

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10-Q

<Table>
<C> <S>
/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2007

OR

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

FOR THE TRANSITION PERIOD FROM TO

</Table>

COMMISSION FILE NUMBER 000-51990

LIBERTY MEDIA CORPORATION
(Exact name of Registrant as specified in its charter)

<Table>
<S> <C>
STATE OF DELAWARE 84-1288730
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

12300 LIBERTY BOULEVARD 80112
ENGLEWOOD, COLORADO (Zip Code)
(Address of principal executive offices)

</Table>

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

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

Indicate by check mark whether the Registrant is a large accelerated filer,
an accelerated filer, or a non-accelerated filer as defined in Rule 12b-2 of the
Exchange Act.

Large accelerated filer /X/ Accelerated filer / / Non-accelerated filer
/ /

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

The number of outstanding shares of Liberty Media Corporation's common stock
as of October 31, 2007 was:

Series A Liberty Capital common stock 123,154,826 shares;
Series B Liberty Capital common stock 5,988,319 shares;
Series A Liberty Interactive common stock 578,769,455 shares; and
Series B Liberty Interactive common stock 29,537,905 shares.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

<Table>
<Caption>

SEPTEMBER 30, DECEMBER 31,
2007 2006

AMOUNTS IN MILLIONS

<S> <C> <C>
ASSETS
Current assets:
Cash and cash equivalents..... \$ 3,089 3,107

Trade and other receivables, net.....	1,285	1,276
Inventory, net.....	1,015	831
Program rights.....	589	531
Financial instruments (note 12).....	169	239
Other current assets.....	129	233
Assets of discontinued operations (note 8).....	--	512
	-----	-----
Total current assets.....	6,276	6,729
	-----	-----
Investments in available-for-sale securities and other cost investments, including \$1,371 million and \$1,482 million pledged as collateral for share borrowing arrangements (note 9).....	19,807	21,622
Long-term financial instruments (note 12).....	1,226	1,340
Investments in affiliates, accounted for using the equity method.....	1,825	1,842
Investment in special purpose entity (note 10).....	750	--
Property and equipment, at cost.....	1,850	1,531
Accumulated depreciation.....	(512)	(385)
	-----	-----
	1,338	1,146
	-----	-----
Intangible assets not subject to amortization:		
Goodwill (note 11).....	7,908	7,588
Trademarks.....	2,490	2,471
Other.....	173	--
	-----	-----
	10,571	10,059
	-----	-----
Intangible assets subject to amortization, net.....	3,932	3,910
Other assets, net (note 10).....	1,740	990
	-----	-----
Total assets.....	\$47,465	47,638
	=====	=====

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)
(UNAUDITED)

<Table>
<Caption>

	SEPTEMBER 30, 2007	DECEMBER 31, 2006
	-----	-----
	AMOUNTS IN MILLIONS	
<S>	<C>	<C>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable.....	\$ 586	508
Accrued interest.....	109	214
Other accrued liabilities.....	992	1,035
Financial instruments (note 12).....	1,376	1,484
Current portion of debt (note 13).....	208	114
Other current liabilities.....	148	113
Liabilities of discontinued operations (note 8).....	--	101
	-----	-----
Total current liabilities.....	3,419	3,569
	-----	-----
Long-term debt (including \$3,901 million measured at fair value at September 30, 2007) (note 13).....	11,606	8,909
Long-term financial instruments (note 12).....	161	1,706
Deferred income tax liabilities.....	9,061	9,661
Other liabilities.....	1,496	1,870
	-----	-----
Total liabilities.....	25,743	25,715
	-----	-----
Minority interests in equity of subsidiaries (note 10).....	891	290
Stockholders' equity (note 15):		
Preferred stock, \$.01 par value. Authorized 50,000,000 shares; no shares issued.....	--	--
Series A Liberty Capital common stock, \$.01 par value. Authorized 400,000,000 shares; issued and outstanding 123,146,362 shares at September 30, 2007 and 134,503,165 shares at December 31, 2006.....	1	1
Series B Liberty Capital common stock, \$.01 par value. Authorized 25,000,000 shares; issued and outstanding 5,988,319 shares at September 30, 2007 and 6,014,680		

shares at December 31, 2006.....	--	--
Series A Liberty Interactive common stock, \$.01 par value. Authorized 2,000,000,000 shares; issued and outstanding 588,824,394 shares at September 30, 2007 and 623,061,760 shares at December 31, 2006.....	6	6
Series B Liberty Interactive common stock, \$.01 par value. Authorized 125,000,000 shares; issued and outstanding 29,538,105 shares at September 30, 2007 and 29,971,039 shares at December 31, 2006.....	--	--
Additional paid-in capital.....	26,044	28,112
Accumulated other comprehensive earnings, net of taxes....	5,328	5,952
Accumulated deficit.....	(10,548)	(12,438)
	-----	-----
Total stockholders' equity.....	20,831	21,633
	-----	-----
Commitments and contingencies (note 16)		
Total liabilities and stockholders' equity.....	\$ 47,465	47,638
	=====	=====

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See accompanying notes to condensed consolidated financial statements.

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

<Table>
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	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2007	2006	2007	2006

	AMOUNTS IN MILLIONS, EXCEPT PER SHARE AMOUNTS			
<S>	<C>	<C>	<C>	<C>
Revenue:				
Net retail sales.....	\$1,760	1,693	5,322	5,016
Communications and programming services.....	491	323	1,245	926
	-----	-----	-----	-----
	2,251	2,016	6,567	5,942
	-----	-----	-----	-----
Operating costs and expenses:				
Cost of sales.....	1,115	1,063	3,337	3,117
Operating.....	479	369	1,297	1,075
Selling, general and administrative, including stock-based compensation (note 5).....	241	201	718	599
Depreciation and amortization.....	176	147	499	434
Impairment of long-lived assets.....	41	--	41	--
	-----	-----	-----	-----
	2,052	1,780	5,892	5,225
	-----	-----	-----	-----
Operating income.....	199	236	675	717
Other income (expense):				
Interest expense.....	(173)	(177)	(468)	(485)
Dividend and interest income.....	107	71	246	166
Share of earnings (loss) of affiliates, net.....	(1)	3	24	32
Realized and unrealized gains (losses) on financial instruments, net (note 12).....	400	(73)	493	96
Gains on dispositions of assets, net.....	2	25	637	352
Nontemporary declines in fair value of investments.....	--	(4)	--	(4)
Other, net.....	2	--	7	13
	-----	-----	-----	-----
	337	(155)	939	170
	-----	-----	-----	-----
Earnings from continuing operations before income taxes and minority interests.....	536	81	1,614	887
Income tax expense.....	(215)	(13)	(45)	(253)
Minority interests in earnings of subsidiaries.....	(2)	(5)	(21)	(20)
	-----	-----	-----	-----
Earnings from continuing operations.....	319	63	1,548	614
Earnings (loss) from discontinued operations, net of taxes (note 8).....	--	--	149	(10)
Cumulative effect of accounting change, net of taxes (note 5).....	--	--	--	(89)
	-----	-----	-----	-----
Net earnings.....	\$ 319	63	1,697	515
	=====	=====	=====	=====
Net earnings (loss):				

Liberty Series A and Series B common stock.....	\$ --	--	--	94
Liberty Capital common stock.....	241	(51)	1,426	218
Liberty Interactive common stock.....	78	114	271	203
	-----	-----	-----	-----
	\$ 319	63	1,697	515
	=====	=====	=====	=====

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (CONTINUED)
(UNAUDITED)

<Table>
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	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2007	2006	2007	2006
	-----	-----	-----	-----
	AMOUNTS IN MILLIONS, EXCEPT PER SHARE AMOUNTS			
<S>	<C>	<C>	<C>	<C>
Basic earnings (loss) from continuing operations per common share (note 6):				
Liberty Series A and Series B common stock.....	\$ --	--	--	.07
Liberty Capital common stock.....	\$1.87	(.36)	9.60	1.58
Liberty Interactive common stock.....	\$.12	.17	.42	.30
Diluted earnings (loss) from continuing operations per common share (note 6):				
Liberty Series A and Series B common stock.....	\$ --	--	--	.07
Liberty Capital common stock.....	\$1.85	(.36)	9.53	1.58
Liberty Interactive common stock.....	\$.12	.17	.42	.30
Basic net earnings (loss) per common share (note 6):				
Liberty Series A and Series B common stock.....	\$ --	--	--	.03
Liberty Capital common stock.....	\$1.87	(.36)	10.72	1.56
Liberty Interactive common stock.....	\$.12	.17	.42	.30
Diluted net earnings (loss) per common share (note 6):				
Liberty Series A and Series B common stock.....	\$ --	--	--	.03
Liberty Capital common stock.....	\$1.85	(.36)	10.64	1.56
Liberty Interactive common stock.....	\$.12	.17	.42	.30

</Table>

See accompanying notes to condensed consolidated financial statements.

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS
(UNAUDITED)

<Table>
<Caption>

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2007	2006	2007	2006
	-----	-----	-----	-----
	AMOUNTS IN MILLIONS			
<S>	<C>	<C>	<C>	<C>
Net earnings.....	\$ 319	63	1,697	515
	-----	-----	-----	-----
Other comprehensive earnings (loss), net of taxes:				
Foreign currency translation adjustments.....	68	(11)	90	67
Unrealized holding gains (losses) arising during the period.....	(270)	449	(317)	1,351
Recognition of previously unrealized gains on available-for-sale securities, net.....	(1)	(10)	(397)	(25)
Other comprehensive earnings from discontinued operations (note 8).....	--	--	--	1
	-----	-----	-----	-----
Other comprehensive earnings (loss).....	(203)	428	(624)	1,394
	-----	-----	-----	-----
Comprehensive earnings.....	\$ 116	491	1,073	1,909
	=====	=====	=====	=====
Comprehensive earnings (loss):				
Liberty Series A and Series B common stock.....	\$ --	--	--	755

Liberty Capital common stock.....	194	331	970	1,025
Liberty Interactive common stock.....	(78)	160	103	129
	-----	-----	-----	-----
	\$ 116	491	1,073	1,909
	=====	=====	=====	=====

</Table>

See accompanying notes to condensed consolidated financial statements.

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<Table>
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	NINE MONTHS ENDED SEPTEMBER 30,	
	2007	2006

	AMOUNTS IN MILLIONS (NOTE 7)	
	<C>	<C>
Cash flows from operating activities:		
Net earnings.....	\$1,697	515
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Loss (earnings) from discontinued operations.....	(149)	10
Cumulative effect of accounting change.....	--	89
Depreciation and amortization.....	499	434
Impairment of long-lived assets.....	41	--
Stock-based compensation.....	57	46
Payments of stock-based compensation.....	(38)	(109)
Noncash interest expense.....	7	81
Share of earnings of affiliates, net.....	(24)	(32)
Realized and unrealized gains on financial instruments, net.....	(493)	(96)
Gains on disposition of assets, net.....	(637)	(352)
Nontemporary declines in fair value of investments.....	--	4
Minority interests in earnings of subsidiaries.....	21	20
Deferred income tax benefit.....	(74)	(96)
Other noncash charges, net.....	40	31
Changes in operating assets and liabilities, net of the effects of acquisitions and dispositions:		
Current assets.....	(245)	(220)
Payables and other current liabilities.....	(11)	261
	-----	-----
Net cash provided by operating activities.....	691	586
	-----	-----
Cash flows from investing activities:		
Cash proceeds from dispositions.....	477	925
Net proceeds (payments) from settlement of financial instruments.....	(66)	330
Cash paid for acquisitions, net of cash acquired.....	(126)	(866)
Cash received in exchange transactions.....	1,154	--
Capital expended for property and equipment.....	(254)	(182)
Net sales (purchases) of short term investments.....	(215)	12
Investments in and loans to cost and equity investees.....	(91)	(178)
Investment in special purpose entity.....	(750)	--
Net increase in restricted cash.....	(735)	--
Repurchases of subsidiary common stock.....	--	(314)
Other investing activities, net.....	(11)	61
	-----	-----
Net cash used by investing activities.....	(617)	(212)
	-----	-----
Cash flows from financing activities:		
Borrowings of debt.....	1,612	2,377
Repayments of debt.....	(351)	(1,383)
Repurchases of Liberty common stock.....	(2,126)	(731)
Contribution from minority owner.....	751	--
Other financing activities, net.....	11	(4)
	-----	-----
Net cash provided (used) by financing activities....	(103)	259
	-----	-----
Effect of foreign currency exchange rates on cash.....	10	11
	-----	-----
Net cash provided to discontinued operations:		
Cash provided by operating activities.....	8	61
Cash used by investing activities.....	(9)	(58)

Cash provided by financing activities.....	--	4
Change in available cash held by discontinued operations.....	2	(5)
	-----	-----
Net cash provided by discontinued operations.....	1	2
	-----	-----
Net increase (decrease) in cash and cash equivalents.....	(18)	646
Cash and cash equivalents at beginning of period....	3,107	1,896
	-----	-----
Cash and cash equivalents at end of period.....	\$3,089	2,542
	=====	=====

</Table>

See accompanying notes to condensed consolidated financial statements.

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(UNAUDITED)

NINE MONTHS ENDED SEPTEMBER 30, 2007

<Table>
<Caption>

	COMMON STOCK					ADDITIONAL PAID-IN CAPITAL	ACCUMULATED OTHER COMPREHENSIVE EARNINGS
	PREFERRED STOCK	LIBERTY CAPITAL		LIBERTY INTERACTIVE			
	SERIES A	SERIES B	SERIES A	SERIES B			
				AMOUNTS IN MILLIONS			
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at							
January 1, 2007.....	\$ --	1	--	6	--	28,112	5,952
Net earnings.....	--	--	--	--	--	--	--
Other comprehensive loss..	--	--	--	--	--	--	(624)
Issuance of common stock for acquisition.....	--	--	--	--	--	7	--
Cumulative effects of accounting changes, net (notes 13 and 14).....	--	--	--	--	--	--	--
Issuance of common stock upon exercise of stock options...	--	--	--	--	--	34	--
Series A Liberty Capital stock repurchases.....	--	--	--	--	--	(1,305)	--
Series A Liberty Interactive stock repurchases.....	--	--	--	--	--	(821)	--
Stock compensation...	--	--	--	--	--	29	--
Other.....	--	--	--	--	--	(12)	--
	-----	-----	-----	-----	-----	-----	-----
Balance at							
September 30, 2007.....	\$ --	1	--	6	--	26,044	5,328
	=====	=====	=====	=====	=====	=====	=====

<Caption>

	ACCUMULATED DEFICIT	TOTAL STOCKHOLDERS' EQUITY
	AMOUNTS IN MILLIONS	
	<C>	<C>
Balance at		
January 1, 2007.....	(12,438)	21,633
Net earnings.....	1,697	1,697
Other comprehensive loss..	--	(624)
Issuance of common stock for acquisition.....	--	7
Cumulative effects of accounting changes, net (notes 13 and 14).....	193	193
Issuance of common stock upon exercise		

of stock options...	--	34
Series A Liberty Capital stock repurchases.....	--	(1,305)
Series A Liberty Interactive stock repurchases.....	--	(821)
Stock compensation...	--	29
Other.....	--	(12)
	-----	-----
Balance at September 30, 2007.....	(10,548)	20,831
	=====	=====

</Table>

See accompanying notes to condensed consolidated financial statements.

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2007
(UNAUDITED)

(1) Basis of Presentation

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

Liberty, through its ownership of interests in subsidiaries and other companies, is primarily engaged in the video and on-line commerce, media, communications and entertainment industries in North America, Europe and Asia.

The accompanying interim unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X as promulgated by the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the results for such periods have been included. The results of operations for any interim period are not necessarily indicative of results for the full year. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in Liberty's Annual Report on Form 10-K for the year ended December 31, 2006.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Liberty considers (i) the estimate of the fair value of its long-lived assets (including goodwill) and any resulting impairment charges, (ii) its accounting for income taxes, (iii) the fair value of its derivative instruments, (iv) its assessment of other-than-temporary declines in fair value of its investments and (v) its estimates of retail-related adjustments and allowances to be its most significant estimates.

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

Certain prior period amounts have been reclassified for comparability with the 2007 presentation.

(2) Tracking Stocks

On May 9, 2006, Liberty completed a restructuring (the "Restructuring") pursuant to which the Company was organized as a new holding company and issued two new tracking stocks. In the Restructuring, Liberty became the new publicly traded parent company of Liberty Media LLC ("Old Liberty"). In the Restructuring, each holder of Old Liberty's common stock received for each share of Old Liberty's Series A common stock held immediately prior to the

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

the Company's Series A Liberty Interactive common stock and 0.05 of a share of the Company's Series A Liberty Capital common stock, and for each share of Old Liberty's Series B common stock held immediately prior to the Restructuring, 0.25 of a share of the Company's Series B Liberty Interactive common stock and 0.05 of a share of the Company's Series B Liberty Capital common stock, in each case, with cash in lieu of any fractional shares. Liberty is the successor reporting company to Old Liberty. Each tracking stock is intended to track and reflect the economic performance of one of two designated groups, the Interactive Group and the Capital Group, respectively.

Tracking stock is a type of common stock that the issuing company intends to reflect or "track" the economic performance of a particular business or "group," rather than the economic performance of the company as a whole. While the Interactive Group and the Capital Group have separate collections of businesses, assets and liabilities attributed to them, neither group is a separate legal entity and therefore cannot own assets, issue securities or enter into legally binding agreements. Holders of tracking stocks have no direct claim to the group's stock or assets and are not represented by separate boards of directors. Instead, holders of tracking stock are stockholders of the parent corporation, with a single board of directors and subject to all of the risks and liabilities of the parent corporation.

The term "Interactive Group" does not represent a separate legal entity, rather it represents those businesses, assets and liabilities which Liberty has attributed to that group. The assets and businesses Liberty has attributed to the Interactive Group are those engaged in video and on-line commerce, and include its interests in QVC, Inc. ("QVC"), Provide Commerce, Inc. ("Provide"), BuySeasons, Inc. ("BuySeasons"), Backcountry.com, Inc. ("Backcountry"), Expedia, Inc. and IAC/InterActiveCorp. The Interactive Group will also include such other businesses, assets and liabilities that Liberty's board of directors may in the future determine to attribute to the Interactive Group, including such other businesses and assets as Liberty may acquire for the Interactive Group. In addition, Liberty has attributed \$3,107 million principal amount (as of September 30, 2007) of its senior notes and debentures to the Interactive Group.

The term "Capital Group" also does not represent a separate legal entity, rather it represents all of Liberty's businesses, assets and liabilities other than those which have been attributed to the Interactive Group. The assets and businesses attributed to the Capital Group include Liberty's subsidiaries: Starz Entertainment, LLC ("Starz Entertainment"), Starz Media, LLC ("Starz Media"), FUN Technologies, Inc. ("FUN"), Atlanta National League Baseball Club, Inc. (the "Atlanta Braves"), Leisure Arts, Inc. ("Leisure Arts"), TruePosition, Inc. ("TruePosition") and WFRV and WJMN Television Station, Inc. ("WFRV TV Station"); its equity affiliates: GSN, LLC and WildBlue Communications, Inc.; and its interests in News Corporation, Time Warner Inc. and Sprint Nextel Corporation. The Capital Group will also include such other businesses, assets and liabilities that Liberty's board of directors may in the future determine to attribute to the Capital Group, including such other businesses and assets as Liberty may acquire for the Capital Group. In addition, Liberty has attributed \$5,231 million principal amount (as of September 30, 2007) of its senior exchangeable debentures and bank debt to the Capital Group.

See Exhibit 99.1 to this Quarterly Report on Form 10-Q for attributed financial information for Liberty's tracking stock groups.

(3) Proposed Tracking Stock

On October 23, 2007, Liberty's stockholders approved a group of related proposals to amend and restate its certificate of incorporation to reclassify the Liberty Capital common stock into two new tracking stocks, one to retain the designation Liberty Capital common stock and the other to be designated the Liberty Entertainment common stock (the "Reclassification"). Implementation of the

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Reclassification is contingent upon the completion of Liberty's exchange transaction (the "News Corporation Exchange") with News Corporation pursuant to which Liberty would exchange its approximate 16% ownership interest in News Corporation for a subsidiary of News Corporation which would hold an approximate 40% interest in The DIRECTV Group, Inc., three regional sports television networks and approximately \$588 million in cash. Consummation of the News

Corporation Exchange, which is conditioned upon receipt of certain governmental approvals and a favorable tax ruling and opinion, is expected before the end of 2007.

If the Reclassification is implemented, the Liberty Entertainment common stock would be intended to track and reflect the separate economic performance of a newly designated Entertainment Group, which would initially have attributed to it a portion of the businesses, assets and liabilities that are currently attributed to the Capital Group, including Liberty's subsidiaries Starz Entertainment and FUN, its equity interests in GSN, LLC and WildBlue Communications, Inc. and approximately \$500 million of cash and \$551 million principal amount (as of September 30, 2007) of Liberty's publicly-traded debt. In addition, Liberty would attribute to the Entertainment Group all of the businesses and assets received in the News Corporation Exchange.

Upon implementation of the Reclassification, the Capital Group would have attributed to it all of Liberty's businesses, assets and liabilities not attributed to the Interactive Group or the Entertainment Group, including its subsidiaries Starz Media, Atlanta National League Baseball Club, Inc., Leisure Arts, TruePosition and WFRV Television Station, and minority equity investments in Time Warner Inc. and Sprint Nextel Corporation. In addition, the Capital Group would have attributed to it \$3,930 million principal amount (as of September 30, 2007) of Liberty's existing publicly-traded debt and \$750 million of its bank debt.

The Reclassification would not change the businesses, assets and liabilities currently attributed to the Interactive Group.

(4) Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 157, "FAIR VALUE MEASUREMENTS" ("Statement 157"), which defines fair value, establishes a framework for measuring fair value under GAAP and expands disclosures about fair value measurements. Statement 157 applies to other accounting pronouncements that require or permit fair value measurements. The new guidance is effective for financial statements issued for fiscal years beginning after November 15, 2007, and for interim periods within those fiscal years. Liberty is currently evaluating the potential impact of the adoption of Statement 157 on its financial statements.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, "THE FAIR VALUE OPTION FOR FINANCIAL ASSETS AND FINANCIAL LIABILITIES, INCLUDING AN AMENDMENT OF FASB STATEMENT NO. 115" ("Statement 159"). Statement 159 permits entities to choose to measure many financial instruments, such as available-for-sale securities, and certain other items at fair value and to recognize the changes in fair value of such instruments in the entity's statement of operations. Currently under Statement of Financial Accounting Standards No. 115, entities are required to recognize changes in fair value of available-for-sale securities in the balance sheet in accumulated other comprehensive earnings. Statement 159 is effective as of the beginning of an entity's fiscal year that begins after November 15, 2007. Liberty is currently evaluating the potential impacts of Statement 159 on its financial statements and has not made a determination as to which of its financial instruments, if any, it will choose to apply the provisions of Statement 159.

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(5) Stock-Based Compensation

The Company has granted to certain of its employees and directors and employees of its subsidiaries options, stock appreciation rights ("SARs") and options with tandem SARs (collectively, "Awards") to purchase shares of Series A and Series B Liberty Capital common stock and Series A and Series B Liberty Interactive common stock. The Awards generally vest over a 4-5 year period and expire 7-10 years from the date of grant. Upon exercise of Awards that are settled in common stock, Liberty issues new shares from its authorized, but unissued shares.

STATEMENT 123R

Liberty accounts for compensation related to Awards granted to its employees and directors pursuant to Statement of Financial Accounting Standards No. 123 (revised 2004), "SHARE-BASED PAYMENT" ("Statement 123R"). Statement 123R established standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services, primarily focusing on transactions in which an entity obtains employee services. Statement 123R generally requires companies to measure the cost of employee services received in exchange for an award of equity instruments (such as stock options and restricted stock) based on the grant-date fair value of the award, and to recognize that cost over the period during which the employee is required to

provide service (usually the vesting period of the award). Statement 123R also requires companies to measure the cost of employee services received in exchange for an award of liability instruments (such as stock appreciation rights that will be settled in cash) based on the current fair value of the award, and to remeasure the fair value of the award at each reporting date.

The Company adopted Statement 123R effective January 1, 2006. In connection with such adoption, the Company recorded an \$89 million transition adjustment loss, net of related income taxes.

The Company has calculated the grant-date fair value for all of its equity classified awards and any subsequent remeasurement of its liability classified awards using the Black-Scholes Model. Prior to 2007, the Company calculated the expected term of the Awards using the methodology included in SEC Staff Accounting Bulletin No. 107. In 2007, the Company estimated the expected term of the Awards based on historical exercise and forfeiture data. The volatility used in the calculation for Awards granted in 2007 is 20.8% for Liberty Interactive Awards and 17.5% for Liberty Capital Awards and is based on the historical volatility of Liberty's stocks and the implied volatility of publicly traded Liberty options. The Company uses the risk-free rate for Treasury Bonds with a term similar to that of the subject options.

Included in selling, general and administrative expenses in the accompanying condensed consolidated statements of operations are the following amounts of stock-based compensation (amounts in millions):

<Table>	
<S>	
	<C>
Three months ended:	
September 30, 2007.....	\$17
September 30, 2006.....	\$(5)
Nine months ended:	
September 30, 2007.....	\$57
September 30, 2006.....	\$46
</Table>	

As of September 30, 2007, the total compensation cost related to unvested Liberty equity awards was approximately \$75 million. Such amount will be recognized in the Company's consolidated statements of operations over a weighted average period of approximately 2.1 years.

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

LIBERTY AWARDS

During the nine months ended September 30, 2007, Liberty granted 402,503 options to purchase shares of Series A Liberty Capital common stock and 4,486,814 options to purchase shares of Series A Liberty Interactive common stock to certain of its directors, officers and employees and officers and employees of certain subsidiaries. Liberty used the Black-Scholes Model to estimate the grant date fair value of such options. The Series A Liberty Capital options and the Series A Liberty Interactive options granted in 2007 had a weighted average grant-date fair value of \$27.79 and \$5.84, respectively.

The following table presents the number and weighted average exercise price ("WAEP") of options, SARs and options with tandem SARs to purchase Liberty common stock granted to certain officers, employees and directors of the Company.

<Table>							
<Caption>							
	SERIES A		SERIES B		SERIES A		SERIES
B	LIBERTY		LIBERTY		LIBERTY		
LIBERTY	CAPITAL		CAPITAL		INTERACTIVE		
INTERACTIVE	COMMON STOCK		COMMON STOCK		COMMON STOCK		COMMON STOCK
WAEP		WAEP		WAEP		WAEP	
----	-----	-----	-----	-----	-----	-----	-----
	NUMBERS OF OPTIONS IN THOUSANDS						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<C>							
Outstanding at January 1, 2007....	2,318	\$ 93.24	1,498	\$101.37	21,503	\$19.71	7,491
\$23.41							
Granted.....	403	\$109.38	--		4,487	\$21.27	--
Exercised.....	(250)	\$ 85.10	--		(1,560)	\$17.41	--
Forfeited.....	(16)	\$274.49	--		(553)	\$29.68	--

Repurchased.....	--	--	--	(510)	\$17.76	--
	----	----	----	-----		----
Outstanding at September 30, 2007.....	2,455	\$ 94.31	1,498	\$101.37	23,367	7,491
\$23.41	=====		=====		=====	=====
Exercisable at September 30, 2007.....	1,678	\$ 95.64	1,468	\$101.69	10,909	7,341
\$23.48	=====		=====		=====	=====

The following table provides additional information about outstanding options to purchase Liberty common stock at September 30, 2007.

	NO. OF	WEIGHTED	AGGREGATE	NO. OF		
AGGREGATE	OUTSTANDING	WAEP OF	INTRINSIC	EXERCISABLE	WAEP OF	
INTRINSIC	OPTIONS	OUTSTANDING	VALUE	OPTIONS	EXERCISABLE	
VALUE	(000'S)	OPTIONS	LIFE	(000'S)	(000'S)	OPTIONS
(000'S)	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Series A Capital.....	2,455	\$ 94.31	4.8 years	\$80,158	1,678	\$ 95.64
\$54,226						
Series B Capital.....	1,498	\$101.37	3.7 years	\$32,429	1,468	\$101.69
\$31,304						
Series A Interactive.....	23,367	\$ 19.95	5.4 years	\$18,541	10,909	\$ 21.06
\$ 7,473						
Series B Interactive.....	7,491	\$ 23.41	3.7 years	\$ --	7,341	\$ 23.48
\$ --						

(6) Earnings (Loss) Per Common Share

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

LIBERTY SERIES A AND SERIES B COMMON STOCK

The basic EPS calculation is based on 2,803 million weighted average outstanding shares of Liberty common stock for the period from January 1, 2006 to May 9, 2006 (the date the Restructuring was effected).

The cumulative effect of accounting change per common share for the period from January 1, 2006 to May 9, 2006 was a loss of \$0.03.

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Loss from discontinued operations per common share for the period from January 1, 2006 to May 9, 2006 was less than \$.01.

LIBERTY CAPITAL COMMON STOCK

The basic and diluted EPS calculation is based on the following weighted average outstanding shares. Excluded from diluted EPS for the nine months ended September 30, 2007 are less than 1 million potential common shares because their inclusion would be anti-dilutive.

<Table>
<Caption>

LIBERTY CAPITAL COMMON STOCK			
THREE MONTHS ENDED SEPTEMBER 30, 2007	NINE MONTHS ENDED SEPTEMBER 30, 2007	THREE MONTHS ENDED SEPTEMBER 30, 2006	PERIOD FROM MAY 10, 2006 TO SEPTEMBER 30, 2006
-----	-----	-----	-----
NUMBERS OF SHARES IN MILLIONS			
<S>	<C>	<C>	<C>

Basic EPS.....	129	133	140	140
Stock options.....	1	1	--	--
	---	---	---	---
Diluted EPS.....	130	134	140	140
	===	===	===	===

</Table>

Loss from discontinued operations per common share for each of the three and nine month periods ended September 30, 2006 was less than \$.01. Basic earnings from discontinued operations for the nine months ended September 30, 2007 was \$1.12.

LIBERTY INTERACTIVE COMMON STOCK

The basic and diluted EPS calculation is based on the following weighted average outstanding shares. Excluded from diluted EPS for the nine months ended September 30, 2007 are approximately 28 million potential common shares because their inclusion would be anti-dilutive.

<Table>
<Caption>

LIBERTY INTERACTIVE COMMON STOCK				
	THREE MONTHS ENDED SEPTEMBER 30, 2007	NINE MONTHS ENDED SEPTEMBER 30, 2007	THREE MONTHS ENDED SEPTEMBER 30, 2006	PERIOD FROM MAY 10, 2006 TO SEPTEMBER 30, 2006

	NUMBERS OF SHARES IN MILLIONS			
<S>	<C>	<C>	<C>	<C>
Basic EPS.....	628	643	671	679
Stock options.....	1	2	--	--
	---	---	---	---
Diluted EPS.....	629	645	671	679
	===	===	===	===

</Table>

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(7) Supplemental Disclosures to Statements of Cash Flows

<Table>
<Caption>

	NINE MONTHS ENDED SEPTEMBER 30,	
	2007	2006

	AMOUNTS IN MILLIONS	
<S>	<C>	<C>
Cash paid for acquisitions:		
Fair value of assets acquired.....	\$ 164	1,499
Net liabilities assumed.....	(33)	(239)
Deferred tax liabilities.....	3	(52)
Minority interest.....	(1)	(71)
Exchange of cost investment.....	--	(235)
Common stock issued.....	(7)	(36)
	-----	-----
Cash paid for acquisitions, net of cash acquired.....	\$ 126	866
	=====	=====
Available-for-sale securities exchanged for consolidated subsidiaries and cash.....	\$1,718	--
	=====	=====

</Table>

(8) Discontinued Operations

SALE OF OPENTV CORP.

On January 16, 2007, Liberty completed the sale of its controlling interest in OpenTV Corp. ("OPTV") to an unaffiliated third party for cash consideration of \$132 million, \$20 million of which was deposited in an escrow account to fund potential indemnification claims by the third party made prior to the first anniversary of the closing. Pursuant to an agreement between Liberty and OPTV, \$5.4 million of the amount received by Liberty at closing was remitted to OPTV, and OPTV will be entitled to 71.4% of any amounts released from the escrow account in the future. Liberty recognized a pre-tax gain of \$65 million upon consummation of the sale. Such gain is included in earnings from discontinued

operations in the accompanying condensed consolidated statement of operations. OPTV was attributed to the Capital Group.

SALE OF ASCENT ENTERTAINMENT GROUP, INC.

On April 4, 2007, Liberty consummated a transaction with an unaffiliated third party pursuant to which Liberty sold its 100% ownership interest in Ascent Entertainment Group, Inc. ("AEG") for \$332 million in cash and 2.05 million shares of common stock of the buyer valued at approximately \$50 million. Liberty recognized a pre-tax gain of \$163 million upon consummation of the sale. Such gain is included in earnings from discontinued operations. AEG's primary operating subsidiary is On Command Corporation. AEG was attributed to the Capital Group.

The condensed consolidated financial statements and accompanying notes of Liberty have been prepared to reflect OPTV and AEG as discontinued operations. Accordingly, the assets and liabilities, revenue, costs and expenses, and cash flows of OPTV and AEG have been excluded from the respective captions in the accompanying condensed consolidated balance sheets, statements of operations, statements of comprehensive earnings (loss) and statements of cash flows and have been reported under the heading of discontinued operations in such condensed consolidated financial statements.

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

Investments in available-for-sale securities and other cost investments are summarized as follows:

<Table>

<Caption>

	SEPTEMBER 30, 2007	DECEMBER 31, 2006
	-----	-----
	AMOUNTS IN MILLIONS	
<S>	<C>	<C>
Capital Group		
News Corporation.....	\$11,536	11,158
Time Warner Inc. ("Time Warner") (1).....	1,885	3,728
Sprint Nextel Corporation(2).....	1,660	1,651
Motorola, Inc.(3).....	1,371	1,522
Other available-for-sale equity securities(4)....	649	830
Other available-for-sale debt securities.....	361	135
Other cost investments and related receivables....	45	34
	-----	-----
Total attributed Capital Group.....	17,507	19,058
	-----	-----
Interactive Group		
IAC/InterActiveCorp.....	2,054	2,572
Other.....	246	--
	-----	-----
Total attributed Interactive Group.....	2,300	2,572
	-----	-----
Consolidated Liberty.....	19,807	21,630
Less short-term investments.....	--	(8)
	-----	-----
	\$19,807	21,622
	=====	=====

</Table>

- -----

- (1) Includes \$167 million and \$198 million of shares pledged as collateral for share borrowing arrangements at September 30, 2007 and December 31, 2006, respectively.
- (2) Includes \$171 million and \$170 million of shares pledged as collateral for share borrowing arrangements at September 30, 2007 and December 31, 2006, respectively.
- (3) Includes \$962 million and \$1,068 million of shares pledged as collateral for share borrowing arrangements at September 30, 2007 and December 31, 2006, respectively.
- (4) Includes \$71 million and \$46 million of shares pledged as collateral for share borrowing arrangements at September 30, 2007 and December 31, 2006, respectively.

On May 17, 2007, Liberty completed a transaction (the "Time Warner Exchange") with Time Warner in which Liberty exchanged approximately 68.5 million shares of Time Warner common stock valued at \$1,479 million for a subsidiary of Time Warner which holds the Atlanta Braves, Leisure Arts and \$984 million in cash. Liberty recognized a pre-tax gain of \$582 million based on the difference between the fair value and the weighted average cost basis of the Time Warner shares exchanged.

CBS CORPORATION

On April 16, 2007, Liberty completed a transaction (the "CBS Exchange") with CBS Corporation pursuant to which Liberty exchanged all of its 7.6 million shares of CBS Class B common stock valued at \$239 million for a subsidiary of CBS that holds WFRV TV Station and approximately \$170 million in

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

cash. Liberty recognized a pre-tax gain of \$31 million based on the difference between the fair value and the weighted average cost basis of the CBS shares exchanged.

On a pro forma basis, the results of operations of the Atlanta Braves, Leisure Arts and WFRV TV Station are not significant to those of Liberty for the nine months ended September 30, 2007 and 2006.

UNREALIZED HOLDING GAINS AND LOSSES

Unrealized holding gains and losses related to investments in available-for-sale securities are summarized below.

<Table>
<Caption>

	SEPTEMBER 30, 2007		DECEMBER 31, 2006	
	EQUITY SECURITIES	DEBT SECURITIES	EQUITY SECURITIES	DEBT SECURITIES
	AMOUNTS IN MILLIONS			
<S>	<C>	<C>	<C>	<C>
Gross unrealized holding gains.....	\$8,263	--	9,335	--
Gross unrealized holding losses.....	\$ (23)	(1)	(1)	--

The aggregate fair value of securities with unrealized holding losses at September 30, 2007 was \$373 million. None of these securities had unrealized losses for more than 12 continuous months.

(10) Investment in Special Purpose Entity

In April 2007, Liberty and a third party financial institution (the "Financial Institution") jointly created a series of special purpose entities (the "Investment Fund"). Pursuant to the terms of the Investment Fund, a Liberty subsidiary borrowed \$750 million from the Financial Institution with the intent to invest such proceeds in a portfolio of selected debt and mezzanine-level instruments of companies in the telecommunications, media and technology sectors (the "Debt Securities") that Liberty believes have favorable risk/return profiles. One of the special purpose entities in the Investment Fund ("MFC") is a variable interest entity of which the Financial Institution has been deemed the primary beneficiary and thus its parent for consolidation purposes. Liberty contributed the borrowed funds to MFC in exchange for a mandatorily redeemable preferred stock interest. MFC subsequently invested the proceeds as an equity investment in another special purpose entity ("LCAP Investments LLC") which will make and hold the investments in the Debt Securities. A Liberty subsidiary separately made a nominal investment in LCAP Investments LLC which allows it to serve as its Managing Member. LCAP Investments LLC is considered a variable interest entity of which Liberty is deemed the primary beneficiary as a result of various special profit and loss allocations set forth in the governing agreements. As a result, LCAP Investments LLC is treated as a consolidated subsidiary of Liberty. Liberty is required to post cash collateral for the benefit of the Financial Institution of up to 20% of the cost of the Debt Securities.

The various accounting treatment determinations noted above for MFC and LCAP Investments LLC, as prescribed by FIN 46, "CONSOLIDATION OF VARIABLE INTEREST ENTITIES," and Statement of Financial Accounting Standards No. 150, "ACCOUNTING FOR CERTAIN FINANCIAL INSTRUMENTS WITH CHARACTERISTICS OF BOTH LIABILITIES AND EQUITY," and related interpretations, have resulted in Liberty recording a balance sheet gross-up of the elements in the Investment Fund. The cash balances and Debt Securities held by LCAP Investments LLC are consolidated with Liberty and included in restricted cash and available-for-sale securities, respectively. The \$750 million of bank financing held by the Liberty subsidiary is included in

Liberty's consolidated debt balance. In addition, the preferred stock interest in MFC is presented separately as a long-term asset, and the equity interest held by MFC in LCAP Investments LLC is reflected as minority interest in Liberty's condensed consolidated balance sheet. The structural form of

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

the Investment Fund did not meet the GAAP requirements necessary to offset, net or otherwise eliminate the gross-up of balance sheet accounts.

The amount of restricted cash in the Investment Fund at September 30, 2007 is \$735 million and is reflected in other long-term assets in Liberty's condensed consolidated balance sheet.

(11) Intangible Assets

GOODWILL

Changes in the carrying amount of goodwill for the nine months ended September 30, 2007 are as follows:

<Table>

<Caption>

	QVC	STARZ ENTERTAINMENT	OTHER	TOTAL
	-----	-----	-----	-----
	AMOUNTS IN MILLIONS			
<S>	<C>	<C>	<C>	<C>
Balance at January 1, 2007.....	\$5,416	1,371	801	7,588
Acquisitions(1).....	--	--	334	334
Foreign currency translation.....	40	--	14	54
Impairment(2).....	--	--	(32)	(32)
Other(3).....	(34)	--	(2)	(36)
	-----	-----	-----	-----
Balance at September 30, 2007.....	\$5,422	1,371	1,115	7,908
	=====	=====	=====	=====

</Table>

(1) The increase in goodwill relates primarily to the Time Warner Exchange and the CBS Exchange. The amount of goodwill recorded represents the difference between the consideration given up and the estimated fair value of the assets acquired. Such goodwill is subject to adjustment pending the completion of the Company's purchase price allocation process.

(2) During the three months ended September 30, 2007, FUN recognized an impairment loss related to its sports information segment due to new competitors in the market place and the resulting loss of revenue and operating income. FUN calculated its impairment charge based on a third-party valuation of the sports information segment.

(3) Other for QVC primarily relates to the reversal of certain tax reserves in connection with the adoption of FIN 48 (see note 14). Such tax reserves were established prior to Liberty's acquisition of a controlling interest in QVC in 2003. Accordingly, the offset to the reversal of the tax reserves is a reduction of goodwill.

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AMORTIZABLE INTANGIBLE ASSETS

Amortization of intangible assets with finite useful lives was \$384 million and \$347 million for the nine months ended September 30, 2007 and 2006, respectively. Based on its current amortizable intangible assets, Liberty expects that amortization expense will be as follows for the next five years (amounts in millions):

<Table>

<S>	<C>	<C>
Remainder of 2007.....	\$131	
2008.....	\$492	
2009.....	\$444	
2010.....	\$408	
2011.....	\$381	

</Table>

(12) Financial Instruments

The Company's financial instruments are summarized as follows:

TYPE OF FINANCIAL INSTRUMENT	SEPTEMBER 30,	DECEMBER 31,
	2007	2006

	AMOUNTS IN MILLIONS	
	<C>	<C>
ASSETS		
Equity collars.....	\$1,220	1,218
Other.....	175	361
	-----	-----
	1,395	1,579
Less current portion.....	(169)	(239)
	-----	-----
	\$1,226	1,340
	=====	=====
LIABILITIES		
Borrowed shares.....	\$1,371	1,482
Exchangeable debenture call option obligations(1).....	--	1,280
Equity collars.....	132	416
Other.....	34	12
	-----	-----
	1,537	3,190
Less current portion.....	(1,376)	(1,484)
	-----	-----
	\$ 161	1,706
	=====	=====

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

	NINE MONTHS ENDED	
	SEPTEMBER 30,	
	2007	2006

	AMOUNTS IN MILLIONS	
	<C>	<C>
Senior exchangeable debentures(1).....	\$330	--
Equity collars.....	107	147
Borrowed shares.....	111	(198)
Exchangeable debenture call option obligations(1).....	--	69
Other derivatives.....	(55)	78
	-----	-----
	\$493	96
	=====	=====

(1) See note 13 regarding the accounting for the Company's senior exchangeable debentures.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(13) Long-Term Debt

Debt is summarized as follows:

	OUTSTANDING	CARRYING VALUE	
	PRINCIPAL	-----	
	SEPTEMBER 30,	SEPTEMBER 30,	DECEMBER 31,
	2007	2007	2006

	AMOUNTS IN MILLIONS		
<S>	<C>	<C>	<C>
Capital Group			
Senior exchangeable debentures			
0.75% Senior Exchangeable Debentures due 2023.....	\$ 1,750	1,921	1,637
4% Senior Exchangeable Debentures due 2029.....	869	565	254
3.75% Senior Exchangeable Debentures due 2030.....	810	474	234
3.5% Senior Exchangeable Debentures due 2031.....	501	489	238
3.25% Senior Exchangeable Debentures due 2031.....	551	452	119
Liberty bank facility.....	750	750	--
Subsidiary debt.....	96	96	158
	-----	-----	-----
Total attributed Capital Group debt.....	5,327	4,747	2,640
	-----	-----	-----
Interactive Group			
Senior notes and debentures			
7.875% Senior Notes due 2009.....	670	667	667
7.75% Senior Notes due 2009.....	233	234	234
5.7% Senior Notes due 2013.....	802	801	800
8.5% Senior Debentures due 2029.....	500	495	495
8.25% Senior Debentures due 2030.....	902	895	895
QVC bank credit facilities.....	3,900	3,900	3,225
Other subsidiary debt.....	75	75	67
	-----	-----	-----
Total attributed Interactive Group debt.....	7,082	7,067	6,383
	-----	-----	-----
Total consolidated Liberty debt.....	\$12,409	11,814	9,023
	=====	-----	-----
Less current maturities.....		(208)	(114)
		-----	-----
Total long-term debt.....		\$11,606	8,909
		=====	=====

</Table>

SENIOR EXCHANGEABLE DEBENTURES

Effective January 1, 2007, Liberty adopted Statement of Financial Accounting Standards No. 155, "ACCOUNTING FOR CERTAIN HYBRID FINANCIAL INSTRUMENTS, AN AMENDMENT OF FASB STATEMENTS NO. 133 AND 140" ("Statement 155"). Statement 155, among other things, amends Statement of Financial Accounting Standards No. 133, "ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES" ("Statement 133"), and permits fair value remeasurement of hybrid financial instruments that contain an embedded derivative that otherwise would require bifurcation. Under Statement 133, Liberty reported the fair value of the call option feature of its senior exchangeable debentures separate from the long-term debt. The long-term debt portion was reported as the difference between the face amount of the debenture and the fair value of the call option feature on the date of issuance and was accreted through interest expense to its face amount over the expected term of the debenture. Pursuant to the provisions of Statement 155, Liberty now accounts for its senior exchangeable debentures at fair value rather than bifurcating such instruments into a debt instrument and a derivative instrument.

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Decreases in the fair value of the exchangeable debentures are included in realized and unrealized gains on financial instruments in the accompanying condensed consolidated statements of operations and aggregated \$330 million for the nine months ended September 30, 2007.

In the third quarter of 2007, Liberty revised the transition adjustment for its adoption of Statement 155 to include the removal of deferred loan costs related to its senior exchangeable debentures. The impact of this revision to Liberty's condensed consolidated balance sheet was a \$47 million decrease to other assets, an \$18 million decrease to deferred tax liabilities and a \$29 million increase to accumulated deficit. Liberty does not believe this revision, which is limited to these balance sheet accounts, is material to its previously reported 2007 balance sheets.

The impact--increase/(decrease)--on Liberty's balance sheet of the adoption of Statement 155, including the aforementioned third quarter revision, is as follows (amounts in millions):

<Table>	<S>	<C>
Other assets.....	\$ (47)	
Long-term financial instrument liabilities.....	\$ (1,280)	
Long-term debt.....	\$ 1,848	
Deferred income tax liabilities.....	\$ (234)	
Accumulated deficit.....	\$ 381	

</Table>

LIBERTY BANK FACILITY

Represents borrowings related to the Investment Fund described in note 10 above. Borrowings accrue interest at a rate of LIBOR plus an applicable margin.

QVC BANK CREDIT FACILITIES

QVC is party to an unsecured \$3.5 billion bank credit facility dated March 3, 2006 (the "March 2006 Credit Agreement"). The March 2006 Credit Agreement is comprised of an \$800 million U.S. dollar term loan, an \$800 million U.S. dollar term loan, a \$600 million multi-currency term loan that was drawn in U.S. dollars, a \$650 million U.S. dollar revolving loan and a \$650 million multi-currency revolving loan. The foregoing multi-currency loans can be made, at QVC's option, in U.S. dollars, Japanese yen, U.K. pound sterling or euros. All loans are due and payable on March 3, 2011.

QVC is party to a second credit agreement dated October 4, 2006, as amended on March 20, 2007 (the "October 2006 Credit Agreement"), which provides for an additional unsecured \$1.75 billion credit facility, consisting of an \$800 million initial term loan, and \$950 million of delayed draw term loans to be made from time to time upon the request of QVC. The delayed draw term loans are available until December 31, 2007 and are subject to reductions in the principal amount available. The loans are scheduled to mature on October 4, 2011.

All loans under the March 2006 Credit Agreement and the October 2006 Credit Agreement bear interest at a rate equal to (i) LIBOR for the interest period selected by QVC plus a margin that varies based on QVC's leverage ratio or (ii) the higher of the Federal Funds Rate plus 0.50% or the prime rate announced by the respective Administrative Agent from time to time. QVC is required to pay a commitment fee quarterly in arrears on the unused portion of the commitments.

The credit agreements contain restrictive covenants regarding, among other matters, the maintenance of certain financial ratios and limitations on indebtedness, liens, encumbrances, dispositions, guarantees and dividends. QVC was in compliance with its debt covenants at September 30, 2007. QVC's ability to borrow the unused portion of its credit agreements is dependent

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

on its continuing compliance with such covenants both before and after giving effect to such additional borrowings.

QVC INTEREST RATE SWAP ARRANGEMENTS

QVC is a party to ten separate interest rate swap arrangements with an aggregate notional amount of \$2,200 million to manage the cash flow risk associated with interest payments on its variable rate debt. The swap arrangements provide for QVC to make fixed payments at rates ranging from 4.9575% to 5.2928% and to receive variable payments at 3 month LIBOR. All of the swap arrangements expire in March 2011 contemporaneously with the maturity of the March 2006 Credit Agreement. QVC is also party to an interest rate swap arrangement with a notional amount of \$500 million. This swap arrangement, which expires in September 2008, provides for QVC to make fixed payments at 4.76% and to receive variable payments at 3 month LIBOR. Liberty accounts for the swap arrangements as cash flow hedges with the effective portions of changes in the fair value reflected in other comprehensive earnings in the accompanying condensed consolidated balance sheet.

OTHER SUBSIDIARY DEBT

Other subsidiary debt at September 30, 2007, is comprised of capitalized satellite transponder lease obligations and bank debt of certain subsidiaries.

FAIR VALUE OF DEBT

Liberty estimates the fair value of its debt based on the quoted market prices for the same or similar issues or on the current rate offered to Liberty for debt of the same remaining maturities. The fair value of Liberty's publicly traded debt securities that are not reported at fair value in the accompanying condensed consolidated balance sheet at September 30, 2007 is as follows (amounts in millions):

<Table>	
<S>	<C>
Senior notes.....	\$1,677
Senior debentures.....	\$1,386
</Table>	

Liberty believes that the carrying amount of its subsidiary debt

approximated fair value at September 30, 2007.

(14) Income Taxes

FIN 48

Effective January 1, 2007, Liberty adopted FASB Interpretation No. 48, "ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES, AN INTERPRETATION OF FASB STATEMENT NO. 109" ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In instances where the Company has taken or expects to take a tax position in its tax return and the Company believes it is more likely than not that such tax position will be upheld by the relevant taxing authority, the Company may record a benefit for such tax position in its consolidated financial statements.

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The impact--increase/(decrease)--on Liberty's balance sheet of the adoption of FIN 48 is as follows (amounts in millions):

<Table>

<S>	<C>
Tax liabilities (including interest and penalties).....	\$(634)
Goodwill.....	\$ (31)
Deferred tax liabilities.....	\$ 36
Accumulated deficit.....	\$(574)
Other assets.....	\$ 7

</Table>

As of January 1, 2007, the Company had recorded tax reserves of \$422 million related to unrecognized tax benefits for uncertain tax positions. If such tax benefits were to be recognized for financial statement purposes, \$360 million would be reflected in the Company's tax expense and affect its effective tax rate. Liberty's estimate of its unrecognized tax benefits related to uncertain tax positions requires a high degree of judgment, which may be subject to change in the future.

As of September 30, 2007, the Company's 2001 and 2002 tax years are closed for federal income tax purposes, although tax loss carryforwards from those years are still subject to adjustment. The Company's tax years 2003 through 2006 are under IRS examination, and its 2007 tax year is being examined currently as part of the IRS's Compliance Assurance Process ("CAP") program. In conjunction with the CAP program, the Company expects the IRS to complete its examination of the 2003 through 2006 tax years by the third quarter of 2008. While it is reasonably possible that completion of these examinations could result in a significant change to the amount of the Company's unrecognized tax benefits, the Company is unable to provide an estimate of the range of such a change at this time.

When the tax law requires interest to be paid on an underpayment of income taxes, the Company recognizes interest expense from the first period the interest would begin accruing according to the relevant tax law. Such interest expense is included in interest expense in the accompanying condensed consolidated statements of operations. Any accrual of penalties related to underpayment of income taxes on uncertain tax positions is included in other income (expense) in the accompanying condensed consolidated statements of operations. As of January 1, 2007, the Company had recorded \$18 million of accrued interest and penalties related to uncertain tax positions.

EFFECTIVE TAX RATE

The Time Warner Exchange and the CBS Exchange qualify as IRC Section 355 transactions, and therefore do not trigger federal or state income tax obligations. In addition, upon consummation of these exchange transactions, deferred tax liabilities previously recorded for the difference between Liberty's book and tax bases in its Time Warner and CBS Corporation investments in the amount of \$354 million were reversed with an offset to income tax benefit. Accordingly, an income tax benefit adjustment of approximately \$541 million will be included in Liberty's reconciliation of computed "expected" income taxes to actual income taxes for the year ended December 31, 2007.

(15) Stockholders' Equity

As of September 30, 2007, there were 2.5 million and 1.5 million shares of Series A and Series B Liberty Capital common stock, respectively, reserved for issuance under exercise privileges of outstanding stock options.

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As of September 30, 2007, there were 23.4 million and 7.5 million shares of Series A and Series B Liberty Interactive common stock, respectively, reserved for issuance under exercise privileges of outstanding stock options.

In addition to the Series A and Series B Liberty Capital common stock and the Series A and Series B Liberty Interactive common stock, there are 300 million and 1,500 million shares of Series C Liberty Capital and Series C Liberty Interactive common stock, respectively, authorized for issuance. As of September 30, 2007, no shares of either Series C common stock were issued or outstanding.

During the nine months ended September 30, 2007, the Company repurchased 16.8 million shares of Series A Liberty Interactive common stock in the open market for aggregate cash consideration of \$337 million. Such shares were repurchased pursuant to a previously announced share repurchase program and have been retired and returned to the status of authorized and available for issuance.

In addition, on May 15, 2007, Liberty commenced a tender offer pursuant to which it sought to purchase up to 19,417,476 shares of Series A Liberty Interactive common stock at a price not greater than \$25.75 or less than \$23.75 per share. The tender offer expired on June 12, 2007, and 27,543,660 shares of Series A Liberty Interactive common stock were properly tendered at or below a purchase price of \$24.95 per share. The final proration factor was approximately 70.3952% and Liberty accepted for purchase 19,417,476 shares at a price of \$24.95 per share, or aggregate cash consideration of \$484 million.

Liberty commenced a tender offer on March 7, 2007 that it subsequently amended on March 20, 2007. Pursuant to the tender offer, as amended, Liberty sought to purchase up to 8,849,500 shares of Series A Liberty Capital common stock at a price not greater than \$113.00 or less than \$105.00 per share. The tender offer expired on April 5, 2007, and 11,858,343 shares of Series A Liberty Capital common stock were properly tendered. Liberty exercised its right to purchase an additional 2% of its outstanding Series A Liberty Capital common stock and accepted for purchase 11,540,680 shares at a price of \$113.00 per share or aggregate cash consideration of \$1,305 million (including transaction costs).

During the nine months ended September 30, 2007, the Company sold put options on Series A Liberty Capital common stock for aggregate net cash proceeds of \$3 million. As of September 30, 2007, put options with respect to approximately 1,361,000 shares of Series A Liberty Capital common stock with a weighted average put price of \$110.20 remained outstanding. Such put options expire on or before November 30, 2007. Liberty has also sold put options on Series A Liberty Interactive common stock for aggregate net cash proceeds of \$7 million. As of September 30, 2007, put options with respect to approximately 5,972,000 shares of Series A Liberty Interactive common stock with a weighted average put price of \$18.84 remained outstanding. Such put options expire on or before December 31, 2007. The Company accounts for these put options pursuant to Statement of Financial Accounting Standards No. 150, "ACCOUNTING FOR CERTAIN FINANCIAL INSTRUMENTS WITH CHARACTERISTICS OF BOTH LIABILITIES AND EQUITY." Accordingly, the put options are recorded in financial instrument liabilities at fair value, and changes in the fair value are included in realized and unrealized gains (losses) on financial instruments in the accompanying condensed consolidated statement of operations.

(16) Commitments and Contingencies

FILM RIGHTS

Starz Entertainment, a wholly-owned subsidiary of Liberty, provides video programming distributed by cable operators, direct-to-home satellite providers, other distributors and via the Internet throughout

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

the United States. Starz Entertainment has entered into agreements with a number of motion picture producers which obligate Starz Entertainment to pay fees ("Programming Fees") for the rights to exhibit certain films that are released by these producers. The unpaid balance of Programming Fees for films that were available for exhibition by Starz Entertainment at September 30, 2007 is reflected as a liability in the accompanying condensed consolidated balance sheet. The balance due as of September 30, 2007 is payable as follows: \$122 million in 2007, \$22 million in 2008 and \$18 million thereafter.

Starz Entertainment has also contracted to pay Programming Fees for the

rights to exhibit films that have been released theatrically, but are not available for exhibition by Starz Entertainment until some future date. These amounts have not been accrued at September 30, 2007. Starz Entertainment's estimate of amounts payable under these agreements is as follows: \$19 million in 2007; \$528 million in 2008; \$89 million in 2009; \$80 million in 2010; \$78 million in 2011; and \$210 million thereafter.

Prior to September 17, 2007, Starz Entertainment was obligated to pay Programming Fees for all qualifying films that are released theatrically in the United States by studios owned by Sony Pictures Entertainment ("Sony") through 2010. Sony had the right to extend its contract for an additional three years, which it elected to do on September 17, 2007. Pursuant to the terms of the contract extension, Starz Entertainment has agreed to pay Sony a total of \$190 million in four annual installments of \$47.5 million beginning in 2011. Such payments to Sony will be amortized ratably as programming expense over the extension period beginning in 2011. Such extension will also result in the payment by Starz Entertainment of Programming Fees for qualifying films released by Sony during the extension period.

In addition, Starz Entertainment is also obligated to pay Programming Fees for all qualifying films that are released theatrically in the United States by studios owned by The Walt Disney Company ("Disney") through 2009 and all qualifying films produced for theatrical release in the United States by Revolution Studios, an equity affiliate, through 2006. Disney has the right to extend its contract for an additional three years. If Disney elects to extend its contract, Starz Entertainment would not be obligated to pay any amounts in excess of its Programming Fees for qualifying films released by Disney during the extension period. The Disney option expires December 31, 2007.

Films are generally available to Starz Entertainment for exhibition 10 - 12 months after their theatrical release. The Programming Fees to be paid by Starz Entertainment under the Sony, Disney and Revolution output agreements are based on the quantity and the domestic theatrical exhibition receipts of qualifying films. As these films have not yet been released in theatres, Starz Entertainment is unable to estimate the amounts to be paid under these output agreements. However, such amounts are expected to be significant.

GUARANTEES

Liberty guarantees Starz Entertainment's obligations under certain of its studio output agreements. At September 30, 2007, Liberty's guarantee for obligations for films released by such date aggregated \$647 million. While the guarantee amount for films not yet released is not determinable, such amount is expected to be significant. As noted above, Starz Entertainment has recognized the liability for a portion of its obligations under the output agreements. As this represents a commitment of Starz Entertainment, a consolidated subsidiary of Liberty, Liberty has not recorded a separate liability for its guarantee of these obligations.

In connection with agreements for the sale of certain assets, Liberty typically retains liabilities that relate to events occurring prior to its sale, such as tax, environmental, litigation and employment

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

matters. Liberty generally indemnifies the purchaser in the event that a third party asserts a claim against the purchaser that relates to a liability retained by Liberty. These types of indemnification guarantees typically extend for a number of years. Liberty is unable to estimate the maximum potential liability for these types of indemnification guarantees as the sale agreements typically do not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, Liberty has not made any significant indemnification payments under such agreements and no amount has been accrued in the accompanying condensed consolidated financial statements with respect to these indemnification guarantees.

EMPLOYMENT CONTRACTS

The Atlanta Braves and certain of their players and coaches have entered into long-term employment contracts whereby such individuals' compensation is guaranteed. Amounts due under guaranteed contracts as of September 30, 2007 aggregated \$108 million, which is payable as follows: \$2 million in 2007, \$65 million in 2008, \$19 million in 2009 and \$22 million thereafter. In addition to the foregoing amounts, certain players and coaches may earn incentive compensation under the terms of their employment contracts.

OPERATING LEASES

Liberty and its subsidiaries lease business offices and other facilities, have entered into satellite transponder lease agreements and use certain

equipment under lease arrangements.

LITIGATION

Liberty has contingent liabilities related to legal and tax proceedings and other matters arising in the ordinary course of business. Although it is reasonably possible Liberty may incur losses upon conclusion of such matters, an estimate of any loss or range of loss cannot be made. In the opinion of management, it is expected that amounts, if any, which may be required to satisfy such contingencies will not be material in relation to the accompanying condensed consolidated financial statements.

INCOME TAXES

Since the date Liberty issued its exchangeable debentures, it has claimed interest deductions on such exchangeable debentures for federal income tax purposes based on the "comparable yield" at which it could have issued a fixed-rate debenture with similar terms and conditions. In all instances, this position has resulted in Liberty claiming interest deductions significantly in excess of the cash interest currently paid on its exchangeable debentures. In this regard, Liberty has deducted \$2,697 million in cumulative interest expense associated with the exchangeable debentures since the Company's 2001 split-off from AT&T. Of that amount, \$820 million represents cash interest payments. Interest deducted in prior years on its exchangeable debentures has contributed to net operating losses ("NOLs") or offsets to taxable income earned in prior taxable years and is offsetting taxable income earned in the current year.

In connection with the IRS' examination of Liberty's 2003 through 2006 tax returns, and consistent with the position espoused in the previously issued Technical Advice Memorandums to other taxpayers, the IRS has notified Liberty that it believes the interest expense on Liberty's exchangeable debentures is not deductible for the period following Liberty's split-off from AT&T. If the IRS were to prevail in its proposed treatment, in its entirety, Liberty's NOLs would be eliminated and Liberty would have net

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

taxable income in 2004 and later years. The effect of the treatment proposed by the IRS would be to increase Liberty's tax liability by approximately \$81 million through 2004 and by approximately \$748 million for the period 2005 through the third quarter of 2007. Liberty would, however, be entitled to a corresponding increase in the bases of the reference shares for tax purposes equal to the amount of interest disallowed, such that a sale by Liberty of the reference shares at current market prices would not, in the aggregate, result in any recognition of gain. Liberty does not believe that for financial statement purposes there would be a material impact on its reported total tax expense as the resulting increase in current tax expense would be largely offset by a decrease in deferred tax expense.

Liberty disagrees with the IRS' proposed treatment and intends to vigorously dispute its proposed treatment. If, however, Liberty were unsuccessful in contesting the IRS' proposed treatment, it would be required to make current federal income tax payments and may be required to make interest payments to the IRS in amounts that may be significant.

OTHER

During the period from March 9, 1999 to August 10, 2001, Liberty was included in the consolidated federal income tax return of AT&T Corp. and was a party to a tax sharing agreement with AT&T (the "AT&T Tax Sharing Agreement"). While Liberty was a subsidiary of AT&T, Liberty recorded its stand-alone tax provision on a separate return basis. Under the AT&T Tax Sharing Agreement, Liberty received a cash payment from AT&T in periods when Liberty generated taxable losses and such taxable losses were utilized by AT&T to reduce its consolidated income tax liability. To the extent such losses were not utilized by AT&T, such amounts were available to reduce federal taxable income generated by Liberty in future periods, similar to a net operating loss carryforward, and were accounted for as a deferred federal income tax benefit. Subsequent to Liberty's split off from AT&T, if adjustments are made to amounts previously paid under the AT&T Tax Sharing Agreement, such adjustments are reflected as adjustments to additional paid-in capital.

Also, pursuant to the AT&T Tax Sharing Agreement and in connection with Liberty's split off from AT&T, AT&T was required to pay Liberty an amount equal to 35% of the amount of the net operating losses reflected in TCI's final federal income tax return ("TCI NOLs") that had not been used as an offset to Liberty's obligations under the AT&T Tax Sharing Agreement and that had been, or were reasonably expected to be, utilized by AT&T. In connection with the split off, Liberty received an \$803 million payment for TCI's NOLs and recorded such payment as an increase to additional paid-in capital. Liberty was not paid for certain of TCI's NOLs ("SRLY NOLs") due to limitations and uncertainty regarding

AT&T's ability to use them to offset taxable income in the future. In the event AT&T was ultimately able to use any of the SRLY NOLs, AT&T would be required to pay Liberty 35% of the amount of the SRLY NOLs used.

In the fourth quarter of 2004, AT&T requested a refund from Liberty of \$70 million, plus accrued interest, relating to losses that it generated in 2002 and 2003 and was able to carry back to offset taxable income previously offset by Liberty's losses. AT&T has asserted that Liberty's losses caused AT&T to pay \$70 million in alternative minimum tax ("AMT") that it would not have been otherwise required to pay had Liberty's losses not been included in its return. In 2004, Liberty estimated that it may ultimately pay AT&T up to \$30 million of the requested \$70 million because Liberty believed AT&T received an AMT credit of \$40 million against income taxes resulting from the AMT previously paid. Accordingly, Liberty accrued a \$30 million liability with an offsetting reduction of additional paid-in capital.

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

In the fourth quarter of 2005, AT&T requested an additional \$21 million relating to additional losses it generated and was able to carry back to offset taxable income previously offset by Liberty's losses. In addition, the information provided to Liberty in connection with AT&T's request showed that AT&T had not yet claimed a credit for AMT previously paid. Accordingly, in the fourth quarter of 2005, Liberty increased its accrual by approximately \$40 million (with a corresponding reduction of additional paid-in capital) representing its estimate of the amount it may ultimately pay (excluding accrued interest, if any) to AT&T as a result of this request. Although Liberty has not reduced its accrual for any future refunds, Liberty believes it is entitled to a refund when AT&T is able to realize a benefit in the form of a credit for the AMT previously paid.

In March 2006, AT&T requested an additional \$21 million relating to additional losses and IRS audit adjustments that it claims it is able to use to offset taxable income previously offset by Liberty's losses. Liberty has reviewed this claim and believes that its accrual as of December 31, 2005 is adequate. Accordingly, no additional accrual has been made for AT&T's March 2006 request.

Although for accounting purposes Liberty has accrued a portion of the amounts claimed by AT&T to be owed by Liberty under the AT&T Tax Sharing Agreement, Liberty believes there are valid defenses or set-off or similar rights in its favor that may cause the total amount that it owes AT&T to be less than the amounts accrued; and under certain interpretations of the AT&T Tax Sharing Agreement, Liberty may be entitled to further reimbursements from AT&T.

(17) Operating Segments

Liberty is a holding company which, through its ownership of interests in subsidiaries and other companies, is primarily engaged in the video and on-line commerce, media, communications and entertainment industries. Upon the issuance of its tracking stocks, Liberty divided its businesses into two groups: the Interactive Group and the Capital Group. Each of the businesses in the tracking stock groups is separately managed. Liberty identifies its reportable segments as (A) those consolidated subsidiaries that represent 10% or more of its consolidated revenue, earnings before income taxes or total assets and (B) those equity method affiliates whose share of earnings represent 10% or more of Liberty's consolidated earnings before income taxes.

Liberty evaluates performance and makes decisions about allocating resources to its operating segments based on financial measures such as revenue, operating cash flow, gross margin, average sales price per unit, number of units shipped, and revenue or sales per customer equivalent. In addition, Liberty reviews non-financial measures such as subscriber growth and penetration, as appropriate.

Liberty defines operating cash flow as revenue less cost of sales, operating expenses, and selling, general and administrative expenses (excluding stock-based compensation). Liberty believes this measure is an important indicator of the operational strength and performance of its businesses, including each business's ability to service debt and fund capital expenditures. In addition, this measure allows management to view operating results and perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. This measure of performance excludes depreciation and amortization, stock-based compensation, separately reported litigation settlements and restructuring and impairment charges that are included in the measurement of operating income pursuant to GAAP. Accordingly, operating cash flow should be considered in addition to, but not as a substitute for, operating income, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with GAAP. Liberty generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties, that is, at current prices.

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the nine months ended September 30, 2007, Liberty has identified the following businesses as its reportable segments:

- QVC--consolidated subsidiary attributed to the Interactive Group that markets and sells a wide variety of consumer products in the U.S. and several foreign countries, primarily by means of televised shopping programs on the QVC networks and via the Internet through its domestic and international websites.
- Starz Entertainment--consolidated subsidiary attributed to the Capital Group that provides video programming distributed by cable operators, direct-to-home satellite providers, other distributors and via the Internet throughout the United States.

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

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

PERFORMANCE MEASURES

<Table>

<Caption>

	NINE MONTHS ENDED SEPTEMBER 30,			
	2007		2006	
	REVENUE	OPERATING CASH FLOW (DEFICIT)	REVENUE	OPERATING CASH FLOW (DEFICIT)
	AMOUNTS IN MILLIONS			
<S>	<C>	<C>	<C>	<C>
Interactive Group				
QVC.....	\$5,063	1,121	4,838	1,099
Corporate and other.....	259	17	178	16
	-----	-----	-----	-----
	5,322	1,138	5,016	1,115
	-----	-----	-----	-----
Capital Group				
Starz Entertainment.....	801	216	776	136
Corporate and other.....	444	(82)	150	(54)
	-----	-----	-----	-----
	1,245	134	926	82
	-----	-----	-----	-----
Consolidated Liberty.....	\$6,567	1,272	5,942	1,197
	=====	=====	=====	=====

</Table>

<Table>

<Caption>

	THREE MONTHS ENDED SEPTEMBER 30,			
	2007		2006	
	REVENUE	OPERATING CASH FLOW (DEFICIT)	REVENUE	OPERATING CASH FLOW (DEFICIT)
	AMOUNTS IN MILLIONS			
<S>	<C>	<C>	<C>	<C>
Interactive Group				
QVC.....	\$1,686	364	1,653	366
Corporate and other.....	74	(1)	40	(1)
	-----	---	-----	---
	1,760	363	1,693	365
	-----	---	-----	---
Capital Group				
Starz Entertainment.....	282	88	253	45
Corporate and other.....	209	(18)	70	(32)

	-----	---	-----	---
	491	70	323	13
	-----	---	-----	---
Consolidated Liberty.....	\$2,251	433	2,016	378
	=====	===	=====	===

</Table>

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

OTHER INFORMATION

<Table>
<Caption>

	SEPTEMBER 30, 2007		
	TOTAL	INVESTMENTS	
	ASSETS	IN	CAPITAL
		AFFILIATES	EXPENDITURES
	-----	-----	-----
	AMOUNTS IN MILLIONS		
<S>	<C>	<C>	<C>
Interactive Group			
QVC.....	\$20,289	--	226
Corporate and other.....	5,314	1,312	10
Intragroup elimination.....	(6,213)	--	--
	-----	-----	-----
	19,390	1,312	236
	-----	-----	-----
Capital Group			
Starz Entertainment.....	2,865	--	5
Corporate and other.....	25,340	513	13
	-----	-----	-----
	28,205	513	18
	-----	-----	-----
Inter-group eliminations.....	(130)	--	--
	-----	-----	-----
Consolidated Liberty.....	\$47,465	1,825	254
	=====	=====	=====

</Table>

The following table provides a reconciliation of consolidated segment operating cash flow to earnings from continuing operations before income taxes and minority interests:

<Table>
<Caption>

	THREE MONTHS		NINE MONTHS	
	ENDED		ENDED	
	SEPTEMBER 30,		SEPTEMBER 30,	
	2007	2006	2007	2006
	-----	-----	-----	-----
	AMOUNTS IN MILLIONS			
<S>	<C>	<C>	<C>	<C>
Consolidated segment operating cash flow.....	\$ 433	378	1,272	1,197
Stock-based compensation.....	(17)	5	(57)	(46)
Depreciation and amortization.....	(176)	(147)	(499)	(434)
Impairment of long-lived assets.....	(41)	--	(41)	--
Interest expense.....	(173)	(177)	(468)	(485)
Realized and unrealized gains (losses) on financial instruments, net.....	400	(73)	493	96
Gains on dispositions of assets, net.....	2	25	637	352
Other, net.....	108	70	277	207
	-----	-----	-----	-----
Earnings from continuing operations before income taxes and minority interests.....	\$ 536	81	1,614	887
	=====	=====	=====	=====

</Table>

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements in this Quarterly Report on Form 10-Q constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our business, product and marketing strategies, new service offerings, our tax sharing arrangement with AT&T and estimated amounts payable under that arrangement, revenue growth and subscriber trends at QVC and Starz Entertainment, anticipated programming and marketing costs at Starz Entertainment, our expectations

regarding Starz Media's results of operations for the next two to three years, our projected sources and uses of cash for the remainder of 2007, the estimated value of our derivatives related to certain of our AFS investments, and the anticipated non-material impact of certain contingent liabilities related to legal and tax proceedings and other matters arising in the ordinary course of our business. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but such statements necessarily involve risks and uncertainties and there can be no assurance that the statement of expectation or belief will result or be achieved or accomplished. The following include some but not all of the factors that could cause actual results or events to differ materially from those anticipated:

- consumer demand for our products and services and our ability to adapt to changes in demand;
- competitor responses to our products and services, and the products and services of the entities in which we have interests;
- uncertainties inherent in the development and integration of new business lines and business strategies;
- uncertainties associated with product and service development and market acceptance, including the development and provision of programming for new television and telecommunications technologies;
- our future financial performance, including availability, terms and deployment of capital;
- our ability to successfully integrate and recognize anticipated efficiencies and benefits from the businesses we acquire;
- the ability of suppliers and vendors to deliver products, equipment, software and services;
- the outcome of any pending or threatened litigation;
- availability of qualified personnel;
- changes in, or failure or inability to comply with, government regulations, including, without limitation, regulations of the Federal Communications Commission, and adverse outcomes from regulatory proceedings;
- changes in the nature of key strategic relationships with partners and joint venturers;
- general economic and business conditions and industry trends;
- consumer spending levels, including the availability and amount of individual consumer debt;
- disruption in the production of theatrical films or television programs due to strikes by unions representing writers, directors or actors;
- the regulatory and competitive environment of the industries in which we, and the entities in which we have interests, operate;
- continued consolidation of the broadband distribution and movie studio industries;

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- changes in distribution and viewing of television programming, including the expanded deployment of personal video recorders, video on demand and IP television and their impact on home shopping networks;
- increased digital TV penetration and the impact on channel positioning of our networks;
- rapid technological changes;
- capital spending for the acquisition and/or development of telecommunications networks and services;
- threatened terrorists attacks and ongoing military action in the Middle East and other parts of the world; and
- fluctuations in foreign currency exchange rates and political unrest in international markets.

For additional risk factors, please see our Annual Report on Form 10-K for the year ended December 31, 2006. These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this

Quarterly Report, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in its expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based.

The following discussion and analysis provides information concerning our results of operations and financial condition. This discussion should be read in conjunction with our accompanying condensed consolidated financial statements and the notes thereto and our Annual Report on Form 10-K for the year ended December 31, 2006.

OVERVIEW

We own controlling and noncontrolling interests in a broad range of video and on-line commerce, media, communications and entertainment companies. Our more significant operating subsidiaries, which are also our reportable segments, are QVC and Starz Entertainment. QVC markets and sells a wide variety of consumer products in the United States and several foreign countries, primarily by means of televised shopping programs on the QVC networks and via the Internet through its domestic and international websites. Starz Entertainment provides video programming distributed by cable operators, direct-to-home satellite providers, other distributors and via the Internet throughout the United States.

Our "Corporate and Other" category includes our other consolidated subsidiaries and corporate expenses. Our other consolidated subsidiaries include Provide Commerce, Inc., Starz Media, LLC, FUN Technologies, Inc., Atlanta National League Baseball Club, Inc., Leisure Arts, Inc. TruePosition, Inc., BuySeasons, Inc., Backcountry.com, Inc. and WFRV and WJMN Television Station, Inc. Provide, which we acquired in February 2006, operates an e-commerce marketplace of websites for perishable goods, including flowers, gourmet foods, fruits and desserts. Starz Media, which we acquired in August 2006, is focused on developing, acquiring, producing and distributing live-action, computer-generated and traditional television animated productions for the home video, film, broadcast and direct-to-consumer markets. FUN, in which we acquired a controlling interest in March 2006, operates websites that offer casual gaming, sports information and fantasy sports services. Atlanta National League Baseball Club, Inc., which we acquired in May 2007, owns the Atlanta Braves, a major league baseball club, as well as certain of the Atlanta Braves' minor league clubs. Leisure Arts, which we acquired in May 2007, publishes and markets needlework, craft, decorating, entertaining and other lifestyle interest "how-to" books. TruePosition provides equipment and technology that deliver location-based services to wireless users. BuySeasons, which we acquired in August 2006, operates BuyCostumes.com, an online retailer of costumes, accessories, decor and party supplies. Backcountry, which we acquired in June 2007, operates

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six websites offering outdoor and backcountry sports gear and clothing. WFRV TV Station, which we acquired in April 2007, is a CBS broadcast affiliate that serves Green Bay, Wisconsin and Escanaba, Michigan.

In addition to the foregoing businesses, we hold an approximate 25% ownership interest in Expedia, Inc., which we account for as an equity method investment, and we continue to maintain significant investments and related financial instruments in public companies such as News Corporation, Time Warner, IAC/InterActiveCorp and Sprint Nextel Corporation, which are accounted for at their respective fair market values and are included in corporate and other.

TRACKING STOCKS

On May 9, 2006, we completed a restructuring pursuant to which we, among other things, issued two new tracking stocks, Liberty Interactive common stock and Liberty Capital common stock. Each tracking stock issued in the Restructuring is intended to track and reflect the economic performance of one of two newly designated groups, the Interactive Group and the Capital Group, respectively.

Tracking stock is a type of common stock that the issuing company intends to reflect or "track" the economic performance of a particular business or "group," rather than the economic performance of the company as a whole. While the Interactive Group and the Capital Group have separate collections of businesses, assets and liabilities attributed to them, neither group is a separate legal entity and therefore cannot own assets, issue securities or enter into legally binding agreements. Holders of tracking stocks have no direct claim to the group's stock or assets and are not represented by separate boards of directors. Instead, holders of tracking stock are stockholders of the parent corporation, with a single board of directors and subject to all of the risks and liabilities of the parent corporation.

The term "Interactive Group" does not represent a separate legal entity, rather it represents those businesses, assets and liabilities which we have attributed to it. The assets and businesses we have attributed to the Interactive Group are those engaged in video and on-line commerce, and include

our subsidiaries QVC, Provide, BuySeasons and Backcountry and our interests in Expedia and IAC/ InterActiveCorp. The Interactive Group will also include such other businesses that our board of directors may in the future determine to attribute to the Interactive Group, including such other businesses as we may acquire for the Interactive Group. In addition, we have attributed \$3,107 million principal amount (as of September 30, 2007) of our senior notes and debentures to the Interactive Group.

The term "Capital Group" also does not represent a separate legal entity, rather it represents all of our businesses, assets and liabilities other than those which have been attributed to the Interactive Group. The assets and businesses attributed to the Capital Group include our subsidiaries Starz Entertainment, Starz Media, FUN, the Atlanta Braves, Leisure Arts, TruePosition and WFRV TV Station, our equity affiliates GSN, LLC and WildBlue Communications, Inc. and our interests in News Corporation, Time Warner and Sprint Nextel Corporation. The Capital Group will also include such other businesses that our board of directors may in the future determine to attribute to the Capital Group, including such other businesses as we may acquire for the Capital Group. In addition, we have attributed \$5,231 million principal amount (as of September 30, 2007) of our senior exchangeable debentures and bank debt to the Capital Group.

See Exhibit 99.1 to this Quarterly Report on Form 10-Q for attributed financial information for our tracking stock groups.

PROPOSED TRACKING STOCK

On October 23, 2007, our stockholders approved a group of related proposals to amend and restate our certificate of incorporation to reclassify our Liberty Capital common stock into two new

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tracking stocks, one to retain the designation Liberty Capital common stock and the other to be designated the Liberty Entertainment common stock. Implementation of the Reclassification is contingent upon the completion of the News Corporation Exchange pursuant to which we would exchange our approximate 16% ownership interest in News Corporation for a subsidiary of News Corporation which would hold an approximate 40% interest in The DIRECTV Group, Inc., three regional sports television networks and approximately \$588 million in cash. Consummation of the News Corporation Exchange, which is conditioned upon receipt of certain governmental approvals and a favorable tax ruling and opinion, is expected before the end of 2007.

If the Reclassification is implemented, the Liberty Entertainment common stock would be intended to track and reflect the separate economic performance of a newly designated Entertainment Group, which would initially have attributed to it a portion of the businesses, assets and liabilities that are currently attributed to the Capital Group, including our subsidiaries Starz Entertainment and FUN, our equity interests in GSN, LLC and WildBlue Communications, Inc. and approximately \$500 million of cash and \$551 million principal amount (as of September 30, 2007) of our publicly-traded debt. In addition, we would attribute to the Entertainment Group all of the businesses and assets received in the News Corporation Exchange.

Upon implementation of the Reclassification, the Capital Group would have attributed to it all of our businesses, assets and liabilities not attributed to the Interactive Group or the Entertainment Group, including our subsidiaries Starz Media, Atlanta National League Baseball Club, Inc., Leisure Arts, TruePosition and WFRV Television Station, and minority equity investments in Time Warner Inc. and Sprint Nextel Corporation. In addition, the Capital Group would have attributed to it \$3,930 million principal amount (as of September 30, 2007) of our existing publicly-traded debt and \$750 million of our bank debt.

The Reclassification would not change the businesses, assets and liabilities currently attributed to our Interactive Group.

2007 COMPLETED TRANSACTIONS

In addition to the sales of OPTV and AEG described in note 8 to the accompanying condensed consolidated financial statements, we have several other completed transactions. Among these are:

On April 16, 2007, we completed the CBS Exchange with CBS Corporation pursuant to which we exchanged our 7.6 million shares of CBS Class B common stock valued at \$239 million for a subsidiary of CBS that holds WFRV TV Station and approximately \$170 million in cash.

On May 17, 2007 we completed the Time Warner Exchange in which we exchanged approximately 68.5 million shares of Time Warner common stock for a subsidiary of Time Warner which holds the Atlanta Braves, Leisure Arts and \$984 million in cash.

On June 22, 2007 we acquired \$81.3% of the outstanding capital stock of

Backcountry.com, Inc. for cash consideration of \$120 million, of which \$11 million will be held in escrow for one year following the closing to satisfy any indemnification claims.

RESULTS OF OPERATIONS

GENERAL. We provide in the tables below information regarding our Consolidated Operating Results and Other Income and Expense, as well as information regarding the contribution to those items of our reportable segments categorized by the tracking stock group to which those segments are attributed. The "corporate and other" category for each tracking stock group consists of those assets within the category which are attributed to such tracking stock group. For a more detailed discussion and analysis of the financial results of the principal reporting segments of each tracking stock group, see "Interactive Group" and "Capital Group" below.

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2006 ACQUISITIONS. In addition to the 2007 acquisitions noted above, we completed several acquisitions in 2006 that impact the comparability of our 2006 and 2007 results of operations. Those acquisitions and the months in which they occurred are: Provide in February 2006, FUN in March 2006 and BuySeasons and Starz Media in August 2006.

CONSOLIDATED OPERATING RESULTS

<Table>

<Caption>

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2007	2006	2007	2006
	AMOUNTS IN MILLIONS			
<S>	<C>	<C>	<C>	<C>
REVENUE				
Interactive Group				
QVC.....	\$1,686	1,653	5,063	4,838
Corporate and Other.....	74	40	259	178
	1,760	1,693	5,322	5,016
Capital Group				
Starz Entertainment.....	282	253	801	776
Corporate and Other.....	209	70	444	150
	491	323	1,245	926
Consolidated Liberty.....	\$2,251	2,016	6,567	5,942
OPERATING CASH FLOW (DEFICIT)				
Interactive Group				
QVC.....	\$ 364	366	1,121	1,099
Corporate and Other.....	(1)	(1)	17	16
	363	365	1,138	1,115
Capital Group				
Starz Entertainment.....	88	45	216	136
Corporate and Other.....	(18)	(32)	(82)	(54)
	70	13	134	82
Consolidated Liberty.....	\$ 433	378	1,272	1,197
OPERATING INCOME (LOSS)				
Interactive Group				
QVC.....	\$ 231	257	718	711
Corporate and Other.....	(10)	(7)	(6)	--
	221	250	712	711
Capital Group				
Starz Entertainment.....	78	40	180	117
Corporate and Other.....	(100)	(54)	(217)	(111)
	(22)	(14)	(37)	6
Consolidated Liberty.....	\$ 199	236	675	717

</Table>

REVENUE. Our consolidated revenue increased \$235 million or 11.7% and \$625 million or 10.5% for the three and nine months ended September 30, 2007,

respectively, as compared to the corresponding prior year period. In addition to the increases for QVC and Starz Entertainment, the

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three month increase is due primarily to \$101 million generated by the Atlanta Braves, which we acquired in May 2007, a \$45 million increase for Starz Media, which we acquired in August 2006 and \$27 million generated by Backcountry, which we acquired in June 2007. The nine month increase is due primarily to a \$225 million or 4.7% increase for QVC, a \$172 million increase for Starz Media and \$151 million generated by the Atlanta Braves. In addition, we recognized a full nine months of revenue for Provide and FUN in 2007. These increases were partially offset by \$23 million and \$74 million decreases for TruePosition for the three and nine months ended September 30, 2007, respectively. In November 2006, TruePosition signed an amendment to its existing services contract with Cingular Wireless that requires TruePosition to develop and deliver additional software features. Because vendor specific objective evidence related to the value of these additional features does not exist, TruePosition is required to defer revenue recognition until all of the features have been delivered. TruePosition estimates that these features will be delivered in the fourth quarter of 2008. Accordingly, absent any further contractual changes, TruePosition will not recognize any revenue under this contract until 2008. TruePosition's services contract with its other major customer, T-Mobile, Inc., has a similar provision which prevents TruePosition from recognizing revenue. Such contract expires in June 2008, but contains provisions allowing T-Mobile to extend. It should be noted, however, that both Cingular Wireless and T-Mobile are paying currently for services they receive and that the aforementioned deferrals have normal gross profit margins included. See Management's Discussion and Analysis for the Interactive Group and for the Capital Group below for a more complete discussion of QVC's and Starz Entertainment's results of operations.

OPERATING CASH FLOW. We define Operating Cash Flow as revenue less cost of sales, operating expenses and selling, general and administrative expenses (excluding stock-based compensation). Our chief operating decision maker and management team use this measure of performance in conjunction with other measures to evaluate our businesses and make decisions about allocating resources among our businesses. We believe this measure is an important indicator of the operational strength and performance of our businesses, including each business's ability to service debt and fund capital expenditures. In addition, this measure allows us to view operating results, perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. This measure of performance excludes such costs as depreciation and amortization, stock-based compensation, separately reported litigation settlements and restructuring and impairment charges that are included in the measurement of operating income pursuant to generally accepted accounting principles. Accordingly, Operating Cash Flow should be considered in addition to, but not as a substitute for, operating income, net earnings, cash flow provided by operating activities and other measures of financial performance prepared in accordance with GAAP. See note 17 to the accompanying condensed consolidated financial statements for a reconciliation of Operating Cash Flow to Earnings (Loss) from Continuing Operations Before Income Taxes and Minority Interests.

Consolidated Operating Cash Flow increased \$55 million or 14.6% and \$75 million or 6.3% during the three and nine months ended September 30, 2007, respectively, as compared to the corresponding prior year period. The three month increase is due primarily to a \$43 million increase for Starz Entertainment and \$34 million generated by the Atlanta Braves. These increases were partially offset by a \$19 million decrease in operating cash flow for TruePosition due to the reduction in revenue noted above and an \$11 million decrease for Starz Media. The nine month increase is due to Starz Entertainment, the Atlanta Braves and QVC partially offset by operating cash flow deficits for Starz Media of \$53 million and TruePosition of \$67 million.

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

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Effective January 1, 2006, we adopted Statement 123R. Statement 123R requires that we amortize the grant date fair value of our stock option and SAR Awards that qualify as equity awards as stock compensation expense over the vesting period of such Awards. Statement 123R also requires that we record our liability awards at fair value each reporting period and that the change in fair value be reflected as stock compensation expense in our condensed consolidated statements of operations.

In connection with our adoption of Statement 123R, we recorded an \$89 million transition adjustment loss, net of related income taxes. The transition adjustment is reflected in the accompanying condensed consolidated

statement of operations as the cumulative effect of accounting change. We recorded \$57 million of stock compensation expense for the nine months ended September 30, 2007, compared with \$46 million for the comparable period in 2006. As of September 30, 2007, the total compensation cost related to our unvested equity awards was approximately \$75 million. Such amount will be recognized in our consolidated statements of operations over a weighted average period of approximately 2.1 years.

OPERATING INCOME. Consolidated operating income decreased \$37 million or 15.7% and \$42 million or 5.9% for the three and nine months ended September 30, 2007, respectively, as compared to the corresponding prior year period. The three month decrease is due to QVC, FUN, TruePosition and Starz Media, partially offset by increases for Starz Entertainment and the Atlanta Braves. Included in FUN's operating loss for the three months ended September 30, 2007 is an impairment charge of \$41 million related to FUN's sports information segment. Such impairment resulted from new competition which adversely impacted revenue and operating income. The nine month decrease is the net effect of an increase in operating income for Starz Entertainment, the Atlanta Braves and QVC, partially offset by operating losses generated by Starz Media of \$65 million, TruePosition of \$72 million and FUN of \$53 million. We currently expect Starz Media to continue incurring operating cash flow deficits and operating losses for the next two to three years.

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OTHER INCOME AND EXPENSE

Components of Other Income (Expense) are as follows:

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	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2007	2006	2007	2006
	AMOUNTS IN MILLIONS			
<S>	<C>	<C>	<C>	<C>
Interest expense				
Interactive Group.....	\$ (121)	(108)	(340)	(298)
Capital Group.....	(52)	(69)	(128)	(187)
Consolidated Liberty.....	\$ (173)	(177)	(468)	(485)
Dividend and interest income				
Interactive Group.....	\$ 11	10	34	29
Capital Group.....	96	61	212	137
Consolidated Liberty.....	\$ 107	71	246	166
Share of earnings (losses) of affiliates				
Interactive Group.....	\$ 22	8	61	29
Capital Group.....	(23)	(5)	(37)	3
Consolidated Liberty.....	\$ (1)	3	24	32
Realized and unrealized gains (losses) on financial instruments, net				
Interactive Group.....	\$ 2	5	--	22
Capital Group.....	398	(78)	493	74
Consolidated Liberty.....	\$ 400	(73)	493	96
Gains on dispositions, net				
Interactive Group.....	\$ --	--	12	--
Capital Group.....	2	25	625	352
Consolidated Liberty.....	\$ 2	25	637	352
Other, net				
Interactive Group.....	\$ 4	2	8	15
Capital Group.....	(2)	(2)	(1)	(2)
Consolidated Liberty.....	\$ 2	--	7	13

</Table>

INTEREST EXPENSE. Consolidated interest expense decreased for the three and nine months ended September 30, 2007. However, interest expense attributable to the Interactive Group increased \$42 million or 14.1% for the nine-month period due to increased borrowings on the QVC credit facilities. Interest expense attributable to the Capital Group decreased \$59 million for the nine months ended September 30, 2007 due to our adoption of Statement 155 and the resulting change in accounting for our senior exchangeable debentures. Our 2006 interest

expense included \$71 million of accretion related to our exchangeable debentures. See note 13 to the accompanying condensed consolidated financial statements.

DIVIDEND AND INTEREST INCOME. Interest income for the Capital Group increased in 2007 due to higher invested cash balances. Interest and dividend income attributable to the Capital Group for the nine months ended September 30, 2007 was comprised of interest income earned on invested cash

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(\$135 million), dividends on News Corporation common stock (\$38 million), dividends on other AFS securities (\$33 million), and other (\$6 million).

SHARE OF EARNINGS OF AFFILIATES. Our share of earnings (losses) of affiliates for the nine months ended September 30, 2007 are \$61 million for the Interactive Group and (\$37) million for the Capital Group. Share of earnings for the Interactive Group in 2007 are primarily attributable to Expedia (\$52 million), and the Capital Group's share of losses in 2007 are primarily attributable to WildBlue (\$42 million).

Upon consummation of the News Corp Exchange, we will account for our interest in The DIRECTV Group using the equity method of accounting, which could result in a significant increase in our share of earnings of affiliates in future periods. In this regard, The DIRECTV Group reported net income for the year ended December 31, 2006 of \$1,420 million.

REALIZED AND UNREALIZED GAINS (LOSSES) ON FINANCIAL INSTRUMENTS. Realized and unrealized gains (losses) on financial instruments are comprised of changes in the fair value of the following:

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	NINE MONTHS ENDED SEPTEMBER 30,	
	2007	2006
	-----	-----
	AMOUNTS	
	IN MILLIONS	
<S>	<C>	<C>
Senior exchangeable debentures.....	\$330	--
Equity collars.....	107	147
Borrowed shares.....	111	(198)
Exchangeable debenture call option obligations.....	--	69
Other derivatives.....	(55)	78
	----	----
	\$493	96
	=====	=====

</Table>

GAINS ON DISPOSITION, NET. Gains on dispositions in 2007 include \$582 million related to the Time Warner Exchange and \$31 million related to the CBS Exchange.

INCOME TAXES. For the nine months ended September 30, 2007, we recorded pre-tax earnings of \$1,593 million and income tax expense of \$45 million. The Time Warner Exchange and the CBS Exchange qualify as IRC Section 355 transactions, and therefore do not trigger federal or state income tax obligations. In addition, upon consummation of the exchange transactions, deferred tax liabilities previously recorded for the difference between our book and tax bases in our Time Warner and CBS Corporation investments in the amount of \$354 million were reversed with an offset to income tax benefit.

NET EARNINGS. Our net earnings were \$1,697 million and \$515 million for nine months ended September 30, 2007 and 2006, respectively. Such change is due to the aforementioned fluctuations in revenue and expenses. In addition, we recognized \$149 million and (\$10) million of earnings (loss) from discontinued operations in 2007 and 2006, respectively. The 2007 earnings from discontinued operations include pre-tax gains of \$65 million and \$163 million from the disposition of OpenTV and AEG, respectively. In 2006, we also recognized a transition adjustment loss of \$89 million related to the adoption of Statement 123R.

MATERIAL CHANGES IN FINANCIAL CONDITION

While the Interactive Group and the Capital Group are not separate legal entities and the assets and liabilities attributed to each group remain assets and liabilities of our consolidated company, we manage the liquidity and financial resources of each group separately. Keeping in mind that assets

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attributed to one group may be used to satisfy liabilities attributed to the

other group, the following discussion assumes that future liquidity needs of each group will be funded by the financial resources attributed to each respective group.

The following are potential sources of liquidity for each group to the extent the identified asset or transaction has been attributed to such group: available cash balances, cash generated by the operating activities of our privately-owned subsidiaries (to the extent such cash exceeds the working capital needs of the subsidiaries and is not otherwise restricted), proceeds from asset sales, monetization of our public investment portfolio (including derivatives), debt and equity issuances, and dividend and interest receipts.

INTERACTIVE GROUP. During the nine months ended September 30, 2007, the Interactive Group's primary uses of cash were debt repayments (\$187 million), capital expenditures (\$236 million), tax payments to the Capital Group (\$248 million), the acquisition of Backcountry (\$120 million) and the repurchase of outstanding Liberty Interactive common stock (\$821 million). In connection with the issuance of our tracking stocks, our board of directors authorized a share repurchase program pursuant to which we could repurchase up to \$1 billion of outstanding shares of Liberty Interactive common stock in the open market or in privately negotiated transactions, from time to time, subject to market conditions. In the fourth quarter of 2006, our board of directors authorized us to repurchase up to an additional \$1 billion of outstanding shares of Liberty Interactive common stock. During the nine months ended September 30, 2007, we repurchased 16.8 million shares of Liberty Interactive Series A common stock in the open market for aggregate cash consideration of \$337 million. In addition, on May 15, 2007, we commenced a tender offer pursuant to which we sought to purchase up to 19,417,476 shares of Series A Liberty Interactive common stock at a price not greater than \$25.75 or less than \$23.75 per share. The tender offer expired on June 12, 2007, and 27,543,660 shares of Series A Liberty Interactive common stock were properly tendered. The final proration factor was approximately 70.3952% and we accepted for purchase 19,417,476 shares at a price of \$24.95 per share, or aggregate cash consideration of \$484 million. During the period from May 10, 2006 through September 30, 2007, we have repurchased an aggregate of \$1,774 million of Liberty Interactive common stock. Subsequent to September 30, 2007, our board of directors authorized us to repurchase up to an additional \$1 billion of Liberty Interactive common stock. We may alter or terminate the stock repurchase program at any time.

The Interactive Group's uses of cash in 2007 were primarily funded with cash from operations and borrowings under the QVC credit facilities. As of September 30, 2007, the Interactive Group had a cash balance of \$718 million.

The projected uses of Interactive Group cash for the remainder of 2007 include approximately \$120 million for interest payments on QVC debt and parent debt attributed to the Interactive Group, capital expenditures, additional tax payments to the Capital Group and additional repurchases of Liberty Interactive common stock. In addition, we may make additional investments in existing or new businesses and attribute such investments to the Interactive Group. However, we do not have any commitments to make new investments at this time.

As of September 30, 2007, the aggregate commitments under QVC's credit agreements were \$5.25 billion, and outstanding borrowings were \$3.9 billion. QVC's ability to borrow the unused capacity is dependent on its continuing compliance with the covenants contained in the agreements at the time of, and after giving effect to, a requested borrowing.

CAPITAL GROUP. During the nine months ended September 30, 2007, the Capital Group's primary uses of cash were the repurchase of Series A Liberty Capital common stock as described below (\$1,305 million), debt repayments (\$164 million) and loans and investments (\$80 million).

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In connection with the issuance of our tracking stocks, our board of directors authorized a share repurchase program pursuant to which we could repurchase up to \$1 billion of outstanding shares of Liberty Capital common stock in the open market or in privately negotiated transactions, from time to time, subject to market conditions. That amount was increased to approximately \$1.3 billion in connection with a tender offer for Liberty Capital stock that was completed in April 2007. In May 2007, our board of directors authorized the repurchase of an additional \$1 billion of Liberty Capital common stock. We may alter or terminate the program at any time.

In order to implement our share repurchase program for Liberty Capital common stock, we commenced a tender offer on March 7, 2007 that we subsequently amended on March 20, 2007. Pursuant to the tender offer, as amended, we sought to purchase up to 8,849,500 shares of Series A Liberty Capital common stock at a price not greater than \$113.00 or less than \$105.00 per share. The tender offer expired on April 5, 2007, and 11,858,343 shares of Series A Liberty Capital common stock were properly tendered. We exercised our right to purchase an additional 2% of our outstanding Series A Liberty Capital common stock and accepted for purchase 11,540,680 shares at a price of \$113.00 per share or aggregate cash consideration of \$1,305 million (including transaction costs). We funded the cash consideration with available cash on hand.

The Capital Group's sources of liquidity for the nine months ended September 30, 2007 include cash from the Time Warner Exchange (\$984 million) and the CBS Exchange (\$170 million), cash proceeds from the sale of AEG (\$332 million) and OPTV (\$112 million) and available cash on hand.

In addition, in April 2007, we borrowed \$750 million of bank financing with an interest rate of LIBOR plus an applicable margin. We intend to invest such proceeds in a portfolio of selected debt and mezzanine-level instruments of companies in the telecommunications, media and technology sectors that we believe have favorable risk/return profiles. Although no assurance can be given, we expect to make such investments over the next 18-24 months. See note 10 to the accompanying condensed consolidated financial statements for a discussion of the Investment Fund to which this bank facility relates.

In June 2007, we announced that we intend to make an offer to purchase all of the common shares of FUN that we do not already own. Our offer will be subject to certain conditions, and if completed, we estimate our cash payments will be approximately \$100-\$120 million. In addition, the projected uses of Capital Group cash for the remainder of 2007 include approximately \$40 million for interest payments on debt attributed to the Capital Group. We may also make additional investments in existing or new businesses and attribute such investments to the Capital Group. However, we do not have any commitments to make new investments at this time.

If the Reclassification is implemented, the Liberty Entertainment common stock would be intended to track and reflect the separate economic performance of a newly designated Entertainment Group, which would initially have attributed to it a portion of the businesses, assets and liabilities that are currently attributed to the Capital Group, including our subsidiaries Starz Entertainment and FUN, our equity interests in GSN, LLC and WildBlue Communications, Inc. and approximately \$500 million of cash and \$551 million principal amount (as of September 30, 2007) of our publicly-traded debt. In addition, we would attribute to the Entertainment Group all of the businesses and assets received in the News Corporation Exchange.

We expect that the Capital Group's investing and financing activities will be funded with a combination of cash on hand, cash provided by operating activities, tax payments from the Interactive Group, proceeds from collar expirations and dispositions of non-strategic assets. At September 30, 2007, the Capital Group's sources of liquidity include \$2,732 million in cash and marketable debt securities and \$5,445 million of non-strategic AFS securities including related derivatives. To the extent the Capital Group recognizes any taxable gains from the sale of assets or the expiration of derivative instruments, we may incur current tax expense and be required to make tax payments, thereby reducing any cash proceeds attributable to the Capital Group.

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Our derivatives related to certain of our AFS investments provide the Capital Group with an additional source of liquidity. Based on the put price and assuming we deliver owned or borrowed shares to settle each of the AFS Derivatives and excluding any provision for income taxes, the Capital Group would have attributed to it cash proceeds of approximately \$139 million in 2007, \$21 million in 2008, \$1,223 million in 2009, \$1,674 million in 2010 and \$446 million in 2011 upon settlement of its AFS Derivatives.

Prior to the maturity of the equity collars, the terms of certain of these instruments allow borrowings against the future put option proceeds at LIBOR or LIBOR plus an applicable spread, as the case may be. As of September 30, 2007, such borrowing capacity aggregated approximately \$3,503 million. Such borrowings would reduce the cash proceeds upon settlement noted in the preceding paragraph. In the event we complete our exchange transaction with News Corporation as currently contemplated, such borrowing capacity would be reduced by \$916 million.

See note 16 to the accompanying condensed consolidated financial statements for a discussion of our commitments and contingencies.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

We are exposed to changes in interest rates primarily as a result of our borrowing and investment activities, which include investments in fixed and floating rate debt instruments and borrowings used to maintain liquidity and to fund business operations. The nature and amount of our long-term and short-term debt are expected to vary as a result of future requirements, market conditions

and other factors. We manage our exposure to interest rates by maintaining what we believe is an appropriate mix of fixed and variable rate debt. We believe this best protects us from interest rate risk. We have achieved this mix by (i) issuing fixed-rate debt that we believe has a low stated interest rate and significant term to maturity, (ii) issuing variable rate debt with appropriate maturities and interest rates and (iii) entering into interest rate swap arrangements when we deem appropriate. As of September 30, 2007, the face amount of the Interactive Group's fixed rate debt (considering the effects of interest rate swap agreements) was \$5,868 million, which had a weighted average interest rate of 6.3%. The Interactive Group's variable rate debt of \$1,214 million had a weighted average interest rate of 8.7% at September 30, 2007. As of September 30, 2007, the face amount of the Capital Group's fixed rate debt was \$4,540 million, which had a weighted average interest rate of 2.6%.

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

Among other factors, changes in the market prices of the securities underlying our AFS Derivatives affect the fair market value of such AFS Derivatives. The following table illustrates the impact that changes in the market price of the securities underlying our equity collars that have been attributed to the Capital Group would have on the fair market value of such derivatives. Such changes

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in fair market value would be included in realized and unrealized gains (losses) on financial instruments in our statement of operations.

<Table>

<Caption>

	ESTIMATED AGGREGATE FAIR VALUE		
	EQUITY COLLARS	OTHER	TOTAL
	AMOUNTS IN MILLIONS		
<S>	<C>	<C>	<C>
Fair value at September 30, 2007.....	\$1,088	73	1,161
5% increase in market prices.....	\$ 998	81	1,079
10% increase in market prices.....	\$ 907	88	995
5% decrease in market prices.....	\$1,176	66	1,242
10% decrease in market prices.....	\$1,263	59	1,322

At September 30, 2007, the fair value of our AFS securities attributed to the Interactive Group was \$2,300 million and the fair value of our AFS securities attributed to the Capital Group was \$17,462 million. Had the market price of such securities been 10% lower at September 30, 2007, the aggregate value of such securities would have been \$230 million and \$1,746 million lower, respectively, resulting in a decrease to unrealized holding gains in other comprehensive earnings (loss). The decrease attributable to the Capital Group would be partially offset by an increase in the value of our AFS Derivatives as noted in the table above. Because we mark our senior exchangeable debentures to fair value each reporting date, they are also subject to market risk. Increases in the stock price of the respective underlying security result in higher liabilities and unrealized losses in our statement of operations.

From time to time and in connection with certain of our AFS Derivatives, we borrow shares of the underlying securities from a counterparty and deliver these borrowed shares in settlement of maturing derivative positions. In these transactions, a similar number of shares that we have attributed to the Capital Group have been posted as collateral with the counterparty. These share borrowing arrangements can be terminated at any time at our option by delivering shares to the counterparty. The counterparty can terminate these arrangements at any time. The liability under these share borrowing arrangements is marked to market each reporting period with changes in value recorded in unrealized gains or losses in the Capital Group's attributed statement of operations. The shares posted as collateral under these arrangements continue to be treated as AFS securities and are marked to market each reporting period with changes in value recorded as unrealized gains or losses in other comprehensive earnings.

The Interactive Group is exposed to foreign exchange rate fluctuations related primarily to the monetary assets and liabilities and the financial results of QVC's foreign subsidiaries. Assets and liabilities of foreign subsidiaries for which the functional currency is the local currency are translated into U.S. dollars at period-end exchange rates and the statements of operations are generally translated at the average exchange rate for the period.

Exchange rate fluctuations on translating foreign currency financial statements into U.S. dollars that result in unrealized gains or losses are referred to as translation adjustments. Cumulative translation adjustments are recorded in other comprehensive earnings (loss) as a separate component of stockholders' equity. Transactions denominated in currencies other than the functional currency are recorded based on exchange rates at the time such transactions arise. Subsequent changes in exchange rates result in transaction gains and losses, which are reflected in income as unrealized (based on period-end translations) or realized upon settlement of the transactions. Cash flows from our operations in foreign countries are generally translated at the average rate for the period. Accordingly, the Interactive Group may experience economic loss and a negative impact on earnings and equity with respect to our holdings solely as a result of foreign currency exchange rate fluctuations.

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We periodically assess the effectiveness of our derivative financial instruments. With regard to interest rate swaps, we monitor the fair value of interest rate swaps as well as the effective interest rate the interest rate swap yields, in comparison to historical interest rate trends. We believe that any losses incurred with regard to interest rate swaps would be offset by the effects of interest rate movements on the underlying debt facilities. With regard to equity collars, we monitor historical market trends relative to values currently present in the market. We believe that any unrealized losses incurred with regard to equity collars and swaps would be offset by the effects of fair value changes on the underlying assets. These measures allow our management to measure the success of its use of derivative instruments and to determine when to enter into or exit from derivative instruments.

Our derivative instruments are executed with counterparties who are well known major financial institutions with high credit ratings. While we believe these derivative instruments effectively manage the risks highlighted above, they are subject to counterparty credit risk. Counterparty credit risk is the risk that the counterparty is unable to perform under the terms of the derivative instrument upon settlement of the derivative instrument. To protect ourselves against credit risk associated with these counterparties we generally:

- execute our derivative instruments with several different counterparties, and
- execute equity derivative instrument agreements which contain a provision that requires the counterparty to post the "in the money" portion of the derivative instrument into a cash collateral account for our benefit, if the respective counterparty's credit rating for its senior unsecured debt were to reach certain levels, generally a rating that is below Standard & Poor's rating of A- and/or Moody's rating of A3.

Due to the importance of these derivative instruments to our risk management strategy, we actively monitor the creditworthiness of each of these counterparties. Based on our analysis, we currently consider nonperformance by any of our counterparties to be unlikely.

INTERACTIVE GROUP

The Interactive Group consists of our subsidiaries QVC, Provide, BuySeasons and Backcountry, our minority interests in IAC/InterActiveCorp, Expedia and GSI Commerce, Inc. and \$3,107 million principal amount (as of September 30, 2007) of our senior notes and debentures.

The following discussion and analysis provides information concerning the results of operations and financial condition of the Interactive Group. Although our Restructuring was not completed until May 9, 2006, the following discussion is presented as though the Restructuring had been completed on January 1, 2006. The results of operations of Provide, BuySeasons and Backcountry are included in Corporate and Other since their respective date of acquisition in the tables below. Fluctuations in Corporate and Other from 2006 to 2007 are due primarily to the acquisitions of Provide in February 2006, BuySeasons in August 2006 and Backcountry in June 2007. This discussion should be read in conjunction with (1) our condensed consolidated financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q and (2) the Attributed Financial Information for Tracking Stock Groups filed as Exhibit 99.1 to this Quarterly Report on Form 10-Q.

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<Page>

MATERIAL CHANGES IN RESULTS OF OPERATIONS

<Table>
<Caption>

THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
2007	2006	2007	2006
-----	-----	-----	-----

<S>	AMOUNTS IN MILLIONS			
	<C>	<C>	<C>	<C>
REVENUE				
QVC.....	\$1,686	1,653	5,063	4,838
Corporate and other.....	74	40	259	178
	-----	-----	-----	-----
	\$1,760	1693	5,322	5,016
	=====	=====	=====	=====
OPERATING CASH FLOW (DEFICIT)				
QVC.....	\$ 364	366	1,121	1,099
Corporate and other.....	(1)	(1)	17	16
	-----	-----	-----	-----
	\$ 363	365	1,138	1,115
	=====	=====	=====	=====
OPERATING INCOME (LOSS)				
QVC.....	\$ 231	257	718	711
Corporate and other.....	(10)	(7)	(6)	--
	-----	-----	-----	-----
	\$ 221	250	712	711
	=====	=====	=====	=====

</Table>

QVC. QVC is a retailer of a wide range of consumer products, which are marketed and sold primarily by merchandise-focused televised shopping programs and via the Internet. In the United States, the program is aired live through its nationally televised shopping network--24 hours a day, 7 days a week ("QVC-US"). Internationally, QVC has electronic retailing program services based in the United Kingdom ("QVC-UK"), Germany ("QVC-Germany") and Japan ("QVC-Japan"). QVC-UK broadcasts 24 hours a day with 17 hours of live programming, and QVC-Germany and QVC-Japan each broadcast live 24 hours a day.

QVC's operating results are as follows:

<Table>
<Caption>

<S>	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2007	2006	2007	2006

	AMOUNTS IN MILLIONS			
<S>	<C>	<C>	<C>	<C>
Net revenue.....	\$ 1,686	1,653	5,063	4,838
Cost of sales.....	(1,068)	(1,040)	(3,186)	(3,018)
	-----	-----	-----	-----
Gross profit.....	618	613	1,877	1,820
Operating expenses.....	(143)	(139)	(427)	(408)
SG&A expenses (excluding stock-based compensation).....	(111)	(108)	(329)	(313)
	-----	-----	-----	-----
Operating cash flow.....	364	366	1,121	1,099
Stock-based compensation--SG&A.....	(4)	10	(20)	(31)
Depreciation and amortization.....	(129)	(119)	(383)	(357)
	-----	-----	-----	-----
Operating income.....	\$ 231	257	718	711
	=====	=====	=====	=====

</Table>

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<Page>

Net revenue is generated in the following geographic areas:

<Table>
<Caption>

<S>	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2007	2006	2007	2006

	AMOUNTS IN MILLIONS			
<S>	<C>	<C>	<C>	<C>
QVC-US.....	\$1,174	1,151	3,532	3,379
QVC-UK.....	169	144	481	415
QVC-Germany.....	194	202	607	587
QVC-Japan.....	149	156	443	457
	-----	-----	-----	-----
	\$1,686	1,653	5,063	4,838
	=====	=====	=====	=====

</Table>

QVC's consolidated net revenue increased 2.0% and 4.7% during the three and nine months ended September 30, 2007, respectively, as compared to the corresponding prior year period. The three month increase in revenue is

comprised of a \$19 million increase due to an increase in the number of units shipped from 38.5 million to 38.8 million and a \$24 million increase due to favorable foreign currency rates. These increases were partially offset by the impacts of a slightly lower average sales price per unit ("ASP") (\$4 million) and other miscellaneous decreases (\$6 million). The nine month increase in revenue is comprised of a \$132 million increase due to a 2.5% increase in the number of units shipped from 114.8 million to 117.7 million, a \$26 million increase due to an increase in the ASP and a \$72 million net increase due to changes in foreign currency exchange rates partially offset by other miscellaneous decreases (\$5 million).

As noted above, during the three and nine months ended September 30, 2007, the changes in revenue and expenses were impacted by fluctuations in the exchange rates for the UK pound sterling, the euro and the Japanese yen. In the event the U.S. dollar strengthens against these foreign currencies in the future, QVC's reported revenue and operating cash flow will be negatively impacted. The percentage increase in revenue for each of QVC's geographic areas in U.S. dollars and in local currency is as follows:

<Table>
<Caption>

	PERCENTAGE INCREASE (DECREASE) IN NET REVENUE			
	THREE MONTHS ENDED SEPTEMBER 30, 2007		NINE MONTHS ENDED SEPTEMBER 30, 2007	
	U.S. DOLLARS	LOCAL CURRENCY	U.S. DOLLARS	LOCAL CURRENCY
<S>	<C>	<C>	<C>	<C>
QVC-US.....	2.0%	2.0%	4.5%	4.5%
QVC-UK.....	17.4%	9.3%	15.9%	6.0%
QVC-Germany.....	(4.0)%	(11.1)%	3.4%	(4.2)%
QVC-Japan.....	(4.5)%	(3.2)%	(3.1)%	0.1%

Revenue for QVC-US was negatively impacted in 2007 by a sluggish retail environment and weakness in the gold jewelry category due to higher gold prices. QVC-Germany net revenue in local currency declined during the three and nine months ended September 30, 2007 relative to the prior periods due to increased competition, a soft retail market, a 300 basis point increase in the German value added tax (VAT) rate and higher usage of markdowns in the fashion category. QVC-Japan net revenue declined in local currency during the three months ended September 30, 2007 as compared to the prior year period due to the heightened regulatory focus on health and beauty product presentations which began in March 2007.

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The number of homes receiving QVC's services are as follows:

<Table>
<Caption>

	HOMES (IN MILLIONS)	
	SEPTEMBER 30, 2007	DECEMBER 31, 2006
<S>	<C>	<C>
QVC-US.....	92.7	90.7
QVC-UK.....	21.1	19.4
QVC-Germany.....	37.8	37.5
QVC-Japan.....	20.2	18.7

The QVC service is already received by substantially all of the cable television and direct broadcast satellite homes in the U.S. and Germany. In addition, the rate of growth in households is expected to diminish in the UK and Japan. Therefore, future sales growth will primarily depend on continued additions of new customers from homes already receiving the QVC service and continued growth in sales to existing customers. QVC's future sales may also be affected by (i) the willingness of cable and satellite distributors to continue carrying QVC's programming service, (ii) QVC's ability to maintain favorable channel positioning, which may become more difficult as distributors convert analog customers to digital, (iii) changes in television viewing habits because of personal video recorders, video-on-demand and IP television and (iv) general economic conditions.

QVC's gross profit percentage decreased approximately 40 basis points and 50 basis points during the three and nine months ended September 30, 2007, respectively, as compared to the corresponding prior year period. These decreases are due primarily to higher product distribution costs which resulted from increases in shipping rates and costs associated with a new domestic distribution center.

QVC's operating expenses are principally comprised of commissions, order

processing and customer service expenses, provision for doubtful accounts, telecommunications expense and credit card processing fees. Operating expenses increased 2.9% and 4.7% for the three and nine months ended September 30, 2007, respectively, as compared to the corresponding prior year period. These increases are primarily due to the increase in sales volume. As a percentage of net revenue, operating expenses remained relatively consistent during 2007, as compared to 2006.

QVC's SG&A expenses include personnel, information technology, marketing and advertising expenses. Such expenses increased 2.8% and 5.1% for the three and nine months ended September 30, 2007, respectively, as compared to the corresponding prior year period. The nine month increase is due primarily to (i) an \$8 million increase in personnel expenses due to merit and headcount increases, (ii) a \$7 million increase in marketing and advertising expense related to QVC's new branding campaign and other marketing initiatives and (iii) a \$5 million accrual for a legal settlement.

QVC's operating cash flow decreased .5% and increased 2.0% for the three and nine months ended September 30, 2007, respectively, as compared to the corresponding prior year period. Such fluctuations in operating cash flow were less than the percentage increase in revenue primarily due to the decrease in gross profit percentage discussed above, as well as the increases noted in SG&A expenses.

CAPITAL GROUP

The Capital Group is comprised of our subsidiaries and assets not attributed to the Interactive Group, including controlling interests in Starz Entertainment, Starz Media, FUN, the Atlanta Braves, Leisure Arts, TruePosition and WFRV TV Station, as well as minority interests in GSN, LLC, WildBlue Communications, News Corporation, Time Warner, Sprint Nextel Corporation and other public and private companies and \$5,231 million principal amount (as of September 30, 2007) of our senior exchangeable debentures and bank debt.

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We exchanged our CBS Corporation common stock for WFRV TV Station and cash on April 16, 2007, and we exchanged some of our Time Warner common stock for the Atlanta Braves, Leisure Arts and cash on May 17, 2007. We acquired Starz Media from IDT Corporation in August 2006.

The following discussion and analysis provides information concerning the attributed results of operations and financial condition of the Capital Group. Although our Restructuring was not completed until May 9, 2006, the following discussion is presented as though the Restructuring had been completed on January 1, 2006. This discussion should be read in conjunction with (1) our condensed consolidated financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q and (2) the Attributed Financial Information for Tracking Stock Groups filed as Exhibit 99.1 to this Quarterly Report on Form 10-Q.

MATERIAL CHANGES IN RESULTS OF OPERATIONS

<Table>
<Caption>

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2007	2006	2007	2006

	AMOUNTS IN MILLIONS			
<S>	<C>	<C>	<C>	<C>
REVENUE				
Starz Entertainment.....	\$ 282	253	801	776
Corporate and other.....	209	70	444	150
	-----	---	-----	----
	\$ 491	323	1,245	926
	=====	===	=====	=====
OPERATING CASH FLOW (DEFICIT)				
Starz Entertainment.....	\$ 88	45	216	136
Corporate and other.....	(18)	(32)	(82)	(54)
	-----	---	-----	----
	\$ 70	13	134	82
	=====	===	=====	=====
OPERATING INCOME (LOSS)				
Starz Entertainment.....	\$ 78	40	180	117
Corporate and other.....	(100)	(54)	(217)	(111)
	-----	---	-----	----
	\$ (22)	(14)	(37)	6
	=====	===	=====	=====

</Table>

REVENUE. The Capital Group's combined revenue increased \$168 million or 52.0% and \$319 million or 34.4% for the three and nine months ended

September 30, 2007, respectively, as compared to the corresponding prior year period. Starz Media, which we acquired in August 2006, generated \$68 million and \$195 million for the three and nine months ended September 30, 2007, respectively, and the Atlanta Braves generated \$151 million of revenue since we acquired them in May 2007, including \$101 million in the third quarter. These increases were partially offset by \$23 million and \$74 million decreases for TruePosition for those same periods. In November 2006, TruePosition signed an amendment to its existing services contract with Cingular Wireless that requires TruePosition to develop and deliver additional software features. Because vendor specific objective evidence related to the value of these additional features does not exist, TruePosition is required to defer revenue recognition until all of the features have been delivered. TruePosition estimates that these features will be delivered in the fourth quarter of 2008. Accordingly, absent any further contractual changes, TruePosition will not recognize any revenue under this contract until 2008. TruePosition's services contract with its other major customer, T-Mobile, Inc., has a similar provision which prevents TruePosition from recognizing revenue. Such contract expires in June 2008, but contains provisions for T-Mobile to extend. It should be noted, however, that both Cingular Wireless and T-Mobile are paying currently for services they receive and that the aforementioned deferrals have normal gross profit margins included.

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OPERATING CASH FLOW. The Capital Group's Operating Cash Flow increased \$57 million and \$52 million during the three and nine months ended September 30, 2007, respectively, as compared to the corresponding prior year period. Increases for Starz Entertainment and the Atlanta Braves were partially offset by decreases for Starz Media (\$11 million and \$37 million) and TruePosition (\$19 million and \$55 million).

OPERATING INCOME. The Capital Group's operating income decreased \$8 million and \$43 million for the three and nine months ended September 30, 2007, respectively, as compared to the corresponding prior year period. The improvement in operating income for Starz Entertainment was more than offset by nine month operating losses for TruePosition of \$72 million and Starz Media of \$65 million. We currently expect Starz Media to continue incurring operating cash flow deficits and operating losses for the next two to three years. In addition, FUN recorded an operating loss of \$53 million for the nine months ended September 30, 2007 due in large part to the \$41 million impairment loss it recognized related to its sports information segment.

STARZ ENTERTAINMENT. Starz Entertainment primarily provides premium programming distributed by cable operators, direct-to-home satellite providers and other distributors throughout the United States. In addition, Starz Entertainment has launched Vongo, a subscription Internet service which is comprised of Starz and other movie and entertainment content. Vongo also offers content on a pay-per-view basis. Substantially all of Starz Entertainment's revenue continues to be derived from the delivery of movies to subscribers under affiliation agreements with television video programming distributors. Some of Starz Entertainment's affiliation agreements provide for payments to Starz Entertainment based on the number of subscribers that receive Starz Entertainment's services. Starz Entertainment also has fixed-rate affiliation agreements with certain of its customers. Pursuant to these agreements, the customers generally pay an agreed-upon rate regardless of the number of subscribers. The agreed-upon rate is contractually increased annually or semi-annually as the case may be, and these agreements expire in 2007 through 2012. During the nine months ended September 30, 2007, 71.5% of Starz Entertainment's revenue was generated by its four largest customers, Comcast Corporation, Echostar Communications, The DIRECTV Group, Inc. and Time Warner Inc., each of which individually generated more than 10% of Starz Entertainment's revenue for such period.

Starz Entertainment's operating results are as follows:

<Table>

<Caption>

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2007	2006	2007	2006
	----- AMOUNTS IN MILLIONS -----			
<S>	<C>	<C>	<C>	<C>
Revenue.....	\$ 282	253	801	776
Operating expenses.....	(167)	(182)	(505)	(559)
SG&A expenses.....	(27)	(26)	(80)	(81)
	-----	-----	-----	-----
Operating cash flow.....	88	45	216	136
Stock-based compensation.....	(7)	--	(21)	--
Depreciation and amortization.....	(3)	(5)	(15)	(19)
	-----	-----	-----	-----
Operating income.....	\$ 78	40	180	117
	=====	=====	=====	=====

</Table>

Starz Entertainment's revenue increased \$29 million or 11.5% and \$25 million or 3.2% for the three and nine months ended September 30, 2007, respectively, as compared to the corresponding prior year period. During the third quarter of 2007, Starz Entertainment entered into a new affiliation agreement with DirecTV which is retroactive to January 1, 2007 and extends through the end of 2007. The previous affiliation agreement with DirecTV expired June 30, 2006. Since June 30, 2006, Starz Entertainment had recognized revenue from DirecTV based on cash payments from DirecTV which

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were at lower rates than required by the old affiliation agreement. The new affiliation agreement provides for rates that are higher than those paid by DirecTV since June 30, 2006, but lower than the rates in the old affiliation agreement. Accordingly, in the third quarter of 2007, Starz Entertainment recognized \$7 million and \$11 million of revenue related to 2006 and the first half of 2007, respectively, based on the difference between the rates provided in the new affiliation agreement and the rates previously paid by DirecTV for those periods. Starz Entertainment is currently in negotiations with DirecTV regarding a long-term affiliation agreement.

In addition to the retroactive impacts of the new DirecTV affiliation agreement noted above, the three month increase in revenue is due to a \$5 million increase due to a higher effective rate for Starz Entertainment's services and a \$6 million increase resulting from growth in the average number of subscription units for Starz Entertainment's services. The nine month increase is due to a \$33 million increase resulting from higher average subscription units partially offset by a lower effective rate (\$15 million).

Starz Entertainment's affiliation agreements with Time Warner and another affiliate have expired. Starz Entertainment is currently in negotiations with each of these affiliates regarding new agreements. There can be no assurance that any new agreements with these affiliates will have economic terms comparable to the old agreements. In the event new affiliation agreements do not have comparable terms, Starz Entertainment's revenue and operating cash flow could be adversely impacted. In this regard, the other affiliate is currently making payments to Starz Entertainment at rates lower than the expired contract required. Starz Entertainment is recognizing revenue from this affiliate based on such payments, contributing to the lower nine month effective rate in 2007 noted above. In addition, the sale of Adelphia Communication's systems to Comcast and Time Warner in 2006 has also contributed to the lower effective rate.

The Starz movie service and the Encore movie service are the primary drivers of Starz Entertainment's revenue. Starz average subscription units increased 7.2% and 8.1% for the three and nine months ended September 30, 2007, respectively, and Encore average subscription units increased 9.3% and 7.9%, respectively, for such periods. The effects of these increases in subscription units are somewhat mitigated by Starz Entertainment's fixed-rate affiliation agreements. In this regard, approximately 36% of Starz Entertainment's revenue was earned under its fixed-rate affiliation agreements during the nine months ended September 30, 2007.

At September 30, 2007, cable, DTH satellite, and other distribution media represented 69.1%, 28.4% and 2.5%, respectively, of Starz Entertainment's total subscription units.

Starz Entertainment's operating expenses decreased 8.2% and 9.7% for the three and nine months ended September 30, 2007, respectively, due primarily to a reduction in programming costs, which decreased from \$173 million for the three months ended September 30, 2006 to \$164 million in 2007 and from \$532 million for the nine months ended September 30, 2006 to \$483 million in 2007. The decrease in programming costs is due primarily to a lower effective rate for the movie titles exhibited in 2007. Such decrease was partially offset by an increase in the percentage of first-run movie exhibitions (which have a relatively higher cost per title) as compared to the number of library product exhibitions. In addition to the foregoing programming cost reductions, Starz Entertainment reversed an accrual in the amount of \$7 million for music copyright fees in the third quarter of 2007 as a result of a settlement with a music copyright authority.

Starz Entertainment's SG&A expenses were relatively flat for the three and nine months ended September 30, 2007, respectively, as compared to the corresponding prior year period. To a certain extent, the timing of Starz Entertainment's sales and marketing expenses are determined by Starz Entertainment's affiliates, and Starz Entertainment currently expects its full year 2007 sales and marketing expenses to exceed those of 2006 due to expected increases in affiliate and consumer marketing costs.

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ITEM 4. CONTROLS AND PROCEDURES

In accordance with Exchange Act Rules 13a-15 and 15d-15, the Company carried

out an evaluation, under the supervision and with the participation of management, including its chief executive officer, principal accounting officer and principal financial officer (the "Executives"), of the effectiveness of its disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Executives concluded that the Company's disclosure controls and procedures were effective as of September 30, 2007 to provide reasonable assurance that information required to be disclosed in its reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

There has been no change in the Company's internal controls over financial reporting identified in connection with the evaluation described above that occurred during the nine months ended September 30, 2007 that has materially affected, or is reasonably likely to materially affect, its internal controls over financial reporting.

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PART II--OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For information regarding institution of, or material changes in, material legal proceedings that have been reported this fiscal year, reference is made to Part II, Item 1 of our Quarterly Reports on Form 10-Q filed on May 8, 2007 and August 8, 2007 and Part I, Item 3 of our Annual Report on Form 10-K filed on March 1, 2007. There have been no material developments in such legal proceedings during the three months ended September 30, 2007.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) N/A

(b) N/A

(c) Purchases of Equity Securities by the Issuer

<Table>

<Caption>

SERIES A LIBERTY INTERACTIVE COMMON STOCK				
PERIOD	(A) TOTAL NUMBER OF SHARES PURCHASED	(B) AVERAGE PRICE PAID PER SHARE	(C) TOTAL NUMBER OF SHARES PURCHASED AS PART OF PUBLICLY ANNOUNCED PLANS OR PROGRAMS	(D) MAXIMUM NUMBER (OR APPROXIMATE DOLLAR VALUE) OF SHARES THAT MAY YET BE PURCHASED UNDER THE PLANS OR PROGRAMS
-				
<S>	<C>	<C>	<C>	<C>
July 2007.....	1,266,800	\$22.44	1,266,800	\$ 487.1 million
August 2007.....	4,921,800	\$19.80	4,921,800	\$ 389.6 million
September 2007.....	8,689,800	\$18.81	8,689,800	\$ 226.1 million
Total.....	14,878,400		14,878,400	

</Table>

Liberty's program to repurchase shares of Liberty Interactive common stock was approved by its board of directors and disclosed in its 2006 Annual Proxy Statement dated April 7, 2006. In November 2006, Liberty's board of directors increased the aggregate amount of Liberty Interactive common stock that can be repurchased from \$1 billion to \$2 billion, and in October 2007, Liberty's board of directors increased the amount that can be repurchased to \$3 billion. Liberty may alter or terminate the program at any time.

In addition to the shares listed in the table above, 523 shares of Series A Liberty Capital common stock and 1,189 shares of Series A Liberty Interactive common stock were surrendered in the third quarter of 2007 by certain of our officers to pay withholding taxes and other deductions in connection with the vesting of their restricted stock.

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ITEM 6. EXHIBITS

(a) Exhibits

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

<Table>

<C>

10.1	Liberty Media Corporation 2007 Incentive Plan*
------	--

10.2	Liberty Media Corporation 2000 Incentive Plan (As amended and restated effective February 22, 2007)*
10.3	Liberty Media Corporation 2002 Nonemployee Director Incentive Plan (As amended and restated effective August 15, 2007)**
31.1	Rule 13a-14(a)/15d-14(a) Certification**
31.2	Rule 13a-14(a)/15d-14(a) Certification**
31.3	Rule 13a-14(a)/15d-14(a) Certification**
32	Section 1350 Certification**
99.1	Attributed Financial Information for Tracking Stock Groups**

</Table>

- -----

* Filed herewith to correct a typographical error

** Filed herewith

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SIGNATURES

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

<Table>

<S>	<C>	<C>	<C>
	LIBERTY MEDIA CORPORATION		
Date: November 9, 2007	By:	/s/	GREGORY B. MAFFEI
			----- Gregory B. Maffei President and Chief Executive Officer
Date: November 9, 2007	By:	/s/	DAVID J.A. FLOWERS
			----- David J.A. Flowers Senior Vice President and Treasurer (Principal Financial Officer)
Date: November 9, 2007	By:	/s/	CHRISTOPHER W. SHEAN
			----- Christopher W. Shean Senior Vice President and Controller (Principal Accounting Officer)

</Table>

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<Page>

EXHIBIT INDEX

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

<Table>

<C>	<S>
10.1	Liberty Media Corporation 2007 Incentive Plan*
10.2	Liberty Media Corporation 2000 Incentive Plan (As amended and restated effective February 22, 2007)*
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31.2	Rule 13a-14(a)/15d-14(a) Certification**
31.3	Rule 13a-14(a)/15d-14(a) Certification**
32	Section 1350 Certification**
99.1	Attributed Financial Information for Tracking Stock Groups**

</Table>

- -----

* Filed herewith to correct a typographical error

** Filed herewith

LIBERTY MEDIA CORPORATION
2007 INCENTIVE PLAN

ARTICLE I

PURPOSE OF PLAN; EFFECTIVE DATE

1.1 PURPOSE. The purpose of the Plan is to promote the success of the Company by providing a method whereby (i) eligible employees of the Company and its Subsidiaries and (ii) independent contractors providing services to the Company and its Subsidiaries may be awarded additional remuneration for services rendered and encouraged to invest in capital stock of the Company, thereby increasing their proprietary interest in the Company's businesses, encouraging them to remain in the employ of the Company or its Subsidiaries, and increasing their personal interest in the continued success and progress of the Company and its Subsidiaries. The Plan is also intended to aid in (i) attracting Persons of exceptional ability to become officers and employees of the Company and its Subsidiaries and (ii) inducing independent contractors to agree to provide services to the Company and its Subsidiaries.

1.2 EFFECTIVE DATE. The Plan shall be effective as of February 22, 2007 (the "Effective Date"); PROVIDED, HOWEVER, that the Plan is subject to the receipt of the approval of the stockholders of the Company, and any grants of Awards made prior to the date on which such requisite approval is obtained shall be subject to and contingent upon the receipt of such approval.

ARTICLE II

DEFINITIONS

2.1 CERTAIN DEFINED TERMS. Capitalized terms not defined elsewhere in the Plan shall have the following meanings (whether used in the singular or plural):

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

"Agreement" means a stock option agreement, stock appreciation rights agreement, restricted shares agreement, stock units agreement, cash award agreement or an agreement evidencing more than one type of Award, specified in Section 11.5, as any such Agreement may be supplemented or amended from time to time.

"Approved Transaction" means any transaction in which the Board (or, if approval of the Board is not required as a matter of law, the stockholders of the Company) shall approve (i) any consolidation or merger of the Company, or binding share exchange, pursuant to which shares of Common Stock of the Company would be changed or converted into or exchanged for cash, securities, or other property, other than

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any such transaction in which the common stockholders of the Company immediately prior to such transaction have the same proportionate ownership of the Common Stock of, and voting power with respect to, the surviving corporation immediately after such transaction, (ii) any merger, consolidation or binding share exchange to which the Company is a party as a result of which the Persons who are common stockholders of the Company immediately prior thereto have less than a majority of the combined voting power of the outstanding capital stock of the Company ordinarily (and apart from the rights accruing under special circumstances) having the right to vote in the election of directors immediately following such merger, consolidation or binding share exchange, (iii) the adoption of any plan or proposal for the liquidation or dissolution of the Company, or (iv) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Company.

"Award" means a grant of Options, SARs, Restricted Shares, Stock Units, Performance Awards, Cash Awards and/or cash amounts under the Plan.

"Board" means the Board of Directors of the Company.

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

"Cash Award" means an Award made pursuant to Section 10.1 of the Plan to a Holder that is paid solely on account of the attainment of one or more Performance Objectives that have been preestablished by the Committee.

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

"Committee" means the committee of the Board appointed pursuant to Section 3.1 to administer the Plan.

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

"Company" means Liberty Media Corporation, a Delaware corporation (which was originally incorporated under the name Liberty Media Holding Corporation).

"Control Purchase" means any transaction (or series of related transactions) in which (i) any person (as such term is defined in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), corporation or other entity (other than the Company, any Subsidiary of the Company or any employee benefit plan sponsored by the Company or any Subsidiary of the Company) shall purchase any Common Stock of the Company (or securities

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convertible into Common Stock of the Company) for cash, securities or any other consideration pursuant to a tender offer or exchange offer, without the prior consent of the Board, or (ii) any person (as such term is so defined), corporation or other entity (other than the Company, any Subsidiary of the Company, any employee benefit plan sponsored by the Company or any Subsidiary of the Company or any Exempt Person (as defined below)) shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the then outstanding securities of the Company ordinarily (and apart from the rights accruing under special circumstances) having the right to vote in the election of directors (calculated as provided in Rule 13d-3(d) under the Exchange Act in the case of rights to acquire the Company's securities), other than in a transaction (or series of related transactions) approved by the Board. For purposes of this definition, "Exempt Person" means each of (a) the Chairman of the Board, the President and each of the directors of the Company as of the Effective Date, and (b) the respective family members, estates and heirs of each of the Persons referred to in clause (a) above and any trust or other investment vehicle for the primary benefit of any of such Persons or their respective family members or heirs. As used with respect to any Person, the term "family member" means the spouse, siblings and lineal descendants of such Person.

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

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

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

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

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

"Fair Market Value" of a share of any series of Common Stock on any day means the last sale price (or, if no last sale price is reported, the average of the high bid and low asked prices) for a share of such series of Common Stock on such day (or, if such day is

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not a trading day, on the next preceding trading day) as reported on the consolidated transaction reporting system for the principal national securities exchange on which shares of such series of Common Stock are listed on such day or if such shares are not then listed on a national securities exchange, then as reported on Nasdaq or, if such shares are not then listed or quoted on Nasdaq, then as quoted by the National Quotation Bureau Incorporated. If for any day the Fair Market Value of a share of the applicable series of Common Stock is not determinable by any of the foregoing means, then the Fair Market Value for such day shall be determined in good faith by the Committee on the basis of such quotations and other considerations as the Committee deems appropriate.

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

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

"Nasdaq" means The Nasdaq Stock Market.

"Nonqualified Stock Option" means a stock option granted under Article VI.

"Option" means a Nonqualified Stock Option.

"Performance Award" means an Award made pursuant to Article X of the Plan to a Holder that is subject to the attainment of one or more Performance Objectives.

"Performance Objective" means a standard established by the Committee to determine in whole or in part whether a Performance Award shall be earned.

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

"Plan" means this Liberty Media Corporation 2007 Incentive Plan.

"Restricted Shares" means shares of any series of Common Stock or the right to receive shares of any specified series of Common Stock, as the case may be, awarded pursuant to Article VIII.

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

"Retained Distribution" has the meaning ascribed thereto in Section 8.3.

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

"Stock Unit Awards" has the meaning ascribed thereto in Section 9.1.

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

"Tandem SARs" has the meaning ascribed thereto in Section 7.1.

"Vesting Date," with respect to any Restricted Shares awarded hereunder, means the date on which such Restricted Shares cease to be subject to a risk of forfeiture, as designated in or determined in accordance with the Agreement with respect to such Award of Restricted Shares pursuant to Article VIII. If more than one Vesting Date is designated for an Award of Restricted Shares, reference in the Plan to a Vesting Date in respect of such Award shall be deemed to refer to each part of such Award and the Vesting Date for such part.

ARTICLE III

ADMINISTRATION

3.1 COMMITTEE. The Plan shall be administered by the Compensation Committee of the Board unless a different committee is appointed by the Board. The Committee shall be comprised of not less than two Persons. The Board may from time to time appoint members of the Committee in substitution for or in addition to members previously appointed, may fill vacancies in the Committee and may remove members of the Committee. The Committee shall select one of its members as its chairman and shall hold its meetings at such times and places as

it shall deem advisable. A majority of its members shall constitute a quorum and all determinations shall be made by a majority of such quorum. Any determination reduced to writing and signed by all of the members shall be as fully effective as if it had been made by a majority vote at a meeting duly called and held.

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

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

ARTICLE IV

SHARES SUBJECT TO THE PLAN

4.1 NUMBER OF SHARES. Subject to the provisions of this Article IV, the maximum number of shares of Common Stock with respect to which Awards may be granted during the term of the Plan shall be 30 million shares. Shares of Common Stock will be made available from the authorized but unissued shares of the Company or from shares reacquired by the Company, including shares purchased in the open market. The shares of Common Stock subject to (i) any Award granted under the Plan that shall expire, terminate or be annulled for any reason without having been exercised (or considered to have been exercised as provided in Section 7.2), (ii) any Award of any SARs granted under the Plan that shall be exercised for cash, and (iii) any Award of Restricted Shares or Stock Units that shall be forfeited prior to becoming vested (provided that the Holder received no benefits of ownership of such Restricted Shares or Stock Units other than voting rights and the accumulation of Retained Distributions and unpaid Dividend Equivalents that are likewise forfeited) shall again be available for purposes of the Plan. Except for Awards described in Section 11.1, no Person may be granted in any calendar year Awards covering more than 7.5 million shares of Common Stock (as such amount may be adjusted from time to time as provided in Section 4.2). No Person shall receive payment for Cash Awards during any calendar year aggregating in excess of \$10,000,000.

4.2 ADJUSTMENTS. If the Company subdivides its outstanding shares of any series of Common Stock into a greater number of shares of such series of Common Stock (by stock dividend, stock split, reclassification, or otherwise) or combines its outstanding shares of any series of Common Stock into a smaller number of shares of such series of Common Stock (by reverse stock split, reclassification, or otherwise) or if the Committee determines that any stock dividend, extraordinary cash dividend, reclassification, recapitalization, reorganization, split-up, spin-off, combination, exchange of shares, warrants or rights offering to purchase such series of Common Stock or other similar corporate event (including mergers or consolidations other than those which constitute Approved Transactions, adjustments with respect to which shall be governed by Section 11.1(b)) affects any series of Common Stock so that an adjustment is required to preserve the benefits or potential benefits intended to be made available under the Plan, then the Committee, in such manner as the Committee, in its sole discretion, deems equitable and appropriate, shall make such adjustments to any or all of (i) the number and kind of shares of stock which thereafter may be awarded, optioned or otherwise made subject to the benefits contemplated by the Plan, (ii) the number and kind of shares of stock subject to

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outstanding Awards, and (iii) the purchase or exercise price and the relevant appreciation base with respect to any of the foregoing, PROVIDED, HOWEVER, that the number of shares subject to any Award shall always be a whole number. Notwithstanding the foregoing, if all shares of any series of Common Stock are redeemed, then each outstanding Award shall be adjusted to substitute for the shares of such series of Common Stock subject thereto the kind and amount of cash, securities or other assets issued or paid in the redemption of the equivalent number of shares of such series of Common Stock and otherwise the terms of such Award, including, in the case of Options or similar rights, the aggregate exercise price, and, in the case of Free Standing SARs, the aggregate base price, shall remain constant before and after the substitution (unless otherwise determined by the Committee and provided in the applicable Agreement). The Committee may, if deemed appropriate, provide for a cash payment to any Holder of an Award in connection with any adjustment made pursuant to this Section 4.2.

ARTICLE V

ELIGIBILITY

5.1 GENERAL. The Persons who shall be eligible to participate in the Plan and to receive Awards under the Plan shall, subject to Section 5.2, be such Persons who are employees (including officers and directors) of or independent contractors providing services to the Company or its Subsidiaries as the Committee shall select. Awards may be made to employees or independent contractors who hold or have held Awards under the Plan or any similar or other awards under any other plan of the Company or any of its Affiliates.

5.2 INELIGIBILITY. No member of the Committee, while serving as such, shall be eligible to receive an Award.

ARTICLE VI

STOCK OPTIONS

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

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

6.3 TERM OF OPTIONS. Subject to the provisions of the Plan with respect to death, retirement and termination of employment, the term of each Option shall be for such period as the Committee shall determine as set forth in the applicable Agreement.

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

6.5 MANNER OF EXERCISE.

(a) FORM OF PAYMENT. An Option shall be exercised by written notice to the Company upon such terms and conditions as the Agreement may provide and in accordance with such other procedures for the exercise of Options as the Committee may establish from time to time. The method or methods of payment of the purchase price for the shares to be purchased upon exercise of an Option and of any amounts required by Section 11.9 shall be determined by the Committee and may consist of (i) cash, (ii) check, (iii) promissory note (subject to applicable law), (iv) whole shares of any series of Common Stock, (v) the withholding of shares of the applicable series of Common Stock issuable upon such exercise of the Option, (vi) the delivery, together with a properly executed exercise notice, of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds required to pay the purchase price, or (vii) any combination of the foregoing methods of payment, or such other consideration and method of payment as may be permitted for the issuance of shares under the Delaware General Corporation Law. The permitted method or methods of payment of the amounts payable upon exercise

of an Option, if other than in cash, shall be set forth in the applicable Agreement and may be subject to such conditions as the Committee deems appropriate.

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

(c) ISSUANCE OF SHARES. The Company shall effect the transfer of the shares of Common Stock purchased under the Option as soon as practicable after the exercise thereof and payment in full of the purchase price therefor and of any amounts required by Section 11.9, and within a reasonable time thereafter, such transfer shall be evidenced on the books of the Company. Unless otherwise determined by the Committee and provided in the applicable Agreement, (i) no Holder or other Person exercising an Option shall have any of the rights of a stockholder of the Company with respect to shares of Common Stock subject to an Option granted under the Plan until due exercise and full payment has been made, and (ii) no adjustment shall be made for cash dividends or other rights for which the record date is prior to the date of such due exercise and full payment.

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6.6 NONTRANSFERABILITY. Unless otherwise determined by the Committee and provided in the applicable Agreement, Options shall not be transferable other than by will or the laws of descent and distribution or pursuant to a Domestic Relations Order, and, except as otherwise required pursuant to a Domestic Relations Order, Options may be exercised during the lifetime of the Holder thereof only by such Holder (or his or her court-appointed legal representative).

ARTICLE VII

SARs

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

7.2 TANDEM SARs. A Tandem SAR may be granted either concurrently with the grant of the related Option or at any time thereafter prior to the complete exercise, termination, expiration or cancellation of such related Option. Tandem SARs shall be exercisable only at the time and to the extent that the related Option is exercisable (and may be subject to such additional limitations on exercisability as the Agreement may provide) and in no event after the complete termination or full exercise of the related Option. Upon the exercise or termination of the related Option, the Tandem SARs with respect thereto shall be canceled automatically to the extent of the number of shares of Common Stock with respect to which the related Option was so exercised or terminated. Subject to the limitations of the Plan, upon the exercise of a Tandem SAR and unless otherwise determined by the Committee and provided in the applicable Agreement, (i) the Holder thereof shall be entitled to receive from the Company, for each share of the applicable series of Common Stock with respect to which the Tandem SAR is being exercised, consideration (in the form determined as provided in Section 7.4) equal in value to the excess of the Fair Market Value of a share of the applicable series of Common Stock with respect to which the Tandem SAR was granted on the date of exercise over the related Option purchase price per share, and (ii) the related Option with respect thereto shall be canceled automatically to the extent of the number of shares of Common Stock with respect to which the Tandem SAR was so exercised.

7.3 FREE STANDING SARs. Free Standing SARs shall be exercisable at the time, to the extent and upon the terms and conditions set forth in the applicable Agreement. The base price of a Free Standing SAR may be no less than the Fair Market Value of the applicable series of Common Stock with respect to which the Free Standing SAR was granted as of the date the Free Standing SAR is granted. Subject to the limitations of the Plan, upon the exercise of a Free Standing SAR and unless otherwise determined by the Committee and provided in the applicable Agreement, the Holder thereof shall be entitled to receive from the Company, for each share of the applicable series of Common Stock with respect to which the Free Standing SAR is being

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exercised, consideration (in the form determined as provided in Section 7.4) equal in value to the excess of the Fair Market Value of a share of the applicable series of Common Stock with respect to which the Free Standing SAR was granted on the date of exercise over the base price per share of such Free Standing SAR.

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

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

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

7.7 NONTRANSFERABILITY. Unless otherwise determined by the Committee and provided in the applicable Agreement, (i) SARs shall not be transferable other than by will or the laws of descent and distribution or pursuant to a Domestic Relations Order, and (ii) except as otherwise required pursuant to a Domestic Relations Order, SARs may be exercised during the lifetime of the Holder thereof only by such Holder (or his or her court-appointed legal representative).

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ARTICLE VIII

RESTRICTED SHARES

8.1 GRANT. Subject to the limitations of the Plan, the Committee shall designate those eligible Persons to be granted Awards of Restricted Shares, shall determine the time when each such Award shall be granted, shall determine whether shares of Common Stock covered by Awards of Restricted Shares will be issued at the beginning or the end of the Restriction Period and whether Dividend Equivalents will be paid during the Restriction Period in the event shares of the applicable series of Common Stock are to be issued at the end of the Restriction Period, and shall designate (or set forth the basis for determining) the Vesting Date or Vesting Dates for each Award of Restricted Shares, and may prescribe other restrictions, terms and conditions applicable to the vesting of such Restricted Shares in addition to those provided in the Plan. The Committee shall determine the price, if any, to be paid by the Holder for the Restricted Shares; PROVIDED, HOWEVER, that the issuance of Restricted Shares shall be made for at least the minimum consideration necessary to permit such Restricted Shares to be deemed fully paid and nonassessable. All determinations made by the Committee pursuant to this Section 8.1 shall be specified in the Agreement.

8.2 ISSUANCE OF RESTRICTED SHARES AT BEGINNING OF THE RESTRICTION PERIOD. If shares of the applicable series of Common Stock are issued at the beginning of the Restriction Period, the stock certificate or certificates representing such Restricted Shares shall be registered in the name of the Holder to whom such Restricted Shares shall have been awarded. During the Restriction Period, certificates representing the Restricted Shares and any securities constituting Retained Distributions shall bear a restrictive legend to the effect that ownership of the Restricted Shares (and such Retained Distributions), and the enjoyment of all rights appurtenant thereto, are subject to the restrictions, terms and conditions provided in the Plan and the applicable Agreement. Such certificates shall remain in the custody of the Company or its designee, and the Holder shall deposit with the custodian stock powers or other instruments of assignment, each endorsed in blank, so as to permit retransfer to the Company of all or any portion of the Restricted Shares and any securities constituting Retained Distributions that shall be forfeited

or otherwise not become vested in accordance with the Plan and the applicable Agreement.

8.3 RESTRICTIONS. Restricted Shares issued at the beginning of the Restriction Period shall constitute issued and outstanding shares of the applicable series of Common Stock for all corporate purposes. The Holder will have the right to vote such Restricted Shares, to receive and retain such dividends and distributions, as the Committee may designate, paid or distributed on such Restricted Shares, and to exercise all other rights, powers and privileges of a Holder of shares of the applicable series of Common Stock with respect to such Restricted Shares; EXCEPT, THAT, unless otherwise determined by the Committee and provided in the applicable Agreement, (i) the Holder will not be entitled to delivery of the stock certificate or certificates representing such Restricted Shares until the Restriction Period shall have expired and unless all other vesting requirements with respect thereto shall have been fulfilled or waived; (ii) the Company or its designee will retain custody of the stock certificate or certificates representing the Restricted Shares during the Restriction Period as provided in Section 8.2; (iii) other than such dividends

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

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

8.5 CASH PAYMENTS. In connection with any Award of Restricted Shares, an Agreement may provide for the payment of a cash amount to the Holder of such Restricted Shares at any time after such Restricted Shares shall have become vested. Such cash amounts shall be payable in accordance with such additional restrictions, terms and conditions as shall be prescribed by the Committee in the Agreement and shall be in addition to any other salary, incentive, bonus or other compensation payments which such Holder shall be otherwise entitled or eligible to receive from the Company.

8.6 COMPLETION OF RESTRICTION PERIOD. On the Vesting Date with respect to each Award of Restricted Shares and the satisfaction of any other applicable restrictions, terms and conditions, (i) all or the applicable portion of such Restricted Shares shall become vested, (ii) any Retained Distributions and any unpaid Dividend Equivalents with respect to such Restricted Shares shall become vested to the extent that the Restricted Shares related thereto shall have become vested, and (iii) any cash amount to be received by the Holder with respect to such Restricted Shares shall become payable, all in accordance with the terms of the applicable Agreement. Any such Restricted Shares, Retained Distributions and any unpaid Dividend Equivalents that shall not become vested shall be forfeited to the Company, and the Holder shall not thereafter have any rights (including dividend and voting rights) with respect to such Restricted Shares, Retained Distributions and any unpaid Dividend Equivalents that shall have been so forfeited. The Committee may, in its discretion, provide that the delivery of any Restricted Shares, Retained Distributions and unpaid Dividend Equivalents that shall have become vested, and payment of any related cash amounts that shall have become payable under

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this Article VIII, shall be deferred until such date or dates as the recipient may elect. Any election of a recipient pursuant to the preceding sentence shall be filed in writing with the Committee in accordance with such rules and regulations, including any deadline for the making of such an election, as the

Committee may provide, and shall be made in compliance with Section 409A of the Code.

ARTICLE IX

STOCK UNITS

9.1 GRANT. In addition to granting Awards of Options, SARs and Restricted Shares, the Committee shall, subject to the limitations of the Plan, have authority to grant to eligible Persons Awards of Stock Units which may be in the form of shares of any specified series of Common Stock or units, the value of which is based, in whole or in part, on the Fair Market Value of the shares of any specified series of Common Stock. Subject to the provisions of the Plan, including any rules established pursuant to Section 9.2, Awards of Stock Units shall be subject to such terms, restrictions, conditions, vesting requirements and payment rules as the Committee may determine in its discretion, which need not be identical for each Award. The determinations made by the Committee pursuant to this Section 9.1 shall be specified in the applicable Agreement.

9.2 RULES. The Committee may, in its discretion, establish any or all of the following rules for application to an Award of Stock Units:

(a) Any shares of Common Stock which are part of an Award of Stock Units may not be assigned, sold, transferred, pledged or otherwise encumbered prior to the date on which the shares are issued or, if later, the date provided by the Committee at the time of the Award.

(b) Such Awards may provide for the payment of cash consideration by the Person to whom such Award is granted or provide that the Award, and any shares of Common Stock to be issued in connection therewith, if applicable, shall be delivered without the payment of cash consideration; PROVIDED, HOWEVER, that the issuance of any shares of Common Stock in connection with an Award of Stock Units shall be for at least the minimum consideration necessary to permit such shares to be deemed fully paid and nonassessable.

(c) Awards of Stock Units may provide for deferred payment schedules, vesting over a specified period of employment, the payment (on a current or deferred basis) of dividend equivalent amounts with respect to the number of shares of Common Stock covered by the Award, and elections by the employee to defer payment of the Award or the lifting of restrictions on the Award, if any, provided that any such deferrals shall comply with the requirements of Section 409A of the Code.

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(d) In such circumstances as the Committee may deem advisable, the Committee may waive or otherwise remove, in whole or in part, any restrictions or limitations to which a Stock Unit Award was made subject at the time of grant.

ARTICLE X

CASH AWARDS AND PERFORMANCE AWARDS

10.1 CASH AWARDS. In addition to granting Options, SARs, Restricted Shares and Stock Units, the Committee shall, subject to the limitations of the Plan, have authority to grant to eligible Persons Cash Awards. Each Cash Award shall be subject to such terms and conditions, restrictions and contingencies, if any, as the Committee shall determine. Restrictions and contingencies limiting the right to receive a cash payment pursuant to a Cash Award shall be based upon the achievement of single or multiple Performance Objectives over a performance period established by the Committee. The determinations made by the Committee pursuant to this Section 10.1 shall be specified in the applicable Agreement.

10.2 DESIGNATION AS A PERFORMANCE AWARD. The Committee shall have the right to designate any Award of Options, SARs, Restricted Shares or Stock Units as a Performance Award. All Cash Awards shall be designated as Performance Awards.

10.3 PERFORMANCE OBJECTIVES. The grant or vesting of a Performance Award shall be subject to the achievement of Performance Objectives over a performance period established by the Committee based upon one or more of the following business criteria that apply to the Holder, one or more business units, divisions or Subsidiaries of the Company or the applicable sector of the Company, or the Company as a whole, and if so desired by the Committee, by comparison with a peer group of companies: increased revenue; net income measures (including income after capital costs and income before or after taxes); stock price measures (including growth measures and total stockholder return); price per share of Common Stock; market share; earnings per share (actual or targeted growth); earnings before interest, taxes, depreciation and amortization (EBITDA); economic value added (or an equivalent metric); market

value added; debt to equity ratio; cash flow measures (including cash flow return on capital, cash flow return on tangible capital, net cash flow and net cash flow before financing activities); return measures (including return on equity, return on average assets, return on capital, risk-adjusted return on capital, return on investors' capital and return on average equity); operating measures (including operating income, funds from operations, cash from operations, after-tax operating income, sales volumes, production volumes and production efficiency); expense measures (including overhead cost and general and administrative expense); margins; stockholder value; total stockholder return; proceeds from dispositions; total market value and corporate values measures (including ethics compliance, environmental and safety). Unless otherwise stated, such a Performance Objective need not be based upon an increase or positive result under a particular business criterion and could include, for example, maintaining the status quo or limiting economic losses (measured, in each case, by reference to specific business criteria). The Committee shall have the authority to determine whether the Performance Objectives and other terms and conditions of the Award are satisfied, and the Committee's determination as to the achievement of Performance Objectives relating to a Performance Award shall be made in writing.

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10.4 SECTION 162(m) OF THE CODE. Notwithstanding the foregoing provisions, if the Committee intends for a Performance Award to be granted and administered in a manner designed to preserve the deductibility of the compensation resulting from such Award in accordance with Section 162(m) of the Code, then the Performance Objectives for such particular Performance Award relative to the particular period of service to which the Performance Objectives relate shall be established by the Committee in writing (i) no later than 90 days after the beginning of such period and (ii) prior to the completion of 25% of such period.

10.5 WAIVER OF PERFORMANCE OBJECTIVES. The Committee shall have no discretion to modify or waive the Performance Objectives or conditions to the grant or vesting of a Performance Award unless such Award is not intended to qualify as qualified performance-based compensation under Section 162(m) of the Code and the relevant Agreement provides for such discretion.

ARTICLE XI

GENERAL PROVISIONS

11.1 ACCELERATION OF AWARDS.

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

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

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full, in each case effective upon the Board Change or Control Purchase or immediately prior to consummation of the Approved Transaction. The effect, if any, on a Cash Award of an Approved Transaction, Board Change or Control Purchase shall be prescribed in the applicable Agreement. Notwithstanding the foregoing, unless otherwise provided in the applicable Agreement, the Committee may, in its discretion, determine that any or all outstanding

Awards of any or all types granted pursuant to the Plan will not vest or become exercisable on an accelerated basis in connection with an Approved Transaction if effective provision has been made for the taking of such action which, in the opinion of the Committee, is equitable and appropriate to substitute a new Award for such Award or to assume such Award and to make such new or assumed Award, as nearly as may be practicable, equivalent to the old Award (before giving effect to any acceleration of the vesting or exercisability thereof), taking into account, to the extent applicable, the kind and amount of securities, cash or other assets into or for which the applicable series of Common Stock may be changed, converted or exchanged in connection with the Approved Transaction.

11.2 TERMINATION OF EMPLOYMENT.

(a) GENERAL. If a Holder's employment shall terminate prior to an Option or SAR becoming exercisable or being exercised (or deemed exercised, as provided in Section 7.2) in full, or during the Restriction Period with respect to any Restricted Shares or prior to the vesting or complete exercise of any Stock Units, then such Option or SAR shall thereafter become or be exercisable, such Stock Units to the extent vested shall thereafter be exercisable, and the Holder's rights to any unvested Restricted Shares, Retained Distributions, unpaid Dividend Equivalents and related cash amounts and any such unvested Stock Units shall thereafter vest, in each case solely to the extent provided in the applicable Agreement; PROVIDED, HOWEVER, that, unless otherwise determined by the Committee and provided in the applicable Agreement, (i) no Option or SAR may be exercised after the scheduled expiration date thereof; (ii) if the Holder's employment terminates by reason of death or Disability, the Option or SAR shall remain exercisable for a period of at least one year following such termination (but not later than the scheduled expiration of such Option or SAR); and (iii) any termination of the Holder's employment for cause will be treated in accordance with the provisions of Section 11.2(b). The effect on a Cash Award of the termination of a Holder's employment for any reason, other than for cause, shall be prescribed in the applicable Agreement.

(b) TERMINATION FOR CAUSE. If a Holder's employment with the Company or a Subsidiary of the Company shall be terminated by the Company or such Subsidiary for "cause" during the Restriction Period with respect to any Restricted Shares or prior to any Option or SAR becoming exercisable or being exercised in full or prior to the vesting or complete exercise of any Stock Unit or the payment in full of any Cash Award (for these purposes, "cause" shall have the meaning ascribed thereto in any employment agreement to which such Holder is a party or, in the absence thereof, shall include insubordination, dishonesty, incompetence, moral turpitude, other misconduct of any kind and the refusal to perform his duties and responsibilities for any reason other than illness or incapacity; PROVIDED, HOWEVER, that if such termination occurs within 12 months after an Approved

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Transaction or Control Purchase or Board Change, termination for "cause" shall mean only a felony conviction for fraud, misappropriation, or embezzlement), then, unless otherwise determined by the Committee and provided in the applicable Agreement, (i) all Options and SARs and all unvested or unexercised Stock Units and all unpaid Cash Awards held by such Holder shall immediately terminate, and (ii) such Holder's rights to all Restricted Shares, Retained Distributions, any unpaid Dividend Equivalents and any related cash amounts shall be forfeited immediately.

(c) MISCELLANEOUS. The Committee may determine whether any given leave of absence constitutes a termination of employment; PROVIDED, HOWEVER, that for purposes of the Plan, (i) a leave of absence, duly authorized in writing by the Company for military service or sickness, or for any other purpose approved by the Company if the period of such leave does not exceed 90 days, and (ii) a leave of absence in excess of 90 days, duly authorized in writing by the Company provided the employee's right to reemployment is guaranteed either by statute or contract, shall not be deemed a termination of employment. Unless otherwise determined by the Committee and provided in the applicable Agreement, Awards made under the Plan shall not be affected by any change of employment so long as the Holder continues to be an employee of the Company.

11.3 RIGHT OF COMPANY TO TERMINATE EMPLOYMENT. Nothing contained in the Plan or in any Award, and no action of the Company or the Committee with respect thereto, shall confer or be construed to confer on any Holder any right to continue in the employ of the Company or any of its Subsidiaries or interfere in any way with the right of the Company or any Subsidiary of the Company to terminate the employment of the Holder at any time, with or without cause, subject, however, to the provisions of any employment agreement between the Holder and the Company or any Subsidiary of the Company.

11.4 NONALIENATION OF BENEFITS. Except as set forth herein, no right or benefit under the Plan shall be subject to anticipation, alienation, sale,

assignment, hypothecation, pledge, exchange, transfer, encumbrance or charge, and any attempt to anticipate, alienate, sell, assign, hypothecate, pledge, exchange, transfer, encumber or charge the same shall be void. No right or benefit hereunder shall in any manner be liable for or subject to the debts, contracts, liabilities or torts of the Person entitled to such benefits.

11.5 WRITTEN AGREEMENT. Each Award of Options shall be evidenced by a stock option agreement; each Award of SARs shall be evidenced by a stock appreciation rights agreement; each Award of Restricted Shares shall be evidenced by a restricted shares agreement; each Award of Stock Units shall be evidenced by a stock units agreement; and each Performance Award shall be evidenced by a performance award agreement (including a cash award agreement evidencing a Cash Award), each in such form and containing such terms and provisions not inconsistent with the provisions of the Plan as the Committee from time to time shall approve; PROVIDED, HOWEVER, that if more than one type of Award is made to the same Holder, such Awards may be evidenced by a single Agreement with such Holder. Each grantee of an Option, SAR, Restricted Shares, Stock Units or Performance Award (including a Cash Award) shall be notified promptly of such grant, and a written Agreement shall be promptly executed and delivered by the Company. Any such written Agreement may contain (but shall not be required

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to contain) such provisions as the Committee deems appropriate (i) to insure that the penalty provisions of Section 4999 of the Code will not apply to any stock or cash received by the Holder from the Company or (ii) to provide cash payments to the Holder to mitigate the impact of such penalty provisions upon the Holder. Any such Agreement may be supplemented or amended from time to time as approved by the Committee as contemplated by Section 11.7(b).

11.6 DESIGNATION OF BENEFICIARIES. Each Person who shall be granted an Award under the Plan may designate a beneficiary or beneficiaries and may change such designation from time to time by filing a written designation of beneficiary or beneficiaries with the Committee on a form to be prescribed by it, provided that no such designation shall be effective unless so filed prior to the death of such Person.

11.7 TERMINATION AND AMENDMENT.

(a) GENERAL. Unless the Plan shall theretofore have been terminated as hereinafter provided, no Awards may be made under the Plan on or after June 30, 2012. The Plan may be terminated at any time prior to such date and may, from time to time, be suspended or discontinued or modified or amended if such action is deemed advisable by the Committee.

(b) MODIFICATION. No termination, modification or amendment of the Plan may, without the consent of the Person to whom any Award shall theretofore have been granted, adversely affect the rights of such Person with respect to such Award. No modification, extension, renewal or other change in any Award granted under the Plan shall be made after the grant of such Award, unless the same is consistent with the provisions of the Plan. With the consent of the Holder and subject to the terms and conditions of the Plan (including Section 11.7(a)), the Committee may amend outstanding Agreements with any Holder, including any amendment which would (i) accelerate the time or times at which the Award may be exercised and/or (ii) extend the scheduled expiration date of the Award. Without limiting the generality of the foregoing, the Committee may, but solely with the Holder's consent unless otherwise provided in the Agreement, agree to cancel any Award under the Plan and grant a new Award in substitution therefor, provided that the Award so substituted shall satisfy all of the requirements of the Plan as of the date such new Award is made. Nothing contained in the foregoing provisions of this Section 11.7(b) shall be construed to prevent the Committee from providing in any Agreement that the rights of the Holder with respect to the Award evidenced thereby shall be subject to such rules and regulations as the Committee may, subject to the express provisions of the Plan, adopt from time to time or impair the enforceability of any such provision.

11.8 GOVERNMENT AND OTHER REGULATIONS. The obligation of the Company with respect to Awards shall be subject to all applicable laws, rules and regulations and such approvals by any governmental agencies as may be required, including the effectiveness of any registration statement required under the Securities Act of 1933, and the rules and regulations of any securities exchange or association on which the Common Stock may be listed or quoted. For so long as any series of Common Stock are registered under the Exchange Act, the Company shall

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use its reasonable efforts to comply with any legal requirements (i) to maintain a registration statement in effect under the Securities Act of 1933 with respect to all shares of the applicable series of Common Stock that may be issued to

Holders under the Plan and (ii) to file in a timely manner all reports required to be filed by it under the Exchange Act.

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

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

11.11 EXCLUSION FROM PENSION AND PROFIT-SHARING COMPUTATION. By acceptance of an Award, unless otherwise provided in the applicable Agreement, each Holder shall be deemed to have agreed that such Award is special incentive compensation that will not be taken into account, in any manner, as salary, compensation or bonus in determining the amount of any payment under any pension, retirement or other employee benefit plan, program or policy of the Company or any Subsidiary of the Company. In addition, each beneficiary of a deceased Holder shall be deemed to have agreed that such Award will not affect the amount of any life insurance coverage, if any, provided by the Company on the life of the Holder which is payable to such beneficiary under any life insurance plan covering employees of the Company or any Subsidiary of the Company.

11.12 UNFUNDED PLAN. Neither the Company nor any Subsidiary of the Company shall be required to segregate any cash or any shares of Common Stock which may at any time be represented by Awards, and the Plan shall constitute an "unfunded" plan of the Company. Except as provided in Article VIII with respect to Awards of Restricted Shares and except as expressly set forth in an Agreement, no employee shall have voting or other rights with respect to the shares of Common Stock covered by an Award prior to the delivery of such shares. Neither the Company nor any Subsidiary of the Company shall, by any provisions of the Plan, be deemed to be a trustee of any shares of Common Stock or any other property, and the liabilities

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of the Company and any Subsidiary of the Company to any employee pursuant to the Plan shall be those of a debtor pursuant to such contract obligations as are created by or pursuant to the Plan, and the rights of any employee, former employee or beneficiary under the Plan shall be limited to those of a general creditor of the Company or the applicable Subsidiary of the Company, as the case may be. In its sole discretion, the Board may authorize the creation of trusts or other arrangements to meet the obligations of the Company under the Plan, PROVIDED, HOWEVER, that the existence of such trusts or other arrangements is consistent with the unfunded status of the Plan.

11.13 GOVERNING LAW. The Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware.

11.14 ACCOUNTS. The delivery of any shares of Common Stock and the payment of any amount in respect of an Award shall be for the account of the Company or the applicable Subsidiary of the Company, as the case may be, and any such delivery or payment shall not be made until the recipient shall have paid or made satisfactory arrangements for the payment of any applicable withholding taxes as provided in Section 11.9.

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

11.16 COMPANY'S RIGHTS. The grant of Awards pursuant to the Plan shall not affect in any way the right or power of the Company to make reclassifications, reorganizations or other changes of or to its capital or business structure or

to merge, consolidate, liquidate, sell or otherwise dispose of all or any part of its business or assets.

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

LIBERTY MEDIA CORPORATION
2000 INCENTIVE PLAN

(AS AMENDED AND RESTATED EFFECTIVE FEBRUARY 22, 2007)

ARTICLE I

PURPOSE AND ASSUMPTION OF PLAN

1.1 PURPOSE. The purpose of the Plan is to promote the success of the Company by providing a method whereby (i) eligible employees of the Company and its Subsidiaries and (ii) independent contractors providing services to the Company and its Subsidiaries may be awarded additional remuneration for services rendered and encouraged to invest in capital stock of the Company, thereby increasing their proprietary interest in the Company's businesses, encouraging them to remain in the employ of the Company or its Subsidiaries, and increasing their personal interest in the continued success and progress of the Company and its Subsidiaries. The Plan is also intended to aid in (i) attracting Persons of exceptional ability to become officers and employees of the Company and its Subsidiaries and (ii) inducing independent contractors to agree to provide services to the Company and its Subsidiaries.

1.2 ASSUMPTION OF PLAN; AMENDMENT AND RESTATEMENT OF PLAN. The Plan was originally adopted as the Amended and Restated AT&T Corp. Liberty Media Group 2000 Incentive Plan, by the board of directors of AT&T Corp., the former parent corporation of Liberty Media LLC ("Old Liberty"), which prior to the Merger (as defined below) was a Delaware corporation named Liberty Media Corporation and was the parent corporation of the Company. Effective August 10, 2001, the board of directors of Old Liberty approved an amendment and restatement of the Plan, and Old Liberty assumed and adopted the Plan in connection with its split off from AT&T Corp. The Plan was later amended and restated effective September 11, 2002 and April 19, 2004 by the board of directors of Old Liberty. The Plan was further amended and restated as of May 9, 2006 by the Board of the Company in connection with the merger of a wholly owned subsidiary of the Company with and into Old Liberty ("Merger"). Effective May 9, 2006, the Company became the parent corporation of Old Liberty and assumed and adopted the Plan. The Plan is hereby further amended and restated as of February 22, 2007 by the Board of the Company to make certain clarifying changes to Section 4.2 hereof.

ARTICLE II

DEFINITIONS

2.1 CERTAIN DEFINED TERMS. Capitalized terms not defined elsewhere in the Plan shall have the following meanings (whether used in the singular or plural):

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

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"Agreement" means a stock option agreement, stock appreciation rights agreement, restricted shares agreement, stock units agreement, cash award agreement or an agreement evidencing more than one type of Award, specified in Section 11.5, as any such Agreement may be supplemented or amended from time to time.

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

"Award" means a grant of Options, SARs, Restricted Shares, Stock Units, Performance Awards, Cash Awards and/or cash amounts under the Plan.

"Board" means the Board of Directors of the Company.

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

"Cash Award" means an Award made pursuant to Section 10.1 of the Plan to a Holder that is paid solely on account of the attainment of one or more Performance Objectives that have been preestablished by the Committee.

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

"Committee" means the committee of the Board appointed pursuant to Section 3.1 to administer the Plan.

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

"Company" means Liberty Media Corporation, a Delaware corporation (which was originally incorporated under the name Liberty Media Holding Corporation).

"Control Purchase" means any transaction (or series of related transactions) in which (i) any person (as such term is defined in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), corporation or other entity (other than the Company, any Subsidiary of the Company or any employee benefit plan sponsored by the Company or any Subsidiary of the Company) shall purchase any Common Stock of the Company (or securities convertible into Common Stock of the Company) for cash, securities or any other consideration pursuant to a tender offer or exchange offer, without the prior consent of the Board, or (ii) any person (as such term is so defined), corporation or other entity (other than the Company, any Subsidiary of the Company, any employee benefit plan sponsored by the Company or any Subsidiary of the Company or any Exempt Person (as defined below)) shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the then outstanding securities of the Company ordinarily (and apart from the rights accruing under special circumstances) having the right to vote in the election of directors (calculated as provided in Rule 13d-3(d) under the Exchange Act in the case of rights to acquire the Company's securities), other than in a transaction (or series of related transactions) approved by the Board. For purposes of this definition, "Exempt Person" means each of (a) the Chairman of the Board, the President and each of the directors of the Company as of April 19, 2004, and (b) the respective family members, estates and heirs of each of the Persons referred to in clause (a) above and any trust or other investment vehicle for the primary benefit of any of such Persons or their respective family members or heirs. As used with respect to any Person, the term "family member" means the spouse, siblings and lineal descendants of such Person.

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

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

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

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"Effective Date" means December 6, 2000, the date on which the Plan originally became effective.

"Equity Security" shall have the meaning ascribed to such term in

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

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

"Fair Market Value" of a share of any series of Common Stock on any day means the last sale price (or, if no last sale price is reported, the average of the high bid and low asked prices) for a share of such series of Common Stock on such day (or, if such day is not a trading day, on the next preceding trading day) as reported on the consolidated transaction reporting system for the principal national securities exchange on which shares of such series of Common Stock are listed on such day or if such shares are not then listed on a national securities exchange, then as reported on Nasdaq or, if such shares are not then listed or quoted on Nasdaq, then as quoted by the National Quotation Bureau Incorporated. If for any day the Fair Market Value of a share of the applicable series of Common Stock is not determinable by any of the foregoing means, then the Fair Market Value for such day shall be determined in good faith by the Committee on the basis of such quotations and other considerations as the Committee deems appropriate.

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

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

"Nasdaq" means The Nasdaq Stock Market.

"Nonqualified Stock Option" means a stock option granted under Article VI.

"Option" means a Nonqualified Stock Option.

"Performance Award" means an Award made pursuant to Article X of the Plan to a Holder that is subject to the attainment of one or more Performance Objectives.

"Performance Objective" means a standard established by the Committee to determine in whole or in part whether a Performance Award shall be earned.

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

"Plan" means this Liberty Media Corporation 2000 Incentive Plan (As Amended and Restated Effective February 22, 2007).

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"Restricted Shares" means shares of any series of Common Stock or the right to receive shares of any specified series of Common Stock, as the case may be, awarded pursuant to Article VIII.

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

"Retained Distribution" has the meaning ascribed thereto in Section 8.3.

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

"Stock Unit Awards" has the meaning ascribed thereto in Section 9.1.

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

"Tandem SARs" has the meaning ascribed thereto in Section 7.1.

"Vesting Date," with respect to any Restricted Shares awarded hereunder, means the date on which such Restricted Shares cease to be subject to a risk of forfeiture, as designated in or determined in accordance with the Agreement with respect to such Award of Restricted Shares pursuant to Article VIII. If more than one Vesting Date is designated for an Award of Restricted Shares, reference in the Plan to a Vesting Date in respect of such Award shall be deemed to refer to each part

of such Award and the Vesting Date for such part.

ARTICLE III

ADMINISTRATION

3.1 COMMITTEE. The Plan shall be administered by the Compensation Committee of the Board unless a different committee is appointed by the Board. The Committee shall be comprised of not less than two Persons. The Board may from time to time appoint members of the Committee in substitution for or in addition to members previously appointed, may fill vacancies in the Committee and may remove members of the Committee. The Committee shall select one of its members as its chairman and shall hold its meetings at such times and places as it shall deem advisable. A majority of its members shall constitute a quorum and all determinations shall be made by a majority of such quorum. Any determination reduced to writing and signed by all of the members shall be as fully effective as if it had been made by a majority vote at a meeting duly called and held.

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

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

ARTICLE IV

SHARES SUBJECT TO THE PLAN

4.1 NUMBER OF SHARES. Subject to the provisions of this Article IV, the maximum number of shares of Common Stock with respect to which Awards may be granted during the term of the Plan shall be 48 million shares. Shares of Common Stock will be made available from the authorized but unissued shares of the Company or from shares reacquired by the Company, including shares purchased in the open market. The shares of Common Stock subject to (i) any Award granted under the Plan that shall expire, terminate or be annulled for any reason without having been exercised (or considered to have been exercised as provided in Section 7.2), (ii) any Award of any SARs granted under the Plan that shall be exercised for cash, and (iii) any Award of Restricted Shares or Stock Units that shall be forfeited prior to becoming vested (provided that the Holder received no benefits of ownership of such Restricted Shares or Stock Units other than voting rights and the accumulation of Retained Distributions and unpaid Dividend Equivalents that are likewise forfeited) shall again be available for purposes of the Plan. Except for Awards described in Section 11.1, no Person may be granted in any calendar year Awards covering more than 7.5 million shares of Common Stock (as such amount may be adjusted from time to time as provided in Section 4.2). No Person shall receive payment for Cash Awards during any calendar year aggregating in excess of \$10,000,000.

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4.2 ADJUSTMENTS. If the Company subdivides its outstanding shares of any series of Common Stock into a greater number of shares of such series of Common Stock (by stock dividend, stock split, reclassification, or otherwise) or combines its outstanding shares of any series of Common Stock into a smaller number of shares of such series of Common Stock (by reverse stock split, reclassification, or otherwise) or if the Committee determines that any stock

dividend, extraordinary cash dividend, reclassification, recapitalization, reorganization, split-up, spin-off, combination, exchange of shares, warrants or rights offering to purchase such series of Common Stock or other similar corporate event (including mergers or consolidations other than those which constitute Approved Transactions, adjustments with respect to which shall be governed by Section 11.1(b)) affects any series of Common Stock so that an adjustment is required to preserve the benefits or potential benefits intended to be made available under the Plan, then the Committee, in such manner as the Committee, in its sole discretion, deems equitable and appropriate, shall make such adjustments to any or all of (i) the number and kind of shares of stock which thereafter may be awarded, optioned or otherwise made subject to the benefits contemplated by the Plan, (ii) the number and kind of shares of stock subject to outstanding Awards, and (iii) the purchase or exercise price and the relevant appreciation base with respect to any of the foregoing, PROVIDED, HOWEVER, that the number of shares subject to any Award shall always be a whole number. Notwithstanding the foregoing, if all shares of any series of Common Stock are redeemed, then each outstanding Award shall be adjusted to substitute for the shares of such series of Common Stock subject thereto the kind and amount of cash, securities or other assets issued or paid in the redemption of the equivalent number of shares of such series of Common Stock and otherwise the terms of such Award, including, in the case of Options or similar rights, the aggregate exercise price, and, in the case of Free Standing SARs, the aggregate base price, shall remain constant before and after the substitution (unless otherwise determined by the Committee and provided in the applicable Agreement). The Committee may, if deemed appropriate, provide for a cash payment to any Holder of an Award in connection with any adjustment made pursuant to this Section 4.2.

ARTICLE V

ELIGIBILITY

5.1 GENERAL. The Persons who shall be eligible to participate in the Plan and to receive Awards under the Plan shall, subject to Section 5.2, be such Persons who are employees (including officers and directors) of or independent contractors providing services to the Company or its Subsidiaries as the Committee shall select. Awards may be made to employees or independent contractors who hold or have held Awards under the Plan or any similar or other awards under any other plan of the Company or any of its Affiliates.

5.2 INELIGIBILITY. No member of the Committee, while serving as such, shall be eligible to receive an Award.

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ARTICLE VI

STOCK OPTIONS

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

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

6.3 TERM OF OPTIONS. Subject to the provisions of the Plan with respect to death, retirement and termination of employment, the term of each Option shall be for such period as the Committee shall determine as set forth in the applicable Agreement.

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

6.5 MANNER OF EXERCISE.

(a) FORM OF PAYMENT. An Option shall be exercised by written notice to the Company upon such terms and conditions as the Agreement may provide and in accordance with such other procedures for the exercise of Options as the Committee may establish from time to time. The method or methods of payment of the purchase price for the shares to be purchased upon exercise of an Option and of any amounts required by Section 11.9

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

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

(c) ISSUANCE OF SHARES. The Company shall effect the transfer of the shares of Common Stock purchased under the Option as soon as practicable after the exercise thereof and payment in full of the purchase price therefor and of any amounts required by Section 11.9, and within a reasonable time thereafter, such transfer shall be evidenced on the books of the Company. Unless otherwise determined by the Committee and provided in the applicable Agreement, (i) no Holder or other Person exercising an Option shall have any of the rights of a stockholder of the Company with respect to shares of Common Stock subject to an Option granted under the Plan until due exercise and full payment has been made, and (ii) no adjustment shall be made for cash dividends or other rights for which the record date is prior to the date of such due exercise and full payment.

6.6 NONTRANSFERABILITY. Unless otherwise determined by the Committee and provided in the applicable Agreement, Options shall not be transferable other than by will or the laws of descent and distribution or pursuant to a Domestic Relations Order, and, except as otherwise required pursuant to a Domestic Relations Order, Options may be exercised during the lifetime of the Holder thereof only by such Holder (or his or her court-appointed legal representative).

ARTICLE VII

SARs

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

7.2 TANDEM SARs. A Tandem SAR may be granted either concurrently with the grant of the related Option or at any time thereafter prior to the complete exercise, termination, expiration or cancellation of such related Option. Tandem SARs shall be exercisable only at the time and to the extent that the related Option is exercisable (and may be subject to such additional limitations on exercisability as the Agreement may provide) and in no event after the complete termination or full exercise of the related Option. Upon the exercise or termination of the related Option, the Tandem SARs with respect thereto shall be canceled automatically to the extent of the number of shares of Common Stock with respect to which the related Option was so exercised or terminated. Subject to the limitations of the Plan, upon the exercise of a Tandem

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

with respect to which the Tandem SAR was so exercised.

7.3 FREE STANDING SARs. Free Standing SARs shall be exercisable at the time, to the extent and upon the terms and conditions set forth in the applicable Agreement. The base price of a Free Standing SAR may be no less than the Fair Market Value of the applicable series of Common Stock with respect to which the Free Standing SAR was granted as of the date the Free Standing SAR is granted. Subject to the limitations of the Plan, upon the exercise of a Free Standing SAR and unless otherwise determined by the Committee and provided in the applicable Agreement, the Holder thereof shall be entitled to receive from the Company, for each share of the applicable series of Common Stock with respect to which the Free Standing SAR is being exercised, consideration (in the form determined as provided in Section 7.4) equal in value to the excess of the Fair Market Value of a share of the applicable series of Common Stock with respect to which the Free Standing SAR was granted on the date of exercise over the base price per share of such Free Standing SAR.

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

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

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

7.7 NONTRANSFERABILITY. Unless otherwise determined by the Committee and provided in the applicable Agreement, (i) SARs shall not be transferable other than by will or the laws of descent and distribution or pursuant to a Domestic Relations Order, and (ii) except as otherwise required pursuant to a Domestic Relations Order, SARs may be exercised during the lifetime of the Holder thereof only by such Holder (or his or her court-appointed legal representative).

ARTICLE VIII

RESTRICTED SHARES

8.1 GRANT. Subject to the limitations of the Plan, the Committee shall designate those eligible Persons to be granted Awards of Restricted Shares, shall determine the time when each such Award shall be granted, shall determine whether shares of Common Stock covered by Awards of Restricted Shares will be issued at the beginning or the end of the Restriction Period and whether Dividend Equivalents will be paid during the Restriction Period in the event shares of the applicable series of Common Stock are to be issued at the end of the Restriction Period, and shall designate (or set forth the basis for determining) the Vesting Date or Vesting Dates for each Award of Restricted Shares, and may prescribe other restrictions, terms and conditions applicable to the vesting of such Restricted Shares in addition to those provided in the Plan. The Committee shall determine the price, if any, to be paid by the Holder for the Restricted Shares; PROVIDED, HOWEVER, that the issuance of Restricted Shares shall be made for at least the minimum consideration necessary to permit such Restricted Shares to be deemed fully paid and nonassessable. All determinations made by the Committee pursuant to this Section 8.1 shall be specified in the Agreement.

8.2 ISSUANCE OF RESTRICTED SHARES AT BEGINNING OF THE RESTRICTION PERIOD. If shares of the applicable series of Common Stock are issued at the beginning of the Restriction Period, the stock certificate or certificates representing such Restricted Shares shall be registered in the name of the Holder to whom such Restricted Shares shall have been awarded. During the

Restriction Period, certificates representing the Restricted Shares and any securities constituting Retained Distributions shall bear a restrictive legend to the effect that ownership of the Restricted Shares (and such Retained Distributions), and the enjoyment of all rights appurtenant thereto, are subject to the restrictions, terms and conditions provided in the Plan and the applicable Agreement. Such certificates shall remain in the custody of the Company or its designee, and the Holder shall deposit with the custodian stock powers or other instruments of assignment, each endorsed in blank, so as to permit retransfer to the Company of all or any portion of the Restricted Shares and any securities constituting Retained Distributions that shall be forfeited or otherwise not become vested in accordance with the Plan and the applicable Agreement.

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8.3 RESTRICTIONS. Restricted Shares issued at the beginning of the Restriction Period shall constitute issued and outstanding shares of the applicable series of Common Stock for all corporate purposes. The Holder will have the right to vote such Restricted Shares, to receive and retain such dividends and distributions, as the Committee may designate, paid or distributed on such Restricted Shares, and to exercise all other rights, powers and privileges of a Holder of shares of the applicable series of Common Stock with respect to such Restricted Shares; EXCEPT, THAT, unless otherwise determined by the Committee and provided in the applicable Agreement, (i) the Holder will not be entitled to delivery of the stock certificate or certificates representing such Restricted Shares until the Restriction Period shall have expired and unless all other vesting requirements with respect thereto shall have been fulfilled or waived; (ii) the Company or its designee will retain custody of the stock certificate or certificates representing the Restricted Shares during the Restriction Period as provided in Section 8.2; (iii) other than such dividends and distributions as the Committee may designate, the Company or its designee will retain custody of all distributions ("Retained Distributions") made or declared with respect to the Restricted Shares (and such Retained Distributions will be subject to the same restrictions, terms and vesting, and other conditions as are applicable to the Restricted Shares) until such time, if ever, as the Restricted Shares with respect to which such Retained Distributions shall have been made, paid or declared shall have become vested, and such Retained Distributions shall not bear interest or be segregated in a separate account; (iv) the Holder may not sell, assign, transfer, pledge, exchange, encumber or dispose of the Restricted Shares or any Retained Distributions or his interest in any of them during the Restriction Period; and (v) a breach of any restrictions, terms or conditions provided in the Plan or established by the Committee with respect to any Restricted Shares or Retained Distributions will cause a forfeiture of such Restricted Shares and any Retained Distributions with respect thereto.

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

8.5 CASH PAYMENTS. In connection with any Award of Restricted Shares, an Agreement may provide for the payment of a cash amount to the Holder of such Restricted Shares at any time after such Restricted Shares shall have become vested. Such cash amounts shall be payable in accordance with such additional restrictions, terms and conditions as shall be prescribed by the Committee in the Agreement and shall be in addition to any other salary, incentive, bonus or other compensation payments which such Holder shall be otherwise entitled or eligible to receive from the Company.

8.6 COMPLETION OF RESTRICTION PERIOD. On the Vesting Date with respect to each Award of Restricted Shares and the satisfaction of any other applicable restrictions, terms and

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conditions, (i) all or the applicable portion of such Restricted Shares shall become vested, (ii) any Retained Distributions and any unpaid Dividend Equivalents with respect to such Restricted Shares shall become vested to the extent that the Restricted Shares related thereto shall have become vested, and (iii) any cash amount to be received by the Holder with respect to such Restricted Shares shall become payable, all in accordance with the terms of the applicable Agreement. Any such Restricted Shares, Retained Distributions and any unpaid Dividend Equivalents that shall not become vested shall be forfeited to the Company, and the Holder shall not thereafter have any rights (including

dividend and voting rights) with respect to such Restricted Shares, Retained Distributions and any unpaid Dividend Equivalents that shall have been so forfeited. The Committee may, in its discretion, provide that the delivery of any Restricted Shares, Retained Distributions and unpaid Dividend Equivalents that shall have become vested, and payment of any related cash amounts that shall have become payable under this Article VIII, shall be deferred until such date or dates as the recipient may elect. Any election of a recipient pursuant to the preceding sentence shall be filed in writing with the Committee in accordance with such rules and regulations, including any deadline for the making of such an election, as the Committee may provide, and shall be made in compliance with Section 409A of the Code.

ARTICLE IX

STOCK UNITS

9.1 GRANT. In addition to granting Awards of Options, SARs and Restricted Shares, the Committee shall, subject to the limitations of the Plan, have authority to grant to eligible Persons Awards of Stock Units which may be in the form of shares of any specified series of Common Stock or units, the value of which is based, in whole or in part, on the Fair Market Value of the shares of any specified series of Common Stock. Subject to the provisions of the Plan, including any rules established pursuant to Section 9.2, Awards of Stock Units shall be subject to such terms, restrictions, conditions, vesting requirements and payment rules as the Committee may determine in its discretion, which need not be identical for each Award. The determinations made by the Committee pursuant to this Section 9.1 shall be specified in the applicable Agreement.

9.2 RULES. The Committee may, in its discretion, establish any or all of the following rules for application to an Award of Stock Units:

(a) Any shares of Common Stock which are part of an Award of Stock Units may not be assigned, sold, transferred, pledged or otherwise encumbered prior to the date on which the shares are issued or, if later, the date provided by the Committee at the time of the Award.

(b) Such Awards may provide for the payment of cash consideration by the Person to whom such Award is granted or provide that the Award, and any shares of Common Stock to be issued in connection therewith, if applicable, shall be delivered without the payment of cash consideration; PROVIDED, HOWEVER, that the issuance of any shares of Common Stock in connection with an Award of Stock Units shall be for at least

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the minimum consideration necessary to permit such shares to be deemed fully paid and nonassessable.

(c) Awards of Stock Units may provide for deferred payment schedules, vesting over a specified period of employment, the payment (on a current or deferred basis) of dividend equivalent amounts with respect to the number of shares of Common Stock covered by the Award, and elections by the employee to defer payment of the Award or the lifting of restrictions on the Award, if any, provided that any such deferrals shall comply with the requirements of Section 409A of the Code.

(d) In such circumstances as the Committee may deem advisable, the Committee may waive or otherwise remove, in whole or in part, any restrictions or limitations to which a Stock Unit Award was made subject at the time of grant.

ARTICLE X

CASH AWARDS AND PERFORMANCE AWARDS

10.1 CASH AWARDS. In addition to granting Options, SARs, Restricted Shares and Stock Units, the Committee shall, subject to the limitations of the Plan, have authority to grant to eligible Persons Cash Awards. Each Cash Award shall be subject to such terms and conditions, restrictions and contingencies, if any, as the Committee shall determine. Restrictions and contingencies limiting the right to receive a cash payment pursuant to a Cash Award shall be based upon the achievement of single or multiple Performance Objectives over a performance period established by the Committee. The determinations made by the Committee pursuant to this Section 10.1 shall be specified in the applicable Agreement.

10.2 DESIGNATION AS A PERFORMANCE AWARD. The Committee shall have the right to designate any Award of Options, SARs, Restricted Shares or Stock Units as a Performance Award. All Cash Awards shall be designated as Performance Awards.

10.3 PERFORMANCE OBJECTIVES. The grant or vesting of a Performance Award shall be subject to the achievement of Performance Objectives over a performance

period established by the Committee based upon one or more of the following business criteria that apply to the Holder, one or more business units, divisions or Subsidiaries of the Company or the applicable sector of the Company, or the Company as a whole, and if so desired by the Committee, by comparison with a peer group of companies: increased revenue; net income measures (including income after capital costs and income before or after taxes); stock price measures (including growth measures and total stockholder return); price per share of Common Stock; market share; earnings per share (actual or targeted growth); earnings before interest, taxes, depreciation and amortization (EBITDA); economic value added (or an equivalent metric); market value added; debt to equity ratio; cash flow measures (including cash flow return on capital, cash flow return on tangible capital, net cash flow and net cash flow before financing activities); return measures (including return on equity, return on average assets, return on capital, risk-adjusted return on capital, return on investors' capital and return on average equity); operating measures (including operating income, funds from operations, cash from operations, after-tax operating income, sales

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volumes, production volumes and production efficiency); expense measures (including overhead cost and general and administrative expense); margins; stockholder value; total stockholder return; proceeds from dispositions; total market value and corporate values measures (including ethics compliance, environmental and safety). Unless otherwise stated, such a Performance Objective need not be based upon an increase or positive result under a particular business criterion and could include, for example, maintaining the status quo or limiting economic losses (measured, in each case, by reference to specific business criteria). The Committee shall have the authority to determine whether the Performance Objectives and other terms and conditions of the Award are satisfied, and the Committee's determination as to the achievement of Performance Objectives relating to a Performance Award shall be made in writing.

10.4 SECTION 162(m) OF THE CODE. Notwithstanding the foregoing provisions, if the Committee intends for a Performance Award to be granted and administered in a manner designed to preserve the deductibility of the compensation resulting from such Award in accordance with Section 162(m) of the Code, then the Performance Objectives for such particular Performance Award relative to the particular period of service to which the Performance Objectives relate shall be established by the Committee in writing (i) no later than 90 days after the beginning of such period and (ii) prior to the completion of 25% of such period.

10.5 WAIVER OF PERFORMANCE OBJECTIVES. The Committee shall have no discretion to modify or waive the Performance Objectives or conditions to the grant or vesting of a Performance Award unless such Award is not intended to qualify as qualified performance-based compensation under Section 162(m) of the Code and the relevant Agreement provides for such discretion.

ARTICLE XI

GENERAL PROVISIONS

11.1 ACCELERATION OF AWARDS.

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

(b) APPROVED TRANSACTIONS; BOARD CHANGE; CONTROL PURCHASE. In the event of any Approved Transaction, Board Change or Control Purchase, notwithstanding any

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contrary waiting period, installment period, vesting schedule or Restriction Period in any Agreement or in the Plan, unless the applicable Agreement provides otherwise: (i) in the case of an Option or SAR, each such outstanding Option or SAR granted under the Plan shall become exercisable in full in respect of the aggregate number of shares covered thereby; (ii) in the case of Restricted Shares, the Restriction Period applicable to each such Award of Restricted Shares shall be deemed to have

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

11.2 TERMINATION OF EMPLOYMENT.

(a) GENERAL. If a Holder's employment shall terminate prior to an Option or SAR becoming exercisable or being exercised (or deemed exercised, as provided in Section 7.2) in full, or during the Restriction Period with respect to any Restricted Shares or prior to the vesting or complete exercise of any Stock Units, then such Option or SAR shall thereafter become or be exercisable, such Stock Units to the extent vested shall thereafter be exercisable, and the Holder's rights to any unvested Restricted Shares, Retained Distributions, unpaid Dividend Equivalents and related cash amounts and any such unvested Stock Units shall thereafter vest, in each case solely to the extent provided in the applicable Agreement; PROVIDED, HOWEVER, that, unless otherwise determined by the Committee and provided in the applicable Agreement, (i) no Option or SAR may be exercised after the scheduled expiration date thereof; (ii) if the Holder's employment terminates by reason of death or Disability, the Option or SAR shall remain exercisable for a period of at least one year following such termination (but not later than the scheduled expiration of such Option or SAR); and (iii) any termination of the Holder's employment for cause will be treated in accordance with the provisions of Section 11.2(b). The effect on a Cash Award of the termination of a Holder's employment for any reason, other than for cause, shall be prescribed in the applicable Agreement.

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(b) TERMINATION FOR CAUSE. If a Holder's employment with the Company or a Subsidiary of the Company shall be terminated by the Company or such Subsidiary for "cause" during the Restriction Period with respect to any Restricted Shares or prior to any Option or SAR becoming exercisable or being exercised in full or prior to the vesting or complete exercise of any Stock Unit or the payment in full of any Cash Award (for these purposes, "cause" shall have the meaning ascribed thereto in any employment agreement to which such Holder is a party or, in the absence thereof, shall include insubordination, dishonesty, incompetence, moral turpitude, other misconduct of any kind and the refusal to perform his duties and responsibilities for any reason other than illness or incapacity; PROVIDED, HOWEVER, that if such termination occurs within 12 months after an Approved Transaction or Control Purchase or Board Change, termination for "cause" shall mean only a felony conviction for fraud, misappropriation, or embezzlement), then, unless otherwise determined by the Committee and provided in the applicable Agreement, (i) all Options and SARs and all unvested or unexercised Stock Units and all unpaid Cash Awards held by such Holder shall immediately terminate, and (ii) such Holder's rights to all Restricted Shares, Retained Distributions, any unpaid Dividend Equivalents and any related cash amounts shall be forfeited immediately.

(c) MISCELLANEOUS. The Committee may determine whether any given leave of absence constitutes a termination of employment; PROVIDED, HOWEVER, that for purposes of the Plan, (i) a leave of absence, duly authorized in writing by the Company for military service or sickness, or for any other purpose approved by the Company if the period of such leave does not exceed 90 days, and (ii) a leave of absence in excess of 90 days, duly authorized in writing by the Company provided the employee's right to reemployment is guaranteed either by statute or contract, shall not be deemed a termination of employment. Unless otherwise determined by the Committee and provided in the applicable Agreement, Awards made under the Plan shall not be affected by any change of employment so long as the Holder continues to be an employee of the Company.

11.3 RIGHT OF COMPANY TO TERMINATE EMPLOYMENT. Nothing contained in the

Plan or in any Award, and no action of the Company or the Committee with respect thereto, shall confer or be construed to confer on any Holder any right to continue in the employ of the Company or any of its Subsidiaries or interfere in any way with the right of the Company or any Subsidiary of the Company to terminate the employment of the Holder at any time, with or without cause, subject, however, to the provisions of any employment agreement between the Holder and the Company or any Subsidiary of the Company.

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

11.5 WRITTEN AGREEMENT. Each Award of Options shall be evidenced by a stock option agreement; each Award of SARs shall be evidenced by a stock appreciation rights agreement;

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each Award of Restricted Shares shall be evidenced by a restricted shares agreement; each Award of Stock Units shall be evidenced by a stock units agreement; and each Performance Award shall be evidenced by a performance award agreement (including a cash award agreement evidencing a Cash Award), each in such form and containing such terms and provisions not inconsistent with the provisions of the Plan as the Committee from time to time shall approve; PROVIDED, HOWEVER, that if more than one type of Award is made to the same Holder, such Awards may be evidenced by a single Agreement with such Holder. Each grantee of an Option, SAR, Restricted Shares, Stock Units or Performance Award (including a Cash Award) shall be notified promptly of such grant, and a written Agreement shall be promptly executed and delivered by the Company. Any such written Agreement may contain (but shall not be required to contain) such provisions as the Committee deems appropriate (i) to insure that the penalty provisions of Section 4999 of the Code will not apply to any stock or cash received by the Holder from the Company or (ii) to provide cash payments to the Holder to mitigate the impact of such penalty provisions upon the Holder. Any such Agreement may be supplemented or amended from time to time as approved by the Committee as contemplated by Section 11.7(b).

11.6 DESIGNATION OF BENEFICIARIES. Each Person who shall be granted an Award under the Plan may designate a beneficiary or beneficiaries and may change such designation from time to time by filing a written designation of beneficiary or beneficiaries with the Committee on a form to be prescribed by it, provided that no such designation shall be effective unless so filed prior to the death of such Person.

11.7 TERMINATION AND AMENDMENT.

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

(b) MODIFICATION. No termination, modification or amendment of the Plan may, without the consent of the Person to whom any Award shall theretofore have been granted, adversely affect the rights of such Person with respect to such Award. No modification, extension, renewal or other change in any Award granted under the Plan shall be made after the grant of such Award, unless the same is consistent with the provisions of the Plan. With the consent of the Holder and subject to the terms and conditions of the Plan (including Section 11.7(a)), the Committee may amend outstanding Agreements with any Holder, including any amendment which would (i) accelerate the time or times at which the Award may be exercised and/or (ii) extend the scheduled expiration date of the Award. Without limiting the generality of the foregoing, the Committee may, but solely with the Holder's consent unless otherwise provided in the Agreement, agree to cancel any Award under the Plan and grant a new Award in substitution therefor, provided that the Award so substituted shall satisfy all of the requirements of the Plan as of the date such new Award is made. Nothing contained in the foregoing provisions of this Section 11.7(b) shall be construed to prevent the

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Committee from providing in any Agreement that the rights of the Holder with respect to the Award evidenced thereby shall be subject to such rules and regulations as the Committee may, subject to the express provisions of the Plan, adopt from time to time or impair the enforceability of any such provision.

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

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

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

11.11 EXCLUSION FROM PENSION AND PROFIT-SHARING COMPUTATION. By acceptance of an Award, unless otherwise provided in the applicable Agreement, each Holder shall be deemed to have agreed that such Award is special incentive compensation that will not be taken into account, in any manner, as salary, compensation or bonus in determining the amount of any payment under any pension, retirement or other employee benefit plan, program or policy of the Company or any Subsidiary of the Company. In addition, each beneficiary of a deceased Holder shall be deemed to have agreed that such Award will not affect the amount of any life insurance coverage, if any, provided by the Company on the life of the Holder which is payable to such

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beneficiary under any life insurance plan covering employees of the Company or any Subsidiary of the Company.

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

11.13 GOVERNING LAW. The Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware.

11.14 ACCOUNTS. The delivery of any shares of Common Stock and the payment of any amount in respect of an Award shall be for the account of the Company or the applicable Subsidiary of the Company, as the case may be, and any such delivery or payment shall not be made until the recipient shall have paid or made satisfactory arrangements for the payment of any applicable withholding taxes as provided in Section 11.9.

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

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

11.17 SECTION 409A. Notwithstanding anything in this Plan to the contrary, if any Plan provision or Award under the Plan would result in the imposition of an additional tax under Code Section 409A and related regulations and United States Department of the Treasury pronouncements ("Section 409A"), that Plan provision or Award will be reformed to avoid

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imposition of the applicable tax and no action taken to comply with Section 409A shall be deemed to adversely affect the Holder's rights to an Award.

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LIBERTY MEDIA CORPORATION
2002 NONEMPLOYEE DIRECTOR INCENTIVE PLAN

(As Amended and Restated Effective August 15, 2007)

ARTICLE I

PURPOSE AND AMENDMENT OF PLAN

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

1.2 AMENDMENT AND RESTATEMENT OF PLAN. The Plan is hereby amended and restated as of August 15, 2007 by the Board of the Company to make certain clarifying changes to Section 4.2 hereof.

ARTICLE II

DEFINITIONS

2.1 CERTAIN DEFINED TERMS. Capitalized terms not defined elsewhere in the Plan shall have the following meanings (whether used in the singular or plural):

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

"Agreement" means a stock option agreement, stock appreciation rights agreement, restricted shares agreement, stock units agreement, or an agreement evidencing more than one type of Award, specified in Section 11.5, as any such Agreement may be supplemented or amended from time to time.

"Approved Transaction" means any transaction in which the Board (or, if approval of the Board is not required as a matter of law, the stockholders of the Company) shall approve (i) any consolidation or merger of the Company, or binding share exchange, pursuant to which shares of Common Stock of the Company would be changed or converted into or exchanged for cash, securities, or other property, other than any such transaction in which the common stockholders of the Company immediately prior to such transaction have the same proportionate ownership of the Common Stock of, and voting power with respect to, the surviving corporation immediately after such

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transaction, (ii) any merger, consolidation, or binding share exchange to which the Company is a party as a result of which the Persons who are common stockholders of the Company immediately prior thereto have less than a majority of the combined voting power of the outstanding capital stock of the Company ordinarily (and apart from the rights accruing under special circumstances) having the right to vote in the election of directors immediately following such merger, consolidation, or binding share exchange, (iii) the adoption of any plan or proposal for the liquidation or dissolution of the Company, or (iv) any sale, lease, exchange, or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Company.

"Award" means a grant of Options, SARs, Restricted Shares, Stock Units and/or cash under this Plan.

"Board" means the Board of Directors of the Company.

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

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

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

"Company" means Liberty Media Corporation, a Delaware corporation.

"Control Purchase" means any transaction (or series of related transactions) in which (i) any person (as such term is defined in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), corporation, or other entity (other than the Company, any Subsidiary of the Company, or any employee benefit plan sponsored by the Company or any Subsidiary of the Company) shall purchase any Common Stock of the Company (or securities convertible into Common Stock of the Company) for cash, securities, or any other consideration pursuant to a tender offer or exchange offer, without the prior consent of the Board, or (ii) any person (as such term is so defined), corporation, or other entity (other than the Company, any Subsidiary of the Company, any employee benefit plan sponsored by the Company, or any Subsidiary of the Company or any Exempt Person (as defined below)) shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the then outstanding securities of the Company ordinarily (and apart from the rights accruing under special circumstances) having the right to vote in the election of directors (calculated as provided in Rule 13d-3(d) under the Exchange Act in the case of rights to acquire the Company's

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securities), other than in a transaction (or series of related transactions) approved by the Board. For purposes of this definition, "Exempt Person" means each of (a) the Chairman of the Board, the President and each of the directors of the Company as of August 10, 2001, and (b) the respective family members, estates, and heirs of each of the Persons referred to in clause (a) above and any trust or other investment vehicle for the primary benefit of any of such Persons or their respective family members or heirs. As used with respect to any Person, the term "family member" means the spouse, siblings and lineal descendants of such Person.

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

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

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

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

"Effective Date" means the date on which the Plan is approved by the shareholders of the Company.

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

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

"Fair Market Value" of a share of any series of Common Stock on any day means the last sale price (or, if no last sale price is reported, the average of the high bid and low asked prices) for a share of such series of Common Stock on such day (or, if such day is not a trading day, on the next preceding trading day) as reported on the consolidated transaction reporting system for the principal national securities exchange on which shares of such series of Common Stock are listed on such day or if such shares are not then listed on a national securities exchange, then as reported on Nasdaq or, if such

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shares are not then listed or quoted on Nasdaq, then as quoted by the National Quotation Bureau Incorporated. If for any day the Fair Market

Value of a share of the applicable series of Common Stock is not determinable by any of the foregoing means, then the Fair Market Value for such day shall be determined in good faith by the Board on the basis of such quotations and other considerations as the Board deems appropriate.

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

"Holder" means a Person who has received an Award under this Plan.

"Nasdaq" means The Nasdaq Stock Market.

"Nonemployee Director" means an individual who is a member of the Board and who is not an employee of the Company or any Subsidiary.

"Nonqualified Stock Option" means a stock option granted under Article VI.

"Option" means a Nonqualified Stock Option.

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

"Plan" means this Liberty Media Corporation 2002 Nonemployee Director Incentive Plan.

"Restricted Shares" means shares of any series of Common Stock or the right to receive shares of any specified series of Common Stock, as the case may be, awarded pursuant to Article VIII.

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

"Retained Distribution" has the meaning ascribed thereto in Section 8.3.

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

"Stock Unit Awards" has the meaning ascribed thereto in Section 9.1.

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

"Tandem SARs" has the meaning ascribed thereto in Section 7.1.

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"Vesting Date," with respect to any Restricted Shares awarded hereunder, means the date on which such Restricted Shares cease to be subject to a risk of forfeiture, as designated in or determined in accordance with the Agreement with respect to such award of Restricted Shares pursuant to Article VIII. If more than one Vesting Date is designated for an award of Restricted Shares, reference in the Plan to a Vesting Date in respect of such Award shall be deemed to refer to each part of such Award and the Vesting Date for such part.

ARTICLE III

ADMINISTRATION

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

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

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

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ARTICLE IV

SHARES SUBJECT TO THE PLAN

4.1 NUMBER OF SHARES. Subject to the provisions of this Article IV, the maximum number of shares of Common Stock (i) which may be issued in lieu of Director Compensation pursuant to Section 10.1 and (ii) with respect to which Awards may be granted during the term of the Plan shall be 5 million shares. Shares of Common Stock will be made available from the authorized but unissued shares of the Company or from shares reacquired by the Company, including shares purchased in the open market. The shares of Common Stock subject to (i) any Award granted under the Plan that shall expire, terminate or be annulled for any reason without having been exercised (or considered to have been exercised as provided in Section 7.2), (ii) any Award of any SARs granted under the Plan that shall be exercised for cash, and (iii) any Award of Restricted Shares or Stock Units that shall be forfeited prior to becoming vested (provided that the Holder received no benefits of ownership of such Restricted Shares or Stock Units other than voting rights and the accumulation of Retained Distributions and unpaid Dividend Equivalents that are likewise forfeited) shall again be available for purposes of the Plan.

4.2 ADJUSTMENTS. If the Company subdivides its outstanding shares of any series of Common Stock into a greater number of shares of such series of Common Stock (by stock dividend, stock split, reclassification, or otherwise) or combines its outstanding shares of any series of Common Stock into a smaller number of shares of such series of Common Stock (by reverse stock split, reclassification, or otherwise) or if the Board determines that any stock dividend, extraordinary cash dividend, reclassification, recapitalization, reorganization, split-up, spin-off, combination, exchange of shares, warrants or rights offering to purchase such series of Common Stock, or other similar corporate event (including mergers or consolidations other than those which constitute Approved Transactions, adjustments with respect to which shall be governed by Section 11.1(b)) affects any series of Common Stock so that an adjustment is required to preserve the benefits or potential benefits intended to be made available under this Plan, then the Board, in such manner as the Board, in its sole discretion, deems equitable and appropriate, shall make such adjustments to any or all of (i) the number and kind of shares of stock which thereafter may be awarded, optioned, or otherwise made subject to the benefits contemplated by the Plan, (ii) the number and kind of shares of stock subject to outstanding Awards, and (iii) the purchase or exercise price and the relevant appreciation base with respect to any of the foregoing, PROVIDED, HOWEVER, that the number of shares subject to any Award shall always be a whole number. Notwithstanding the foregoing, if all shares of any series of Common Stock are redeemed, then each outstanding Award shall be adjusted to substitute for the shares of such series of Common Stock subject thereto the kind and amount of cash, securities or other assets issued or paid in the redemption of the equivalent number of shares of such series of Common Stock and otherwise the terms of such Award, including, in the case of Options or similar rights, the total exercise price, and, in the case of Free Standing SARs, the base price, shall remain constant before and after the substitution (unless otherwise determined by the Board and provided in the applicable Agreement). The Board may, if deemed appropriate, provide for a cash payment to any Holder of an Award in connection with any adjustment made pursuant to this Section 4.2.

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ARTICLE V

ELIGIBILITY

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

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

ARTICLE VI

STOCK OPTIONS

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

6.2 OPTION PRICE. The price at which shares may be purchased upon exercise of an Option shall be fixed by the Board and may be more than, less than, or equal to the Fair Market Value of the shares of the applicable series of Common Stock subject to the Option as of the date the Option is granted.

6.3 TERM OF OPTIONS. Subject to the provisions of the Plan with respect to death, retirement and termination of service, the term of each Option shall be for such period as the Board shall determine as set forth in the applicable Agreement.

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

6.5 MANNER OF EXERCISE.

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

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the shares to be purchased upon exercise of an Option and of any amounts required by Section 11.9 shall be determined by the Board and may consist of (i) cash, (ii) check, (iii) promissory note, (iv) whole shares of any series of Common Stock, (v) the withholding of shares of the applicable series of Common Stock issuable upon such exercise of the Option, (vi) the delivery, together with a properly executed exercise notice, of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds required to pay the purchase price, or (vii) any combination of the foregoing methods of payment, or such other consideration and method of payment as may be permitted for the issuance of shares under the Delaware General Corporation Law. The permitted method or methods of payment of the amounts payable upon exercise of an Option, if other than in cash, shall be set forth in the applicable Agreement and may be subject to such conditions as the Board deems appropriate.

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

(c) ISSUANCE OF SHARES. The Company shall effect the transfer of the shares of Common Stock purchased under the Option as soon as practicable after the exercise thereof and payment in full of the purchase price therefor and of any amounts required by Section 11.9, and within a reasonable time thereafter, such transfer shall be evidenced on the books of the Company. Unless otherwise determined by the Board and provided in the applicable Agreement, (i) no Holder or other Person exercising an Option shall have any of the rights of a stockholder of the Company with respect to shares of Common Stock subject to an Option granted under the Plan until due exercise and full payment has been made, and (ii) no adjustment shall be made for cash dividends or other rights for which the record date is prior to the date of such due exercise and full payment.

6.6 NONTRANSFERABILITY. Unless otherwise determined by the Board and provided in the applicable Agreement, Options shall not be transferable other than by will or the laws of descent and distribution or pursuant to a Domestic Relations Order, and, except as otherwise required pursuant to a Domestic Relations Order, Options may be exercised during the lifetime of the Holder thereof only by such Holder (or his or her court-appointed legal representative).

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ARTICLE VII

SARs

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

7.2 TANDEM SARs. A Tandem SAR may be granted either concurrently with the grant of the related Option or at any time thereafter prior to the complete exercise, termination, expiration, or cancellation of such related Option. Tandem SARs shall be exercisable only at the time and to the extent that the related Option is exercisable (and may be subject to such additional limitations on exercisability as the Agreement may provide) and in no event after the complete termination or full exercise of the related Option. Upon the exercise or termination of the related Option, the Tandem SARs with respect thereto shall be canceled automatically to the extent of the number of shares of Common Stock with respect to which the related Option was so exercised or terminated. Subject to the limitations of the Plan, upon the exercise of a Tandem SAR and unless otherwise determined by the Board and provided in the applicable Agreement, (i) the Holder thereof shall be entitled to receive from the Company, for each share of the applicable series of Common Stock with respect to which the Tandem SAR is being exercised, consideration (in the form determined as provided in Section 7.4) equal in value to the excess of the Fair Market Value of a share of the applicable series of Common Stock with respect to which the Tandem SAR was granted on the date of exercise over the related Option purchase price per share, and (ii) the related Option with respect thereto shall be canceled automatically to the extent of the number of shares of Common Stock with respect to which the Tandem SAR was so exercised.

7.3 FREE STANDING SARs. Free Standing SARs shall be exercisable at the time, to the extent and upon the terms and conditions set forth in the applicable Agreement. The base price of a Free Standing SAR may be more than, less than, or equal to the Fair Market Value of the applicable series of Common Stock with respect to which the Free Standing SAR was granted as of the date the Free Standing SAR is granted. Subject to the limitations of the Plan, upon the exercise of a Free Standing SAR and unless otherwise determined by the Board and provided in the applicable Agreement, the Holder thereof shall be entitled to receive from the Company, for each share of the applicable series of Common Stock with respect to which the Free Standing SAR is being exercised, consideration (in the form determined as provided in Section 7.4) equal in value to the excess of the Fair Market Value of a share of the applicable series of Common Stock with respect to which the Free Standing SAR was granted on the date of exercise over the base price per share of such Free Standing SAR.

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

7.5 LIMITATIONS. The applicable Agreement may provide for a limit on the amount payable to a Holder upon exercise of SARs at any time or in the aggregate, for a limit on the number of SARs that may be exercised by the Holder in whole or in part for cash during any specified period, for a limit on the time periods during which a Holder may exercise SARs, and for such other limits on the rights of the Holder and such other terms and conditions of the SAR, including, without limitation, a condition that the SAR may be exercised only in accordance with rules and regulations adopted from time to time, as the Board may determine. Unless otherwise so provided in the applicable Agreement, any such limit relating to a Tandem SAR shall not restrict the exercisability of the related Option. Such rules and regulations may govern the right to exercise SARs granted prior to the adoption or amendment of such rules and regulations as well as SARs granted thereafter.

7.6 EXERCISE. For purposes of this Article VII, the date of exercise of a SAR shall mean the date on which the Company shall have received notice from

the Holder of the SAR of the exercise of such SAR (unless otherwise determined by the Board and provided in the applicable Agreement).

7.7 NONTRANSFERABILITY. Unless otherwise determined by the Board and provided in the applicable Agreement, (i) SARs shall not be transferable other than by will or the laws of descent and distribution or pursuant to a Domestic Relations Order, and (ii) except as otherwise required pursuant to a Domestic Relations Order, SARs may be exercised during the lifetime of the Holder thereof only by such Holder (or his or her court-appointed legal representative).

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ARTICLE VIII

RESTRICTED SHARES

8.1 GRANT. Subject to the limitations of the Plan, the Board shall designate those eligible Persons to be granted awards of Restricted Shares, shall determine the time when each such Award shall be granted, shall determine whether shares of Common Stock covered by awards of Restricted Shares will be issued at the beginning or the end of the Restriction Period and whether Dividend Equivalents will be paid during the Restriction Period in the event shares of the applicable series of Common Stock are to be issued at the end of the Restriction Period, and shall designate (or set forth the basis for determining) the Vesting Date or Vesting Dates for each award of Restricted Shares, and may prescribe other restrictions, terms, and conditions applicable to the vesting of such Restricted Shares in addition to those provided in the Plan. The Board shall determine the price, if any, to be paid by the Holder for the Restricted Shares; PROVIDED, HOWEVER, that the issuance of Restricted Shares shall be made for at least the minimum consideration necessary to permit such Restricted Shares to be deemed fully paid and nonassessable. All determinations made by the Board pursuant to this Section 8.1 shall be specified in the Agreement.

8.2 ISSUANCE OF RESTRICTED SHARES AT BEGINNING OF THE RESTRICTION PERIOD. If shares of the applicable series of Common Stock are issued at the beginning of the Restriction Period, the stock certificate or certificates representing such Restricted Shares shall be registered in the name of the Holder to whom such Restricted Shares shall have been awarded. During the Restriction Period, certificates representing the Restricted Shares and any securities constituting Retained Distributions shall bear a restrictive legend to the effect that ownership of the Restricted Shares (and such Retained Distributions), and the enjoyment of all rights appurtenant thereto, are subject to the restrictions, terms, and conditions provided in the Plan and the applicable Agreement. Such certificates shall remain in the custody of the Company or its designee, and the Holder shall deposit with the custodian stock powers or other instruments of assignment, each endorsed in blank, so as to permit retransfer to the Company of all or any portion of the Restricted Shares and any securities constituting Retained Distributions that shall be forfeited or otherwise not become vested in accordance with the Plan and the applicable Agreement.

8.3 RESTRICTIONS. Restricted Shares issued at the beginning of the Restriction Period shall constitute issued and outstanding shares of the applicable series of Common Stock for all corporate purposes. The Holder will have the right to vote such Restricted Shares, to receive and retain such dividends and distributions, as the Board may designate, paid or distributed on such Restricted Shares, and to exercise all other rights, powers, and privileges of a Holder of shares of the applicable series of Common Stock with respect to such Restricted Shares; EXCEPT, THAT, unless otherwise determined by the Board and provided in the applicable Agreement, (a) the Holder will not be entitled to delivery of the stock certificate or certificates representing such Restricted Shares until the Restriction Period shall have expired and unless all other vesting requirements with respect thereto shall have been fulfilled or waived; (b) the Company or its designee will retain custody of the stock certificate or certificates representing the Restricted Shares during the Restriction Period as provided in Section 8.2; (c) other than such dividends and

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distributions as the Board may designate, the Company or its designee will retain custody of all distributions ("Retained Distributions") made or declared with respect to the Restricted Shares (and such Retained Distributions will be subject to the same restrictions, terms and vesting, and other conditions as are applicable to the Restricted Shares) until such time, if ever, as the Restricted Shares with respect to which such Retained Distributions shall have been made, paid, or declared shall have become vested, and such Retained Distributions shall not bear interest or be segregated in a separate account; (d) the Holder may not sell, assign, transfer, pledge, exchange, encumber, or dispose of the Restricted Shares or any Retained Distributions or his interest in any of them during the Restriction Period; and (e) a breach of any restrictions, terms, or conditions provided in the Plan or established by the Board with respect to any Restricted Shares or Retained Distributions will cause a forfeiture of such

Restricted Shares and any Retained Distributions with respect thereto.

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

8.5 CASH AWARDS. In connection with any award of Restricted Shares, an Agreement may provide for the payment of a cash amount to the Holder of such Restricted Shares at any time after such Restricted Shares shall have become vested. Such cash awards shall be payable in accordance with such additional restrictions, terms, and conditions as shall be prescribed by the Board in the Agreement and shall be in addition to any other compensation payments which such Holder shall be otherwise entitled or eligible to receive from the Company.

8.6 COMPLETION OF RESTRICTION PERIOD. On the Vesting Date with respect to each award of Restricted Shares and the satisfaction of any other applicable restrictions, terms, and conditions, (a) all or the applicable portion of such Restricted Shares shall become vested, (b) any Retained Distributions and any unpaid Dividend Equivalents with respect to such Restricted Shares shall become vested to the extent that the Restricted Shares related thereto shall have become vested, and (c) any cash award to be received by the Holder with respect to such Restricted Shares shall become payable, all in accordance with the terms of the applicable Agreement. Any such Restricted Shares, Retained Distributions, and any unpaid Dividend Equivalents that shall not become vested shall be forfeited to the Company, and the Holder shall not thereafter have any rights (including dividend and voting rights) with respect to such Restricted Shares, Retained Distributions, and any unpaid Dividend Equivalents that shall have been so forfeited. The Board may, in its discretion, provide that the delivery of any Restricted Shares, Retained Distributions, and unpaid Dividend Equivalents that shall have become vested, and payment of any cash awards that shall have become payable, shall be deferred until such date or dates as the recipient may elect. Any election of a recipient pursuant to the preceding

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sentence shall be filed in writing with the Board in accordance with such rules and regulations, including any deadline for the making of such an election, as the Board may provide.

ARTICLE IX

STOCK UNITS

9.1 GRANT. In addition to granting awards of Options, SARs, and Restricted Shares, the Board shall, subject to the limitations of the Plan, have authority to grant to eligible Persons awards of Stock Units which may be in the form of shares of any specified series of Common Stock or units, the value of which is based, in whole or in part, on the Fair Market Value of the shares of any specified series of Common Stock. Subject to the provisions of the Plan, including any rules established pursuant to Section 9.2, awards of Stock Units shall be subject to such terms, restrictions, conditions, vesting requirements, and payment rules as the Board may determine in its discretion, which need not be identical for each Award. The determinations made by the Board pursuant to this Section 9.1 shall be specified in the applicable Agreement.

9.2 RULES. The Board may, in its discretion, establish any or all of the following rules for application to an Award of Stock Units:

(a) Any shares of Common Stock which are part of an award of Stock Units may not be assigned, sold, transferred, pledged, or otherwise encumbered prior to the date on which the shares are issued or, if later, the date provided by the Board at the time of the Award.

(b) Such Awards may provide for the payment of cash consideration by the Person to whom such Award is granted or provide that the Award, and any shares of Common Stock to be issued in connection therewith, if applicable, shall be delivered without the payment of cash consideration; PROVIDED, HOWEVER, that the issuance of any shares of Common Stock in connection with an Award of Stock Units shall be for at least the minimum consideration necessary to permit such shares to be deemed fully paid and nonassessable.

(c) Awards of Stock Units may relate in whole or in part to performance or other criteria established by the Board at the time of grant.

(d) Awards of Stock Units may provide for deferred payment schedules, vesting over a specified period of service, the payment (on a current or deferred basis) of dividend equivalent amounts with respect to the number of shares of Common Stock covered by the Award, and elections by the Holder to defer payment of the Award or the lifting of restrictions on the Award, if any.

(e) In such circumstances as the Board may deem advisable, the Board may waive or otherwise remove, in whole or in part, any restrictions or limitations to which a Stock Unit Award was made subject at the time of grant.

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ARTICLE X

STOCK AWARDS IN LIEU OF CASH DIRECTOR FEES

10.1 GENERAL. Each Nonemployee Director shall have the option to elect to receive shares of one or more series of Common Stock, as prescribed by the Board, in lieu of all or part of the Director Compensation otherwise payable by the Company during each calendar quarter. Subject to any applicable Purchase Restriction as described in Section 10.3, to the extent a Nonemployee Director has elected in writing to receive stock in lieu of Director Compensation, such Nonemployee Director will receive shares of Common Stock on the last day of the calendar quarter for which the Director Compensation was earned. The Director Compensation shall be converted to a number of shares of Common Stock equal in value to such Director Compensation based on the Fair Market Value of such shares on the last day of the calendar quarter for which the Director Compensation would otherwise be payable to the Nonemployee Director, with any fractional shares paid in cash. For this purpose, if the last day of the calendar quarter is not a trading day, then Fair Market Value shall be determined as of the next succeeding trading day. Any shares issued in lieu of Director Compensation shall be issued free of all restrictions except as required by law.

10.2 TIMING OF ELECTION. A Nonemployee Director's election pursuant to Section 10.1 must be made no later than the 30th calendar day (or such other day as the Board may prescribe) prior to the end of the calendar quarter to which the election applies in accordance with the procedures established by the Board. Once an election is made with respect to a particular calendar quarter, it may not be withdrawn or substituted unless the Board determines, in its sole discretion, that the withdrawal or substitution is occasioned by an extraordinary or unanticipated event.

10.3 ELECTION VOID DURING RESTRICTED PERIOD. If, on the date shares would be purchased pursuant to an election under Section 10.1, there is in place any restriction under applicable law (including, without limitation, a blackout period under the Sarbanes-Oxley Act of 2002) or the rules of the principal national securities exchange on which shares of the applicable series of Common Stock are traded (a "Purchase Restriction") which would prohibit the Nonemployee Director from making such a purchase, then such shares shall be purchased on the first trading day following the lapse or removal of the Purchase Restriction based on the Fair Market Value of the shares on such trading day.

10.4 CONDITIONS. Nothing contained herein shall preclude the Board, in its sole discretion, from imposing conditions on any election made under Section 10.1, including, without limitation, the conditions described in Section 10.3.

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ARTICLE XI

GENERAL PROVISIONS

11.1 ACCELERATION OF OPTIONS, SARs, RESTRICTED SHARES AND STOCK UNITS.

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

(b) APPROVED TRANSACTIONS; BOARD CHANGE; CONTROL PURCHASE. In the event of any Approved Transaction, Board Change or Control Purchase, notwithstanding any contrary waiting period, installment period, vesting schedule, or Restriction Period in any Agreement or in the Plan, unless the applicable Agreement provides otherwise: (i) in the case of an Option or SAR, each such outstanding Option or SAR granted under the Plan shall become exercisable in full in respect of the aggregate number of shares covered thereby; (ii) in the case of Restricted Shares, the Restriction Period applicable to each Award of Restricted Shares shall be deemed to have expired and all such Restricted Shares, any related Retained Distributions, and any unpaid Dividend Equivalents shall become vested and any cash amounts payable pursuant to the applicable Agreement shall be adjusted in such manner as may be provided in the Agreement; and (iii) in the case of Stock Units, each such award of Stock Units shall become vested in full, in each case effective upon the Board Change or Control Purchase or immediately prior to consummation of the Approved Transaction. Notwithstanding the foregoing, unless otherwise provided in the applicable Agreement, the Board may, in its discretion, determine that any or all outstanding Awards of any or all types granted pursuant to the Plan will not vest or become exercisable on an accelerated basis in connection with an Approved Transaction if effective provision has been made for the taking of such action which, in the opinion of the Board, is equitable and appropriate to substitute a new Award for such Award or to assume such Award and to make such new or assumed Award, as nearly as may be practicable, equivalent to the old Award (before giving effect to any acceleration of the vesting or exercisability thereof), taking into account, to the extent applicable, the kind and amount of securities, cash, or other assets into or for which the applicable series of Common Stock may be changed, converted, or exchanged in connection with the Approved Transaction.

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11.2 TERMINATION OF SERVICE.

(a) GENERAL. If a Holder's service shall terminate prior to the complete exercise of an Option or SAR (or deemed exercise thereof, as provided in Section 7.2) or during the Restriction Period with respect to any Restricted Shares or prior to the vesting or complete exercise of any Stock Units, then such Option, SAR, or Stock Unit shall thereafter be exercisable, and the Holder's rights to any unvested Restricted Shares, Retained Distributions, unpaid Dividend Equivalents, and cash amounts and any such unvested Stock Units shall thereafter vest, in each case solely to the extent provided in the applicable Agreement; PROVIDED, HOWEVER, that, unless otherwise determined by the Board and provided in the applicable Agreement, (i) no Option or SAR may be exercised after the scheduled expiration date thereof; (ii) if the Holder's service terminates by reason of death or Disability, the Option or SAR shall remain exercisable for a period of at least one year following such termination (but not later than the scheduled expiration of such Option or SAR); and (iii) any termination of the Holder's service for cause will be treated in accordance with the provisions of Section 11.2(b).

(b) TERMINATION FOR CAUSE. If a Holder's service on the Board shall be terminated by the Company during the Restriction Period with respect to any Restricted Shares, or prior to the exercise of any Option or SAR, or prior to the vesting or complete exercise of any Stock Unit for cause (for these purposes, cause shall include, but not be limited to, insubordination, dishonesty, incompetence, moral turpitude, other misconduct of any kind, and the refusal to perform his duties and responsibilities for any reason other than illness or incapacity; PROVIDED, HOWEVER, that if such termination occurs within 12 months after an Approved Transaction or Control Purchase or Board Change, termination for cause shall mean only a felony conviction for fraud, misappropriation, or embezzlement), then, unless otherwise determined by the Board and provided in the applicable Agreement, (i) all Options and SARs and all unvested or unexercised Stock Units held by such Holder shall immediately terminate and (ii) such Holder's rights to all Restricted Shares, Retained Distributions, any unpaid Dividend Equivalents, and any cash awards shall be forfeited immediately.

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

11.4 WRITTEN AGREEMENT. Each grant of an Option under the Plan shall be evidenced by a stock option agreement; each SAR shall be evidenced by a stock appreciation rights agreement; each award of Restricted Shares shall be evidenced by a restricted shares agreement; and each award of Stock Units shall be evidenced by a stock units agreement, each in such form and containing such

terms and provisions not inconsistent with the provisions of the Plan as the Board from time to time shall approve; PROVIDED, HOWEVER, that if more than one type of Award is made to the same Holder, such Awards may be evidenced by a single Agreement with such

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Holder. Each grantee of an Option, SAR, Restricted Shares, or Stock Units shall be notified promptly of such grant, and a written Agreement shall be promptly executed and delivered by the Company. Any such written Agreement may contain (but shall not be required to contain) such provisions as the Board deems appropriate (i) to insure that the penalty provisions of Section 4999 of the Code will not apply to any stock or cash received by the Holder from the Company or (ii) to provide cash payments to the Holder to mitigate the impact of such penalty provisions upon the Holder. Any such Agreement may be supplemented or amended from time to time as approved by the Board as contemplated by Section 11.6(b).

11.5 DESIGNATION OF BENEFICIARIES. Each Person who shall be granted an Award under the Plan may designate a beneficiary or beneficiaries and may change such designation from time to time by filing a written designation of beneficiary or beneficiaries with the Board on a form to be prescribed by it, provided that no such designation shall be effective unless so filed prior to the death of such Person.

11.6 TERMINATION AND AMENDMENT.

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

(b) MODIFICATION. No termination, modification or amendment of the Plan may, without the consent of the Person to whom any Award shall theretofore have been granted, adversely affect the rights of such Person with respect to such Award. No modification, extension, renewal, or other change in any Award granted under the Plan shall be made after the grant of such Award, unless the same is consistent with the provisions of the Plan. With the consent of the Holder and subject to the terms and conditions of the Plan (including Section 11.6(a)), the Board may amend outstanding Agreements with any Holder, including, without limitation, any amendment which would (i) accelerate the time or times at which the Award may be exercised and/or (ii) extend the scheduled expiration date of the Award. Without limiting the generality of the foregoing, the Board may, but solely with the Holder's consent unless otherwise provided in the Agreement, agree to cancel any Award under the Plan and grant a new Award in substitution therefor, provided that the Award so substituted shall satisfy all of the requirements of the Plan as of the date such new Award is made. Nothing contained in the foregoing provisions of this Section 11.6(b) shall be construed to prevent the Board from providing in any Agreement that the rights of the Holder with respect to the Award evidenced thereby shall be subject to such rules and regulations as the Board may, subject to the express provisions of the Plan, adopt from time to time or impair the enforceability of any such provision.

11.7 GOVERNMENT AND OTHER REGULATIONS. The obligation of the Company with respect to Awards shall be subject to all applicable laws, rules, and regulations and such approvals by any governmental agencies as may be required, including, without limitation, the effectiveness of

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any registration statement required under the Securities Act of 1933, and the rules and regulations of any securities exchange or association on which the Common Stock may be listed or quoted. For so long as any series of Common Stock are registered under the Exchange Act, the Company shall use its reasonable efforts to comply with any legal requirements (i) to maintain a registration statement in effect under the Securities Act of 1933 with respect to all shares of the applicable series of Common Stock that may be issued to Holders under the Plan and (ii) to file in a timely manner all reports required to be filed by it under the Exchange Act.

11.8 WITHHOLDING. The Company's obligation to deliver shares of Common Stock or pay cash in respect of any Award under the Plan shall be subject to applicable federal, state, and local tax withholding requirements. Federal, state, and local withholding tax due at the time of an Award, upon the exercise of any Option or SAR or upon the vesting of, or expiration of restrictions with respect to, Restricted Shares or Stock Units, as appropriate, may, in the discretion of the Board, be paid in shares of the applicable series of Common Stock already owned by the Holder or through the withholding of shares otherwise issuable to such Holder, upon such terms and conditions (including, without

limitation, the conditions referenced in Section 6.5) as the Board shall determine. If the Holder shall fail to pay, or make arrangements satisfactory to the Board for the payment to the Company of, all such federal, state and local taxes required to be withheld by the Company, then the Company shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to such Holder an amount equal to any federal, state, or local taxes of any kind required to be withheld by the Company with respect to such Award.

11.9 NONEXCLUSIVITY OF THE PLAN. The adoption of the Plan by the Board shall not be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options and the awarding of stock and cash otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

11.10 EXCLUSION FROM OTHER PLANS. By acceptance of an Award, unless otherwise provided in the applicable Agreement, each Holder shall be deemed to have agreed that such Award is special incentive compensation that will not be taken into account, in any manner, as compensation or bonus in determining the amount of any payment under any pension, retirement or other benefit plan, program, or policy of the Company or any Subsidiary of the Company. In addition, each beneficiary of a deceased Holder shall be deemed to have agreed that such Award will not affect the amount of any life insurance coverage, if any, provided by the Company on the life of the Holder which is payable to such beneficiary under any life insurance plan of the Company or any Subsidiary of the Company. Director Compensation elected to be received in the form of stock in lieu of cash shall be treated as regular compensation for purposes of any Director retirement or life insurance plan.

11.11 UNFUNDED PLAN. Neither the Company nor any Subsidiary of the Company shall be required to segregate any cash or any shares of Common Stock which may at any time be represented by Awards, and the Plan shall constitute an "unfunded" plan of the Company. Except as provided in Article VIII with respect to Awards of Restricted Shares and except as expressly set forth in an Agreement, no Holder shall have voting or other rights with respect to

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the shares of Common Stock covered by an Award prior to the delivery of such shares. Neither the Company nor any Subsidiary of the Company shall, by any provisions of the Plan, be deemed to be a trustee of any shares of Common Stock or any other property, and the liabilities of the Company to any Holder pursuant to the Plan shall be those of a debtor pursuant to such contract obligations as are created by or pursuant to the Plan, and shall be limited to those of a general creditor of the Company. In its sole discretion, the Board may authorize the creation of trusts or other arrangements to meet the obligations of the Company under the Plan, PROVIDED, HOWEVER, that the existence of such trusts or other arrangements is consistent with the unfunded status of the Plan.

11.12 GOVERNING LAW. The Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware.

11.13 ACCOUNTS. The delivery of any shares of Common Stock and the payment of any amount in respect of an Award shall be for the account of the Company or the applicable Subsidiary of the Company, as the case may be, and any such delivery or payment shall not be made until the recipient shall have paid or made satisfactory arrangements for the payment of any applicable withholding taxes as provided in Section 11.8.

11.14 LEGENDS. Each certificate evidencing shares of Common Stock subject to an Award shall bear such legends as the Board deems necessary or appropriate to reflect or refer to any terms, conditions, or restrictions of the Award applicable to such shares, including, without limitation, any to the effect that the shares represented thereby may not be disposed of unless the Company has received an opinion of counsel, acceptable to the Company, that such disposition will not violate any federal or state securities laws.

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

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CERTIFICATION

I, Gregory B. Maffei, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty Media Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements and other financial information included in this quarterly report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and

d) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

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Date: November 9, 2007

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/s/ GREGORY B. MAFFEI

Gregory B. Maffei
President and Chief Executive Officer
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CERTIFICATION

I, David J.A. Flowers, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty Media Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements and other financial information included in this quarterly report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and

d) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

<Table>
<S> <C>
Date: November 9, 2007

</Table>

<Table>
<S> <C>
/s/ DAVID J.A. FLOWERS

David J.A. Flowers
Senior Vice President and Treasurer
</Table>

CERTIFICATION

I, Christopher W. Shean, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty Media Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements and other financial information included in this quarterly report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and

d) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

<Table>
<S> <C> <C>
Date: November 9, 2007

</Table>

<Table>
<S> <C>
/s/ CHRISTOPHER W. SHEAN

Christopher W. Shean
Senior Vice President and Controller
</Table>

CERTIFICATION
 PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
 (SUBSECTIONS (A) AND (B) OF SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES
 CODE)

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

The Quarterly Report on Form 10-Q for the period ended September 30, 2007 (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of September 30, 2007 and December 31, 2006 and for the nine months ended September 30, 2007 and 2006.

<Table>		
<S>		
Dated:	November 9, 2007 -----	<C> /s/ GREGORY B. MAFFEI ----- Gregory B. Maffei President and Chief Executive Officer
Dated:	November 9, 2007 -----	/s/ DAVID J.A. FLOWERS ----- David J.A. Flowers Senior Vice President and Treasurer (Principal Financial Officer)
Dated:	November 9, 2007 -----	/s/ CHRISTOPHER W. SHEAN ----- Christopher W. Shean Senior Vice President and Controller (Principal Accounting Officer)
</Table>		

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

ATTRIBUTED FINANCIAL INFORMATION FOR TRACKING STOCK GROUPS

Our Liberty Interactive common stock is intended to reflect the separate performance of our Interactive Group which is comprised of our businesses engaged in video and on-line commerce, including our subsidiaries, QVC, Inc., Provide Commerce, Inc., BuySeasons, Inc. and Backcountry.com, Inc. and our interests in IAC/InterActiveCorp and Expedia, Inc. Our Liberty Capital common stock is intended to reflect the separate performance of our Capital Group which is comprised of all of our assets and businesses not attributed to the Interactive Group.

The following tables present our assets, liabilities, revenue, expenses and cash flows as of and for the nine months ended September 30, 2007 and 2006. The tables further present our assets, liabilities, revenue, expenses and cash flows that are attributed to the Interactive Group and the Capital Group, respectively. The financial information should be read in conjunction with our unaudited condensed consolidated financial statements for the three and nine months ended September 30, 2007 included in this Quarterly Report on Form 10-Q. The attributed financial information presented in the tables has been prepared assuming the Restructuring had been completed as of January 1, 2006.

Notwithstanding the following attribution of assets, liabilities, revenue, expenses and cash flows to the Interactive Group and the Capital Group, our tracking stock structure does not affect the ownership or the respective legal title to our assets or responsibility for our liabilities. We and our subsidiaries are each responsible for our respective liabilities. Holders of Liberty Interactive common stock and Liberty Capital common stock are holders of our common stock and are subject to risks associated with an investment in our company and all of our businesses, assets and liabilities. The issuance of Liberty Interactive common stock and Liberty Capital common stock does not affect the rights of our creditors or creditors of our subsidiaries.

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<Page>

SUMMARY ATTRIBUTED FINANCIAL DATA

INTERACTIVE GROUP

<Table>
<Caption>

	SEPTEMBER 30, 2007	DECEMBER 31, 2006
	-----	-----
	AMOUNTS IN MILLIONS	
<S>	<C>	<C>
SUMMARY BALANCE SHEET DATA:		
Current assets.....	\$ 2,778	2,984
Cost investments.....	\$ 2,300	2,572
Equity investments.....	\$ 1,312	1,358
Total assets.....	\$19,390	19,820
Long-term debt, including current portion.....	\$ 7,067	6,383
Long-term deferred income tax liabilities.....	\$ 2,790	3,057
Attributed net assets.....	\$ 7,949	8,561

</Table>

<Table>
<Caption>

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2007	2006	2007	2006
	-----	-----	-----	-----
	AMOUNTS IN MILLIONS			
<S>	<C>	<C>	<C>	<C>
SUMMARY OPERATIONS DATA:				
Revenue.....	\$ 1,760	1,693	5,322	5,016
Cost of sales.....	(1,115)	(1,063)	(3,337)	(3,117)
Operating expenses.....	(148)	(142)	(440)	(415)
Selling, general and administrative expenses(1).....	(141)	(116)	(436)	(406)
Depreciation and amortization.....	(135)	(122)	(397)	(367)
	-----	-----	-----	-----
Operating income.....	221	250	712	711
Interest expense.....	(121)	(108)	(340)	(298)
Other income, net.....	39	25	115	95
Income tax expense.....	(55)	(45)	(196)	(167)
Minority interests in earnings of subsidiaries.....	(6)	(8)	(20)	(26)
	-----	-----	-----	-----
Earnings before cumulative effect of accounting change....	78	114	271	315
Cumulative effect of accounting change, net of taxes.....	--	--	--	(87)
	-----	-----	-----	-----
Net earnings.....	\$ 78	114	271	228

</Table>

(1) Includes stock-based compensation of \$7 million and \$(7) million for the three months ended September 30, 2007 and 2006, respectively; and \$29 million and \$37 million for the nine months ended September 30, 2007 and 2006, respectively.

<Page>

SUMMARY ATTRIBUTED FINANCIAL DATA

CAPITAL GROUP

<Table>
<Caption>

	SEPTEMBER 30, 2007	DECEMBER 31, 2006
AMOUNTS IN MILLIONS		
<S>	<C>	<C>
SUMMARY BALANCE SHEET DATA:		
Current assets.....	\$ 3,628	3,776
Cost investments.....	\$17,507	19,050
Equity investments.....	\$ 513	484
Total assets.....	\$28,205	27,849
Long-term debt, including current portion.....	\$ 4,747	2,640
Long-term deferred income tax liabilities.....	\$ 6,271	6,604
Attributed net assets.....	\$12,882	13,072

<Table>
<Caption>

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2007	2006	2007	2006
AMOUNTS IN MILLIONS				
<S>	<C>	<C>	<C>	<C>
SUMMARY OPERATIONS DATA:				
Revenue.....	\$ 491	323	1,245	926
Operating expenses.....	(331)	(227)	(857)	(660)
Selling, general and administrative expenses(1).....	(100)	(85)	(282)	(193)
Depreciation and amortization.....	(41)	(25)	(102)	(67)
Impairment of long-lived assets.....	(41)	--	(41)	--
Operating income (loss).....	(22)	(14)	(37)	6
Interest expense.....	(52)	(69)	(128)	(187)
Realized and unrealized gains (losses) on financial instruments, net.....	398	(78)	493	74
Gain on dispositions, net.....	2	25	625	352
Other income, net.....	71	50	174	134
Income tax benefit (expense).....	(160)	32	151	(86)
Minority interests in losses (earnings) of subsidiaries.....	4	3	(1)	6
Earnings (loss) from continuing operations.....	241	(51)	1,277	299
Earnings (loss) from discontinued operations, net of taxes.....	--	--	149	(10)
Cumulative effect of accounting change, net of taxes.....	--	--	--	(2)
Net earnings (loss).....	\$ 241	(51)	1,426	287

</Table>

(1) Includes stock-based compensation of \$10 million and \$2 million for the three months ended September 30, 2007 and 2006, respectively; and \$28 million and \$9 million for the nine months ended September 30, 2007 and 2006, respectively.

<Page>

BALANCE SHEET INFORMATION

SEPTEMBER 30, 2007

(UNAUDITED)

<Table>
<Caption>

	ATTRIBUTED (NOTE 1)			CONSOLIDATED
	INTERACTIVE	CAPITAL	ELIMINATIONS	LIBERTY
	GROUP	GROUP		
	AMOUNTS IN MILLIONS			
<S>	<C>	<C>	<C>	<C>
ASSETS				
Current assets:				
Cash and cash equivalents.....	\$ 718	2,371	--	3,089
Trade and other receivables, net.....	865	420	--	1,285
Inventory, net.....	1,015	--	--	1,015
Program rights.....	--	589	--	589
Financial instruments (note 2).....	--	169	--	169
Current deferred tax assets.....	124	--	(124)	--
Other current assets.....	56	79	(6)	129
	-----	-----	-----	-----
Total current assets.....	2,778	3,628	(130)	6,276
	-----	-----	-----	-----
Investments in available-for-sale securities and other cost investments.....	2,300	17,507	--	19,807
Long-term financial instruments (note 2).....	18	1,208	--	1,226
Investments in affiliates, accounted for using the equity method.....	1,312	513	--	1,825
Investment in special purpose entity.....	--	750	--	750
Property and equipment, net.....	1,058	280	--	1,338
Goodwill.....	5,854	2,054	--	7,908
Trademarks.....	2,470	20	--	2,490
Intangible assets subject to amortization, net.....	3,556	376	--	3,932
Other assets, at cost, net of accumulated amortization.....	44	1,869	--	1,913
	-----	-----	-----	-----
Total assets.....	\$19,390	28,205	(130)	47,465
	=====	=====	=====	=====
LIABILITIES AND EQUITY				
Current liabilities:				
Accounts payable.....	\$ 554	32	--	586
Accrued interest.....	63	46	--	109
Other accrued liabilities.....	537	455	--	992
Intergroup payable (receivable).....	7	(7)	--	--
Financial instruments (note 2).....	5	1,371	--	1,376
Current portion of debt (note 3).....	24	184	--	208
Current deferred tax liabilities.....	--	220	(124)	96
Other current liabilities.....	25	27	--	52
	-----	-----	-----	-----
Total current liabilities.....	1,215	2,328	(124)	3,419
	-----	-----	-----	-----
Long-term debt (note 3).....	7,043	4,563	--	11,606
Long-term financial instruments (note 2).....	29	132	--	161
Deferred income tax liabilities (note 5).....	2,790	6,271	--	9,061
Other liabilities.....	268	1,234	(6)	1,496
	-----	-----	-----	-----
Total liabilities.....	11,345	14,528	(130)	25,743
Minority interests in equity of subsidiaries.....	96	795	--	891
Equity/Attributed net assets.....	7,949	12,882	--	20,831
	-----	-----	-----	-----
Total liabilities and equity.....	\$19,390	28,205	(130)	47,465
	=====	=====	=====	=====

</Table>

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STATEMENT OF OPERATIONS AND COMPREHENSIVE EARNINGS INFORMATION

THREE MONTHS ENDED SEPTEMBER 30, 2007

(UNAUDITED)

<Table>

<Caption>

	ATTRIBUTED (NOTE 1)		
	INTERACTIVE	CAPITAL	CONSOLIDATED
	GROUP	GROUP	LIBERTY
	AMOUNTS IN MILLIONS		
<S>	<C>	<C>	<C>
Revenue:			
Net retail sales.....	\$1,760	--	1,760
Communications and programming services.....	--	491	491
	-----	-----	-----
	1,760	491	2,251
	-----	-----	-----
Operating costs and expenses:			
Cost of sales.....	1,115	--	1,115

Operating.....	148	331	479
Selling, general and administrative (including stock-based compensation of \$7 million and \$10 million for Interactive Group and Capital Group, respectively (notes 1 and 4).....	141	100	241
Depreciation and amortization.....	135	41	176
Impairment of long-lived assets.....	--	41	41
	-----	-----	-----
	1,539	513	2,052
	-----	-----	-----
Operating income (loss).....	221	(22)	199
Other income (expense):			
Interest expense.....	(121)	(52)	(173)
Dividend and interest income.....	11	96	107
Share of earnings (losses) of affiliates, net.....	22	(23)	(1)
Realized and unrealized gains on financial instruments, net.....	2	398	400
Gains on dispositions, net.....	--	2	2
Other, net.....	4	(2)	2
	-----	-----	-----
	(82)	419	337
	-----	-----	-----
Earnings before income taxes and minority interests.....	139	397	536
Income tax expense (note 5).....	(55)	(160)	(215)
Minority interests in losses (earnings) of subsidiaries.....	(6)	4	(2)
	-----	-----	-----
Net earnings.....	\$ 78	241	319
	-----	-----	-----
Other comprehensive earnings (loss), net of taxes:			
Foreign currency translation adjustments.....	61	7	68
Unrealized holding losses arising during the period.....	(217)	(53)	(270)
Recognition of previously unrealized gains on available-for-sale securities, net.....	--	(1)	(1)
	-----	-----	-----
Other comprehensive loss.....	(156)	(47)	(203)
	-----	-----	-----
Comprehensive earnings (loss).....	\$ (78)	194	116
	=====	=====	=====

</Table>

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STATEMENT OF OPERATIONS AND COMPREHENSIVE EARNINGS INFORMATION

THREE MONTHS ENDED SEPTEMBER 30, 2006

<Table>

<Caption>

	ATTRIBUTED (NOTE 1)		
	INTERACTIVE GROUP	CAPITAL GROUP	CONSOLIDATED LIBERTY
	-----	-----	-----
	AMOUNTS IN MILLIONS		
<S>	<C>	<C>	<C>
Revenue:			
Net retail sales.....	\$1,693	--	1,693
Communications and programming services.....	--	323	323
	-----	-----	-----
	1,693	323	2,016
	-----	-----	-----
Operating costs and expenses:			
Cost of sales--electronic retailing services.....	1,063	--	1,063
Operating.....	142	227	369
Selling, general and administrative (including stock-based compensation of \$(7) million and \$2 million for Interactive Group and Capital Group, respectively) (notes 1 and 4).....	116	85	201
Depreciation and amortization.....	122	25	147
	-----	-----	-----
	1,443	337	1,780
	-----	-----	-----
Operating income (loss).....	250	(14)	236
Other income (expense):			
Interest expense.....	(108)	(69)	(177)
Dividend and interest income.....	10	61	71
Share of earnings (losses) of affiliates, net.....	8	(5)	3
Realized and unrealized gains (losses) on financial instruments, net.....	5	(78)	(73)
Gains on dispositions of assets, net.....	--	25	25
Nontemporary declines in fair value of investments.....	--	(4)	(4)
Other, net.....	2	(2)	--
	-----	-----	-----
	(83)	(72)	(155)
	-----	-----	-----

Earnings (loss) from continuing operations before income taxes and minority interests.....	167	(86)	81
Income tax benefit (expense) (note 5).....	(45)	32	(13)
Minority interests in losses (earnings) of subsidiaries.....	(8)	3	(5)
	-----	-----	-----
Net earnings (loss).....	\$ 114	(51)	63
	-----	-----	-----
Other comprehensive earnings (loss), net of taxes:			
Foreign currency translation adjustments.....	(11)	--	(11)
Unrealized holding gains arising during the period.....	57	392	449
Recognition of previously unrealized gains on available-for-sale securities, net.....	--	(10)	(10)
	-----	-----	-----
Other comprehensive earnings.....	46	382	428
	-----	-----	-----
Comprehensive earnings.....	\$ 160	331	491
	=====	=====	=====

</Table>

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STATEMENT OF OPERATIONS AND COMPREHENSIVE EARNINGS INFORMATION

NINE MONTHS ENDED SEPTEMBER 30, 2007

(UNAUDITED)

<Table>

<Caption>

	ATTRIBUTED (NOTE 1)		
	INTERACTIVE GROUP	CAPITAL GROUP	CONSOLIDATED LIBERTY
	-----	-----	-----
	AMOUNTS IN MILLIONS		
<S>	<C>	<C>	<C>
Revenue:			
Net retail sales.....	\$5,322	--	5,322
Communications and programming services.....	--	1,245	1,245
	-----	-----	-----
	5,322	1,245	6,567
	-----	-----	-----
Operating costs and expenses:			
Cost of sales.....	3,337	--	3,337
Operating.....	440	857	1,297
Selling, general and administrative (including stock-based compensation of \$29 million and \$28 million for Interactive Group and Capital Group, respectively (notes 1 and 4).....	436	282	718
Depreciation and amortization.....	397	102	499
Impairment of long-lived assets.....	--	41	41
	-----	-----	-----
	4,610	1,282	5,892
	-----	-----	-----
Operating income (loss).....	712	(37)	675
Other income (expense):			
Interest expense.....	(340)	(128)	(468)
Dividend and interest income.....	34	212	246
Share of earnings (losses) of affiliates, net.....	61	(37)	24
Realized and unrealized gains on financial instruments, net.....	--	493	493
Gains on dispositions, net.....	12	625	637
Other, net.....	8	(1)	7
	-----	-----	-----
	(225)	1,164	939
	-----	-----	-----
Earnings from continuing operations before income taxes and minority interests.....	487	1,127	1,614
Income tax benefit (expense) (note 5).....	(196)	151	(45)
Minority interests in earnings of subsidiaries.....	(20)	(1)	(21)
	-----	-----	-----
Earnings from continuing operations.....	271	1,277	1,548
Earnings from discontinued operations, net of taxes.....	--	149	149
	-----	-----	-----
Net earnings.....	\$ 271	1,426	1,697
	-----	-----	-----
Other comprehensive earnings (loss), net of taxes:			
Foreign currency translation adjustments.....	82	8	90
Unrealized holding losses arising during the period.....	(250)	(67)	(317)
Recognition of previously unrealized gains on available-for-sale securities, net.....	--	(397)	(397)
	-----	-----	-----
Other comprehensive loss.....	(168)	(456)	(624)
	-----	-----	-----
Comprehensive earnings.....	\$ 103	970	1,073

</Table>

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STATEMENT OF OPERATIONS AND COMPREHENSIVE EARNINGS INFORMATION

NINE MONTHS ENDED SEPTEMBER 30, 2006

<Table>
<Caption>

	ATTRIBUTED (NOTE 1)		
	INTERACTIVE GROUP	CAPITAL GROUP	CONSOLIDATED LIBERTY
	AMOUNTS IN MILLIONS		
<S>	<C>	<C>	<C>
Revenue:			
Net sales from electronic retailing.....	\$5,016	--	5,016
Communications and programming services.....	--	926	926
	5,016	926	5,942
Operating costs and expenses:			
Cost of sales--electronic retailing services.....	3,117	--	3,117
Operating.....	415	660	1,075
Selling, general and administrative (including stock-based compensation of \$37 million and \$9 million for Interactive Group and Capital Group, respectively) (notes 1 and 4).....	406	193	599
Depreciation and amortization.....	367	67	434
	4,305	920	5,225
Operating income.....	711	6	717
Other income (expense):			
Interest expense.....	(298)	(187)	(485)
Dividend and interest income.....	29	137	166
Share of earnings of affiliates, net.....	29	3	32
Realized and unrealized gains on financial instruments, net.....	22	74	96
Gains on dispositions of assets, net.....	--	352	352
Nontemporary declines in fair value of investments.....	--	(4)	(4)
Other, net.....	15	(2)	13
	(203)	373	170
Earnings from continuing operations before income taxes and minority interests.....	508	379	887
Income tax expense (note 5).....	(167)	(86)	(253)
Minority interests in losses (earnings) of subsidiaries.....	(26)	6	(20)
Earnings from continuing operations.....	315	299	614
Loss from discontinued operations, net of taxes.....	--	(10)	(10)
Cumulative effect of accounting change, net of taxes.....	(87)	(2)	(89)
Net earnings.....	\$ 228	287	515
Other comprehensive earnings (loss), net of taxes:			
Foreign currency translation adjustments.....	67	--	67
Unrealized holding gains (losses) arising during the period.....	(24)	1,375	1,351
Recognition of previously unrealized gains on available-for-sale securities, net.....	--	(25)	(25)
Other comprehensive earnings from discontinued operations.....	--	1	1
Other comprehensive earnings.....	43	1,351	1,394
Comprehensive earnings.....	\$ 271	1,638	1,909

</Table>

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STATEMENT OF CASH FLOWS INFORMATION

NINE MONTHS ENDED SEPTEMBER 30, 2007

(UNAUDITED)

<Table>
<Caption>

ATTRIBUTED (NOTE 1)

	INTERACTIVE GROUP	CAPITAL GROUP	CONSOLIDATED LIBERTY
	AMOUNTS IN MILLIONS		
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net earnings.....	\$ 271	1,426	1,697
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Earnings from discontinued operations.....	--	(149)	(149)
Depreciation and amortization.....	397	102	499
Impairment of long-lived assets.....	--	41	41
Stock-based compensation.....	29	28	57
Payments of stock-based compensation.....	(35)	(3)	(38)
Noncash interest expense.....	4	3	7
Share of losses (earnings) of affiliates, net.....	(61)	37	(24)
Realized and unrealized gains on financial instruments, net.....	--	(493)	(493)
Gains on disposition of assets, net.....	(12)	(625)	(637)
Minority interests in earnings of subsidiaries.....	20	1	21
Intergroup tax payments.....	(248)	248	--
Other intergroup cash transfers, net.....	(15)	15	--
Deferred income tax expense (benefit).....	(104)	30	(74)
Other noncash charges (credits), net.....	(8)	48	40
Changes in operating assets and liabilities, net of the effects of acquisitions:			
Current assets.....	(23)	(222)	(245)
Payables and other current liabilities.....	79	(90)	(11)
	-----	-----	-----
Net cash provided by operating activities.....	294	397	691
	-----	-----	-----
Cash flows from investing activities:			
Cash proceeds from dispositions.....	12	465	477
Net payments for settlement of financial instruments.....	--	(66)	(66)
Cash paid for acquisitions, net of cash acquired.....	(120)	(6)	(126)
Cash received in exchange transactions.....	--	1,154	1,154
Capital expended for property and equipment.....	(236)	(18)	(254)
Net purchases of short term investments.....	--	(215)	(215)
Investments in and loans to cost and equity investees.....	(11)	(80)	(91)
Investment in special purpose entity.....	--	(750)	(750)
Net increase in restricted cash.....	--	(735)	(735)
Other investing activities, net.....	(24)	13	(11)
	-----	-----	-----
Net cash used by investing activities.....	(379)	(238)	(617)
	-----	-----	-----
Cash flows from financing activities:			
Borrowings of debt.....	860	752	1,612
Repayments of debt.....	(187)	(164)	(351)
Repurchases of Liberty common stock.....	(821)	(1,305)	(2,126)
Contribution from minority owner.....	--	751	751
Other financing activities, net.....	(5)	16	11
	-----	-----	-----
Net cash provided (used) by financing activities....	(153)	50	(103)
	-----	-----	-----
Effect of foreign currency rates on cash.....	10	--	10
	-----	-----	-----
Net cash provided to discontinued operations:			
Cash provided by operating activities.....	--	8	8
Cash used by investing activities.....	--	(9)	(9)
Cash provided by financing activities.....	--	--	--
Change in available cash held by discontinued operations.....	--	2	2
	-----	-----	-----
Net cash provided by discontinued operations.....	--	1	1
	-----	-----	-----
Net increase (decrease) in cash and cash equivalents.....	(228)	210	(18)
Cash and cash equivalents at beginning of period....	946	2,161	3,107
	-----	-----	-----
Cash and cash equivalents at end period.....	\$ 718	2,371	3,089
	=====	=====	=====

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STATEMENT OF CASH FLOWS INFORMATION
NINE MONTHS ENDED SEPTEMBER 30, 2006

<Table>
<Caption>

ATTRIBUTED (NOTE 1)

INTERACTIVE CAPITAL CONSOLIDATED

	GROUP	GROUP	LIBERTY
	-----	-----	-----
	AMOUNTS IN MILLIONS		
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net earnings.....	\$ 228	287	515
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Loss from discontinued operations.....	--	10	10
Cumulative effect of accounting change.....	87	2	89
Depreciation and amortization.....	367	67	434
Stock-based compensation.....	37	9	46
Payments of stock-based compensation.....	(105)	(4)	(109)
Noncash interest expense.....	3	78	81
Share of earnings of affiliates, net.....	(29)	(3)	(32)
Realized and unrealized gains on financial instruments, net.....	(22)	(74)	(96)
Gains on disposition of assets, net.....	--	(352)	(352)
Nontemporary declines in fair value of investments.....	--	4	4
Minority interests in earnings (losses) of subsidiaries.....	26	(6)	20
Deferred income tax expense (benefit).....	(112)	16	(96)
Other noncash charges (credits), net.....	(13)	44	31
Changes in operating assets and liabilities, net of the effects of acquisitions:			
Current assets.....	(66)	(154)	(220)
Payables and other current liabilities.....	(164)	425	261
	-----	-----	-----
Net cash provided by operating activities.....	237	349	586
	-----	-----	-----
Cash flows from investing activities:			
Cash proceeds from dispositions.....	--	925	925
Net proceeds from settlement of derivatives.....	--	330	330
Cash paid for acquisitions, net of cash acquired.....	(436)	(430)	(866)
Capital expended for property and equipment.....	(170)	(12)	(182)
Net sales (purchases) of short term investments.....	23	(11)	12
Investments in and loans to cost and equity investees....	(5)	(173)	(178)
Repurchases of subsidiary common stock.....	(314)	--	(314)
Other investing activities, net.....	(9)	70	61
	-----	-----	-----
Net cash provided (used) by investing activities....	(911)	699	(212)
	-----	-----	-----
Cash flows from financing activities:			
Borrowings of debt.....	2,376	1	2,377
Repayments of debt.....	(1,381)	(2)	(1,383)
Repurchases of Liberty common stock.....	(731)	--	(731)
Intergroup cash transfers, net.....	293	(293)	--
Other financing activities, net.....	71	(75)	(4)
	-----	-----	-----
Net cash provided (used) by financing activities....	628	(369)	259
	-----	-----	-----
Effect of foreign currency rates on cash.....	11	--	11
	-----	-----	-----
Net cash provided by discontinued operations:			
Cash provided by operating activities.....	--	61	61
Cash used by investing activities.....	--	(58)	(58)
Cash provided by financing activities.....	--	4	4
Change in available cash held by discontinued operations.....	--	(5)	(5)
	-----	-----	-----
Net cash provided by discontinued operations.....	--	2	2
	-----	-----	-----
Net increase (decrease) in cash and cash equivalents.....	(35)	681	646
Cash and cash equivalents at beginning of period....	945	951	1,896
	-----	-----	-----
Cash and cash equivalents at end period.....	\$ 910	1,632	2,542
	=====	=====	=====

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(1) The assets attributed to our Interactive Group as of September 30, 2007 include our consolidated subsidiaries QVC, Inc., Provide Commerce, Inc., BuySeasons, Inc. and Backcountry.com, Inc., and our interests in IAC/InterActiveCorp, GSI Commerce, Inc. and Expedia, Inc. Accordingly, the accompanying attributed financial information for the Interactive Group includes our investments in IAC/InterActiveCorp, Expedia and GSI, as well as the assets, liabilities, revenue, expenses and cash flows of QVC, Provide, BuySeasons and Backcountry. We have also attributed certain of our debt obligations (and related interest expense) to the Interactive Group based

upon a number of factors, including the cash flow available to the Interactive Group and its ability to pay debt service and our assessment of the optimal capitalization for the Interactive Group. The specific debt obligations attributed to each of the Interactive Group and the Capital Group are described in note 3 below. In addition, we have allocated certain corporate general and administrative expenses between the Interactive Group and the Capital Group as described in note 4 below.

The Interactive Group focuses on video and on-line commerce businesses. Accordingly, we expect that businesses that we may acquire in the future that we believe are complementary to this strategy will also be attributed to the Interactive Group.

The Capital Group consists of all of our businesses not included in the Interactive Group, including our consolidated subsidiaries Starz Entertainment, LLC, Starz Media, LLC, FUN Technologies, Inc., Atlanta National League Baseball Club, Inc., Leisure Arts, Inc., TruePosition, Inc. and WFRV and WJMN Television Station, Inc. and our cost and equity investments in GSN, LLC, WildBlue Communications, Inc. and others. Accordingly, the accompanying attributed financial information for the Capital Group includes these investments and the assets, liabilities, revenue, expenses and cash flows of these consolidated subsidiaries. In addition, we have attributed to the Capital Group all of our notes and debentures (and related interest expense) that have not been attributed to the Interactive Group. See note 3 below for the debt obligations attributed to the Capital Group.

Any businesses that we may acquire in the future that are not attributed to the Interactive Group will be attributed to the Capital Group.

While we believe the allocation methodology described above is reasonable and fair to each group, we may elect to change the allocation methodology in the future. In the event we elect to transfer assets or businesses from one group to the other, such transfer would be made on a fair value basis and would be accounted for as a short-term loan unless our board of directors determines to account for it as a long-term loan or through an inter-group interest.

- (2) Financial instruments attributed to the Interactive Group are comprised of QVC's interest rate swap agreements and total return bond swaps that are related to the parent company debt attributed to the Interactive Group.

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NOTES TO ATTRIBUTED FINANCIAL INFORMATION (CONTINUED)

(UNAUDITED)

- (3) Debt attributed to the Interactive Group and the Capital Group is comprised of the following:

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	SEPTEMBER 30, 2007	
	OUTSTANDING PRINCIPAL	CARRYING VALUE
	AMOUNTS IN MILLIONS	
<S>	<C>	<C>
Interactive Group		
7.875% Senior Notes due 2009.....	\$ 670	667
7.75% Senior Notes due 2009.....	233	234
5.7% Senior Notes due 2013.....	802	801
8.5% Senior Debentures due 2029.....	500	495
8.25% Senior Debentures due 2030.....	902	895
QVC bank credit facilities.....	3,900	3,900
Other subsidiary debt.....	75	75
	-----	-----
Total Interactive Group debt.....	7,082	7,067
	-----	-----
Capital Group		
0.75% Senior Exchangeable Debentures due 2023.....	1,750	1,921
4% Senior Exchangeable Debentures due 2029.....	869	565
3.75% Senior Exchangeable Debentures due 2030.....	810	474
3.5% Senior Exchangeable Debentures due 2031.....	501	489
3.25% Senior Exchangeable Debentures due 2031.....	551	452
Liberty bank facility.....	750	750
Subsidiary debt.....	96	96
	-----	-----
Total Capital Group debt.....	5,327	4,747
	-----	-----
Total debt.....	\$12,409	11,814
	=====	=====

</Table>

- (4) Cash compensation expense for our corporate employees has been allocated between the Interactive Group and the Capital Group based on the estimated percentage of time spent providing services for each group. Stock-based compensation expense for our corporate employees has been allocated between the Interactive Group and the Capital Group based on the compensation derived from the equity awards for the respective tracking stock. Other general and administrative expenses are charged directly to the groups whenever possible and are otherwise allocated based on estimated usage or some other reasonably determined methodology. Amounts allocated from the Capital Group to the Interactive Group for the nine months ended September 30, 2007 and 2006 were \$13 million and \$10 million, respectively. While we believe that this allocation method is reasonable and fair to each group, we may elect to change the allocation methodology or percentages used to allocate general and administrative expenses in the future.
- (5) We have accounted for income taxes for the Interactive Group and the Capital Group in the accompanying attributed financial information in a manner similar to a stand-alone company basis. To the extent this methodology differs from our tax sharing policy, differences have been reflected in the attributed net assets of the groups.
- (6) The Liberty Interactive Stock and the Liberty Capital Stock have voting and conversion rights under our amended charter. Following is a summary of those rights. Holders of Series A common stock of each group are entitled to one vote per share and holders of Series B common stock of each group are entitled to ten votes per share. Holders of Series C common stock of each group, if

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NOTES TO ATTRIBUTED FINANCIAL INFORMATION (CONTINUED)

(UNAUDITED)

issued, will be entitled to 1/100th of a vote per share in certain limited cases and will otherwise not be entitled to vote. In general, holders of Series A and Series B common stock vote as a single class. In certain limited circumstances, the board may elect to seek the approval of the holders of only Series A and Series B Liberty Interactive Stock or the approval of the holders of only Series A and Series B Liberty Capital Stock.

At the option of the holder, each share of Series B common stock is convertible into one share of Series A common stock of the same group. At the discretion of our board, Liberty Interactive Stock may be converted into Liberty Capital Stock at any time following the first anniversary of the restructuring. In addition, following certain group dispositions and subject to certain limitations, Liberty Capital Stock may be converted into Liberty Interactive Stock, and Liberty Interactive Stock may be converted into Liberty Capital Stock.

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