and (ii) in the reasonable judgment of the Plan Administrator, (A) such restatement is due to material noncompliance with any financial reporting requirement under applicable securities laws and (B) such noncompliance is a result of misconduct on the part of the Grantee, the Grantee will repay to the Company Forfeitable Benefits received by the Grantee during the Misstatement Period in such amount as the Plan Administrator may reasonably determine, taking into account, in addition to any other factors deemed relevant by the Plan Administrator, the extent to which the market value of Common Stock during the Misstatement Period was affected by the error(s) giving rise to the need for such restatement. "Forfeitable Benefits" means (i) any and all cash and/or shares of Common Stock received by the Grantee (A) upon the exercise during the Misstatement Period of any SARs held by the Grantee or (B) upon the payment during the Misstatement Period of any Cash Award or Performance Award held by the Grantee, the value of which is determined in whole or in part with reference to the value of Common Stock, and (ii) any proceeds received by the Grantee from the sale, exchange, transfer or other disposition during the Misstatement Period of any shares of Common Stock received by the Grantee upon the exercise, vesting or payment during the Misstatement Period of any Award held by the Grantee. By way of clarification, "Forfeitable Benefits" will not include any shares of Common Stock received upon vesting of any Restricted Shares during the Misstatement Period that are not sold, exchanged, transferred or otherwise disposed of during the Misstatement Period. "Misstatement Period" means the 12-month period beginning on the date of the first public issuance or the filing with the Securities and Exchange Commission, whichever occurs earlier, of the financial statement requiring restatement.

Qualifying Service:

[INCLUDE IN STANDARD AND MULTI-YEAR RSA AGREEMENTS FOR LMC EMPLOYEES, IN NEW EMPLOYEE LONG-TERM RSA AND IN STANDARD RSA FOR LMC NON-EMPLOYEE DIRECTORS.]

Unless the Plan Administrator in its sole discretion determines otherwise in connection with the commencement of employment or service to Liberty Interactive Corporation or its Subsidiary, notwithstanding anything to the contrary in this Agreement, Grantee's employment or service with Liberty Interactive Corporation or any entity that is a Subsidiary of Liberty Interactive Corporation at the time of determination shall be deemed to be employment or service with the Company for all purposes under the Awards granted pursuant to this Agreement.

Company Notice Address:

Liberty Media Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112
Attn: General Counsel

**LIBERTY MEDIA CORPORATION
2006 DEFERRED COMPENSATION PLAN**

(Amended and Restated as of January 1, 2016)

Recitals

In 2006, Liberty Media Corporation, which would, in 2011, become known as Liberty Interactive LLC (“Old Liberty”), adopted this Plan for the benefit of certain of its employees. The Plan was amended and restated by Old Liberty in 2008.

Prior to August 30, 2011, Liberty Media Corporation, formerly known as Liberty CapStarz, Inc. (“Old LMC”) was an indirect 100%-owned subsidiary of Old Liberty. On August 30, 2011, Old LMC and the sole member of Old Liberty (“Old Liberty Parent”) entered into a reorganization agreement (the “Reorganization Agreement”) providing for the separation of Old Liberty Parent and Old LMC into two publicly traded corporations (the “Split-Off”). Upon consummation of the Split-Off, employees of Old Liberty became employees of Old LMC. In connection therewith, and in accordance with the Reorganization Agreement, Old LMC assumed the Plan (as amended and restated herein) and all liabilities relating thereto.

On January 11, 2013, Old LMC and its wholly owned subsidiary, Liberty Spinco, Inc., entered into a reorganization agreement (the “2013 Reorganization Agreement”) providing for the separation of Old LMC and Liberty Spinco, Inc. into two publicly traded corporations (the “2013 Spin-Off”). In connection therewith, and in accordance with the 2013 Reorganization Agreement, Liberty Spinco, Inc., which will be known as Liberty Media Corporation after the 2013 Spin-Off, assumed the Plan (as amended and restated herein) and all liabilities relating thereto.

Liberty Media Corporation amended and restated the Plan in its entirety effective January 1, 2015 and further amends and restates the Plan in its entirety effective January 1, 2016.

Plan

1. **COVERAGE OF PLAN**

The Plan is unfunded and is maintained for the purpose of providing a select group of management or highly compensated employees of the Company the opportunity to defer the receipt of Compensation otherwise payable to such Eligible Employees in accordance with the terms of the Plan.

2. **DEFINITIONS**

2.1. “2013 Reorganization Agreement” has the meaning set forth in the Recitals.

2.2. “2013 Spin-Off” has the meaning set forth in the Recitals.

2.3. “Account(s)” means each of the Separation Accounts and/or Scheduled Distribution Accounts established pursuant to Section 5.1 and maintained by the Company in the

names of the respective Participants, to which all amounts deferred under the Plan and interest on such amounts shall be credited, and from which all amounts distributed under the Plan shall be debited.

2.4. “Active Participant” means each Participant who is actively employed by the Company as an Eligible Employee.

2.5. “Affiliate” means, with respect to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, the term “control,” including its correlative terms “controlled by” and “under common control with,” mean, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

2.6. “Applicable Interest Rate” means :

2.6.1. For amounts deferred prior to December 31, 2014 (including deferrals of bonuses earned in 2014 but paid in 2015), 9% per annum, compounded as of the end of each calendar quarter ; or

2.6.2. For amounts deferred on or after January 1, 2015, the sum of the prime rate of interest (as determined in the *Wall Street Journal* as of the first business day of November of the year prior to each Plan Year) plus 3% per annum, or such other rate as approved by the Committee, compounded as of the end of each calendar quarter .

2.7. “Beneficiary” means such person or persons or legal entity or entities, including, but not limited to, an organization exempt from federal income tax under section 501(c)(3) of the Code, designated by a Participant or Beneficiary to receive benefits pursuant to the terms of the Plan after such Participant’s or Beneficiary’s death. If no Beneficiary is designated by the Participant or Beneficiary, or if no Beneficiary survives the Participant or Beneficiary (as the case may be), the Participant’s Beneficiary shall be the Participant’s Surviving Spouse if the Participant has a Surviving Spouse and otherwise the Participant’s estate, and the Beneficiary of a Beneficiary shall be the Beneficiary’s Surviving Spouse if the Beneficiary has a Surviving Spouse and otherwise the Beneficiary’s estate.

2.8. “Board” means the Board of Directors of the Company.

2.9. “Cash Bonus” means the portion of any bonus payable in cash by the Company to an Eligible Employee for services rendered to the Company.

2.10. “Change of Control” means any transaction or series of transactions that constitutes a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company, in each case within the meaning of Section 409A.

2.11. “Code” means the Internal Revenue Code of 1986, as amended.

2.12. “Committee” means the committee appointed by the Board to administer the Plan, which shall be the Compensation Committee of the Board or such other committee as the Board may appoint or, if the Board so determines, the Board.

2.13. “Company” means Liberty Media Corporation (formerly known as Liberty Spinco, Inc.), a Delaware corporation, including any successor thereto by merger, consolidation, acquisition of all or substantially all the assets thereof, or otherwise.

2.14. “Compensation” means an Eligible Employee’s base salary and any Cash Bonus payable by the Company to an Eligible Employee for services performed for the Company.

2.15. “Deceased Participant” means:

2.15.1. A Participant whose employment with the Company is terminated by death; or

2.15.2. An Inactive Participant who dies following termination of his or her employment with the Company.

2.16. “Disability” means:

2.16.1. an individual’s inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; or

2.16.2. circumstances under which, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, an individual is receiving income replacement benefits for a period of not less than three months under an accident or health plan covering employees of the individual’s employer.

2.17. “Disabled Participant” means:

2.17.1. A Participant whose employment with the Company is terminated by reason of Disability;

2.17.2. An Inactive Participant who suffers a Disability following termination of his or her employment with the Company; or

2.17.3. The duly-appointed legal guardian of an individual described in Section 2.17.1 or 2.17.2 acting on behalf of such individual.

2.18. “Eligible Compensation” means 50% of an Eligible Employee’s base salary and 100% of any Cash Bonus payable by the Company to an Eligible Employee.

2.19. “Eligible Employee” means each employee of the Company who is an officer of the Company at the level of Vice President or above and each other employee of the Company who is designated by the Committee, in its discretion, as an Eligible Employee.

2.20. “Hardship” means a Participant’s severe financial hardship due to an unforeseeable emergency resulting from a sudden and unexpected illness or accident of the Participant, or, a sudden and unexpected illness or accident of a dependent (as defined by section 152(a) of the Code, without regard to sections 152(b)(1), 152(b)(2), and 152(d)(1)(B)) of the Participant, or loss of the Participant’s property due to casualty, or other similar and extraordinary unforeseeable circumstances arising as a result of events beyond the control of the Participant. A need to send the Participant’s child to college or a desire to purchase a home is not an unforeseeable emergency. No Hardship shall be deemed to exist to the extent that the financial hardship is or may be relieved (a) through reimbursement or compensation by insurance or otherwise, (b) by borrowing from commercial sources on reasonable commercial terms to the extent that this borrowing would not itself cause a severe financial hardship, (c) by cessation of deferrals under the Plan, or (d) by liquidation of the Participant’s other assets to the extent that this liquidation would not itself cause severe financial hardship. For the purposes of the preceding sentence, the Participant’s resources shall be deemed to include those assets of his or her spouse and minor children that are reasonably available to the Participant; however, property held for the Participant’s child under an irrevocable trust or under a Uniform Gifts to Minors Act custodianship or Uniform Transfers to Minors Act custodianship shall not be treated as a resource of the Participant. The Committee shall determine whether the circumstances of the Participant constitute an unforeseeable emergency and thus a Hardship within the meaning of this Section 2.20. Following a uniform procedure, the Committee’s determination shall consider any facts or conditions deemed necessary or advisable by the Committee, and the Participant shall be required to submit any evidence of the Participant’s circumstances that the Committee requires. The determination as to whether the Participant’s circumstances are a case of Hardship shall be based on the facts of each case; provided however, that all determinations as to Hardship shall be uniformly and consistently made according to the provisions of this Section 2.20 for all Participants in similar circumstances.

2.21. “Inactive Participant” means each Participant (other than a Deceased Participant or a Disabled Participant) who is not actively employed by the Company.

2.22. “Initial Election” means a written election on a form provided by the Company, filed with the Company in accordance with Article 3, pursuant to which an Eligible Employee may elect to defer all or any portion of the Eligible Employee’s Eligible Compensation payable for the services performed following the time that such election is filed and designate the time and form of payment of the amount of deferred Compensation to which the Initial Election relates.

2.23. “New Eligible Employee” means an employee of the Company who becomes an Eligible Employee on or after January 11, 2013; provided, however, that any Participant who was an Eligible Employee while in the employ of Old LMC prior to January 11, 2013 will not be considered a New Eligible Employee by reason of becoming an employee of the Company as a consequence of the 2013 Spin-Off.

2.24. “Old Liberty” has the meaning set forth in the Recitals.

2.25. “Old Liberty Parent” has the meaning set forth in the Recitals.

2.26. “Old LMC” has the meaning set forth in the Recitals.

2.27. “Outside Date” means, with respect to each Separation Account and each Scheduled Distribution Account of a Participant, the December 31 of the 30th calendar year following the Plan Year to which the Initial Election for the applicable Account applies.

2.28. “Participant” means each individual who has made an Initial Election, and who has an undistributed amount credited to an Account under the Plan, including an Active Participant, a Deceased Participant, a Disabled Participant and an Inactive Participant.

2.29. “Performance-Based Compensation” means “performance-based compensation” within the meaning of Section 409A.

2.30. “Performance Period” means a period of at least 12 consecutive months during which a Participant may earn Performance-Based Compensation.

2.31. “Person” means an individual, a corporation, a limited liability company, a partnership, an association, a trust or any other entity or organization.

2.32. “Plan” means the Liberty Media Corporation 2006 Deferred Compensation Plan (As Amended and Restated Effective January 1, 2016), as set forth herein, and as may be amended from time to time.

2.33. “Plan Year” means the calendar year.

2.34. “Reorganization Agreement” has the meaning set forth in the Recitals.

2.35. “Scheduled Distribution” shall mean the distribution elected by the Participant pursuant to Section 3.5(a) of the Plan.

2.36. “Scheduled Distribution Account” shall mean an Account established for amounts payable at the time and in the form of a Scheduled Distribution. Each Scheduled Distribution Account for a Participant shall have either a different form of distribution or a different distribution date, or both, from other Scheduled Distribution Accounts for the Participant.

2.37. “Section 409A” means Section 409A of the Code and any Treasury Regulations promulgated under, or other administrative guidance issued with respect to, such Code section.

2.38. “Separation Account” shall mean an Account established for distribution of Participant deferrals elected pursuant to Section 3.5(b) or (c) of the Plan to commence following Separation from Service or, in the absence of such election, which are defaulted to payment under the provisions of Section 3.5.1.

2.39. “Separation from Service” means the Participant’s “separation from service,” as defined in Section 409A, with the Company and all other Persons with whom the Company would be considered a single employer under section 414(b) or 414(c) of the Code, applying the 80% threshold used in such Code sections and the Treasury Regulations thereunder, all within the meaning of Section 409A.

2.40. “Split-Off” has the meaning set forth in the Recitals.

2.41. “Subsequent Election” means a written election on a form provided by the Company, filed with the Company in accordance with Article 3, pursuant to which a Participant or Beneficiary may elect to defer (or, in limited cases, to the extent permitted under Section 409A, accelerate) the time of payment or change the form of payment of amounts previously deferred in accordance with the terms of a previously made Initial Election or Subsequent Election.

2.42. “Surviving Spouse” means the widow or widower, as the case may be, of a Deceased Participant or a deceased Beneficiary (as applicable).

3. INITIAL AND SUBSEQUENT ELECTIONS TO DEFER COMPENSATION

3.1. Elections.

3.1.1. Initial Elections. Each Eligible Employee, by filing an Initial Election at the time and in the form described in this Article 3, shall have the right to defer all or any portion of the Eligible Compensation that he or she otherwise would be entitled to receive for services performed during the Plan Year following the year in which the election is made (or, with respect to a New Eligible Employee, during the Plan Year in which the election is made but only as to Eligible Compensation paid for services performed after the filing of such election), in each case net of applicable withholdings. An Initial Election with respect to Performance-Based Compensation shall be effective only with respect to Performance-Based Compensation that is not substantially certain to be paid as of the date such election is filed. The Compensation of such Eligible Employee for a Plan Year shall be reduced in an amount equal to the portion of the Eligible Compensation deferred by such Eligible Employee for such Plan Year pursuant to the Eligible Employee’s Initial Election. Such reduction shall be effected (a) as to any portion of the Eligible Employee’s base salary so deferred, on a pro-rata basis from each periodic installment payment of the Eligible Employee’s base salary during the Plan Year (in accordance with the general pay practices of the Companies), and (b) as to any Cash Bonus so deferred, from such Cash Bonus as and when otherwise payable. The amount of any such reduction shall be credited to the Eligible Employee’s Account(s) in accordance with Section 5.1.

3.1.2. Subsequent Elections. Each Participant or Beneficiary shall have the right to elect to defer the time of payment or change the form of payment of amounts previously deferred in accordance with the terms of a previously made Initial Election pursuant to the terms of the Plan by filing a Subsequent Election at the time, subject to the requirements and in the form described in this Article 3.

3.2. Filing of Initial Election: General. An Initial Election shall be made on such form as may be approved by the Committee for this purpose. Except as provided in Section 3.3, no such Initial Election shall be effective with respect to Compensation other than Performance-Based Compensation unless it is filed with the Company on or before December 31 of the Plan Year preceding the Plan Year to which the Initial Election applies. An Initial Election described in the preceding sentence shall become irrevocable on December 31 of the Plan Year preceding the Plan Year to which the Initial Election applies. No such Initial Election shall be effective with respect to Performance-Based Compensation unless it is filed with the Company not less than six months before the end of the Performance Period during which such Performance-Based Compensation

may be earned. An Initial Election described in the preceding sentence shall become irrevocable on the last day prior to the start of the six-month period referred to in such sentence.

3.3. Filing of Initial Election by New Eligible Employees. Notwithstanding Section 3.2, a New Eligible Employee may elect to defer all or any portion of his or her Eligible Compensation earned for the performance of services in the Plan Year in which the New Eligible Employee becomes a New Eligible Employee, beginning with the payroll period next following the filing of an Initial Election with the Company and before the close of such Plan Year by making and filing the Initial Election with the Company within 30 days of the date on which such New Initial Employee becomes a New Eligible Employee. Any Initial Election by such New Eligible Employee for succeeding Plan Years shall be made in accordance with Section 3.2.

3.4. Plan Years to which Initial Election May Apply. A separate Initial Election may be made for each Plan Year as to which an Eligible Employee desires to defer all or any portion of such Eligible Employee's Eligible Compensation. The Initial Election shall specify the Account or Accounts described in Section 5.1 to which deferrals shall be allocated. Any revocation of an Initial Election must be in writing and must be filed with the Company on or before December 31 of the Plan Year immediately preceding the Plan Year to which such revocation applies. The failure of an Eligible Employee to make an Initial Election for any Plan Year shall not affect such Eligible Employee's right to make an Initial Election for any other Plan Year.

3.5. Initial Election of Distribution Events. Each Eligible Employee shall, contemporaneously with an Initial Election, also elect the time of payment of the amount of the deferred Compensation to which such Initial Election relates. Subject to the terms and conditions of the Plan and Section 409A, the distribution event elected by each Eligible Employee may be (a) a specific month and year selected by the Eligible Employee, which does not occur earlier than in the calendar year two years after the calendar year during which the deferred Compensation is earned, and which does not occur later than the Outside Date, (b) the earlier to occur of the Outside Date, a specific month and year selected by the Eligible Employee (if so selected under Section 3.5(a)), or the Eligible Employee's Separation from Service, or (c) such other distribution event permitted under Section 409A as the Committee may approve.

3.5.1. Failure to Elect Distribution Event. If an Eligible Employee fails to elect a distribution event in accordance with the provisions of this Section 3.5, he or she shall be deemed to have elected the earlier to occur of the Outside Date or the Eligible Employee's Separation from Service as the distribution event.

3.5.2. Installment Payments Treated as a Single Payment. To the extent any portion of a Participant's Account is to be distributed in installment payments, the right to such installment payments is treated as the entitlement to a single payment for purposes of making Subsequent Elections.

3.6. Subsequent Elections. Any Subsequent Election with respect to deferred amounts in an Account may be made only in accordance with the provisions of this Section 3.6. No Subsequent Election shall be effective until 12 months after the date on which such Subsequent Election is made (which shall be interpreted to require that any Subsequent Election with respect to a payment scheduled to be made at a specified time or pursuant to a fixed schedule be made at least

12 months in advance of the originally scheduled payment date or, in the case of a life annuity or installment payments treated as a single payment, 12 months before the date the first amount was scheduled to be paid). Except with respect to a distribution upon Disability, death or Hardship, any Subsequent Election (including Subsequent Elections to change the form of payment) must defer the time of payment of such amount for a minimum of five additional years from the previously elected payment date.

3.6.1. Active Participants. The number of Subsequent Elections that an Active Participant may make under this Section 3.6.1 shall not be limited.

3.6.2. Inactive Participants. The Committee may, in its sole and absolute discretion, permit an Inactive Participant to make one or more Subsequent Elections. The number of Subsequent Elections that an Inactive Participant may make under this Section 3.6.2 shall be determined by the Committee in its sole and absolute discretion and need not be the same for all Inactive Participants.

3.6.3. Beneficiaries. A Deceased Participant's Beneficiary to whom the right to payment under the Plan shall have passed may make a Subsequent Election to defer the time of payment or change the form of payment of all or any portion of the Deceased Participant's Account. Such Beneficiary shall be entitled to one and only one Subsequent Election pursuant to this Section 3.6.3 with respect to a Participant's Account but shall otherwise be treated as the Participant for all other purposes of the Plan.

3.6.4. Disabled Participant. The Committee may, in its sole and absolute discretion, permit a Disabled Participant to make a Subsequent Election to defer the time of payment or change the form of payment of all or any portion of such Participant's Account. The number of Subsequent Elections that a Disabled Participant may make under this Section 3.6.4 shall be determined by the Committee in its sole and absolute discretion and need not be the same for all Disabled Participants.

3.6.5. Most Recently Filed Initial Election or Subsequent Election Controlling. Subject to acceleration pursuant to Section 3.8, Section 7.1, or Article 8 (each to the extent permitted under Section 409A), no distribution of the amounts deferred by a Participant for any Plan Year shall be made before the distribution event designated by the Participant or Beneficiary on the most recently filed and effective Initial Election or Subsequent Election with respect to such deferred amount.

3.7. Payment Following Occurrence of Distribution Event. This Section 3.7 shall apply to deferrals of amounts occurring on and after January 1, 2015. For deferrals of amounts prior to January 1, 2015, the terms of the Plan in effect on December 31, 2014 shall apply. Following the occurrence of a distribution event designated by a Participant or Beneficiary pursuant to an Initial Election or Subsequent Election made in accordance with this Plan, or a distribution event designated under the provisions of Section 3.5.1, and subject to any suspension or delay required under Section 3.9 or Section 3.10.2 or elected by the Company under Section 3.10.1, the Company shall make a lump-sum or percentage payment or commence making installment payments, as applicable, of any amount to which such election applies no later than the 60th day following the

date of such distribution event (or, if such day is not a business day, on the next succeeding business day).

3.7.1. Pursuant to Section 409A, a payment will be treated as made upon the date specified in Section 3.7 if such payment is made at such date, or a date that is no earlier than 30 days before the date specified in Section 3.7, or a later date in the same calendar year (or, if later, upon the 15th day of the third month following the year in which such payment date occurs), provided that the Participant or Beneficiary shall not be permitted to designate the Plan Year of the payment under this sentence.

3.8. Discretion to Accelerate Distributions in Full Upon or Following a Change of Control. To the extent permitted under Section 409A, in connection with a Change of Control, during the 30 days preceding or the 12-month period following a Change of Control, the Committee may exercise its discretion to terminate the Plan (and all other plans required to be aggregated with the Plan under Section 409A) and, notwithstanding any other provision of the Plan or the terms of any Initial Election or Subsequent Election, distribute the balances in the Accounts of each Participant and Beneficiary in full within 12 months after the date of such termination and thereby effect the revocation of any outstanding Initial Elections or Subsequent Elections.

3.9. Required Suspension of Payment of Benefits. Notwithstanding any provision of the Plan or any Participant's election as to the date or time of payment of any amount payable under the Plan, to the extent required under Section 409A, any amount that otherwise would be payable to a Participant who is a "specified employee" of the Company, as determined by the Company in accordance with Section 409A, during the six-month period following such Participant's Separation from Service, shall be suspended until the lapse of such six-month period (or, if earlier, the date of death of the Participant). The amount that otherwise would be payable to such Participant during such period of suspension, together with interest on such suspended amount credited pursuant to the rules of the Plan, shall be paid in a single payment within 45 days following the end of such six-month period (or, if such day is not a business day, on the next succeeding business day) or within 30 days following the death of the Participant during such six-month period, provided that the death of the Participant during such six-month period shall not cause the acceleration of any amount that otherwise would be payable on any date during such six-month period following the date of the Participant's death.

3.10. Delay of Payment Under Certain Circumstances. Notwithstanding any provision of the Plan or any Initial Election or Subsequent Election as to the date or time of payment of any benefit payable under the Plan:

3.10.1. if the Company reasonably anticipates that, with respect to any payment scheduled to be made to a Participant from the Plan during a taxable year, the Company's deduction for such payment would be limited or eliminated by the application of section 162(m) of the Code, such payment may, in the discretion of the Company be delayed; provided that such delay in payment will continue only until either (a) the first taxable year in which the Company reasonably anticipates, or should reasonably anticipate, that the deduction will not be so limited or eliminated or (b) the period beginning with the Participant's Separation from Service and ending on the later of the last day of the taxable year in which the Participant's Separation from Service

occurs or the 15th day of the third month following such Separation from Service; provided, that (i) such delay in payment shall be treated as a Subsequent Election (thereby requiring a delay in future payments for at least five years to the extent required under Section 409A) unless all scheduled payments to that Participant that could be delayed in accordance with this Section 3.10.1 also are delayed, and (ii) any distribution under this Section 3.10.1 made upon a Participant's Separation from Service, including a Separation from Service that results in section 162(m) of the Code becoming inapplicable to a Participant, must comply with the provisions of Section 3.9 if the Participant is a "specified employee" of the Company; or

3.10.2. if the Company reasonably anticipates that the making of any payment scheduled to be made from the Plan would violate federal securities law or any other law applicable to the Company, such payment shall be delayed until the earliest date the Company reasonably anticipates that the making of the payment will not cause such violation, provided that the making of a payment that would cause the inclusion of an amount in gross income or the application of any penalty provision or other provision of the Code shall not be treated as a violation of applicable law under this Section 3.10.2.

4. FORMS OF DISTRIBUTION

4.1. Forms of Distribution.

4.1.1. Amounts credited to a Separation Account shall be distributed, pursuant to an Initial Election or Subsequent Election, in one of the following forms of distribution:

4.1.1.1. A lump-sum payment; or

4.1.1.2. Substantially equal annual installments over a period of two or more years, up to a maximum of ten (10) years.

4.1.2. Amounts credited to a Scheduled Distribution Account shall be distributed, pursuant to an Initial Election or Subsequent Election, in one of the following forms of distribution:

4.1.2.1. A lump-sum payment; or

4.1.2.2. Substantially equal annual installments over a period of two (2) or more years, up to a maximum of ten (10) years.

If an Eligible Employee fails to elect a form of distribution in accordance with the provisions of this Section 4.1, he or she shall be deemed to have elected to receive a lump-sum payment as the form of distribution.

4.1.3. Notwithstanding any Initial Election, Subsequent Election or any other provision of the Plan to the contrary:

4.1.3.1. distributions shall be made in the form of a lump-sum payment unless the balances in the Participant's Accounts, as of the benefit commencement date,

are more than the applicable dollar amount under section 402(g)(1)(B) of the Code (which is \$18,000 for 2015); and

4.1.3.2. if the balances in the Participant's Accounts, plus the Participant's vested interest in any other plan or plans required to be aggregated with this Plan under Section 409A, is equal to or less than the applicable dollar amount under section 402(g)(1)(B) of the Code (which is \$18,000 for 2015), the Committee may, in its sole discretion, direct that such amount (and such other interest(s)) be distributed to the Participant (or Beneficiary, as applicable) in one lump-sum payment, provided that such exercise of discretion is evidenced in writing no later than the date of such payment.

4.2. Determination of Account Balances For Purposes of Distribution. The amount of any distribution made pursuant to Section 4.1 shall be based on the balance in the portion of the Participant's Account(s) to be distributed on the date of distribution and the applicable distribution period. For this purpose, the value of a Participant's Account(s) shall be calculated by crediting interest at the Applicable Interest Rate through the end of the day immediately preceding the date of distribution.

4.3. Plan-to-Plan Transfers. The Committee may delegate its authority to arrange for plan-to-plan transfers as described in this Section 4.3 to an officer of the Company or committee of two or more officers of the Company.

4.3.1. The Committee may, with a Participant's consent, make such arrangements as it may deem appropriate to transfer the Company's obligation to pay benefits with respect to such Participant which have not become payable under this Plan to another employer, whether through a deferred compensation plan, program or arrangement sponsored by such other employer or otherwise, or to another deferred compensation plan, program or arrangement sponsored by the Company or an Affiliate. Following the completion of such transfer, with respect to the benefit transferred, the Participant shall have no further right to payment under this Plan.

4.3.2. The Committee may, with a Participant's consent, make such arrangements as it may deem appropriate to assume another employer's obligation to pay benefits with respect to such Participant which have not become payable under the deferred compensation plan, program or arrangement under which such future right to payment arose, under the Plan, or to assume a future payment obligation of the Company or an Affiliate under another plan, program or arrangement sponsored by the Company or an Affiliate. Upon the completion of the Plan's assumption of such payment obligation, the Company shall establish an Account for such Participant, and the Account shall be subject to the rules of this Plan, as in effect from time to time.

5. SEPARATION ACCOUNTS AND SCHEDULED DISTRIBUTION ACCOUNTS

5.1. Accounts.

5.1.1. Solely for recordkeeping purposes one or more Separation Accounts and, if elected by the Participant, one or more Scheduled Distribution Accounts, shall be maintained for each Participant and credited with the Participant's deferrals as directed in the applicable Initial Election for such deferral. Eligible Compensation deferred pursuant to the Plan shall be credited to the selected Account(s) on the date such Compensation would otherwise have

been payable to the Participant. Interest shall be credited to the Account(s) as provided in Section 5.2.

5.1.2. The Committee in its complete discretion may limit the number of such Separation Accounts and/or such Scheduled Distribution Accounts that may be created by a Participant. Once created, however, any Separation Account or Scheduled Distribution Account may not be removed from the Plan until all balances credited therein have been paid.

5.1.3. Any Account balance segregated by deferral year that was created prior to January 1, 2016 shall be transferred to a Separation Account or a Scheduled Distribution Account as appropriate. Any such transfer shall not change the rights of the Participant to the Participant's Account balance, nor shall it change the Participant's distribution election as to timing or form of the payment of such Account balance. Such transfer is only for bookkeeping purposes and to enable reporting to the Participant that accords with the Plan's intent to track deferrals by Account rather than by deferral year.

5.2. Crediting of Interest to Accounts. Each Participant's Account(s) shall be credited with interest at the Applicable Interest Rate. Such interest shall be calculated with respect to Eligible Compensation deferred by such Participant in accordance with this Plan from the date such Compensation would otherwise have been payable to the Participant through the end of the day immediately preceding the date on which such deferred Compensation is payable to such Participant (or his or her Beneficiary) in accordance with this Plan.

5.3. Status of Deferred Amounts. All Compensation deferred under this Plan shall continue for all purposes to be a part of the general funds of the Company.

5.4. Participants' Status as General Creditors. Account(s) shall at all times represent a general obligation of the Company. Each Participant shall be a general creditor of the Company with respect to this obligation and shall not have a secured or preferred position with respect to his or her Account(s). Nothing contained herein shall be deemed to create an escrow, trust, custodial account or fiduciary relationship of any kind. Nothing contained herein shall be construed to eliminate any priority or preferred position of a Participant in a bankruptcy matter with respect to claims for wages.

6. NO ALIENATION OF BENEFITS

Except as otherwise required by law, the right of any Participant or Beneficiary to any benefit or interest under any of the provisions of the Plan shall not be subject to encumbrance, attachment, execution, garnishment, assignment, pledge, alienation, sale, transfer or anticipation, either by the voluntary or involuntary act of any Participant or Beneficiary or by operation of law, nor shall such payment, right or interest be subject to any other legal or equitable process.

7. DEATH OF PARTICIPANT

7.1. Death of Participant. A Deceased Participant's Account(s) shall be distributed in accordance with the last effective Initial Election or Subsequent Election made by the Deceased Participant before the Deceased Participant's death, unless the Deceased Participant's Beneficiary

to whom the right to payment under the Plan shall have passed timely elects to defer the time of payment pursuant to Section 3.6.3.

7.2. Designation of Beneficiaries. Each Participant and Beneficiary shall have the right to designate one or more Beneficiaries to receive distributions in the event of the Participant's or Beneficiary's death by filing with the Company a Beneficiary designation on the form provided by the Company for such purpose. The designation of Beneficiary or Beneficiaries may be changed by a Participant or Beneficiary at any time prior to such Participant's or Beneficiary's death by the delivery to the Company of a new Beneficiary designation form.

8. HARDSHIP AND OTHER ACCELERATION EVENTS

8.1. Hardship. Notwithstanding the terms of an Initial Election or Subsequent Election, if, at the Participant's request, the Committee determines that the Participant has incurred a Hardship, the Committee may, in its discretion and to the extent permitted under Section 409A, authorize the immediate distribution of that portion of the Participant's Account(s) reasonably necessary to satisfy the Hardship need (which may include amounts necessary to pay any federal, state, local, or foreign income taxes and penalties reasonably anticipated to result from the distribution).

8.2. Other Acceleration Events. To the extent permitted under Section 409A, notwithstanding the terms of an Initial Election or Subsequent Election, distribution of all or part of a Participant's Account(s) may be made:

8.2.1. To an individual other than the Participant to the extent necessary to fulfill a domestic relations order (as defined in section 414(p)(1)(B) of the Code).

8.2.2. To the extent reasonably necessary to avoid a violation of an applicable federal, state, local or foreign ethics law or conflicts of interest law (including where such payment is reasonably necessary to permit the Participant to participate in activities in the normal course of his or her position with the Company in which the Participant otherwise would not be able to participate under an applicable rule).

8.2.3. To pay the Federal Insurance Contribution Act ("FICA") tax imposed under sections 3101 and 3121(v)(2) of the Code on Compensation deferred under the Plan (the "FICA Amount") plus the income tax at source on wages imposed under section 3401 of the Code with respect to the FICA Amount, and to pay the additional income tax at source on wages attributable to the pyramiding section 3401 wages and taxes, provided that the total amount distributable under this Section 8.2.3 shall not exceed the sum of the FICA Amount and the income tax withholding related to such FICA Amount.

8.2.4. To pay the amounts includable in income under Section 409A, provided that the total amount distributable under this Section 8.2.4 shall not exceed the amount required to be included in income as a result of the failure of this Plan to comply with Section 409A.

9. INTERPRETATION

9.1. Authority of Committee. The Committee shall have full and exclusive authority to construe, interpret and administer this Plan and the Committee's construction and interpretation thereof shall be binding and conclusive on all persons for all purposes.

9.2. Claims Procedure. If an individual (hereinafter referred to as the "Applicant," which reference shall include the legal representative, if any, of the individual) does not receive timely payment of benefits to which the Applicant believes he or she is entitled under the Plan, the Applicant may make a claim for benefits in the manner hereinafter provided.

An Applicant may file a claim for benefits with the Committee on a form supplied by the Company. If the Committee wholly or partially denies a claim, the Committee shall provide the Applicant with a written notice stating:

9.2.1. The specific reason or reasons for the denial;

9.2.2. Specific reference to pertinent Plan provisions on which the denial is based;

9.2.3. A description of any additional material or information necessary for the Applicant to perfect the claim and an explanation of why such material or information is necessary; and

9.2.4. Appropriate information as to the steps to be taken in order to submit a claim for review.

Written notice of a denial of a claim shall be provided within 60 days of the receipt of the claim, provided that if special circumstances require an extension of time for processing the claim, the Committee may notify the Applicant in writing that an additional period of up to 60 days will be required to process the claim.

If the Applicant's claim is denied, the Applicant shall have 60 days from the date of receipt of written notice of the denial of the claim to request a review of the denial of the claim by the Committee. Request for review of the denial of a claim must be submitted in writing. The Applicant shall have the right to review pertinent documents and submit issues and comments to the Committee in writing. The Committee shall provide a written decision within 60 days of its receipt of the Applicant's request for review, provided that if special circumstances require an extension of time for processing the review of the Applicant's claim, the Committee may notify the Applicant in writing that an additional period of up to 60 days shall be required to process the Applicant's request for review.

It is intended that the claims procedures of this Plan be administered in accordance with the claims procedure regulations of the Department of Labor set forth in 29 CFR § 2560.503-1.

Claims for benefits under the Plan must be filed with the Committee at the following address:

10. AMENDMENT OR TERMINATION

10.1. Amendment or Termination. Except as otherwise provided by Section 10.2, the Company, by action of the Committee, reserves the right at any time, or from time to time, to amend or modify this Plan, including amendments for the purpose of complying with Section 409A. The Company, by action of the Board, reserves the right at any time to terminate this Plan.

10.2. Amendment of Rate of Credited Earnings .

10.2.1. Effective for amounts deferred on or before December 31, 2014 (including deferrals of bonuses earned in 2014 but paid in 2015), no amendment shall decrease the Applicable Interest Rate with respect to the portion of a Participant's Account that is attributable to an Initial Election or Subsequent Election made with respect to Eligible Compensation earned in a Plan Year which election has become irrevocable before the date of adoption of such amendment by the Committee. For purposes of this Section 10.2, a Subsequent Election to defer the payment of part or all of an Account or Accounts for an additional period after a previously-elected payment date (as described in Section 3.6) shall be treated as a Subsequent Election separate from any previous Initial Election or Subsequent Election with respect to such Account or Accounts. As clarification, a Subsequent Election shall be treated as a new deferral subject to Section 10.2.2 as of the previously-elected payment date.

10.2.2. Effective for amounts deferred on or after January 1, 2015, the Committee may amend the Plan with respect to the Applicable Interest Rate at any time prior to the occurrence of a Change of Control. After the occurrence of a Change of Control, the method for determining the Applicable Interest Rate, whether a fixed rate or floating rate, may not be changed for amounts deferred on or after January 1, 2015, whether under elections in effect as of the date of the Change of Control or in effect for years prior to the Change of Control.

11. WITHHOLDING OF TAXES

Whenever the Company is required to credit deferred Compensation to the Account of a Participant, the Company shall have the right to require the Participant to remit to the Company an amount sufficient to satisfy any federal, state and local withholding tax requirements prior to the date on which the deferred Compensation shall be deemed credited to the Account of the Participant, or take any action whatever that it deems necessary to protect its interests with respect to tax liabilities. The Company's obligation to credit deferred Compensation to an Account shall be conditioned on the Participant's compliance, to the Company's satisfaction, with any withholding requirement. To the maximum extent possible, the Company shall satisfy all applicable withholding tax requirements by withholding tax from other Compensation payable by the Company to the Participant, or by the Participant's remittance of cash to the Company in an amount equal to the applicable withholding tax.

12. MISCELLANEOUS PROVISIONS

12.1. No Right to Continued Employment. Nothing contained herein shall be construed as conferring upon any Participant the right to remain in the employment of the Company as an executive or in any other capacity.

12.2. Expenses of Plan. All expenses of the Plan shall be paid by the Company.

12.3. Gender and Number. Whenever any words are used herein in any specific gender, they shall be construed as though they were also used in any other applicable gender. The singular form, whenever used herein, shall mean or include the plural form, and vice versa, as the context may require.

12.4. Law Governing Construction. The construction and administration of the Plan and all questions pertaining thereto, shall be governed by the Employee Retirement Income Security Act of 1974, as amended, and other applicable federal law and, to the extent not governed by federal law, by the internal laws of the State of Colorado.

12.5. Headings Not a Part Hereof. Any headings preceding the text of the several Articles, Sections, subsections, or paragraphs hereof are inserted solely for convenience of reference and shall not constitute a part of the Plan, nor shall they affect its meaning, construction, or effect.

12.6. Severability of Provisions. If any provision of this Plan is determined to be void by any court of competent jurisdiction, the Plan shall continue to operate and, for the purposes of the jurisdiction of that court only, shall be deemed not to include the provision determined to be void.

12.7. Compliance with Section 409A. This Plan is intended to comply in all respects with Section 409A and at all times shall be interpreted and operated in compliance therewith.

13. EFFECTIVE DATE

The original effective date of the Plan was December 8, 2006. This Plan was amended and restated as of December 12, 2008. This Plan was further amended and restated as of September 23, 2011, to reflect the transfer of this Plan (and all liabilities associated with this Plan) from Old Liberty to Old LMC effective as of that same date. This Plan was further amended and restated as of January 11, 2013, to reflect the transfer of this Plan (and all liabilities associated with this Plan) from Old LMC to the Company effective as of that same date. The Plan was further amended and restated effective January 1, 2015 and January 1, 2016.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officer.

LIBERTY MEDIA CORPORATION

By: /s/ Pamela L. Coe
Name: Pamela L. Coe
Title: Senior Vice President

NAME	Domicile
Atlanta Braves, Inc.	GA
Atlanta National League Baseball Club, Inc.	GA
Barefoot Acquisition, LLC	DE
BDC Collateral, LLC	DE
BDC/Fuqua Retail, LLC	DE
BDC Holdco, LLC	DE
BDC Hotel I, LLC	DE
BDC Office I, LLC	DE
BDC Parking I, LLC	DE
BDC/PS Residential, LLC	DE
BDC Residential I, LLC	DE
BDC Retail I, LLC	DE
Braves Baseball Holdco, LLC	DE
Braves Construction Company, LLC	DE
Braves Development Company, LLC	DE
Braves Entertainment Company, LLC	DE
Braves Holdings, LLC	DE
Braves Productions, Inc.	GA
Braves Stadium Company, LLC	DE
Braves Stadium Parking Company, LLC	DE
BRED Co., LLC	GA
Circle 75 Master Residential Association, Inc.	GA
Georgia Ballpark Hotel Company, LLC	DE
LBTW I, LLC	DE
LCAP Investments, LLC	DE
LDIG 2, LLC	DE
LDIG Cars, Inc.	DE
LDIG Financing LLC	DE
Liberty Aero, LLC	DE
Liberty AGI, LLC	DE
Liberty Animal Planet, LLC	CO
Liberty Asset Management, LLC	DE
Liberty Associated Holdings LLC	DE
Liberty Associated, Inc.	DE
Liberty ATCL, Inc.	CO
Liberty BC Capital, LLC	DE
Liberty Centennial Holdings, Inc.	DE
Liberty Challenger, LLC	DE
Liberty Citation, Inc.	DE
Liberty CM, Inc.	DE
Liberty Crown, Inc.	DE

NAME	Domicile
Liberty CTL Marginco, LLC	DE
Liberty Denver Arena LLC	DE
Liberty Fun Assets, LLC	DE
Liberty GI II, Inc.	DE
Liberty GI, Inc.	DE
Liberty GIC, Inc.	CO
Liberty IATV Holdings, Inc.	DE
Liberty IATV, Inc.	DE
Liberty IB2, LLC	DE
Liberty Israel Venture Fund, LLC	DE
Liberty Java, Inc.	CO
Liberty KV, LLC	DE
Liberty LYV Marginco, LLC	DE
Liberty MCNS Holdings, Inc.	CO
Liberty MLP, Inc.	CO
Liberty NC, LLC	DE
Liberty NEA, Inc.	DE
Liberty PL2, Inc.	DE
Liberty PL3, LLC	DE
Liberty Programming Company LLC	DE
Liberty Property Holdings, Inc.	DE
Liberty Radio, LLC	DE
Liberty Radio, 2, LLC	DE
Liberty Satellite Radio, Inc.	DE
Liberty SGH, LLC	DE
Liberty SIRI Marginco, LLC	DE
Liberty Sling, Inc.	DE
Liberty Sports Interactive, Inc.	DE
Liberty Telematics 2, LLC	DE
Liberty Telematics , LLC	DE
Liberty TM, Inc.	DE
Liberty Tower, Inc.	DE
Liberty TWC Marginco, LLC	DE
Liberty TWX Marginco, LLC	DE
Liberty VIA Marginco, LLC	DE
Liberty Virtual Pets, LLC	DE
Liberty WDIG, Inc.	DE
LMC BET, LLC	DE
LMC Brazil, LLC	DE
LMC Denver Arena, Inc.	DE
LMC Events, LLC	DE
LMC IATV Events, LLC	DE

NAME	Domicile
LMC Israel Investment, LLC	DE
LMC VIV LOC, Inc.	DE
LSAT Astro LLC	DE
LSR Foreign Holdings 2, LLC	DE
LSR Foreign Holdings, LLC	DE
LTWX I, LLC	DE
LTWX V, Inc.	CO
Sirius XM Holdings, Inc.	DE
The Battery Atlanta Association, Inc. (fka Ballpark Village Association, Inc.) (fka Circle 75 Maintenance Association, Inc.)	GA
The Stadium Club, Inc.	GA
TSAT Holding 2, Inc.	DE

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Liberty Media Corporation:

We consent to the incorporation by reference in the following registration statements of Liberty Media Corporation and subsidiaries (the Company) of our reports dated February 26, 2016, with respect to the consolidated balance sheets of the Company as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive earnings (loss), cash flows, and equity for each of the years in the three-year period ended December 31, 2015, and the effectiveness of internal control over financial reporting as of December 31, 2015, which reports appear in the December 31, 2015 annual report on Form 10-K of the Company.

<u>Description</u>	<u>Registration Statement No.</u>	<u>Description</u>
S-8	333-185992	Liberty Media Corporation Transitional Stock Adjustment Plan
S-8	333-185987	Liberty Media 401(k) Savings Plan
S-8	333-190018	Liberty Media Corporation 2013 Nonemployee Director Incentive Plan (Amended and Restated as of December 17, 2015)
S-8	333-190016	Liberty Media Corporation 2013 Incentive Plan (Amended and Restated as of March 31, 2015)
S-8	333-197588	Liberty Media Corporation Transitional Stock Adjustment Plan
S-8	333-197589	Liberty Media 401(k) Savings Plan
S-8	333-197590	Liberty Media Corporation 2013 Incentive Plan, as amended (Amended and Restated as of March 31, 2015)
S-8	333-197591	Liberty Media Corporation 2013 Nonemployee Director Incentive Plan, as amended (Amended and Restated as of December 17, 2015)
S-8	333-204878	Liberty Media Corporation 2013 Nonemployee Director Incentive Plan (Amended and Restated as of December 17, 2015)
S-4	333-208699	Reclassification and exchange of the Company's existing common stock for shares of three new tracking stocks to be designated the Liberty SiriusXM common stock, the Liberty Braves common stock, and the Liberty Media common stock

/s/ KPMG LLP

Denver, Colorado
February 26, 2016

CERTIFICATION

I, Gregory B. Maffei, certify that:

1. I have reviewed this annual report on Form 10-K of Liberty Media Corporation;
2. Based on my knowledge, this annual 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 annual report;
3. Based on my knowledge, the financial statements and other financial information included in this annual 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 annual 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 annual 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 annual report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this annual report based on such evaluation; and
 - d) disclosed in this annual 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: February 26, 2016

/s/ GREGORY B. MAFFEI

Gregory B. Maffei
President and Chief Executive Officer

CERTIFICATION

I, Christopher W. Shean, certify that:

1. I have reviewed this annual report on Form 10-K of Liberty Media Corporation;
2. Based on my knowledge, this annual 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 annual report;
3. Based on my knowledge, the financial statements and other financial information included in this annual 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 annual 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 annual 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 annual report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this annual report based on such evaluation; and
 - d) disclosed in this annual 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: February 26, 2016

/s/ CHRISTOPHER W. SHEAN

Christopher W. Shean
Chief Financial Officer

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 Annual Report on Form 10-K for the period ended December 31, 2015 (the "Form 10-K") 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-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 26, 2016

/s/ GREGORY B. MAFFEI

Gregory B. Maffei
President and Chief Executive Officer

Dated: February 26, 2016

/s/ CHRISTOPHER W. SHEAN

Christopher W. Shean
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-K or as a separate disclosure document.
