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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).<br><br><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><b>2010</b><br><br><b>This Form is Open to Public Inspection</b> |
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| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                           |
| For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u> |                                                                                                                                                                                                                                           |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or<br><input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____                         |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report;<br><input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . .                               | <input type="checkbox"/>                                                                                                                                                                                                                  |
| <b>D</b> Check box if filing under:                                                                      | <input type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program;<br><input type="checkbox"/> special extension (enter description)                                            |

|                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|--|
| <b>Part II</b>                                                                                                                                                                                                                            | <b>Basic Plan Information</b> —enter all requested information                                                                                                                                                                                                                                                                         |                                                                     |                                                             |                                                             |  |
| <b>1a</b> Name of plan<br><u>LIBERTY MEDIA 401K SAVINGS PLAN</u>                                                                                                                                                                          | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>1b</b> Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2"><b>1c</b> Effective date of plan<br/><u>03/02/1999</u></td> </tr> </table>                        | <b>1b</b> Three-digit plan number (PN) ▶                            | <u>001</u>                                                  | <b>1c</b> Effective date of plan<br><u>03/02/1999</u>       |  |
| <b>1b</b> Three-digit plan number (PN) ▶                                                                                                                                                                                                  | <u>001</u>                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                             |                                                             |  |
| <b>1c</b> Effective date of plan<br><u>03/02/1999</u>                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2a</b> Plan sponsor's name and address (employer, if for a single-employer plan)<br>(Address should include room or suite no.)<br><br><u>LIBERTY MEDIA LLC</u><br><br><br><u>12300 LIBERTY BLVD</u><br><u>ENGLEWOOD, CO 80112-7009</u> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><b>2b</b> Employer Identification Number (EIN)<br/><u>84-1288730</u></td> </tr> <tr> <td><b>2c</b> Sponsor's telephone number<br/><u>720-875-5400</u></td> </tr> <tr> <td><b>2d</b> Business code (see instructions)<br/><u>515210</u></td> </tr> </table> | <b>2b</b> Employer Identification Number (EIN)<br><u>84-1288730</u> | <b>2c</b> Sponsor's telephone number<br><u>720-875-5400</u> | <b>2d</b> Business code (see instructions)<br><u>515210</u> |  |
| <b>2b</b> Employer Identification Number (EIN)<br><u>84-1288730</u>                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2c</b> Sponsor's telephone number<br><u>720-875-5400</u>                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2d</b> Business code (see instructions)<br><u>515210</u>                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

|                  |                                                   |            |                                                              |
|------------------|---------------------------------------------------|------------|--------------------------------------------------------------|
| <b>SIGN HERE</b> | Filed with authorized/valid electronic signature. | 06/30/2011 | CHRISTOPHER SHEAN                                            |
|                  | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> |                                                   |            |                                                              |
|                  | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |                                                   |            |                                                              |
|                  | Signature of DFE                                  | Date       | Enter name of individual signing as DFE                      |

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)  
v.092307.1

|                                                                                                                                                                    |                                                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address (if same as plan sponsor, enter "Same")<br>LIBERTY MEDIA LLC<br><br>12300 LIBERTY BLVD<br>ENGLEWOOD, CO 80112-7009 | <b>3b</b> Administrator's EIN<br>84-1288730<br><br><b>3c</b> Administrator's telephone number<br>720-875-5400 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                       |                                   |
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| <b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:<br><br><b>a</b> Sponsor's name | <b>4b</b> EIN<br><br><b>4c</b> PN |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|

|                                                                         |          |      |
|-------------------------------------------------------------------------|----------|------|
| <b>5</b> Total number of participants at the beginning of the plan year | <b>5</b> | 2633 |
|-------------------------------------------------------------------------|----------|------|

|                                                                                                                                                        |           |      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------|
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ). |           |      |
| <b>a</b> Active participants.....                                                                                                                      | <b>6a</b> | 1853 |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                     | <b>6b</b> | 3    |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                      | <b>6c</b> | 657  |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                               | <b>6d</b> | 2513 |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                              | <b>6e</b> |      |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                | <b>6f</b> | 2513 |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....         | <b>6g</b> | 1948 |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....             | <b>6h</b> | 89   |

|                                                                                                                                      |          |  |
|--------------------------------------------------------------------------------------------------------------------------------------|----------|--|
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) ..... | <b>7</b> |  |
|--------------------------------------------------------------------------------------------------------------------------------------|----------|--|

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:  
 3H 2R 2K 2J 2I 2G 2F 2E

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

|                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

- (1) ☒ **R** (Retirement Plan Information)  
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary  
 (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- (1) ☒ **H** (Financial Information)  
 (2) ☐ **I** (Financial Information – Small Plan)  
 (3) ☐ **A** (Insurance Information)  
 (4) ☒ **C** (Service Provider Information)  
 (5) ☐ **D** (DFE/Participating Plan Information)  
 (6) ☐ **G** (Financial Transaction Schedules)

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE C</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Service Provider Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>2010</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>This Form is Open to Public Inspection.</b> |
| For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010                                                                                                                                |                                                                                                                                                                                                                        |                                                |
| <b>A</b> Name of plan<br>LIBERTY MEDIA 401K SAVINGS PLAN                                                                                                                                                                  | <b>B</b> Three-digit plan number (PN) ▶                                                                                                                                                                                | 001                                            |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        |                                                |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>LIBERTY MEDIA LLC                                                                                                                                        | <b>D</b> Employer Identification Number (EIN)<br>84-1288730                                                                                                                                                            |                                                |

|               |                                                        |
|---------------|--------------------------------------------------------|
| <b>Part I</b> | <b>Service Provider Information (see instructions)</b> |
|---------------|--------------------------------------------------------|

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL                                                                                |
| 04-2647786                                                                                                        |

|                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation |
|------------------------------------------------------------------------------------------------------------------|

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
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|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

DENVER COMPENSATION & BENEFITS, LLC

26-0586523

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 16                            | CONSULTANT                                                                                               | 46576                                                                         | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

**(a)** Enter name and EIN or address (see instructions)

KPMG

13-5565207

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 10                            | ACCOUNTING                                                                                               | 25750                                                                         | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

**(a)** Enter name and EIN or address (see instructions)

DW MAIL, LLC

16-1643592

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 38                            | PARTICIPANT COMMUNICATION                                                                                | 8233                                                                          | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

**(a)** Enter name and EIN or address (see instructions)

COOK STREET CONSULTING

84-0854432

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| 27                               | INVESTMENT<br>ADVISOR                                                                                                | 34300                                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                     | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                                          |                                                                                                                                                                                                          | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                        |

**(a)** Enter name and EIN or address (see instructions)

SHERMAN AND HOWARD

84-0420314

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| 29                               | ATTORNEY/LEGAL                                                                                                       | 39274                                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                     | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                                          |                                                                                                                                                                                                          | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                        |

**(a)** Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| 71 65 37 64                      | RECORDKEEPER                                                                                                         | 86299                                                                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                     | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                               |                                                                                                                                                                                                          | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                             |

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| FIDELITY INVESTMENTS INSTITUTIONAL                                  | 60                                                                                                                                                                 |                                           |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
| THORNBURG INT VAL R5 - BOSTON FINAN<br><br>04-2526037               | 0.25%                                                                                                                                                              |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL                                  | 60                                                                                                                                                                 |                                           |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
| PIMCO TOT RETURN ADM - BOSTON FINAN<br><br>04-2526037               | 0.25%                                                                                                                                                              |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL                                  | 60                                                                                                                                                                 |                                           |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
| PIMCO HIGH YIELD ADM - BOSTON FINAN<br><br>04-2526037               | 0.25%                                                                                                                                                              |                                           |

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| FIDELITY INVESTMENTS INSTITUTIONAL                                  | 60                                                                                                                                                                 |                                           |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
| DODGE & COX STOCK - BOSTON FINANCIA<br><br>04-2526037               | 0.10%                                                                                                                                                              |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL                                  | 60                                                                                                                                                                 |                                           |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
| DAVIS NY VENTURE A - BOSTON FINANCI<br><br>04-2526037               | 0.40%                                                                                                                                                              |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL                                  | 60                                                                                                                                                                 |                                           |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
| SEE ATTACHMENT 1 - BROKERAGE LINK                                   | SEE ATTACHED BROKERAGE LINK DETAIL                                                                                                                                 |                                           |

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| FIDELITY INVESTMENTS INSTITUTIONAL                                  | 60                                                                                                                                                                 |                                           |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
| BARON GROWTH - DST SYSTEMS, INC.<br><br>43-1581814                  | 0.40%                                                                                                                                                              |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL                                  | 60                                                                                                                                                                 |                                           |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
| ALLNZ NFJ SMCAPVAL I - BOSTON FINAN<br><br>04-2526037               | 0.10%                                                                                                                                                              |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL                                  | 60                                                                                                                                                                 |                                           |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
| AF GRTH FUND AMER R4 - AMERICAN FUN<br><br>95-2566717               | 0.35%                                                                                                                                                              |                                           |

**Part II Service Providers Who Fail or Refuse to Provide Information**

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|---------------------------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------|
|                                                                                 |                                      |                                                                                            |
| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|                                                                                 |                                      |                                                                                            |
| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|                                                                                 |                                      |                                                                                            |
| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|                                                                                 |                                      |                                                                                            |
| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|                                                                                 |                                      |                                                                                            |
| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|                                                                                 |                                      |                                                                                            |

|                 |                                                                                                                                 |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------|
| <b>Part III</b> | <b>Termination Information on Accountants and Enrolled Actuaries (see instructions)</b><br>(complete as many entries as needed) |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------|

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN;       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN;       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                      |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | <b>Financial Information</b><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110                             |
|                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                      | <b>2010</b>                                   |
|                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                      | <b>This Form is Open to Public Inspection</b> |

|                                                                                            |                                                             |     |
|--------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----|
| For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010 |                                                             |     |
| <b>A</b> Name of plan<br>LIBERTY MEDIA 401K SAVINGS PLAN                                   | <b>B</b> Three-digit plan number (PN) ►                     | 001 |
|                                                                                            |                                                             |     |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>LIBERTY MEDIA LLC         | <b>D</b> Employer Identification Number (EIN)<br>84-1288730 |     |

|               |                                      |
|---------------|--------------------------------------|
| <b>Part I</b> | <b>Asset and Liability Statement</b> |
|---------------|--------------------------------------|

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets                                                                                            |                 | (a) Beginning of Year | (b) End of Year |
|---------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>a</b> Total noninterest-bearing cash .....                                                     | <b>1a</b>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                      |                 |                       |                 |
| <b>(1)</b> Employer contributions .....                                                           | <b>1b(1)</b>    |                       |                 |
| <b>(2)</b> Participant contributions .....                                                        | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other.....                                                                             | <b>1b(3)</b>    |                       | 63000           |
| <b>c</b> General investments:                                                                     |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....  | <b>1c(1)</b>    | 12828000              | 14053000        |
| <b>(2)</b> U.S. Government securities.....                                                        | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                           |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other.....                                                                         | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                     |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common .....                                                                           | <b>1c(4)(B)</b> | 20381000              |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                              | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                  | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                               | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans .....                                                                | <b>1c(8)</b>    | 1659000               | 2269000         |
| <b>(9)</b> Value of interest in common/collective trusts.....                                     | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts.....                                    | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                           | <b>1c(11)</b>   |                       |                 |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                 | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....        | <b>1c(13)</b>   | 93757000              | 119248000       |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts)..... | <b>1c(14)</b>   |                       |                 |
| <b>(15)</b> Other .....                                                                           | <b>1c(15)</b>   | 3692000               | 6285000         |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> | 22948000              | 59240000        |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 155265000             | 201158000       |

**Liabilities**

|                                                                           |           |         |         |
|---------------------------------------------------------------------------|-----------|---------|---------|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |         |         |
| <b>h</b> Operating payables .....                                         | <b>1h</b> |         |         |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |         |         |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> | 2597000 | 2196000 |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 2597000 | 2196000 |

**Net Assets**

|                                                           |           |           |           |
|-----------------------------------------------------------|-----------|-----------|-----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 152668000 | 198962000 |
|-----------------------------------------------------------|-----------|-----------|-----------|

**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

**Income****a Contributions:**

|                                                                                                            |                 | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 10581000   |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> | 13028000   |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> | 1005000    |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 24614000  |

**b Earnings on investments:****(1) Interest:**

|                                                                                                      |                 |         |         |
|------------------------------------------------------------------------------------------------------|-----------------|---------|---------|
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) ..... | <b>2b(1)(A)</b> | 2596000 |         |
| <b>(B)</b> U.S. Government securities .....                                                          | <b>2b(1)(B)</b> |         |         |
| <b>(C)</b> Corporate debt instruments .....                                                          | <b>2b(1)(C)</b> |         |         |
| <b>(D)</b> Loans (other than to participants) .....                                                  | <b>2b(1)(D)</b> |         |         |
| <b>(E)</b> Participant loans .....                                                                   | <b>2b(1)(E)</b> | 92000   |         |
| <b>(F)</b> Other .....                                                                               | <b>2b(1)(F)</b> |         |         |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                        | <b>2b(1)(G)</b> |         | 2688000 |

|                                                                                           |                 |  |  |
|-------------------------------------------------------------------------------------------|-----------------|--|--|
| (2) Dividends: <b>(A)</b> Preferred stock .....                                           | <b>2b(2)(A)</b> |  |  |
| <b>(B)</b> Common stock .....                                                             | <b>2b(2)(B)</b> |  |  |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                 | <b>2b(2)(C)</b> |  |  |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> ..... | <b>2b(2)(D)</b> |  |  |

|                 |              |  |  |
|-----------------|--------------|--|--|
| (3) Rents ..... | <b>2b(3)</b> |  |  |
|-----------------|--------------|--|--|

|                                                                                           |                 |  |  |
|-------------------------------------------------------------------------------------------|-----------------|--|--|
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                | <b>2b(4)(A)</b> |  |  |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                             | <b>2b(4)(B)</b> |  |  |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result ..... | <b>2b(4)(C)</b> |  |  |

|                                                                                                   |                 | (a) Amount | (b) Total |
|---------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....              | <b>2b(5)(A)</b> |            |           |
| (B) Other .....                                                                                   | <b>2b(5)(B)</b> | 24618000   |           |
| (C) Total unrealized appreciation of assets.<br>Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....    | <b>2b(5)(C)</b> |            | 24618000  |
| (6) Net investment gain (loss) from common/collective trusts .....                                | <b>2b(6)</b>    |            |           |
| (7) Net investment gain (loss) from pooled separate accounts .....                                | <b>2b(7)</b>    |            |           |
| (8) Net investment gain (loss) from master trust investment accounts .....                        | <b>2b(8)</b>    |            |           |
| (9) Net investment gain (loss) from 103-12 investment entities .....                              | <b>2b(9)</b>    |            |           |
| (10) Net investment gain (loss) from registered investment<br>companies (e.g., mutual funds)..... | <b>2b(10)</b>   |            | 12696000  |
| <b>c</b> Other income.....                                                                        | <b>2c</b>       |            | 31000     |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....           | <b>2d</b>       |            | 64647000  |

**Expenses**

|                                                                                            |              |          |          |
|--------------------------------------------------------------------------------------------|--------------|----------|----------|
| <b>e</b> Benefit payment and payments to provide benefits:                                 |              |          |          |
| (1) Directly to participants or beneficiaries, including direct rollovers .....            | <b>2e(1)</b> | 16682000 |          |
| (2) To insurance carriers for the provision of benefits .....                              | <b>2e(2)</b> |          |          |
| (3) Other .....                                                                            | <b>2e(3)</b> |          |          |
| (4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....                | <b>2e(4)</b> |          | 16682000 |
| <b>f</b> Corrective distributions (see instructions) .....                                 | <b>2f</b>    |          | 1424000  |
| <b>g</b> Certain deemed distributions of participant loans (see instructions).....         | <b>2g</b>    |          |          |
| <b>h</b> Interest expense.....                                                             | <b>2h</b>    |          |          |
| <b>i</b> Administrative expenses: (1) Professional fees .....                              | <b>2i(1)</b> |          |          |
| (2) Contract administrator fees .....                                                      | <b>2i(2)</b> |          |          |
| (3) Investment advisory and management fees .....                                          | <b>2i(3)</b> |          |          |
| (4) Other .....                                                                            | <b>2i(4)</b> | 247000   |          |
| (5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....         | <b>2i(5)</b> |          | 247000   |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | <b>2j</b>    |          | 18353000 |

**Net Income and Reconciliation**

|                                                                               |              |  |          |
|-------------------------------------------------------------------------------|--------------|--|----------|
| <b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> ..... | <b>2k</b>    |  | 46294000 |
| <b>l</b> Transfers of assets:                                                 |              |  |          |
| (1) To this plan.....                                                         | <b>2l(1)</b> |  |          |
| (2) From this plan .....                                                      | <b>2l(2)</b> |  |          |

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: KPMG, LLP

(2) EIN: 13-5565207

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

|                                                                                                                                                                                                                                                                                                                 | Yes | No | Amount  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|---------|
| <b>a</b> Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....                 |     | X  |         |
| <b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)..... |     | X  |         |
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                                                                                                            |     | X  |         |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....                                                                                                                  |     | X  |         |
| <b>e</b> Was this plan covered by a fidelity bond?.....                                                                                                                                                                                                                                                         | X   |    | 5000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                                                                                                         |     | X  |         |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                                                                                                      |     | X  |         |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                                                                                            |     | X  |         |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....                                                                                                                                                   | X   |    |         |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....                                                                                    |     | X  |         |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....                                                                                                                                              |     | X  |         |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                                                                                                              |     | X  |         |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....                                                                                                                                                                                     | X   |    |         |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....                                                                                                                        | X   |    |         |

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  
If yes, enter the amount of any plan assets that reverted to the employer this year ..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

**5b(1)** Name of plan(s)

**5b(2)** EIN(s)

**5b(3)** PN(s)

| 5b(1) Name of plan(s) | 5b(2) EIN(s) | 5b(3) PN(s) |
|-----------------------|--------------|-------------|
|                       |              |             |
|                       |              |             |
|                       |              |             |
|                       |              |             |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2010</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

|                                                                                           |                                                                    |
|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>LIBERTY MEDIA 401K SAVINGS PLAN</u>                           | <b>B</b> Three-digit plan number (PN) ▶<br><u>001</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>LIBERTY MEDIA LLC</u> | <b>D</b> Employer Identification Number (EIN)<br><u>84-1288730</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

All references to distributions relate only to payments of benefits during the plan year.

|                                                                                                                                                                                                                                                                |                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                          | <b>1</b>          |
| <b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br>EIN(s): <u>04-3514297</u> |                   |
| <b>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</b>                                                                                                                                                                                        |                   |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                | <b>3</b> <u>0</u> |

|                |                                                                                                                                                                              |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b> | <b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part) |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                                           |                              |                             |                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....                                                                                                                                                                                                                                                       | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <b>If the plan is a defined benefit plan, go to line 8.</b>                                                                                                                                                                                                                                                                                                               |                              |                             |                              |
| <b>5</b> If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. <b>Date:</b> Month _____ Day _____ Year _____<br><b>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.</b> |                              |                             |                              |
| <b>6 a</b> Enter the minimum required contribution for this plan year .....                                                                                                                                                                                                                                                                                               | <b>6a</b>                    |                             |                              |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                                                                                                                                                | <b>6b</b>                    |                             |                              |
| <b>c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....                                                                                                                                                                                                                           | <b>6c</b>                    |                             |                              |
| <b>If you completed line 6c, skip lines 8 and 9.</b>                                                                                                                                                                                                                                                                                                                      |                              |                             |                              |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                                                                                                                                        | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....                                                                                                                   | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                                |                                   |                                   |                               |                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| <b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input type="checkbox"/> No |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                              |                              |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....                                                       | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</b> If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                               | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2010  
v.092308.1

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

|                                                                                                                                                                        |            |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                               | <b>16a</b> |  |
| <b>b</b> If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers ..... | <b>16b</b> |  |

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ..... ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: \_\_\_\_\_% Investment-Grade Debt: \_\_\_\_\_% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: \_\_\_\_\_%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): \_\_\_\_\_



**LIBERTY MEDIA 401(k) SAVINGS PLAN**

Financial Statements and Supplemental Schedule

December 31, 2010 and 2009

(With Independent Auditors' Report Thereon)

## **LIBERTY MEDIA 401(k) SAVINGS PLAN**

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KPMG LLP  
Suite 2700  
707 Seventeenth Street  
Denver, CO 80202-3499

## Independent Auditors' Report

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

We have audited the accompanying statements of net assets available for participant benefits of the Liberty Media 401(k) Savings Plan (the Liberty Plan) as of December 31, 2010 and 2009, and the related statements of changes in net assets available for participant benefits for the years then ended. These financial statements are the responsibility of the Liberty Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Liberty Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 financial statements referred to above present fairly, in all material respects, the net assets available for participant benefits of the Liberty Plan as of December 31, 2010 and 2009, and the changes in net assets available for participant benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2010 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Liberty Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**KPMG LLP**

Denver, Colorado  
June 9, 2011

# LIBERTY MEDIA 401(k) SAVINGS PLAN

## Statements of Net Assets Available for Participant Benefits

December 31, 2010 and 2009

|                                                                          | <u>2010</u>            | <u>2009</u>    |
|--------------------------------------------------------------------------|------------------------|----------------|
|                                                                          | (amounts in thousands) |                |
| Investments, at fair value:                                              |                        |                |
| Liberty Capital Stock (note 1)                                           | \$ 19,823              | 7,115          |
| Liberty Interactive Stock (note 1)                                       | 24,690                 | 12,774         |
| Liberty Starz Stock (note 1)                                             | 14,727                 | 3,257          |
| DIRECTV Stock Fund (note 1)                                              | —                      | 20,489         |
| Mutual funds (note 1)                                                    | 133,301                | 106,279        |
| Brokeragelink accounts (note 1)                                          | 6,285                  | 3,692          |
|                                                                          | <u>198,826</u>         | <u>153,606</u> |
| Total investments                                                        |                        |                |
| Receivables:                                                             |                        |                |
| Receivable for unsettled stock transactions                              | 63                     | —              |
| Notes receivable from participants (notes 1 and 2)                       | 2,269                  | 1,659          |
|                                                                          | <u>2,332</u>           | <u>1,659</u>   |
| Total receivables                                                        |                        |                |
| Payable for required refund of excess contributions and earnings thereon | (1,424)                | (2,597)        |
| Payable for settlement funds received (note 5)                           | (772)                  | —              |
|                                                                          | <u>(2,196)</u>         | <u>(2,597)</u> |
| Net assets available for participant benefits                            | <u>\$ 198,962</u>      | <u>152,668</u> |

See accompanying notes to financial statements.

# LIBERTY MEDIA 401(k) SAVINGS PLAN

## Statements of Changes in Net Assets Available for Participant Benefits

Years ended December 31, 2010 and 2009

|                                                                                                  | <b>2010</b>            | <b>2009</b>    |
|--------------------------------------------------------------------------------------------------|------------------------|----------------|
|                                                                                                  | (amounts in thousands) |                |
| Contributions:                                                                                   |                        |                |
| Employer                                                                                         | \$ 10,581              | 10,725         |
| Participant                                                                                      | 13,028                 | 13,757         |
| Rollovers                                                                                        | 1,005                  | 1,011          |
|                                                                                                  | <u>24,614</u>          | <u>25,493</u>  |
| Net investment income:                                                                           |                        |                |
| Net appreciation in fair value of investments                                                    | 37,314                 | 49,129         |
| Interest and dividend income                                                                     | 2,596                  | 2,091          |
| Other income (note 5)                                                                            | 31                     | —              |
|                                                                                                  | <u>39,941</u>          | <u>51,220</u>  |
| Interest on notes receivable from participants                                                   | <u>92</u>              | <u>89</u>      |
| Total contributions, net investment income and<br>interest on notes receivable from participants | 64,647                 | 76,802         |
| Administrative expenses                                                                          | (247)                  | (215)          |
| Refund of excess contributions and earnings thereon                                              | (1,424)                | (2,597)        |
| Distributions to participants                                                                    | <u>(16,682)</u>        | <u>(8,106)</u> |
| Increase in net assets available for participant benefits                                        | 46,294                 | 65,884         |
| Net assets available for participant benefits:                                                   |                        |                |
| Beginning of year                                                                                | <u>152,668</u>         | <u>86,784</u>  |
| End of year                                                                                      | <u>\$ 198,962</u>      | <u>152,668</u> |

See accompanying notes to financial statements.

## LIBERTY MEDIA 401(k) SAVINGS PLAN

Notes to Financial Statements

December 31, 2010 and 2009

### (1) Summary of Significant Accounting Policies

#### (a) *Basis of Presentation*

The accompanying financial statements of the Liberty Media 401(k) Savings Plan (the Liberty Plan) have been prepared on the accrual basis and present the net assets available for participant benefits and the changes in those net assets. The sponsor of the Liberty Plan is Liberty Media LLC (Liberty), a wholly owned subsidiary of Liberty Media Corporation (Liberty Media).

#### (b) *Trust Fund Managed by Fidelity Management Trust Company (Trustee)*

Under the terms of a trust agreement between Liberty and the Trustee, the Trustee manages a trust fund on behalf of the Liberty Plan and has been granted authority concerning purchases and sales of investments for the trust fund. The Trustee may invest up to 100% of the assets of the Liberty Plan in employer securities without regard to any fiduciary requirement to diversify Liberty Plan assets. Additionally, the Liberty Plan is allowed to invest in nonemployer securities.

#### (c) *Fair Value Measurements*

U.S. generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1

Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

- Level 2

Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

- Level 3

Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

# LIBERTY MEDIA 401(k) SAVINGS PLAN

## Notes to Financial Statements

December 31, 2010 and 2009

The Liberty Plan's investments that are measured at fair value on a recurring basis based on unadjusted quoted prices in active markets, such as money market funds, mutual funds and equity securities, are classified within Level 1 of the fair value hierarchy as shown in the table below. Total investments of \$198,826,000 and \$153,606,000 as of December 31, 2010 and December 31, 2009, respectively, are classified as Level 1 assets. The fair value of these investments is valued as follows:

- Common stock is valued based on the closing price per the primary stock exchange in which it is traded;
- Mutual funds are valued based on the net asset value of shares held by the Liberty Plan;
- The Brokeragelink account consists of publicly traded investments that are selected by participants. These investments are valued daily based upon quoted prices in active markets or the net asset value of shares held, as applicable, depending on the type of investment held.

| Assets at fair value as of December 31, 2010 |           |                        |         |                  |
|----------------------------------------------|-----------|------------------------|---------|------------------|
| Total                                        | Level 1   | Level 2                | Level 3 | Total fair value |
|                                              |           | (amounts in thousands) |         |                  |
| Common stock                                 | \$ 59,240 | —                      | —       | 59,240           |
| Mutual funds:                                |           |                        |         |                  |
| Large Cap Growth                             | 5,641     | —                      | —       | 5,641            |
| Large Cap Value                              | 9,551     | —                      | —       | 9,551            |
| Large Cap Blend                              | 14,934    | —                      | —       | 14,934           |
| Mid Cap Blend                                | 6,079     | —                      | —       | 6,079            |
| Small Cap Growth                             | 9,886     | —                      | —       | 9,886            |
| Small Cap Value                              | 7,168     | —                      | —       | 7,168            |
| Global Stock                                 | 17,548    | —                      | —       | 17,548           |
| Bond Funds                                   | 13,819    | —                      | —       | 13,819           |
| Money Market                                 | 14,053    | —                      | —       | 14,053           |
| Target Retirement Funds                      | 34,622    | —                      | —       | 34,622           |
| Brokeragelink accounts                       | 6,285     | —                      | —       | 6,285            |
| Total assets<br>at fair value \$             | 198,826   | —                      | —       | 198,826          |

# LIBERTY MEDIA 401(k) SAVINGS PLAN

Notes to Financial Statements

December 31, 2010 and 2009

| Assets at fair value as of December 31, 2009 |           |                        |         |                  |
|----------------------------------------------|-----------|------------------------|---------|------------------|
| Total                                        | Level 1   | Level 2                | Level 3 | Total fair value |
|                                              |           | (amounts in thousands) |         |                  |
| Common stock funds                           | \$ 43,635 | —                      | —       | 43,635           |
| Mutual funds:                                |           |                        |         |                  |
| Large Cap Growth                             | 4,391     | —                      | —       | 4,391            |
| Large Cap Value                              | 7,615     | —                      | —       | 7,615            |
| Large Cap Blend                              | 11,772    | —                      | —       | 11,772           |
| Mid Cap Blend                                | 4,588     | —                      | —       | 4,588            |
| Small Cap Growth                             | 7,233     | —                      | —       | 7,233            |
| Small Cap Value                              | 4,949     | —                      | —       | 4,949            |
| Global Stock                                 | 15,434    | —                      | —       | 15,434           |
| Bond Funds                                   | 10,623    | —                      | —       | 10,623           |
| Money Market                                 | 12,522    | —                      | —       | 12,522           |
| Target Retirement Funds                      | 27,152    | —                      | —       | 27,152           |
| Brokeragelink accounts                       | 3,692     | —                      | —       | 3,692            |
| Total assets                                 |           |                        |         |                  |
| at fair value \$                             | 153,606   | —                      | —       | 153,606          |

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan's valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

## (d) Investments

During 2009 and through October 8, 2010, the Liberty Capital Stock Fund, the Liberty Interactive Stock Fund, the Liberty Starz Stock Fund, the DIRECTV Stock Fund and the Discovery Holding Stock Fund were unitized funds that were measured in units rather than shares. The Liberty Capital Stock Fund consisted mostly of Series A Liberty Capital common stock (LCAPA) with an insignificant amount of cash or cash equivalents. The Liberty Interactive Stock Fund consisted mostly of Series A Liberty Interactive common stock (LINTA) with an insignificant amount of cash or cash equivalents. The Liberty Starz Stock Fund consisted mostly of Series A Liberty Starz common stock (LSTZA) with an insignificant amount of cash or cash equivalents. The DIRECTV Stock Fund consisted mostly of DIRECTV (DTV) Series A common stock with an insignificant amount of cash or cash equivalents. Subsequent to October 8, 2010, the stock funds were converted to actual shares and currently trade in shares of stock rather than unitized shares.

Investments are reflected in the accompanying financial statements at fair value. Fair value represents the closing prices at December 31, 2010 and 2009 for those securities having readily available market quotations.

## LIBERTY MEDIA 401(k) SAVINGS PLAN

### Notes to Financial Statements

December 31, 2010 and 2009

The following closing market prices have been used to value the common stock:

|                                           | December 31 |       |
|-------------------------------------------|-------------|-------|
|                                           | 2010        | 2009  |
| Series A Liberty Capital common stock     | \$ 62.56    | 23.88 |
| Series A Liberty Interactive common stock | 15.77       | 10.84 |
| Series A Liberty Starz common stock (a)   | 66.48       | 46.15 |
| Series A DIRECTV common stock (a)         | —           | 33.35 |

(a) See Transactions Impacting Stock Funds below.

Changes in market values after the Liberty Plan's year end are not reflected in the accompanying financial statements.

Securities and investment transactions are accounted for on the trade date. The cost basis of such shares distributed is determined using the average cost method. Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis.

**(e) Notes Receivable from Participants**

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

**(f) Transactions Impacting Stock Funds**

On November 19, 2009, Liberty Media completed a split off of its wholly owned subsidiary known as Liberty Entertainment, Inc., which resulted in the following transactions involving the Plan:

- Prior to the split off, the Plan's investments included the Liberty Entertainment Series A stock Fund, which held shares of Series A Liberty Entertainment common stock (ticker symbol LMDIA), which was a tracking stock that tracked certain of Liberty Media's entertainment holdings.
- As a result of the split off, for each share of LMDIA, shareholders (including the Plan) received 0.90 shares of Liberty Entertainment, Inc. Series A Common Stock (NEW LEI) leaving 0.10 shares to remain Series A Liberty Entertainment common stock (LMDIA), and the LMDIA stock was subsequently redesignated Liberty Starz Series A Common Stock (LSTZA) which was held in a unitized stock fund in the Plan.
- Immediately following the split off, one share of NEW LEI became 1.11111 shares of DTV which was held in a unitized stock fund in the Plan. No new investments or exchanges into DTV were allowed, but DTV interests could be sold by the Plan participants at any time.

## **LIBERTY MEDIA 401(k) SAVINGS PLAN**

### **Notes to Financial Statements**

December 31, 2010 and 2009

- This transaction resulted in market value of LMDIA of \$23,515,000 being converted to NEW LEI in the amount of \$20,284,000 and to LSTZA in the amount of \$3,231,000. NEW LEI was subsequently converted to DTV in the amount of \$20,506,000, as adjusted for unrealized appreciation.

Subsequent to these transactions, and with regard to the Liberty Plan, the Plan Committee directed the Plan Trustee to sell all holdings of DTV shares that were received in the above transaction and remaining in participant accounts by May 17, 2010. Approximately \$19,462,000 of proceeds from the sale of such DTV shares were allocated in accordance with current contribution investment elections on file for each participant.

#### **(g) Distributions to Participants**

Distributions requested by participants are recorded when paid.

#### **(h) Income Taxes**

The Internal Revenue Service (the IRS) has determined and informed Liberty by a letter dated June 1, 2005 (the IRS Determination Letter), that the Liberty Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Once qualified, the Liberty Plan is required to operate in conformity with the IRC to maintain its qualification. Although the Plan has been subsequently amended, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Liberty has applied for a new IRS determination letter, but has not yet received it as of the date the financial statements were issued.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

The Plan Administrator believes it is no longer subject to income tax examinations prior to 2007.

Therefore, the plan administrator believes that the Plan is qualified and the related trust is tax-exempt as of December 31, 2010 and 2009.

#### **(i) Plan Expenses**

Any employer contribution amounts forfeited pursuant to the terms of the Liberty Plan may be used to pay Liberty Plan expenses, except that the fees charged by the Trustee for participant loans are paid by the borrowing participant. Any additional administrative expenses of the Liberty Plan are paid by Liberty.

## LIBERTY MEDIA 401(k) SAVINGS PLAN

### Notes to Financial Statements

December 31, 2010 and 2009

#### (j) *Use of Estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Significant estimates include determination of fair value of investments. Actual results could differ significantly from those estimates.

#### (2) **Description of the Liberty Plan**

The following description of the Liberty Plan is provided for general information purposes only. Participants should refer to the plan document for more complete information. The Liberty Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

##### (a) *General*

The Liberty Plan is a defined contribution plan sponsored by Liberty, which enables participating employees of Liberty and its qualifying subsidiaries to receive an interest in Liberty Media and to receive benefits upon retirement. Employees of Liberty and certain 80% or more owned subsidiaries who are at least 18 years of age are eligible to participate in the Liberty Plan either immediately upon hire or, for certain specified employees, after one year of service (as defined in the Liberty Plan document).

##### (b) *Contributions*

Subject to the IRS limitations described below, participants may make (i) pre-tax contributions to the Liberty Plan of up to 75% of their compensation, as defined and/or (ii) after-tax contributions up to 10% of their compensation. Pursuant to the terms of the Liberty Plan, Liberty and its subsidiaries may make matching contributions as follows, as approved by their respective management teams:

| <b>Percentage of participant<br/>contributions</b> | <b>Maximum match as a<br/>percentage of eligible<br/>compensation</b> |
|----------------------------------------------------|-----------------------------------------------------------------------|
| 100%                                               | 10%                                                                   |
| 50                                                 | 4                                                                     |

All participant contributions and employer matching contributions are subject to limitations as determined annually by the IRS. Employee pre-tax contributions and combined employee pre-tax, employee after-tax and employer matching contributions per participant (excluding catch-up contributions) were limited to \$16,500 and \$49,000, respectively, in 2010 and in 2009. Catch-up contributions, as defined in the Economic Growth and Tax Relief Reconciliation Act of 2001, are permitted for those eligible employees and are not matched by the employer. Liberty and its subsidiaries reserve the right to change the matching contribution amounts at any time.

## LIBERTY MEDIA 401(k) SAVINGS PLAN

### Notes to Financial Statements

December 31, 2010 and 2009

Employer contributions, including both vested and unvested employer contributions, can be invested in any investment in the Liberty Plan, including the brokerage link option, as directed by the participant.

**(c) Rollovers**

Participants may elect to rollover amounts from other qualified plans or individual retirement accounts into the Liberty Plan provided that certain conditions are met.

**(d) Participant Accounts**

Each participant's account is credited with (a) the participant's deferral contributions, (b) employer matching contributions, and (c) allocations of plan earnings and losses, as determined by the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**(e) Notes Receivable from Participants**

On September 2010, the FASB issued Accounting Standards Update (ASU) No. 2010-25, *Plan Accounting – Defined Contribution Pension Plans (Topic 962), Reporting Loans to Participants by Defined Contribution Pension Plans, a consensus of the FASB Emerging Issues Task Force (Update)*. This Update requires that participant loans be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. The amendments in the Update are to be applied retrospectively to all prior periods presented, effective for fiscal years ending after December 15, 2010. The Form 5500 will continue to present notes receivable from participants as an investment.

Participants may borrow from their fund accounts a minimum of \$1,000 up to the lesser of \$50,000 or 50% of their vested account balance. Loans, other than those transferred from other plans, must be repaid within five years and bear interest at a rate equal to the prime rate of interest in effect on the last day of the prior month to which month the loan was made plus 1%. The interest rate will be updated monthly on the first day of the following month for any changes to the prime rate that occur during any given month. Loans transferred from other plans retain the repayment terms and interest rates in effect at the time of transfer. Loans are secured by the vested balance in the participant's account. At December 31, 2010, outstanding loans had interest rates ranging from 4.25% to 9.25% and maturity dates through December 2015. Principal and interest are paid ratably through monthly payroll deductions or through the use of coupon books or automatic bank draft after termination of employment.

**(f) Forfeitures**

Forfeitures of employer contributions (due to participants' termination prior to full vesting) are first used to pay Liberty Plan expenses, with any excess used to reduce Liberty's future matching contributions. Forfeitures aggregated \$400,000 and \$290,000 during 2010 and 2009, respectively. Forfeitures of \$241,000 and \$202,000 were used to pay Liberty Plan expenses during 2010 and 2009, respectively. In addition, forfeitures of \$153,000 and \$325,000 were used to fund employer matching contributions during 2010 and 2009, respectively. Unused forfeitures aggregated \$305,000 and \$299,000 at December 31, 2010 and 2009, respectively.

## LIBERTY MEDIA 401(k) SAVINGS PLAN

Notes to Financial Statements

December 31, 2010 and 2009

### **(g) Investment Options**

As of December 31, 2010, the Liberty Plan has various investment options including fourteen mutual funds and three common stocks. The mutual funds include money market, bond and domestic and international stock funds. The stock funds range from small to large cap funds and include growth and value funds. The Liberty Plan also provides seven asset allocation funds based on target retirement dates. In addition, the Liberty Plan offers a brokerage option, Brokeragelink, whereby participants can elect to invest in publicly traded stocks and mutual funds not offered directly by the Liberty Plan. A complete list of investment options can be found on Schedule 1 to this Annual Report on Form 11-K. Plan participants may change investment options and contribution percentages on a daily basis.

### **(h) Benefit Payments**

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

### **(i) Vesting**

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

| <b>Years of service</b> | <b>Vesting percentage</b> |
|-------------------------|---------------------------|
| Less than 1             | —%                        |
| 1 year                  | 33                        |
| 2 years                 | 66                        |
| 3 years                 | 100                       |

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

### **(j) Plan Termination**

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

### **(k) Risks and Uncertainties**

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

## LIBERTY MEDIA 401(k) SAVINGS PLAN

### Notes to Financial Statements

December 31, 2010 and 2009

The Liberty Plan has concentrations of investments in the Liberty Capital Stock, the Liberty Interactive Stock, the Liberty Starz Stock as of December 31, 2010 and 2009 and the DIRECTV Stock Fund as of December 31, 2009. Changes in the values of these investment securities could materially impact the net assets available for participant benefits due to these concentrations.

### (3) Investments

The fair value of individual investments that represent 5% or more of the Liberty Plan's net assets at December 31, 2010 and 2009 is as follows:

| <b>Investment</b>                     | <b>Fair value at<br/>December 31,<br/>2010</b> |
|---------------------------------------|------------------------------------------------|
|                                       | (amounts in<br>thousands)                      |
| Liberty Interactive Stock             | \$ 24,690                                      |
| Liberty Capital Stock                 | 19,823                                         |
| Liberty Starz Stock                   | 14,727                                         |
| Fidelity Retirement Money Market Fund | 12,587                                         |
| Fidelity Freedom 2020 Fund            | 10,962                                         |
| Fidelity Freedom 2030 Fund            | 10,857                                         |
| Fidelity Spartan 500 Index Inv        | 10,619                                         |

| <b>Investment</b>                         | <b>Fair value at<br/>December 31,<br/>2009</b> |
|-------------------------------------------|------------------------------------------------|
|                                           | (amounts in<br>thousands)                      |
| DIRECTV Stock Fund                        | \$ 20,489                                      |
| Liberty Interactive Stock Fund            | 12,774                                         |
| Fidelity Retirement Money Market Fund     | 12,010                                         |
| Fidelity Freedom 2020 Fund                | 9,112                                          |
| Fidelity Spartan International Index Fund | 8,513                                          |
| Fidelity Freedom 2030 Fund                | 8,509                                          |
| Fidelity Spartan US Equity Index Inv      | 8,351                                          |

## LIBERTY MEDIA 401(k) SAVINGS PLAN

### Notes to Financial Statements

December 31, 2010 and 2009

During the years ended December 31, 2010 and 2009, the Liberty Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

|                                         | <b>Years ended December 31</b> |               |
|-----------------------------------------|--------------------------------|---------------|
|                                         | <b>2010</b>                    | <b>2009</b>   |
|                                         | (amounts in thousands)         |               |
| Liberty Entertainment Stock Fund        | \$ —                           | 12,386        |
| Liberty Capital Stock (a)               | 11,908                         | 5,232         |
| Liberty Interactive Stock (a)           | 6,821                          | 9,081         |
| New LEI Stock Fund                      | —                              | 223           |
| Liberty Starz Stock (a)                 | 3,308                          | (273)         |
| DIRECTV Stock Fund                      | 2,581                          | 915           |
| Discovery Holding Stock Fund            | —                              | 3,709         |
| Mutual funds and Brokeragelink accounts | 12,696                         | 17,856        |
|                                         | <u>\$ 37,314</u>               | <u>49,129</u> |

(a) As discussed in footnote 1, these investments were previously held in unitized funds but were converted to actual shares during the current year.

#### **(4) Related Party Transactions**

Certain plan investments are shares of registered investment companies managed by the Trustee. Therefore, these transactions qualify as party-in-interest.

#### **(5) Settlement Funds Received**

During 2010, the Plan received several checks reflecting settlement amounts (totaling approximately \$803,000) resulting from certain class action securities cases involving the employer securities held in the Plan due to a class action case brought in 1999. Because the Plan was previously part of a much larger 401(k) plan that was split up into separate plans in 1999, a significant portion of those settlement funds received by the Plan are attributable to other 401(k) plans. The Administrator has calculated and recorded as a liability an allocation of the portion of the settlement funds to those other plans of approximately \$772,000, retaining in the Plan only that portion of the settlement funds that properly is due to the Plan of approximately \$31,000.

Such amounts will be allocated to participant accounts in 2011 as provided under applicable Department of Labor guidance.

#### **(6) Subsequent Events**

During the second quarter of 2010, the Company announced that its board of directors has authorized its management to proceed with a plan to separate the Capital and Starz tracking stock groups from the Interactive tracking stock group (the proposed Split-Off).

## **LIBERTY MEDIA 401(k) SAVINGS PLAN**

Notes to Financial Statements

December 31, 2010 and 2009

The proposed Split-Off will be effected by the redemption of all the outstanding shares of Liberty Capital tracking stock and Liberty Starz tracking stock in exchange for shares in Liberty CapStarz, Inc.. Liberty CapStarz, Inc. will hold all the assets and be subject to all the liabilities attributed to the Liberty Capital and Liberty Starz tracking stock groups. The common stock of Liberty CapStarz, Inc. will be divided into two tracking stock groups, one tracking assets that are currently attributed to the Liberty Capital group (CapStarz Liberty Capital) and the other tracking assets that are currently attributed to the Liberty Starz group (CapStarz Liberty Starz). In the redemption, in each case on a one for one basis, holders of Liberty Capital common stock will receive shares of CapStarz Liberty Capital common stock and holders of Liberty Starz common stock will receive shares of CapStarz Liberty Starz common stock. After the redemption, Liberty CapStarz, Inc. and Liberty Media will be separate public companies.

The proposed Split-Off is intended to be tax-free to stockholders of Liberty and its completion will be subject to various conditions including the continued validity of an IRS private letter ruling that was issued to Liberty Media in connection with the proposed split-off, the opinions of tax counsel and required governmental approvals. On May 23, 2011 Liberty received the necessary votes of (i) a majority of the voting power of the outstanding shares of Liberty Capital tracking stock and (ii) a majority of the voting power of the outstanding shares of Liberty Starz tracking stock, in each case, present and voting, as a separate class, at a meeting called to consider the redemption, to effect the proposed Split-Off. On August 6, 2010, Liberty announced that it had filed suit in the Delaware Court of Chancery against the trustee under the indenture governing the public indebtedness issued by Liberty. The lawsuit was filed in response to allegations made by a law firm purporting to represent a holder with a large position in this public indebtedness. The lawsuit seeks a declaratory judgment by the court that the proposed split-off will not constitute a disposition of “all or substantially all” of the assets of Liberty, as those terms are used in the indenture, as well as related injunctive relief. During the second quarter of 2011, Liberty Media received a favorable ruling in its case against the trustee which was subsequently appealed. Resolution of the subject matter of this lawsuit, through a final nonappealable judgment, is a condition to Liberty Media completing the proposed split-off. Subject to the satisfaction of the conditions described above, Liberty Media intends to complete the proposed split-off in the second or third quarter of 2011.

In relation to the proposed Split-Off, immediately prior to the Split-Off, the Liberty Media 401(k) Savings Plan will be assigned to Liberty CapStarz, Inc. and Liberty CapStarz, Inc. will accept such assignment and will become the sponsor and administrator of the Plan.

## Schedule 1

## LIBERTY MEDIA 401(k) SAVINGS PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2010

| Identity of issue                               | Description of investment<br>including par value                                        | Current<br>value at<br>December 31,<br>2010<br>(amounts in<br>thousands) |
|-------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Liberty Capital Stock                           | Series A common stock, par value \$0.01<br>per share                                    | \$ 19,823                                                                |
| Liberty Interactive Stock                       | Series A common stock, par value \$0.01<br>per share                                    | 24,690                                                                   |
| Liberty Starz Stock                             | Series A common stock, par value \$0.01<br>per share                                    | 14,727                                                                   |
| ALLIANZ NFJ Small Cap Value Institutional       | Mutual fund                                                                             | 7,168                                                                    |
| American Funds Growth Fund of America R4        | Mutual fund                                                                             | 5,641                                                                    |
| Baron Growth Fund                               | Mutual fund                                                                             | 9,886                                                                    |
| Davis NY Venture A                              | Mutual fund                                                                             | 4,315                                                                    |
| Dodge & Cox Stock Fund                          | Mutual fund                                                                             | 9,551                                                                    |
| Fidelity Low-Priced Stock Fund                  | Mutual fund                                                                             | 6,079                                                                    |
| Fidelity Retirement Money Market                | Mutual fund                                                                             | 12,587                                                                   |
| Fidelity Spartan 500 Index Inv                  | Mutual fund                                                                             | 10,619                                                                   |
| Fidelity Spartan International Index Fund       | Mutual fund                                                                             | 8,603                                                                    |
| Fidelity US Treasury Money Market               | Mutual fund                                                                             | 1,466                                                                    |
| PIMCO High Yield– Administrative Class          | Mutual fund                                                                             | 4,505                                                                    |
| PIMCO Total Return – Administrative Class       | Mutual fund                                                                             | 8,038                                                                    |
| Thornburg International Value R5                | Mutual fund                                                                             | 8,945                                                                    |
| Vanguard Inflation – Protected Securities Admin | Mutual fund                                                                             | 1,276                                                                    |
| Fidelity Freedom Income Fund                    | Mutual fund                                                                             | 1,521                                                                    |
| Fidelity Freedom 2000 Fund                      | Mutual fund                                                                             | 569                                                                      |
| Fidelity Freedom 2010 Fund                      | Mutual fund                                                                             | 2,454                                                                    |
| Fidelity Freedom 2020 Fund                      | Mutual fund                                                                             | 10,962                                                                   |
| Fidelity Freedom 2030 Fund                      | Mutual fund                                                                             | 10,857                                                                   |
| Fidelity Freedom 2040 Fund                      | Mutual fund                                                                             | 7,191                                                                    |
| Fidelity Freedom 2050 Fund                      | Mutual fund                                                                             | 1,068                                                                    |
| Brokerage Link Accounts                         | Brokerage Option                                                                        | 6,285                                                                    |
| Participant loans                               | Interest rates ranging from 4.25% to 9.25% with<br>maturity dates through December 2015 | 2,269                                                                    |
|                                                 |                                                                                         | \$ 201,095                                                               |

All investments are held by Fidelity Management Trust Company, Inc., which is a party-in-interest to the Liberty Plan. Liberty Media LLC is the plan sponsor, which is a party-in-interest to the Liberty Plan.

See accompanying independent auditors' report.



**LIBERTY MEDIA 401(k) SAVINGS PLAN**

Financial Statements and Supplemental Schedule

December 31, 2010 and 2009

(With Independent Auditors' Report Thereon)

# **LIBERTY MEDIA 401(k) SAVINGS PLAN**

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KPMG LLP  
Suite 2700  
707 Seventeenth Street  
Denver, CO 80202-3499

## Independent Auditors' Report

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

We have audited the accompanying statements of net assets available for participant benefits of the Liberty Media 401(k) Savings Plan (the Liberty Plan) as of December 31, 2010 and 2009, and the related statements of changes in net assets available for participant benefits for the years then ended. These financial statements are the responsibility of the Liberty Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Liberty Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 financial statements referred to above present fairly, in all material respects, the net assets available for participant benefits of the Liberty Plan as of December 31, 2010 and 2009, and the changes in net assets available for participant benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2010 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Liberty Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**KPMG LLP**

Denver, Colorado  
June 9, 2011

# LIBERTY MEDIA 401(k) SAVINGS PLAN

## Statements of Net Assets Available for Participant Benefits

December 31, 2010 and 2009

|                                                                          | <u>2010</u>            | <u>2009</u>    |
|--------------------------------------------------------------------------|------------------------|----------------|
|                                                                          | (amounts in thousands) |                |
| Investments, at fair value:                                              |                        |                |
| Liberty Capital Stock (note 1)                                           | \$ 19,823              | 7,115          |
| Liberty Interactive Stock (note 1)                                       | 24,690                 | 12,774         |
| Liberty Starz Stock (note 1)                                             | 14,727                 | 3,257          |
| DIRECTV Stock Fund (note 1)                                              | —                      | 20,489         |
| Mutual funds (note 1)                                                    | 133,301                | 106,279        |
| Brokeragelink accounts (note 1)                                          | 6,285                  | 3,692          |
| Total investments                                                        | <u>198,826</u>         | <u>153,606</u> |
| Receivables:                                                             |                        |                |
| Receivable for unsettled stock transactions                              | 63                     | —              |
| Notes receivable from participants (notes 1 and 2)                       | 2,269                  | 1,659          |
| Total receivables                                                        | <u>2,332</u>           | <u>1,659</u>   |
| Payable for required refund of excess contributions and earnings thereon | (1,424)                | (2,597)        |
| Payable for settlement funds received (note 5)                           | (772)                  | —              |
| Net assets available for participant benefits                            | <u>\$ 198,962</u>      | <u>152,668</u> |

See accompanying notes to financial statements.

# LIBERTY MEDIA 401(k) SAVINGS PLAN

## Statements of Changes in Net Assets Available for Participant Benefits

Years ended December 31, 2010 and 2009

|                                                                                                  | <b>2010</b>            | <b>2009</b>    |
|--------------------------------------------------------------------------------------------------|------------------------|----------------|
|                                                                                                  | (amounts in thousands) |                |
| Contributions:                                                                                   |                        |                |
| Employer                                                                                         | \$ 10,581              | 10,725         |
| Participant                                                                                      | 13,028                 | 13,757         |
| Rollovers                                                                                        | 1,005                  | 1,011          |
|                                                                                                  | <u>24,614</u>          | <u>25,493</u>  |
| Net investment income:                                                                           |                        |                |
| Net appreciation in fair value of investments                                                    | 37,314                 | 49,129         |
| Interest and dividend income                                                                     | 2,596                  | 2,091          |
| Other income (note 5)                                                                            | 31                     | —              |
|                                                                                                  | <u>39,941</u>          | <u>51,220</u>  |
| Interest on notes receivable from participants                                                   | <u>92</u>              | <u>89</u>      |
| Total contributions, net investment income and<br>interest on notes receivable from participants | 64,647                 | 76,802         |
| Administrative expenses                                                                          | (247)                  | (215)          |
| Refund of excess contributions and earnings thereon                                              | (1,424)                | (2,597)        |
| Distributions to participants                                                                    | <u>(16,682)</u>        | <u>(8,106)</u> |
| Increase in net assets available for participant benefits                                        | 46,294                 | 65,884         |
| Net assets available for participant benefits:                                                   |                        |                |
| Beginning of year                                                                                | <u>152,668</u>         | <u>86,784</u>  |
| End of year                                                                                      | <u>\$ 198,962</u>      | <u>152,668</u> |

See accompanying notes to financial statements.

## LIBERTY MEDIA 401(k) SAVINGS PLAN

Notes to Financial Statements

December 31, 2010 and 2009

### (1) Summary of Significant Accounting Policies

#### (a) *Basis of Presentation*

The accompanying financial statements of the Liberty Media 401(k) Savings Plan (the Liberty Plan) have been prepared on the accrual basis and present the net assets available for participant benefits and the changes in those net assets. The sponsor of the Liberty Plan is Liberty Media LLC (Liberty), a wholly owned subsidiary of Liberty Media Corporation (Liberty Media).

#### (b) *Trust Fund Managed by Fidelity Management Trust Company (Trustee)*

Under the terms of a trust agreement between Liberty and the Trustee, the Trustee manages a trust fund on behalf of the Liberty Plan and has been granted authority concerning purchases and sales of investments for the trust fund. The Trustee may invest up to 100% of the assets of the Liberty Plan in employer securities without regard to any fiduciary requirement to diversify Liberty Plan assets. Additionally, the Liberty Plan is allowed to invest in nonemployer securities.

#### (c) *Fair Value Measurements*

U.S. generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1

Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

- Level 2

Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

- Level 3

Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

# LIBERTY MEDIA 401(k) SAVINGS PLAN

## Notes to Financial Statements

December 31, 2010 and 2009

The Liberty Plan's investments that are measured at fair value on a recurring basis based on unadjusted quoted prices in active markets, such as money market funds, mutual funds and equity securities, are classified within Level 1 of the fair value hierarchy as shown in the table below. Total investments of \$198,826,000 and \$153,606,000 as of December 31, 2010 and December 31, 2009, respectively, are classified as Level 1 assets. The fair value of these investments is valued as follows:

- Common stock is valued based on the closing price per the primary stock exchange in which it is traded;
- Mutual funds are valued based on the net asset value of shares held by the Liberty Plan;
- The Brokeragelink account consists of publicly traded investments that are selected by participants. These investments are valued daily based upon quoted prices in active markets or the net asset value of shares held, as applicable, depending on the type of investment held.

| Assets at fair value as of December 31, 2010 |           |                        |         |                  |
|----------------------------------------------|-----------|------------------------|---------|------------------|
| Total                                        | Level 1   | Level 2                | Level 3 | Total fair value |
|                                              |           | (amounts in thousands) |         |                  |
| Common stock                                 | \$ 59,240 | —                      | —       | 59,240           |
| Mutual funds:                                |           |                        |         |                  |
| Large Cap Growth                             | 5,641     | —                      | —       | 5,641            |
| Large Cap Value                              | 9,551     | —                      | —       | 9,551            |
| Large Cap Blend                              | 14,934    | —                      | —       | 14,934           |
| Mid Cap Blend                                | 6,079     | —                      | —       | 6,079            |
| Small Cap Growth                             | 9,886     | —                      | —       | 9,886            |
| Small Cap Value                              | 7,168     | —                      | —       | 7,168            |
| Global Stock                                 | 17,548    | —                      | —       | 17,548           |
| Bond Funds                                   | 13,819    | —                      | —       | 13,819           |
| Money Market                                 | 14,053    | —                      | —       | 14,053           |
| Target Retirement Funds                      | 34,622    | —                      | —       | 34,622           |
| Brokeragelink accounts                       | 6,285     | —                      | —       | 6,285            |
| Total assets<br>at fair value \$             | 198,826   | —                      | —       | 198,826          |

# LIBERTY MEDIA 401(k) SAVINGS PLAN

Notes to Financial Statements

December 31, 2010 and 2009

| Assets at fair value as of December 31, 2009 |           |                        |         |                  |
|----------------------------------------------|-----------|------------------------|---------|------------------|
| Total                                        | Level 1   | Level 2                | Level 3 | Total fair value |
|                                              |           | (amounts in thousands) |         |                  |
| Common stock funds                           | \$ 43,635 | —                      | —       | 43,635           |
| Mutual funds:                                |           |                        |         |                  |
| Large Cap Growth                             | 4,391     | —                      | —       | 4,391            |
| Large Cap Value                              | 7,615     | —                      | —       | 7,615            |
| Large Cap Blend                              | 11,772    | —                      | —       | 11,772           |
| Mid Cap Blend                                | 4,588     | —                      | —       | 4,588            |
| Small Cap Growth                             | 7,233     | —                      | —       | 7,233            |
| Small Cap Value                              | 4,949     | —                      | —       | 4,949            |
| Global Stock                                 | 15,434    | —                      | —       | 15,434           |
| Bond Funds                                   | 10,623    | —                      | —       | 10,623           |
| Money Market                                 | 12,522    | —                      | —       | 12,522           |
| Target Retirement Funds                      | 27,152    | —                      | —       | 27,152           |
| Brokeragelink accounts                       | 3,692     | —                      | —       | 3,692            |
| Total assets                                 |           |                        |         |                  |
| at fair value \$                             | 153,606   | —                      | —       | 153,606          |

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan's valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

## (d) Investments

During 2009 and through October 8, 2010, the Liberty Capital Stock Fund, the Liberty Interactive Stock Fund, the Liberty Starz Stock Fund, the DIRECTV Stock Fund and the Discovery Holding Stock Fund were unitized funds that were measured in units rather than shares. The Liberty Capital Stock Fund consisted mostly of Series A Liberty Capital common stock (LCAPA) with an insignificant amount of cash or cash equivalents. The Liberty Interactive Stock Fund consisted mostly of Series A Liberty Interactive common stock (LINTA) with an insignificant amount of cash or cash equivalents. The Liberty Starz Stock Fund consisted mostly of Series A Liberty Starz common stock (LSTZA) with an insignificant amount of cash or cash equivalents. The DIRECTV Stock Fund consisted mostly of DIRECTV (DTV) Series A common stock with an insignificant amount of cash or cash equivalents. Subsequent to October 8, 2010, the stock funds were converted to actual shares and currently trade in shares of stock rather than unitized shares.

Investments are reflected in the accompanying financial statements at fair value. Fair value represents the closing prices at December 31, 2010 and 2009 for those securities having readily available market quotations.

## LIBERTY MEDIA 401(k) SAVINGS PLAN

### Notes to Financial Statements

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The following closing market prices have been used to value the common stock:

|                                           | December 31 |       |
|-------------------------------------------|-------------|-------|
|                                           | 2010        | 2009  |
| Series A Liberty Capital common stock     | \$ 62.56    | 23.88 |
| Series A Liberty Interactive common stock | 15.77       | 10.84 |
| Series A Liberty Starz common stock (a)   | 66.48       | 46.15 |
| Series A DIRECTV common stock (a)         | —           | 33.35 |

(a) See Transactions Impacting Stock Funds below.

Changes in market values after the Liberty Plan's year end are not reflected in the accompanying financial statements.

Securities and investment transactions are accounted for on the trade date. The cost basis of such shares distributed is determined using the average cost method. Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis.

**(e) Notes Receivable from Participants**

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

**(f) Transactions Impacting Stock Funds**

On November 19, 2009, Liberty Media completed a split off of its wholly owned subsidiary known as Liberty Entertainment, Inc., which resulted in the following transactions involving the Plan:

- Prior to the split off, the Plan's investments included the Liberty Entertainment Series A stock Fund, which held shares of Series A Liberty Entertainment common stock (ticker symbol LMDIA), which was a tracking stock that tracked certain of Liberty Media's entertainment holdings.
- As a result of the split off, for each share of LMDIA, shareholders (including the Plan) received 0.90 shares of Liberty Entertainment, Inc. Series A Common Stock (NEW LEI) leaving 0.10 shares to remain Series A Liberty Entertainment common stock (LMDIA), and the LMDIA stock was subsequently redesignated Liberty Starz Series A Common Stock (LSTZA) which was held in a unitized stock fund in the Plan.
- Immediately following the split off, one share of NEW LEI became 1.11111 shares of DTV which was held in a unitized stock fund in the Plan. No new investments or exchanges into DTV were allowed, but DTV interests could be sold by the Plan participants at any time.

## **LIBERTY MEDIA 401(k) SAVINGS PLAN**

### **Notes to Financial Statements**

December 31, 2010 and 2009

- This transaction resulted in market value of LMDIA of \$23,515,000 being converted to NEW LEI in the amount of \$20,284,000 and to LSTZA in the amount of \$3,231,000. NEW LEI was subsequently converted to DTV in the amount of \$20,506,000, as adjusted for unrealized appreciation.

Subsequent to these transactions, and with regard to the Liberty Plan, the Plan Committee directed the Plan Trustee to sell all holdings of DTV shares that were received in the above transaction and remaining in participant accounts by May 17, 2010. Approximately \$19,462,000 of proceeds from the sale of such DTV shares were allocated in accordance with current contribution investment elections on file for each participant.

#### **(g) Distributions to Participants**

Distributions requested by participants are recorded when paid.

#### **(h) Income Taxes**

The Internal Revenue Service (the IRS) has determined and informed Liberty by a letter dated June 1, 2005 (the IRS Determination Letter), that the Liberty Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Once qualified, the Liberty Plan is required to operate in conformity with the IRC to maintain its qualification. Although the Plan has been subsequently amended, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Liberty has applied for a new IRS determination letter, but has not yet received it as of the date the financial statements were issued.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

The Plan Administrator believes it is no longer subject to income tax examinations prior to 2007.

Therefore, the plan administrator believes that the Plan is qualified and the related trust is tax-exempt as of December 31, 2010 and 2009.

#### **(i) Plan Expenses**

Any employer contribution amounts forfeited pursuant to the terms of the Liberty Plan may be used to pay Liberty Plan expenses, except that the fees charged by the Trustee for participant loans are paid by the borrowing participant. Any additional administrative expenses of the Liberty Plan are paid by Liberty.

## LIBERTY MEDIA 401(k) SAVINGS PLAN

### Notes to Financial Statements

December 31, 2010 and 2009

#### (j) *Use of Estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Significant estimates include determination of fair value of investments. Actual results could differ significantly from those estimates.

#### (2) **Description of the Liberty Plan**

The following description of the Liberty Plan is provided for general information purposes only. Participants should refer to the plan document for more complete information. The Liberty Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

##### (a) *General*

The Liberty Plan is a defined contribution plan sponsored by Liberty, which enables participating employees of Liberty and its qualifying subsidiaries to receive an interest in Liberty Media and to receive benefits upon retirement. Employees of Liberty and certain 80% or more owned subsidiaries who are at least 18 years of age are eligible to participate in the Liberty Plan either immediately upon hire or, for certain specified employees, after one year of service (as defined in the Liberty Plan document).

##### (b) *Contributions*

Subject to the IRS limitations described below, participants may make (i) pre-tax contributions to the Liberty Plan of up to 75% of their compensation, as defined and/or (ii) after-tax contributions up to 10% of their compensation. Pursuant to the terms of the Liberty Plan, Liberty and its subsidiaries may make matching contributions as follows, as approved by their respective management teams:

| <b>Percentage of participant<br/>contributions</b> | <b>Maximum match as a<br/>percentage of eligible<br/>compensation</b> |
|----------------------------------------------------|-----------------------------------------------------------------------|
| 100%                                               | 10%                                                                   |
| 50                                                 | 4                                                                     |

All participant contributions and employer matching contributions are subject to limitations as determined annually by the IRS. Employee pre-tax contributions and combined employee pre-tax, employee after-tax and employer matching contributions per participant (excluding catch-up contributions) were limited to \$16,500 and \$49,000, respectively, in 2010 and in 2009. Catch-up contributions, as defined in the Economic Growth and Tax Relief Reconciliation Act of 2001, are permitted for those eligible employees and are not matched by the employer. Liberty and its subsidiaries reserve the right to change the matching contribution amounts at any time.

## LIBERTY MEDIA 401(k) SAVINGS PLAN

### Notes to Financial Statements

December 31, 2010 and 2009

Employer contributions, including both vested and unvested employer contributions, can be invested in any investment in the Liberty Plan, including the brokerage link option, as directed by the participant.

**(c) Rollovers**

Participants may elect to rollover amounts from other qualified plans or individual retirement accounts into the Liberty Plan provided that certain conditions are met.

**(d) Participant Accounts**

Each participant's account is credited with (a) the participant's deferral contributions, (b) employer matching contributions, and (c) allocations of plan earnings and losses, as determined by the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**(e) Notes Receivable from Participants**

On September 2010, the FASB issued Accounting Standards Update (ASU) No. 2010-25, *Plan Accounting – Defined Contribution Pension Plans (Topic 962), Reporting Loans to Participants by Defined Contribution Pension Plans, a consensus of the FASB Emerging Issues Task Force (Update)*. This Update requires that participant loans be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. The amendments in the Update are to be applied retrospectively to all prior periods presented, effective for fiscal years ending after December 15, 2010. The Form 5500 will continue to present notes receivable from participants as an investment.

Participants may borrow from their fund accounts a minimum of \$1,000 up to the lesser of \$50,000 or 50% of their vested account balance. Loans, other than those transferred from other plans, must be repaid within five years and bear interest at a rate equal to the prime rate of interest in effect on the last day of the prior month to which month the loan was made plus 1%. The interest rate will be updated monthly on the first day of the following month for any changes to the prime rate that occur during any given month. Loans transferred from other plans retain the repayment terms and interest rates in effect at the time of transfer. Loans are secured by the vested balance in the participant's account. At December 31, 2010, outstanding loans had interest rates ranging from 4.25% to 9.25% and maturity dates through December 2015. Principal and interest are paid ratably through monthly payroll deductions or through the use of coupon books or automatic bank draft after termination of employment.

**(f) Forfeitures**

Forfeitures of employer contributions (due to participants' termination prior to full vesting) are first used to pay Liberty Plan expenses, with any excess used to reduce Liberty's future matching contributions. Forfeitures aggregated \$400,000 and \$290,000 during 2010 and 2009, respectively. Forfeitures of \$241,000 and \$202,000 were used to pay Liberty Plan expenses during 2010 and 2009, respectively. In addition, forfeitures of \$153,000 and \$325,000 were used to fund employer matching contributions during 2010 and 2009, respectively. Unused forfeitures aggregated \$305,000 and \$299,000 at December 31, 2010 and 2009, respectively.

## LIBERTY MEDIA 401(k) SAVINGS PLAN

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December 31, 2010 and 2009

### **(g) Investment Options**

As of December 31, 2010, the Liberty Plan has various investment options including fourteen mutual funds and three common stocks. The mutual funds include money market, bond and domestic and international stock funds. The stock funds range from small to large cap funds and include growth and value funds. The Liberty Plan also provides seven asset allocation funds based on target retirement dates. In addition, the Liberty Plan offers a brokerage option, Brokeragelink, whereby participants can elect to invest in publicly traded stocks and mutual funds not offered directly by the Liberty Plan. A complete list of investment options can be found on Schedule 1 to this Annual Report on Form 11-K. Plan participants may change investment options and contribution percentages on a daily basis.

### **(h) Benefit Payments**

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

### **(i) Vesting**

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

| <b>Years of service</b> | <b>Vesting percentage</b> |
|-------------------------|---------------------------|
| Less than 1             | —%                        |
| 1 year                  | 33                        |
| 2 years                 | 66                        |
| 3 years                 | 100                       |

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

### **(j) Plan Termination**

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

### **(k) Risks and Uncertainties**

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

## LIBERTY MEDIA 401(k) SAVINGS PLAN

Notes to Financial Statements

December 31, 2010 and 2009

The Liberty Plan has concentrations of investments in the Liberty Capital Stock, the Liberty Interactive Stock, the Liberty Starz Stock as of December 31, 2010 and 2009 and the DIRECTV Stock Fund as of December 31, 2009. Changes in the values of these investment securities could materially impact the net assets available for participant benefits due to these concentrations.

### (3) Investments

The fair value of individual investments that represent 5% or more of the Liberty Plan's net assets at December 31, 2010 and 2009 is as follows:

| <b>Investment</b>                     | <b>Fair value at<br/>December 31,<br/>2010</b> |
|---------------------------------------|------------------------------------------------|
|                                       | (amounts in<br>thousands)                      |
| Liberty Interactive Stock             | \$ 24,690                                      |
| Liberty Capital Stock                 | 19,823                                         |
| Liberty Starz Stock                   | 14,727                                         |
| Fidelity Retirement Money Market Fund | 12,587                                         |
| Fidelity Freedom 2020 Fund            | 10,962                                         |
| Fidelity Freedom 2030 Fund            | 10,857                                         |
| Fidelity Spartan 500 Index Inv        | 10,619                                         |

| <b>Investment</b>                         | <b>Fair value at<br/>December 31,<br/>2009</b> |
|-------------------------------------------|------------------------------------------------|
|                                           | (amounts in<br>thousands)                      |
| DIRECTV Stock Fund                        | \$ 20,489                                      |
| Liberty Interactive Stock Fund            | 12,774                                         |
| Fidelity Retirement Money Market Fund     | 12,010                                         |
| Fidelity Freedom 2020 Fund                | 9,112                                          |
| Fidelity Spartan International Index Fund | 8,513                                          |
| Fidelity Freedom 2030 Fund                | 8,509                                          |
| Fidelity Spartan US Equity Index Inv      | 8,351                                          |

## LIBERTY MEDIA 401(k) SAVINGS PLAN

Notes to Financial Statements

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During the years ended December 31, 2010 and 2009, the Liberty Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

|                                         | <b>Years ended December 31</b> |               |
|-----------------------------------------|--------------------------------|---------------|
|                                         | <b>2010</b>                    | <b>2009</b>   |
|                                         | (amounts in thousands)         |               |
| Liberty Entertainment Stock Fund        | \$ —                           | 12,386        |
| Liberty Capital Stock (a)               | 11,908                         | 5,232         |
| Liberty Interactive Stock (a)           | 6,821                          | 9,081         |
| New LEI Stock Fund                      | —                              | 223           |
| Liberty Starz Stock (a)                 | 3,308                          | (273)         |
| DIRECTV Stock Fund                      | 2,581                          | 915           |
| Discovery Holding Stock Fund            | —                              | 3,709         |
| Mutual funds and Brokeragelink accounts | 12,696                         | 17,856        |
|                                         | <u>\$ 37,314</u>               | <u>49,129</u> |

(a) As discussed in footnote 1, these investments were previously held in unitized funds but were converted to actual shares during the current year.

### **(4) Related Party Transactions**

Certain plan investments are shares of registered investment companies managed by the Trustee. Therefore, these transactions qualify as party-in-interest.

### **(5) Settlement Funds Received**

During 2010, the Plan received several checks reflecting settlement amounts (totaling approximately \$803,000) resulting from certain class action securities cases involving the employer securities held in the Plan due to a class action case brought in 1999. Because the Plan was previously part of a much larger 401(k) plan that was split up into separate plans in 1999, a significant portion of those settlement funds received by the Plan are attributable to other 401(k) plans. The Administrator has calculated and recorded as a liability an allocation of the portion of the settlement funds to those other plans of approximately \$772,000, retaining in the Plan only that portion of the settlement funds that properly is due to the Plan of approximately \$31,000.

Such amounts will be allocated to participant accounts in 2011 as provided under applicable Department of Labor guidance.

### **(6) Subsequent Events**

During the second quarter of 2010, the Company announced that its board of directors has authorized its management to proceed with a plan to separate the Capital and Starz tracking stock groups from the Interactive tracking stock group (the proposed Split-Off).

## **LIBERTY MEDIA 401(k) SAVINGS PLAN**

Notes to Financial Statements

December 31, 2010 and 2009

The proposed Split-Off will be effected by the redemption of all the outstanding shares of Liberty Capital tracking stock and Liberty Starz tracking stock in exchange for shares in Liberty CapStarz, Inc.. Liberty CapStarz, Inc. will hold all the assets and be subject to all the liabilities attributed to the Liberty Capital and Liberty Starz tracking stock groups. The common stock of Liberty CapStarz, Inc. will be divided into two tracking stock groups, one tracking assets that are currently attributed to the Liberty Capital group (CapStarz Liberty Capital) and the other tracking assets that are currently attributed to the Liberty Starz group (CapStarz Liberty Starz). In the redemption, in each case on a one for one basis, holders of Liberty Capital common stock will receive shares of CapStarz Liberty Capital common stock and holders of Liberty Starz common stock will receive shares of CapStarz Liberty Starz common stock. After the redemption, Liberty CapStarz, Inc. and Liberty Media will be separate public companies.

The proposed Split-Off is intended to be tax-free to stockholders of Liberty and its completion will be subject to various conditions including the continued validity of an IRS private letter ruling that was issued to Liberty Media in connection with the proposed split-off, the opinions of tax counsel and required governmental approvals. On May 23, 2011 Liberty received the necessary votes of (i) a majority of the voting power of the outstanding shares of Liberty Capital tracking stock and (ii) a majority of the voting power of the outstanding shares of Liberty Starz tracking stock, in each case, present and voting, as a separate class, at a meeting called to consider the redemption, to effect the proposed Split-Off. On August 6, 2010, Liberty announced that it had filed suit in the Delaware Court of Chancery against the trustee under the indenture governing the public indebtedness issued by Liberty. The lawsuit was filed in response to allegations made by a law firm purporting to represent a holder with a large position in this public indebtedness. The lawsuit seeks a declaratory judgment by the court that the proposed split-off will not constitute a disposition of “all or substantially all” of the assets of Liberty, as those terms are used in the indenture, as well as related injunctive relief. During the second quarter of 2011, Liberty Media received a favorable ruling in its case against the trustee which was subsequently appealed. Resolution of the subject matter of this lawsuit, through a final nonappealable judgment, is a condition to Liberty Media completing the proposed split-off. Subject to the satisfaction of the conditions described above, Liberty Media intends to complete the proposed split-off in the second or third quarter of 2011.

In relation to the proposed Split-Off, immediately prior to the Split-Off, the Liberty Media 401(k) Savings Plan will be assigned to Liberty CapStarz, Inc. and Liberty CapStarz, Inc. will accept such assignment and will become the sponsor and administrator of the Plan.

## Schedule 1

## LIBERTY MEDIA 401(k) SAVINGS PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2010

| Identity of issue                               | Description of investment<br>including par value                                        | Current<br>value at<br>December 31,<br>2010<br>(amounts in<br>thousands) |
|-------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Liberty Capital Stock                           | Series A common stock, par value \$0.01<br>per share                                    | \$ 19,823                                                                |
| Liberty Interactive Stock                       | Series A common stock, par value \$0.01<br>per share                                    | 24,690                                                                   |
| Liberty Starz Stock                             | Series A common stock, par value \$0.01<br>per share                                    | 14,727                                                                   |
| ALLIANZ NFJ Small Cap Value Institutional       | Mutual fund                                                                             | 7,168                                                                    |
| American Funds Growth Fund of America R4        | Mutual fund                                                                             | 5,641                                                                    |
| Baron Growth Fund                               | Mutual fund                                                                             | 9,886                                                                    |
| Davis NY Venture A                              | Mutual fund                                                                             | 4,315                                                                    |
| Dodge & Cox Stock Fund                          | Mutual fund                                                                             | 9,551                                                                    |
| Fidelity Low-Priced Stock Fund                  | Mutual fund                                                                             | 6,079                                                                    |
| Fidelity Retirement Money Market                | Mutual fund                                                                             | 12,587                                                                   |
| Fidelity Spartan 500 Index Inv                  | Mutual fund                                                                             | 10,619                                                                   |
| Fidelity Spartan International Index Fund       | Mutual fund                                                                             | 8,603                                                                    |
| Fidelity US Treasury Money Market               | Mutual fund                                                                             | 1,466                                                                    |
| PIMCO High Yield– Administrative Class          | Mutual fund                                                                             | 4,505                                                                    |
| PIMCO Total Return – Administrative Class       | Mutual fund                                                                             | 8,038                                                                    |
| Thornburg International Value R5                | Mutual fund                                                                             | 8,945                                                                    |
| Vanguard Inflation – Protected Securities Admin | Mutual fund                                                                             | 1,276                                                                    |
| Fidelity Freedom Income Fund                    | Mutual fund                                                                             | 1,521                                                                    |
| Fidelity Freedom 2000 Fund                      | Mutual fund                                                                             | 569                                                                      |
| Fidelity Freedom 2010 Fund                      | Mutual fund                                                                             | 2,454                                                                    |
| Fidelity Freedom 2020 Fund                      | Mutual fund                                                                             | 10,962                                                                   |
| Fidelity Freedom 2030 Fund                      | Mutual fund                                                                             | 10,857                                                                   |
| Fidelity Freedom 2040 Fund                      | Mutual fund                                                                             | 7,191                                                                    |
| Fidelity Freedom 2050 Fund                      | Mutual fund                                                                             | 1,068                                                                    |
| Brokerage Link Accounts                         | Brokerage Option                                                                        | 6,285                                                                    |
| Participant loans                               | Interest rates ranging from 4.25% to 9.25% with<br>maturity dates through December 2015 | 2,269                                                                    |
|                                                 |                                                                                         | \$ 201,095                                                               |

All investments are held by Fidelity Management Trust Company, Inc., which is a party-in-interest to the Liberty Plan. Liberty Media LLC is the plan sponsor, which is a party-in-interest to the Liberty Plan.

See accompanying independent auditors' report.

## ATTACHMENT - BROKERAGE LINK DETAIL

| Cusip     | Fund Family Name            | Fee Code | Rate          | Fund Name                               | City          | State | Zip        | Country | PYE Month |
|-----------|-----------------------------|----------|---------------|-----------------------------------------|---------------|-------|------------|---------|-----------|
| 008882748 | INVESCO AIM Family of Funds | 60       | 0.35%         | AIM EUROPEAN GROWTH INVESTORS           | Atlanta       | GA    | 30309      | US      | 12        |
| 025076506 | American Century Funds      | 60       | 0.28%         | AMERICAN CENTURY VALUE                  | Kansas City   | MO    | 64111      | US      | 12        |
| 025076795 | American Century Funds      | 60       | 0.28%         | AMERICAN CENTURY LARGE COMPANY FD       | Kansas City   | MO    | 64111      | US      | 12        |
| 04315J878 | Artio Global Investors      | 60       | 0.40%         | ARTIO GLOBAL HIGH INCOME FUND CL A      | New York      | NY    | 10163      | US      | 12        |
| 06828M108 | Baron Asset Funds           | 60       | 0.40%         | BARON PARTNERS FUND                     | New York      | NY    | 10153      | US      | 12        |
| 314172354 | Federated Funds             | 60       | 0.05% + 12.00 | FEDERATED PRUDENT BEAR FUND CLASS A     | Warrendale    | PA    | 15086-7515 | US      | 12        |
| 38141W869 | Goldman Sachs Funds         | 60       | 0.50%         | GOLDMAN SACHS SHORT DURATION GOV'T SCVS | Chicago       | IL    | 60606      | US      | 12        |
| 430098301 | Highland Funds              | 60       | 12.00         | HIGHLAND CAPITAL FLOATING RATE CL C     | Dallas        | TX    | 75240      | US      | 12        |
| 448108209 | Hussman Funds               | 60       | 12.00         | HUSSMAN STRATEGIC TOTAL RETURN          | Cincinnati    | OH    | 45246      | US      | 12        |
| 471023531 | Janus Funds                 | 60       | 0.33%         | JANUS GLOBAL RESEARCH CLASS J           | Denver        | CO    | 80206      | US      | 12        |
| 471023598 | Janus Funds                 | 60       | 0.33%         | PERKINS MID CAP VALUE FUND CLASS J      | Denver        | CO    | 80206      | US      | 12        |
| 471023606 | Janus Funds                 | 60       | 0.33%         | JANUS FLEXIBLE BOND FUND CLASS J        | Denver        | CO    | 80206      | US      | 12        |
| 471023655 | Janus Funds                 | 60       | 0.33%         | JANUS CONTRARIAN FUND CLASS J           | Denver        | CO    | 80206      | US      | 12        |
| 471023663 | Janus Funds                 | 60       | 0.33%         | JANUS GLOBAL TECHNOLOGY CLASS J         | Denver        | CO    | 80206      | US      | 12        |
| 471023671 | Janus Funds                 | 60       | 0.33%         | JANUS GLOBAL LIFE SCIENCES FUND CL J    | Denver        | CO    | 80206      | US      | 12        |
| 471023747 | Janus Funds                 | 60       | 0.33%         | JANUS RESEARCH CORE FUND CLASS J        | Denver        | CO    | 80206      | US      | 12        |
| 471023762 | Janus Funds                 | 60       | 0.33%         | JANUS HIGH YIELD FUND CLASS J           | Denver        | CO    | 80206      | US      | 12        |
| 471023853 | Janus Funds                 | 60       | 0.33%         | JANUS RESEARCH FUND CLASS J             | Denver        | CO    | 80206      | US      | 12        |
| 56062X807 | MainStay Funds              | 60       | 0.40%         | MAINSTAY INTL EQUITY FUND CLASS I       | Parsippany    | NJ    | 7454       | US      | 12        |
| 577130859 | Matthews Asian Funds        | 60       | 0.40%         | MATTHEWS INDIA FUND                     | San Francisco | CA    | 94111      | US      | 12        |
| 589509108 | Merger Fund                 | 60       | 0.40%         | MERGER FUND                             | Milwaukee     | WI    | 53202      | US      | 12        |
| 62845J503 | Mutuals.com Funds           | 60       | 0.40%         | VICE FUND                               | Milwaukee     | WI    | 53202      | US      | 12        |
| 653740209 | Nicholas Funds              | 60       | 0.40%         | NICHOLAS II INC CLASS N                 | Milwaukee     | WI    | 53202      | US      | 12        |
| 665162699 | Northern Funds              | 60       | 0.40%         | NORTHERN HIGH YIELD FIXED INCOME        | Chicago       | IL    | 60675      | US      | 12        |
| 701769101 | Parnassus Funds             | 60       | 0.40%         | PARNASSUS EQUITY INCOME PORTFOLIO       | San Francisco | CA    | 94105      | US      | 12        |
| 714199106 | Permanent Portfolio Fund    | 60       | 0.40%         | PERMANENT PORTFOLIO FAMILY OF FDS       | San Francisco | CA    | 94111-2702 | US      | 12        |
| 72201P308 | PIMCO Funds                 | 60       | 0.35%         | PIMCO GLOBAL MULTI ASSET FUND CL D      | New York      | NY    | 10105      | US      | 12        |
| 884116401 | Third Avenue Funds          | 60       | 16.00         | THIRD AVENUE REAL ESTATE VALUE          | New York      | NY    | 10017      | US      | 12        |
| 89155H819 | Touchstone Family of Funds  | 60       | 0.40%         | TOUCHSTONE SANDS CAP SEL GRWTH Z        | Cincinnati    | OH    | 45202-4203 | US      | 12        |
| 949915466 | Wells Fargo Funds           | 60       | 0.35%         | WELLS FARGO OPPORT. FUND-INVESTOR       | San Francisco | CA    | 94105      | US      | 12        |



**LIBERTY MEDIA 401(k) SAVINGS PLAN**

Financial Statements and Supplemental Schedule

December 31, 2010 and 2009

(With Independent Auditors' Report Thereon)

## **LIBERTY MEDIA 401(k) SAVINGS PLAN**

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707 Seventeenth Street  
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## Independent Auditors' Report

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

We have audited the accompanying statements of net assets available for participant benefits of the Liberty Media 401(k) Savings Plan (the Liberty Plan) as of December 31, 2010 and 2009, and the related statements of changes in net assets available for participant benefits for the years then ended. These financial statements are the responsibility of the Liberty Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Liberty Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 financial statements referred to above present fairly, in all material respects, the net assets available for participant benefits of the Liberty Plan as of December 31, 2010 and 2009, and the changes in net assets available for participant benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2010 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Liberty Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**KPMG LLP**

Denver, Colorado  
June 9, 2011

# LIBERTY MEDIA 401(k) SAVINGS PLAN

## Statements of Net Assets Available for Participant Benefits

December 31, 2010 and 2009

|                                                                          | <u>2010</u>            | <u>2009</u>    |
|--------------------------------------------------------------------------|------------------------|----------------|
|                                                                          | (amounts in thousands) |                |
| Investments, at fair value:                                              |                        |                |
| Liberty Capital Stock (note 1)                                           | \$ 19,823              | 7,115          |
| Liberty Interactive Stock (note 1)                                       | 24,690                 | 12,774         |
| Liberty Starz Stock (note 1)                                             | 14,727                 | 3,257          |
| DIRECTV Stock Fund (note 1)                                              | —                      | 20,489         |
| Mutual funds (note 1)                                                    | 133,301                | 106,279        |
| Brokeragelink accounts (note 1)                                          | 6,285                  | 3,692          |
| Total investments                                                        | <u>198,826</u>         | <u>153,606</u> |
| Receivables:                                                             |                        |                |
| Receivable for unsettled stock transactions                              | 63                     | —              |
| Notes receivable from participants (notes 1 and 2)                       | 2,269                  | 1,659          |
| Total receivables                                                        | <u>2,332</u>           | <u>1,659</u>   |
| Payable for required refund of excess contributions and earnings thereon | (1,424)                | (2,597)        |
| Payable for settlement funds received (note 5)                           | (772)                  | —              |
| Net assets available for participant benefits                            | <u>\$ 198,962</u>      | <u>152,668</u> |

See accompanying notes to financial statements.

# LIBERTY MEDIA 401(k) SAVINGS PLAN

## Statements of Changes in Net Assets Available for Participant Benefits

Years ended December 31, 2010 and 2009

|                                                                                                  | <b>2010</b>            | <b>2009</b>    |
|--------------------------------------------------------------------------------------------------|------------------------|----------------|
|                                                                                                  | (amounts in thousands) |                |
| Contributions:                                                                                   |                        |                |
| Employer                                                                                         | \$ 10,581              | 10,725         |
| Participant                                                                                      | 13,028                 | 13,757         |
| Rollovers                                                                                        | 1,005                  | 1,011          |
|                                                                                                  | <u>24,614</u>          | <u>25,493</u>  |
| Net investment income:                                                                           |                        |                |
| Net appreciation in fair value of investments                                                    | 37,314                 | 49,129         |
| Interest and dividend income                                                                     | 2,596                  | 2,091          |
| Other income (note 5)                                                                            | 31                     | —              |
|                                                                                                  | <u>39,941</u>          | <u>51,220</u>  |
| Interest on notes receivable from participants                                                   | <u>92</u>              | <u>89</u>      |
| Total contributions, net investment income and<br>interest on notes receivable from participants | 64,647                 | 76,802         |
| Administrative expenses                                                                          | (247)                  | (215)          |
| Refund of excess contributions and earnings thereon                                              | (1,424)                | (2,597)        |
| Distributions to participants                                                                    | <u>(16,682)</u>        | <u>(8,106)</u> |
| Increase in net assets available for participant benefits                                        | 46,294                 | 65,884         |
| Net assets available for participant benefits:                                                   |                        |                |
| Beginning of year                                                                                | <u>152,668</u>         | <u>86,784</u>  |
| End of year                                                                                      | <u>\$ 198,962</u>      | <u>152,668</u> |

See accompanying notes to financial statements.

## LIBERTY MEDIA 401(k) SAVINGS PLAN

Notes to Financial Statements

December 31, 2010 and 2009

### (1) Summary of Significant Accounting Policies

#### (a) *Basis of Presentation*

The accompanying financial statements of the Liberty Media 401(k) Savings Plan (the Liberty Plan) have been prepared on the accrual basis and present the net assets available for participant benefits and the changes in those net assets. The sponsor of the Liberty Plan is Liberty Media LLC (Liberty), a wholly owned subsidiary of Liberty Media Corporation (Liberty Media).

#### (b) *Trust Fund Managed by Fidelity Management Trust Company (Trustee)*

Under the terms of a trust agreement between Liberty and the Trustee, the Trustee manages a trust fund on behalf of the Liberty Plan and has been granted authority concerning purchases and sales of investments for the trust fund. The Trustee may invest up to 100% of the assets of the Liberty Plan in employer securities without regard to any fiduciary requirement to diversify Liberty Plan assets. Additionally, the Liberty Plan is allowed to invest in nonemployer securities.

#### (c) *Fair Value Measurements*

U.S. generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1

Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

- Level 2

Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

- Level 3

Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

# LIBERTY MEDIA 401(k) SAVINGS PLAN

## Notes to Financial Statements

December 31, 2010 and 2009

The Liberty Plan's investments that are measured at fair value on a recurring basis based on unadjusted quoted prices in active markets, such as money market funds, mutual funds and equity securities, are classified within Level 1 of the fair value hierarchy as shown in the table below. Total investments of \$198,826,000 and \$153,606,000 as of December 31, 2010 and December 31, 2009, respectively, are classified as Level 1 assets. The fair value of these investments is valued as follows:

- Common stock is valued based on the closing price per the primary stock exchange in which it is traded;
- Mutual funds are valued based on the net asset value of shares held by the Liberty Plan;
- The Brokeragelink account consists of publicly traded investments that are selected by participants. These investments are valued daily based upon quoted prices in active markets or the net asset value of shares held, as applicable, depending on the type of investment held.

| Assets at fair value as of December 31, 2010 |           |                        |         |                  |
|----------------------------------------------|-----------|------------------------|---------|------------------|
| Total                                        | Level 1   | Level 2                | Level 3 | Total fair value |
|                                              |           | (amounts in thousands) |         |                  |
| Common stock                                 | \$ 59,240 | —                      | —       | 59,240           |
| Mutual funds:                                |           |                        |         |                  |
| Large Cap Growth                             | 5,641     | —                      | —       | 5,641            |
| Large Cap Value                              | 9,551     | —                      | —       | 9,551            |
| Large Cap Blend                              | 14,934    | —                      | —       | 14,934           |
| Mid Cap Blend                                | 6,079     | —                      | —       | 6,079            |
| Small Cap Growth                             | 9,886     | —                      | —       | 9,886            |
| Small Cap Value                              | 7,168     | —                      | —       | 7,168            |
| Global Stock                                 | 17,548    | —                      | —       | 17,548           |
| Bond Funds                                   | 13,819    | —                      | —       | 13,819           |
| Money Market                                 | 14,053    | —                      | —       | 14,053           |
| Target Retirement Funds                      | 34,622    | —                      | —       | 34,622           |
| Brokeragelink accounts                       | 6,285     | —                      | —       | 6,285            |
| Total assets<br>at fair value \$             | 198,826   | —                      | —       | 198,826          |

# LIBERTY MEDIA 401(k) SAVINGS PLAN

Notes to Financial Statements

December 31, 2010 and 2009

| Assets at fair value as of December 31, 2009 |           |                        |         |                  |
|----------------------------------------------|-----------|------------------------|---------|------------------|
| Total                                        | Level 1   | Level 2                | Level 3 | Total fair value |
|                                              |           | (amounts in thousands) |         |                  |
| Common stock funds                           | \$ 43,635 | —                      | —       | 43,635           |
| Mutual funds:                                |           |                        |         |                  |
| Large Cap Growth                             | 4,391     | —                      | —       | 4,391            |
| Large Cap Value                              | 7,615     | —                      | —       | 7,615            |
| Large Cap Blend                              | 11,772    | —                      | —       | 11,772           |
| Mid Cap Blend                                | 4,588     | —                      | —       | 4,588            |
| Small Cap Growth                             | 7,233     | —                      | —       | 7,233            |
| Small Cap Value                              | 4,949     | —                      | —       | 4,949            |
| Global Stock                                 | 15,434    | —                      | —       | 15,434           |
| Bond Funds                                   | 10,623    | —                      | —       | 10,623           |
| Money Market                                 | 12,522    | —                      | —       | 12,522           |
| Target Retirement Funds                      | 27,152    | —                      | —       | 27,152           |
| Brokeragelink accounts                       | 3,692     | —                      | —       | 3,692            |
| Total assets                                 |           |                        |         |                  |
| at fair value \$                             | 153,606   | —                      | —       | 153,606          |

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan's valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

## (d) Investments

During 2009 and through October 8, 2010, the Liberty Capital Stock Fund, the Liberty Interactive Stock Fund, the Liberty Starz Stock Fund, the DIRECTV Stock Fund and the Discovery Holding Stock Fund were unitized funds that were measured in units rather than shares. The Liberty Capital Stock Fund consisted mostly of Series A Liberty Capital common stock (LCAPA) with an insignificant amount of cash or cash equivalents. The Liberty Interactive Stock Fund consisted mostly of Series A Liberty Interactive common stock (LINTA) with an insignificant amount of cash or cash equivalents. The Liberty Starz Stock Fund consisted mostly of Series A Liberty Starz common stock (LSTZA) with an insignificant amount of cash or cash equivalents. The DIRECTV Stock Fund consisted mostly of DIRECTV (DTV) Series A common stock with an insignificant amount of cash or cash equivalents. Subsequent to October 8, 2010, the stock funds were converted to actual shares and currently trade in shares of stock rather than unitized shares.

Investments are reflected in the accompanying financial statements at fair value. Fair value represents the closing prices at December 31, 2010 and 2009 for those securities having readily available market quotations.

## LIBERTY MEDIA 401(k) SAVINGS PLAN

### Notes to Financial Statements

December 31, 2010 and 2009

The following closing market prices have been used to value the common stock:

|                                           | December 31 |       |
|-------------------------------------------|-------------|-------|
|                                           | 2010        | 2009  |
| Series A Liberty Capital common stock     | \$ 62.56    | 23.88 |
| Series A Liberty Interactive common stock | 15.77       | 10.84 |
| Series A Liberty Starz common stock (a)   | 66.48       | 46.15 |
| Series A DIRECTV common stock (a)         | —           | 33.35 |

(a) See Transactions Impacting Stock Funds below.

Changes in market values after the Liberty Plan's year end are not reflected in the accompanying financial statements.

Securities and investment transactions are accounted for on the trade date. The cost basis of such shares distributed is determined using the average cost method. Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis.

**(e) Notes Receivable from Participants**

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

**(f) Transactions Impacting Stock Funds**

On November 19, 2009, Liberty Media completed a split off of its wholly owned subsidiary known as Liberty Entertainment, Inc., which resulted in the following transactions involving the Plan:

- Prior to the split off, the Plan's investments included the Liberty Entertainment Series A stock Fund, which held shares of Series A Liberty Entertainment common stock (ticker symbol LMDIA), which was a tracking stock that tracked certain of Liberty Media's entertainment holdings.
- As a result of the split off, for each share of LMDIA, shareholders (including the Plan) received 0.90 shares of Liberty Entertainment, Inc. Series A Common Stock (NEW LEI) leaving 0.10 shares to remain Series A Liberty Entertainment common stock (LMDIA), and the LMDIA stock was subsequently redesignated Liberty Starz Series A Common Stock (LSTZA) which was held in a unitized stock fund in the Plan.
- Immediately following the split off, one share of NEW LEI became 1.11111 shares of DTV which was held in a unitized stock fund in the Plan. No new investments or exchanges into DTV were allowed, but DTV interests could be sold by the Plan participants at any time.

## **LIBERTY MEDIA 401(k) SAVINGS PLAN**

### **Notes to Financial Statements**

December 31, 2010 and 2009

- This transaction resulted in market value of LMDIA of \$23,515,000 being converted to NEW LEI in the amount of \$20,284,000 and to LSTZA in the amount of \$3,231,000. NEW LEI was subsequently converted to DTV in the amount of \$20,506,000, as adjusted for unrealized appreciation.

Subsequent to these transactions, and with regard to the Liberty Plan, the Plan Committee directed the Plan Trustee to sell all holdings of DTV shares that were received in the above transaction and remaining in participant accounts by May 17, 2010. Approximately \$19,462,000 of proceeds from the sale of such DTV shares were allocated in accordance with current contribution investment elections on file for each participant.

#### **(g) Distributions to Participants**

Distributions requested by participants are recorded when paid.

#### **(h) Income Taxes**

The Internal Revenue Service (the IRS) has determined and informed Liberty by a letter dated June 1, 2005 (the IRS Determination Letter), that the Liberty Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Once qualified, the Liberty Plan is required to operate in conformity with the IRC to maintain its qualification. Although the Plan has been subsequently amended, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Liberty has applied for a new IRS determination letter, but has not yet received it as of the date the financial statements were issued.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

The Plan Administrator believes it is no longer subject to income tax examinations prior to 2007.

Therefore, the plan administrator believes that the Plan is qualified and the related trust is tax-exempt as of December 31, 2010 and 2009.

#### **(i) Plan Expenses**

Any employer contribution amounts forfeited pursuant to the terms of the Liberty Plan may be used to pay Liberty Plan expenses, except that the fees charged by the Trustee for participant loans are paid by the borrowing participant. Any additional administrative expenses of the Liberty Plan are paid by Liberty.

## LIBERTY MEDIA 401(k) SAVINGS PLAN

### Notes to Financial Statements

December 31, 2010 and 2009

#### (j) *Use of Estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Significant estimates include determination of fair value of investments. Actual results could differ significantly from those estimates.

#### (2) **Description of the Liberty Plan**

The following description of the Liberty Plan is provided for general information purposes only. Participants should refer to the plan document for more complete information. The Liberty Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

##### (a) *General*

The Liberty Plan is a defined contribution plan sponsored by Liberty, which enables participating employees of Liberty and its qualifying subsidiaries to receive an interest in Liberty Media and to receive benefits upon retirement. Employees of Liberty and certain 80% or more owned subsidiaries who are at least 18 years of age are eligible to participate in the Liberty Plan either immediately upon hire or, for certain specified employees, after one year of service (as defined in the Liberty Plan document).

##### (b) *Contributions*

Subject to the IRS limitations described below, participants may make (i) pre-tax contributions to the Liberty Plan of up to 75% of their compensation, as defined and/or (ii) after-tax contributions up to 10% of their compensation. Pursuant to the terms of the Liberty Plan, Liberty and its subsidiaries may make matching contributions as follows, as approved by their respective management teams:

| <b>Percentage of participant<br/>contributions</b> | <b>Maximum match as a<br/>percentage of eligible<br/>compensation</b> |
|----------------------------------------------------|-----------------------------------------------------------------------|
| 100%                                               | 10%                                                                   |
| 50                                                 | 4                                                                     |

All participant contributions and employer matching contributions are subject to limitations as determined annually by the IRS. Employee pre-tax contributions and combined employee pre-tax, employee after-tax and employer matching contributions per participant (excluding catch-up contributions) were limited to \$16,500 and \$49,000, respectively, in 2010 and in 2009. Catch-up contributions, as defined in the Economic Growth and Tax Relief Reconciliation Act of 2001, are permitted for those eligible employees and are not matched by the employer. Liberty and its subsidiaries reserve the right to change the matching contribution amounts at any time.

## LIBERTY MEDIA 401(k) SAVINGS PLAN

### Notes to Financial Statements

December 31, 2010 and 2009

Employer contributions, including both vested and unvested employer contributions, can be invested in any investment in the Liberty Plan, including the brokerage link option, as directed by the participant.

**(c) Rollovers**

Participants may elect to rollover amounts from other qualified plans or individual retirement accounts into the Liberty Plan provided that certain conditions are met.

**(d) Participant Accounts**

Each participant's account is credited with (a) the participant's deferral contributions, (b) employer matching contributions, and (c) allocations of plan earnings and losses, as determined by the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**(e) Notes Receivable from Participants**

On September 2010, the FASB issued Accounting Standards Update (ASU) No. 2010-25, *Plan Accounting – Defined Contribution Pension Plans (Topic 962), Reporting Loans to Participants by Defined Contribution Pension Plans, a consensus of the FASB Emerging Issues Task Force (Update)*. This Update requires that participant loans be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. The amendments in the Update are to be applied retrospectively to all prior periods presented, effective for fiscal years ending after December 15, 2010. The Form 5500 will continue to present notes receivable from participants as an investment.

Participants may borrow from their fund accounts a minimum of \$1,000 up to the lesser of \$50,000 or 50% of their vested account balance. Loans, other than those transferred from other plans, must be repaid within five years and bear interest at a rate equal to the prime rate of interest in effect on the last day of the prior month to which month the loan was made plus 1%. The interest rate will be updated monthly on the first day of the following month for any changes to the prime rate that occur during any given month. Loans transferred from other plans retain the repayment terms and interest rates in effect at the time of transfer. Loans are secured by the vested balance in the participant's account. At December 31, 2010, outstanding loans had interest rates ranging from 4.25% to 9.25% and maturity dates through December 2015. Principal and interest are paid ratably through monthly payroll deductions or through the use of coupon books or automatic bank draft after termination of employment.

**(f) Forfeitures**

Forfeitures of employer contributions (due to participants' termination prior to full vesting) are first used to pay Liberty Plan expenses, with any excess used to reduce Liberty's future matching contributions. Forfeitures aggregated \$400,000 and \$290,000 during 2010 and 2009, respectively. Forfeitures of \$241,000 and \$202,000 were used to pay Liberty Plan expenses during 2010 and 2009, respectively. In addition, forfeitures of \$153,000 and \$325,000 were used to fund employer matching contributions during 2010 and 2009, respectively. Unused forfeitures aggregated \$305,000 and \$299,000 at December 31, 2010 and 2009, respectively.

## LIBERTY MEDIA 401(k) SAVINGS PLAN

Notes to Financial Statements

December 31, 2010 and 2009

### **(g) Investment Options**

As of December 31, 2010, the Liberty Plan has various investment options including fourteen mutual funds and three common stocks. The mutual funds include money market, bond and domestic and international stock funds. The stock funds range from small to large cap funds and include growth and value funds. The Liberty Plan also provides seven asset allocation funds based on target retirement dates. In addition, the Liberty Plan offers a brokerage option, Brokeragelink, whereby participants can elect to invest in publicly traded stocks and mutual funds not offered directly by the Liberty Plan. A complete list of investment options can be found on Schedule 1 to this Annual Report on Form 11-K. Plan participants may change investment options and contribution percentages on a daily basis.

### **(h) Benefit Payments**

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

### **(i) Vesting**

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

| <b>Years of service</b> | <b>Vesting percentage</b> |
|-------------------------|---------------------------|
| Less than 1             | —%                        |
| 1 year                  | 33                        |
| 2 years                 | 66                        |
| 3 years                 | 100                       |

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

### **(j) Plan Termination**

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

### **(k) Risks and Uncertainties**

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

## LIBERTY MEDIA 401(k) SAVINGS PLAN

Notes to Financial Statements

December 31, 2010 and 2009

The Liberty Plan has concentrations of investments in the Liberty Capital Stock, the Liberty Interactive Stock, the Liberty Starz Stock as of December 31, 2010 and 2009 and the DIRECTV Stock Fund as of December 31, 2009. Changes in the values of these investment securities could materially impact the net assets available for participant benefits due to these concentrations.

### (3) Investments

The fair value of individual investments that represent 5% or more of the Liberty Plan's net assets at December 31, 2010 and 2009 is as follows:

| <b>Investment</b>                     | <b>Fair value at<br/>December 31,<br/>2010</b> |
|---------------------------------------|------------------------------------------------|
|                                       | (amounts in<br>thousands)                      |
| Liberty Interactive Stock             | \$ 24,690                                      |
| Liberty Capital Stock                 | 19,823                                         |
| Liberty Starz Stock                   | 14,727                                         |
| Fidelity Retirement Money Market Fund | 12,587                                         |
| Fidelity Freedom 2020 Fund            | 10,962                                         |
| Fidelity Freedom 2030 Fund            | 10,857                                         |
| Fidelity Spartan 500 Index Inv        | 10,619                                         |

| <b>Investment</b>                         | <b>Fair value at<br/>December 31,<br/>2009</b> |
|-------------------------------------------|------------------------------------------------|
|                                           | (amounts in<br>thousands)                      |
| DIRECTV Stock Fund                        | \$ 20,489                                      |
| Liberty Interactive Stock Fund            | 12,774                                         |
| Fidelity Retirement Money Market Fund     | 12,010                                         |
| Fidelity Freedom 2020 Fund                | 9,112                                          |
| Fidelity Spartan International Index Fund | 8,513                                          |
| Fidelity Freedom 2030 Fund                | 8,509                                          |
| Fidelity Spartan US Equity Index Inv      | 8,351                                          |

## LIBERTY MEDIA 401(k) SAVINGS PLAN

### Notes to Financial Statements

December 31, 2010 and 2009

During the years ended December 31, 2010 and 2009, the Liberty Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

|                                         | <b>Years ended December 31</b> |               |
|-----------------------------------------|--------------------------------|---------------|
|                                         | <b>2010</b>                    | <b>2009</b>   |
|                                         | (amounts in thousands)         |               |
| Liberty Entertainment Stock Fund        | \$ —                           | 12,386        |
| Liberty Capital Stock (a)               | 11,908                         | 5,232         |
| Liberty Interactive Stock (a)           | 6,821                          | 9,081         |
| New LEI Stock Fund                      | —                              | 223           |
| Liberty Starz Stock (a)                 | 3,308                          | (273)         |
| DIRECTV Stock Fund                      | 2,581                          | 915           |
| Discovery Holding Stock Fund            | —                              | 3,709         |
| Mutual funds and Brokeragelink accounts | 12,696                         | 17,856        |
|                                         | <u>\$ 37,314</u>               | <u>49,129</u> |

(a) As discussed in footnote 1, these investments were previously held in unitized funds but were converted to actual shares during the current year.

#### **(4) Related Party Transactions**

Certain plan investments are shares of registered investment companies managed by the Trustee. Therefore, these transactions qualify as party-in-interest.

#### **(5) Settlement Funds Received**

During 2010, the Plan received several checks reflecting settlement amounts (totaling approximately \$803,000) resulting from certain class action securities cases involving the employer securities held in the Plan due to a class action case brought in 1999. Because the Plan was previously part of a much larger 401(k) plan that was split up into separate plans in 1999, a significant portion of those settlement funds received by the Plan are attributable to other 401(k) plans. The Administrator has calculated and recorded as a liability an allocation of the portion of the settlement funds to those other plans of approximately \$772,000, retaining in the Plan only that portion of the settlement funds that properly is due to the Plan of approximately \$31,000.

Such amounts will be allocated to participant accounts in 2011 as provided under applicable Department of Labor guidance.

#### **(6) Subsequent Events**

During the second quarter of 2010, the Company announced that its board of directors has authorized its management to proceed with a plan to separate the Capital and Starz tracking stock groups from the Interactive tracking stock group (the proposed Split-Off).

## **LIBERTY MEDIA 401(k) SAVINGS PLAN**

Notes to Financial Statements

December 31, 2010 and 2009

The proposed Split-Off will be effected by the redemption of all the outstanding shares of Liberty Capital tracking stock and Liberty Starz tracking stock in exchange for shares in Liberty CapStarz, Inc.. Liberty CapStarz, Inc. will hold all the assets and be subject to all the liabilities attributed to the Liberty Capital and Liberty Starz tracking stock groups. The common stock of Liberty CapStarz, Inc. will be divided into two tracking stock groups, one tracking assets that are currently attributed to the Liberty Capital group (CapStarz Liberty Capital) and the other tracking assets that are currently attributed to the Liberty Starz group (CapStarz Liberty Starz). In the redemption, in each case on a one for one basis, holders of Liberty Capital common stock will receive shares of CapStarz Liberty Capital common stock and holders of Liberty Starz common stock will receive shares of CapStarz Liberty Starz common stock. After the redemption, Liberty CapStarz, Inc. and Liberty Media will be separate public companies.

The proposed Split-Off is intended to be tax-free to stockholders of Liberty and its completion will be subject to various conditions including the continued validity of an IRS private letter ruling that was issued to Liberty Media in connection with the proposed split-off, the opinions of tax counsel and required governmental approvals. On May 23, 2011 Liberty received the necessary votes of (i) a majority of the voting power of the outstanding shares of Liberty Capital tracking stock and (ii) a majority of the voting power of the outstanding shares of Liberty Starz tracking stock, in each case, present and voting, as a separate class, at a meeting called to consider the redemption, to effect the proposed Split-Off. On August 6, 2010, Liberty announced that it had filed suit in the Delaware Court of Chancery against the trustee under the indenture governing the public indebtedness issued by Liberty. The lawsuit was filed in response to allegations made by a law firm purporting to represent a holder with a large position in this public indebtedness. The lawsuit seeks a declaratory judgment by the court that the proposed split-off will not constitute a disposition of “all or substantially all” of the assets of Liberty, as those terms are used in the indenture, as well as related injunctive relief. During the second quarter of 2011, Liberty Media received a favorable ruling in its case against the trustee which was subsequently appealed. Resolution of the subject matter of this lawsuit, through a final nonappealable judgment, is a condition to Liberty Media completing the proposed split-off. Subject to the satisfaction of the conditions described above, Liberty Media intends to complete the proposed split-off in the second or third quarter of 2011.

In relation to the proposed Split-Off, immediately prior to the Split-Off, the Liberty Media 401(k) Savings Plan will be assigned to Liberty CapStarz, Inc. and Liberty CapStarz, Inc. will accept such assignment and will become the sponsor and administrator of the Plan.

## Schedule 1

## LIBERTY MEDIA 401(k) SAVINGS PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2010

| Identity of issue                               | Description of investment<br>including par value                                        | Current<br>value at<br>December 31,<br>2010<br>(amounts in<br>thousands) |
|-------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Liberty Capital Stock                           | Series A common stock, par value \$0.01<br>per share                                    | \$ 19,823                                                                |
| Liberty Interactive Stock                       | Series A common stock, par value \$0.01<br>per share                                    | 24,690                                                                   |
| Liberty Starz Stock                             | Series A common stock, par value \$0.01<br>per share                                    | 14,727                                                                   |
| ALLIANZ NFJ Small Cap Value Institutional       | Mutual fund                                                                             | 7,168                                                                    |
| American Funds Growth Fund of America R4        | Mutual fund                                                                             | 5,641                                                                    |
| Baron Growth Fund                               | Mutual fund                                                                             | 9,886                                                                    |
| Davis NY Venture A                              | Mutual fund                                                                             | 4,315                                                                    |
| Dodge & Cox Stock Fund                          | Mutual fund                                                                             | 9,551                                                                    |
| Fidelity Low-Priced Stock Fund                  | Mutual fund                                                                             | 6,079                                                                    |
| Fidelity Retirement Money Market                | Mutual fund                                                                             | 12,587                                                                   |
| Fidelity Spartan 500 Index Inv                  | Mutual fund                                                                             | 10,619                                                                   |
| Fidelity Spartan International Index Fund       | Mutual fund                                                                             | 8,603                                                                    |
| Fidelity US Treasury Money Market               | Mutual fund                                                                             | 1,466                                                                    |
| PIMCO High Yield– Administrative Class          | Mutual fund                                                                             | 4,505                                                                    |
| PIMCO Total Return – Administrative Class       | Mutual fund                                                                             | 8,038                                                                    |
| Thornburg International Value R5                | Mutual fund                                                                             | 8,945                                                                    |
| Vanguard Inflation – Protected Securities Admin | Mutual fund                                                                             | 1,276                                                                    |
| Fidelity Freedom Income Fund                    | Mutual fund                                                                             | 1,521                                                                    |
| Fidelity Freedom 2000 Fund                      | Mutual fund                                                                             | 569                                                                      |
| Fidelity Freedom 2010 Fund                      | Mutual fund                                                                             | 2,454                                                                    |
| Fidelity Freedom 2020 Fund                      | Mutual fund                                                                             | 10,962                                                                   |
| Fidelity Freedom 2030 Fund                      | Mutual fund                                                                             | 10,857                                                                   |
| Fidelity Freedom 2040 Fund                      | Mutual fund                                                                             | 7,191                                                                    |
| Fidelity Freedom 2050 Fund                      | Mutual fund                                                                             | 1,068                                                                    |
| Brokerage Link Accounts                         | Brokerage Option                                                                        | 6,285                                                                    |
| Participant loans                               | Interest rates ranging from 4.25% to 9.25% with<br>maturity dates through December 2015 | 2,269                                                                    |
|                                                 |                                                                                         | \$ 201,095                                                               |

All investments are held by Fidelity Management Trust Company, Inc., which is a party-in-interest to the Liberty Plan. Liberty Media LLC is the plan sponsor, which is a party-in-interest to the Liberty Plan.

See accompanying independent auditors' report.