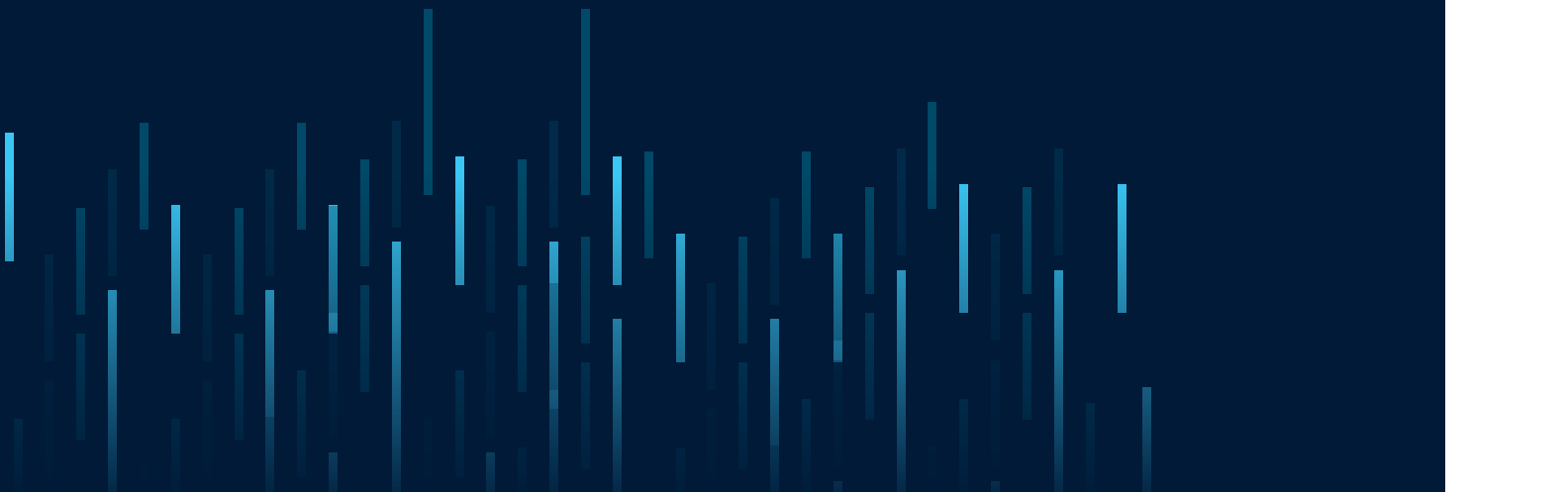




Annual REPORT Proxy STATEMENT 2019



2018





Annual
REPORT **Proxy**
STATEMENT

LETTER TO SHAREHOLDERS

STOCK PERFORMANCE

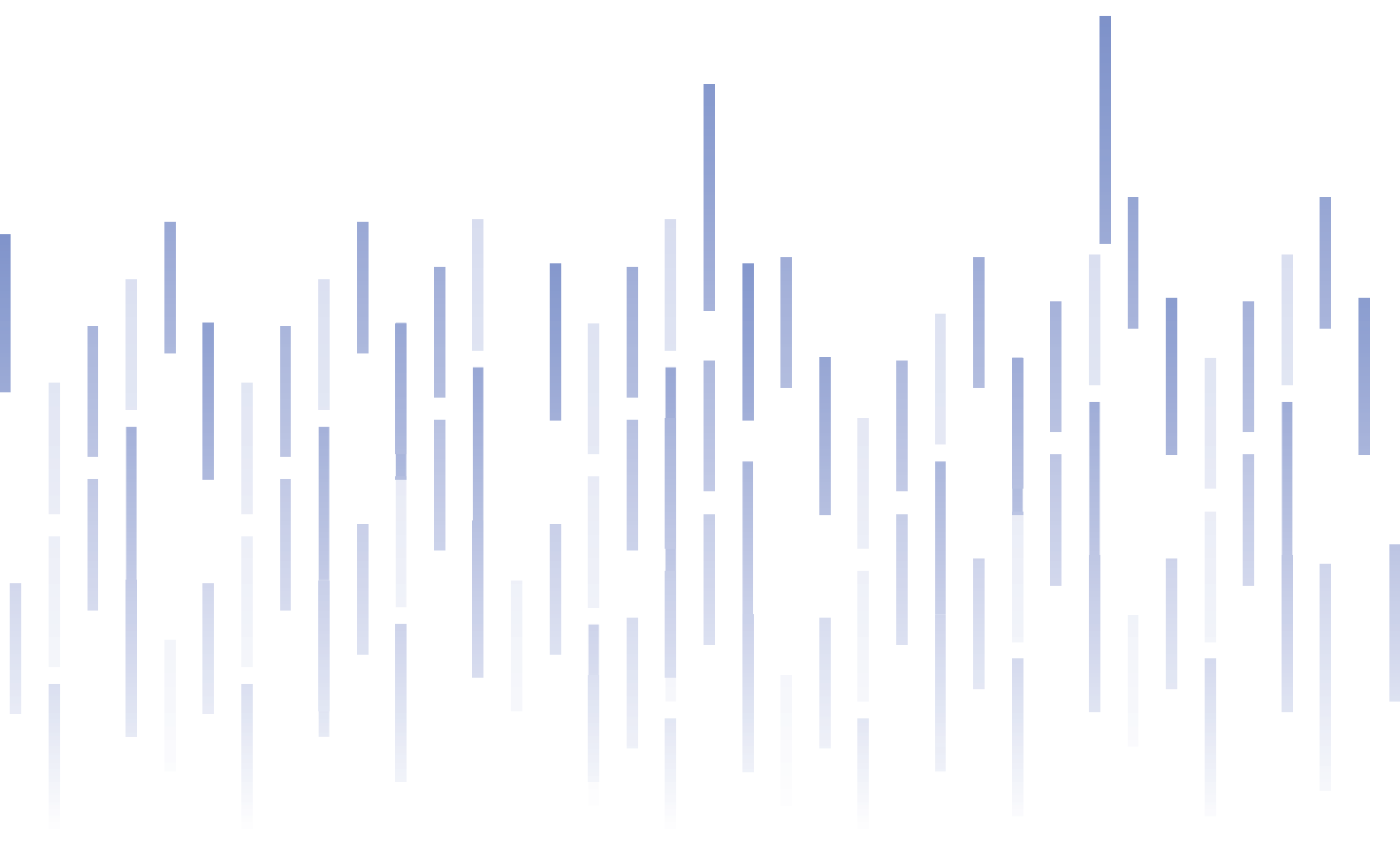
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PROXY STATEMENT

FINANCIAL INFORMATION

CORPORATE DATA

ENVIRONMENTAL STATEMENT



Certain statements in this Annual Report 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 and initiatives; new service offerings; revenue and subscriber growth at Sirius XM Holdings Inc. (“SIRIUS XM”); the recoverability of our goodwill and other long-lived assets; the performance of our equity affiliates; our projected sources and uses of cash; the payment of dividends by SIRIUS XM; the expected benefits of SIRIUS XM’s acquisition of Pandora; the continuation of our stock repurchase program; monetization of sports media rights; plans for the Battery Atlanta; the anticipated non-material impact of certain contingent liabilities related to legal and tax proceedings; and other matters arising in the ordinary course of business. In particular, statements in our “Letter to Shareholders” and under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Quantitative and Qualitative Disclosures About Market Risk” contain forward looking statements. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. The following include some but not all of the factors that could cause actual results or events to differ materially from those anticipated:

- consumer demand for our products and services and our ability to adapt to changes in demand;
- competitor responses to our businesses’ products and services;
- uncertainties inherent in the development and integration of new business lines and business strategies;
- uncertainties associated with product and service development and market acceptance, including the development and provision of programming for satellite radio and telecommunications technologies;
- our businesses’ significant dependence upon automakers;
- our businesses’ ability to attract and retain subscribers in the future is uncertain;
- our future financial performance, including availability, terms and deployment of capital;
- our ability to successfully integrate and recognize anticipated efficiencies and benefits from the businesses we acquire;
- the ability of suppliers and vendors to deliver products, equipment, software and services;
- interruption or failure of our information technology and communication systems, including the failure of SIRIUS XM’s satellites, could negatively impact our results and brand;
- royalties for music rights have increased and may continue to do so in the future;
- the integration of Pandora by SIRIUS XM and the impact of the acquisition on SIRIUS XM’s expected results of operations and financial condition;
- the outcome of any pending or threatened litigation or investigation;
- availability of qualified personnel;
- changes in, or failure or inability to comply with, government regulations, including, without limitation, regulations of the Federal Communications Commission and consumer protection laws, and adverse outcomes from regulatory proceedings;
- changes in the nature of key strategic relationships with partners, vendors and joint venturers;
- general economic and business conditions and industry trends;
- consumer spending levels, including the availability and amount of individual consumer debt;
- rapid technological changes;
- impairments of third-party intellectual property rights;
- our indebtedness could adversely affect operations and could limit the ability of our subsidiaries to react to changes in the economy or our industry;
- failure to protect the security of personal information about our businesses’ customers, subjecting our businesses to potentially costly government enforcement actions or private litigation and reputational damage;
- the regulatory and competitive environment of the industries in which we, and the entities in which we have interests, operate; and
- threatened terrorist attacks, political unrest in international markets and ongoing military action around the world.

These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this Annual Report, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based. When considering such forward-looking statements, you should keep in mind any risk factors identified and other cautionary statements contained in this Annual Report and in our publicly filed documents, including our most recent Forms 10-K and 10-Q. Such risk factors and statements describe circumstances which could cause actual results to differ materially from those contained in any forward-looking statement. This Annual Report includes information concerning public companies in which we have controlling and non-controlling interests that file reports and other information with the Securities and Exchange Commission (the “SEC”) in accordance with the Securities Exchange Act of 1934, as amended. Information contained in this Annual Report concerning those companies has been derived from the reports and other information filed by them with the SEC. If you would like further information about these companies, the reports and other information they file with the SEC can be accessed on the Internet website maintained by the SEC at www.sec.gov. Those reports and other information are not incorporated by reference in this Annual Report.

LETTER TO SHAREHOLDERS

Dear Fellow Shareholders,

2018 was a year of operational achievement across all of our companies – outstanding performance at SiriusXM and the acquisition of Pandora, another record year at Live Nation, key foundation building at Formula 1 and an NL East Division title for the Braves for the first time since 2013. We congratulate our talented management teams on excellent execution in 2018 and look forward to a promising 2019.

OUR BUSINESSES

Liberty has been in the media business for nearly 30 years. The landscape has evolved, and we evolved our portfolio with it. Ten years ago, Liberty Media was similarly made up of three tracking stocks. We owned over 40 different assets across them, many of which were traditional content platforms. Traditional media was a great business, but times changed. One of our guiding principles is: be forward looking, anticipating market trends while allowing a sufficient margin of safety to protect against the unknown. We have spent the past decade simplifying our structure, exiting businesses where our competitive positioning was threatened and redeploying capital into more protected niches where we can build meaningful positions with influence and the potential for attractive returns. Today, while we again have three tracking stocks, we have a more concentrated portfolio with roughly half the number of assets and substantial positions spanning audio, sports and live music, to name a few.

Yet again, the media landscape today is in a time of rapid transition. Valuation multiples are compressing for many sectors, large players are converging, competition is increasing and business models are being tested.

Take a look at traditional content. Production volume continues to sky rocket and new distribution platforms are seemingly announced every week - yet we still have only 24 hours in a day, with some sleep required. As you read this letter, your email is likely displayed on a second monitor, a TV is playing in the background, your phone is buzzing from an incoming text message, and your watch just reminded you to get up and walk around. There is no shortage of things competing for your attention. We don't intend to play in the same space as everyone else in media. To compete there, you'd need to be much bigger, alternatively funded...and prepared to lose.

At Liberty, we are focused where consumers spend their time and their money. We seek to avoid industry pitfalls by centering our investments on a portfolio of differentiated content. Looking at our key assets, we feel we are well-positioned.

- **SiriusXM.** 150+ channels of curated commercial-free music, talk, news and sports content with a high degree of exclusivity across the portfolio: Howard Stern, popup concert performances, live sports, talk etc. Our content is further differentiated by an advantaged distribution platform in the car and increasing connectivity outside of the car, augmented by the Pandora acquisition.
- **Formula 1.** The name speaks for itself - iconic racing with massive global engagement. Each Formula 1 car generates 70GB of broadcast content per race weekend. Ownership of the entire ecosystem allows us to expand upon our differentiated content offering across platforms: F1 TV, Netflix series, Twitter live show, podcasts and more.
- **Live Nation.** Experiential content and live event entertainment are more popular than ever. Live Nation connected over 90 million fans to 35,000 promoted shows and sold over 480 million tickets in 2018, with growth expected in 2019. This live content drives the Live Nation flywheel allowing it to grow on-site fan spend, offer a unique value proposition for sponsors, drive ticketing revenue and participate in real estate asset opportunities through venue ownership. Not all media valuation multiples are compressing – the market appears to appreciate the future growth potential of live events and unique content.
- **Atlanta Braves.** The team has a deep history among a large fan base. Monetization of sports media rights has been strong, and we expect it will continue to be. New media platforms are beginning to bid on sports rights deals, potentially boosting the value of the content. Beyond the traditional baseball content, our best-in-class ballpark and mixed-use development are optimized for further fan engagement and year round entertainment. The Battery Atlanta's success in drawing millions of non-game day visitors is bolstered by the next phases of development, featuring first-to-market experiential concepts, a new hotel and world class office space.

LETTER TO SHAREHOLDERS, CONTINUED

#TrackersForLife

We have long been in the tracking stock business. We will continue to be, while ensuring fair treatment across all of our shareholders. Tracking stocks have proven successful for our shareholders overtime – patience has historically paid off. Still, we recognize the frustration of the structural discounts.

On one hand, a well-priced stock can enable flexibility as an acquisition currency or as a leverageable asset, though a discounted stock can provide an attractive repurchase opportunity. The key is generating free cash flow to manage our balance sheet opportunistically. We will continue to assess the best use of capital, including when the market offers these discounts, particularly at Liberty SiriusXM Group. Ultimately, we are nimble and prepared to react quickly to take advantage of opportunities - whichever way the markets go.

LOOKING AHEAD

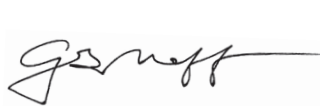
2019 has already delivered its fair share of macro-headlines moving the markets. We remain concentrated on the underlying operations of our businesses and not short-term bouts of market volatility.

Our near term uses of cash include: continue to de-lever at Formula 1, return capital to shareholders to capitalize on the discount at Liberty SiriusXM and develop our next phase of real estate at the Battery Atlanta. But we won't be shy to attack market opportunities as they arise. We will remain disciplined in our investment thesis - directing our attention and capital on differentiated opportunities with proven business models and attractive returns. We are comfortable with our liquidity across the trackers and our ability to access additional sources of capital as needed. Heraclitus must have been alluding to the media industry in saying 'The only thing that is constant is change.' And that is definitely how Liberty is defined – constantly changing. There is no static effort, the landscape is moving quickly and we are prepared to move accordingly.

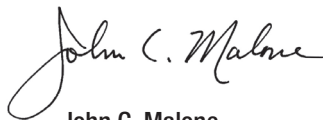
We look forward to seeing many of you at this year's annual investor meeting, which will take place on November 21st at the TimesCenter at 242 West 41st Street in New York City.

We appreciate your ongoing support.

Very truly yours,



Gregory B. Maffei
President & Chief Executive Officer



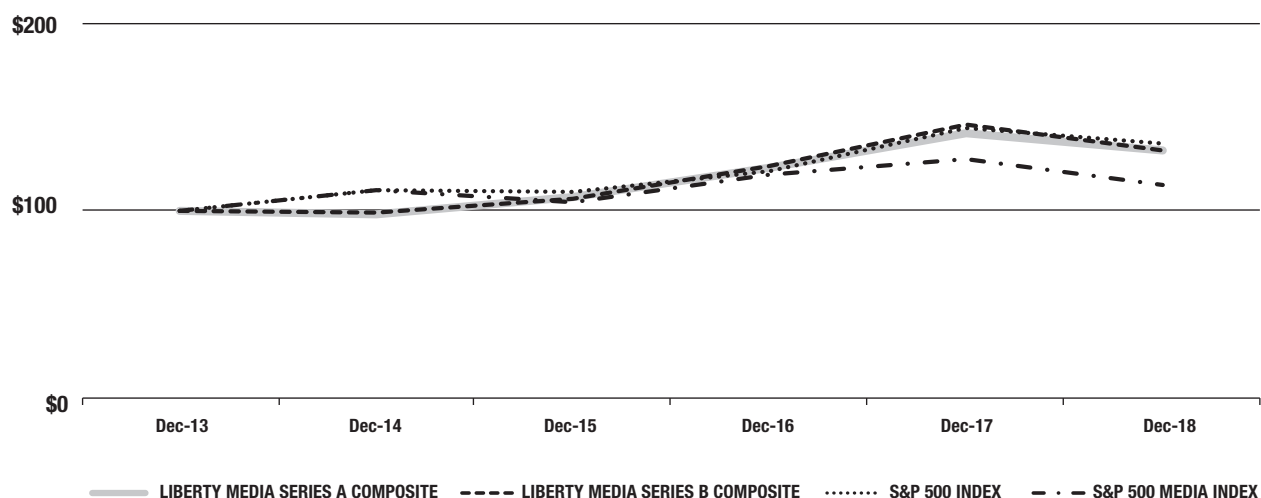
John C. Malone
Chairman of the Board

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STOCK PERFORMANCE

The following graph compares the percentage change in the cumulative total stockholder return on the composite Liberty Media Series A and Series B common stock (and its successor issuances) from December 31, 2013 through December 31, 2018 to the S&P 500 Index and the S&P 500 Media Index. On April 15, 2016 our former Series A and Series B common stock was recapitalized into common stock of three tracking stock groups: the Liberty SiriusXM Group (Nasdaq: LSXMA, LSXMB), the Formula One Group (Nasdaq: FWONA) (formerly known as the Liberty Media Group (Nasdaq: LMCA)) and the Braves Group (Nasdaq: BATRA). This chart includes the impact of (i) the distribution of our former Series C shares in July 2014, (ii) the spin-off of Liberty Broadband Corporation on November 4, 2014, assuming a sale of the resulting Liberty Broadband shares on the one-year anniversary of the spin-off and reinvestment of the proceeds in our common stock, (iii) the Liberty Broadband rights offering, assuming the value of the Liberty Broadband rights on the one-year anniversary of the spin-off was reinvested in our common stock, (iv) the aforementioned recapitalization of Liberty Media's common stock into three tracking stock groups and (v) the Braves Group rights offering.

LIBERTY MEDIA COMMON STOCK COMPOSITE VS. S&P 500 AND S&P 500 MEDIA INDICES 12/31/13 TO 12/31/18



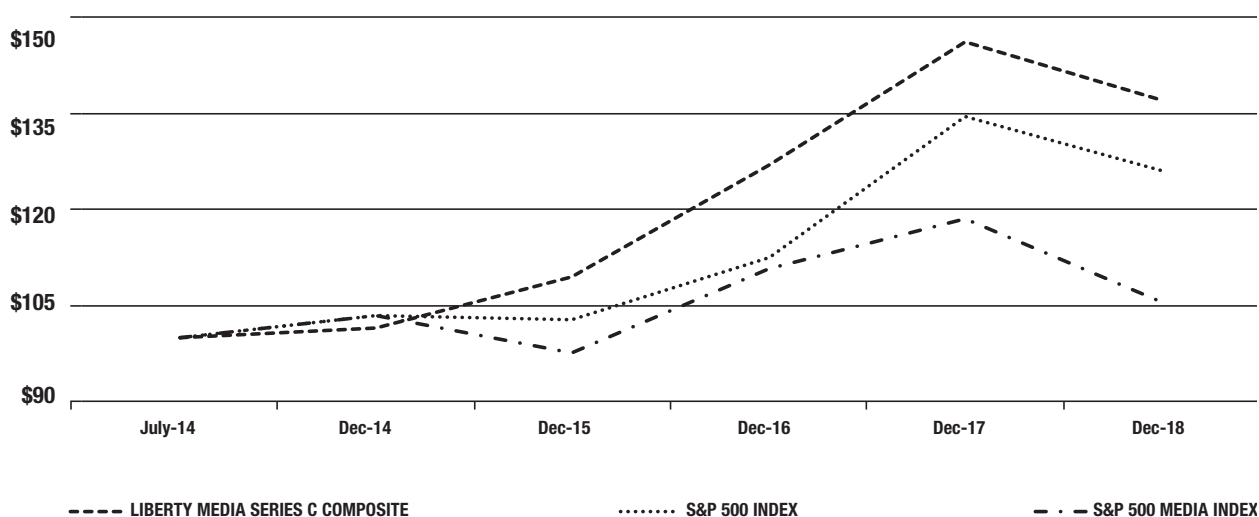
	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018
LIBERTY MEDIA SERIES A COMPOSITE	\$100.00	\$98.56	\$107.00	\$123.44	\$141.16	\$132.35
LIBERTY MEDIA SERIES B COMPOSITE	\$100.00	\$98.98	\$106.78	\$124.27	\$146.30	\$132.32
S&P 500 INDEX	\$100.00	\$111.39	\$110.58	\$121.13	\$144.65	\$135.63
S&P 500 MEDIA INDEX	\$100.00	\$111.16	\$104.80	\$119.13	\$127.27	\$113.42

Note: Trading data for all Series B shares is limited as they are thinly traded.

STOCK PERFORMANCE

The following graph compares the percentage change in the cumulative total stockholder return on our former Series C common stock (and its successor issuances) from July 24, 2014 (the date on which the former Series C common stock first traded “regular way”) through December 31, 2018 to the S&P 500 Index and the S&P 500 Media Index. On April 15, 2016 our former Series C common stock was recapitalized into common stock of three tracking stock groups: the Liberty SiriusXM Group (Nasdaq: LSXMK), the Formula One Group (Nasdaq: FWONK) (formerly known as the Liberty Media Group (Nasdaq: LMCK)) and the Braves Group (Nasdaq: BATR). This chart includes (i) the impact of the spin-off of Liberty Broadband Corporation on November 4, 2014, assuming a sale of the resulting Liberty Broadband shares on the one-year anniversary of the spin-off and reinvestment of the proceeds in our common stock, (ii) the Liberty Broadband rights offering, assuming the value of the Liberty Broadband rights on the one-year anniversary of the spin-off was reinvested in our common stock, (iii) the aforementioned recapitalization of Liberty Media’s common stock into three tracking stock groups and (iv) the Braves Group rights offering.

LIBERTY MEDIA SERIES C COMMON STOCK COMPOSITE VS. S&P 500 AND S&P 500 MEDIA INDICES 7/24/14 TO 12/31/18

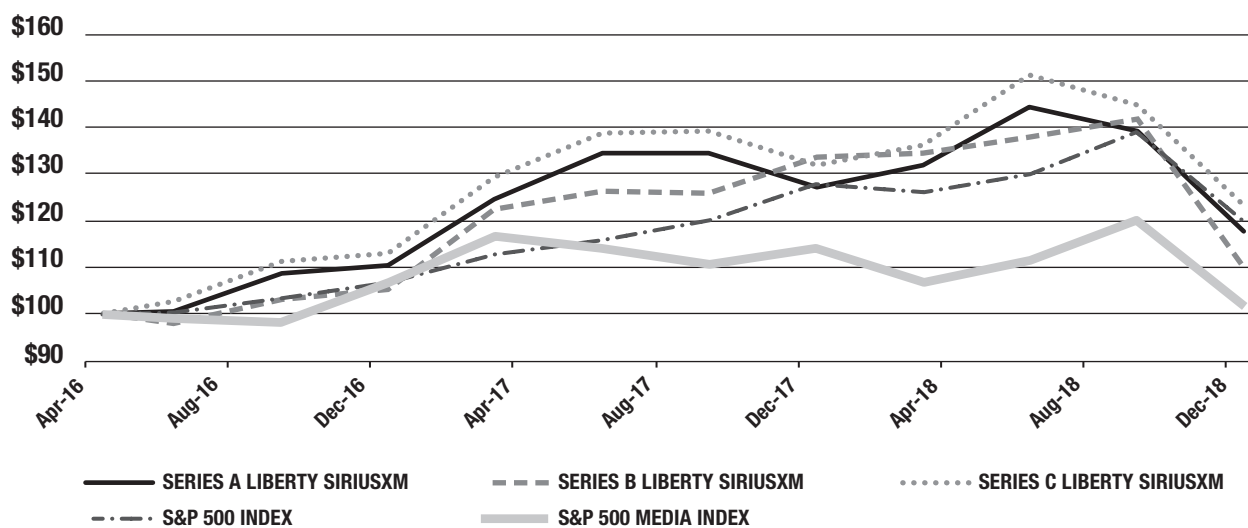


	7/24/2014	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018
LIBERTY MEDIA SERIES C COMPOSITE	\$100.00	\$101.46	\$109.47	\$127.00	\$146.22	\$137.16
S&P 500 INDEX	\$100.00	\$103.57	\$102.81	\$112.62	\$134.49	\$126.10
S&P 500 MEDIA INDEX	\$100.00	\$103.47	\$97.55	\$110.88	\$118.46	\$105.57

STOCK PERFORMANCE

The following graph compares the percentage change in the cumulative total stockholder return on our Series A, Series B and Series C Liberty SiriusXM common stock (Nasdaq: LSXMA, LSXMB, LSXMK) from April 18, 2016 (the date on which these shares first traded “regular way”) through December 31, 2018 to the S&P 500 Index and the S&P 500 Media Index.

LIBERTY SIRIUSXM COMMON STOCK VS. S&P 500 AND S&P 500 MEDIA INDICES 4/18/16 TO 12/31/18



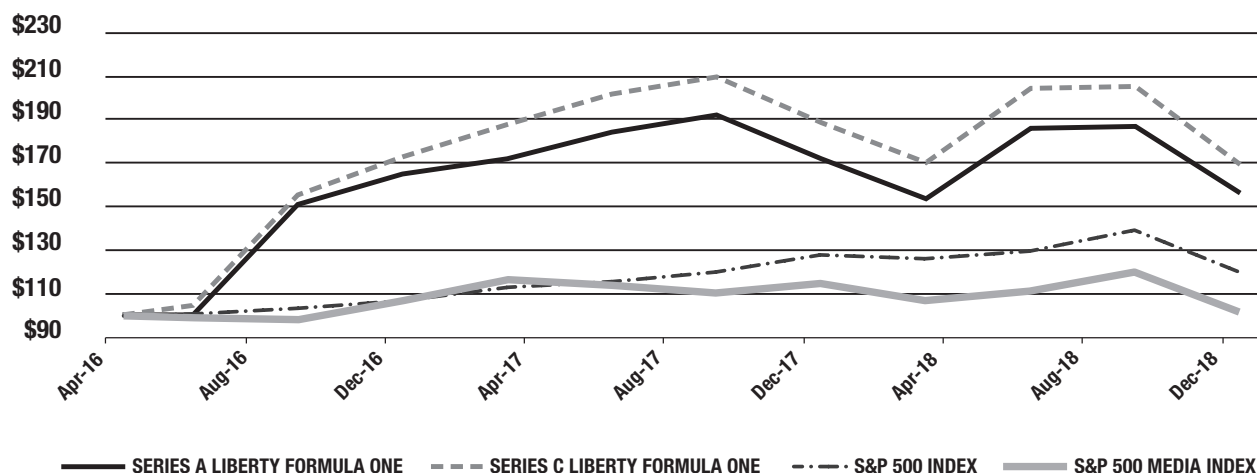
	4/18/2016	12/31/2016	12/31/2017	12/31/2018
SERIES A LIBERTY SIRIUSXM	\$100.00	\$110.64	\$127.12	\$117.95
SERIES B LIBERTY SIRIUSXM	\$100.00	\$105.08	\$133.83	\$109.86
SERIES C LIBERTY SIRIUSXM	\$100.00	\$112.95	\$132.07	\$123.14
S&P 500 INDEX	\$100.00	\$106.90	\$127.66	\$119.70
S&P 500 MEDIA INDEX	\$100.00	\$106.92	\$114.22	\$101.79

Note: Trading data for Series B shares is limited as they are thinly traded.

STOCK PERFORMANCE

The following graph compares the percentage change in the cumulative total stockholder return on our Series A and Series C Liberty Formula One common stock (Nasdaq: FWONA, FWONK) (formerly known as the Liberty Media common stock (Nasdaq: LMCA, LMCK) from April 18, 2016 (the date on which these shares first traded “regular way”) through December 31, 2018 to the S&P 500 Index and the S&P 500 Media Index.

LIBERTY FORMULA ONE COMMON STOCK VS. S&P 500 AND S&P 500 MEDIA INDICES 4/18/16 TO 12/31/18

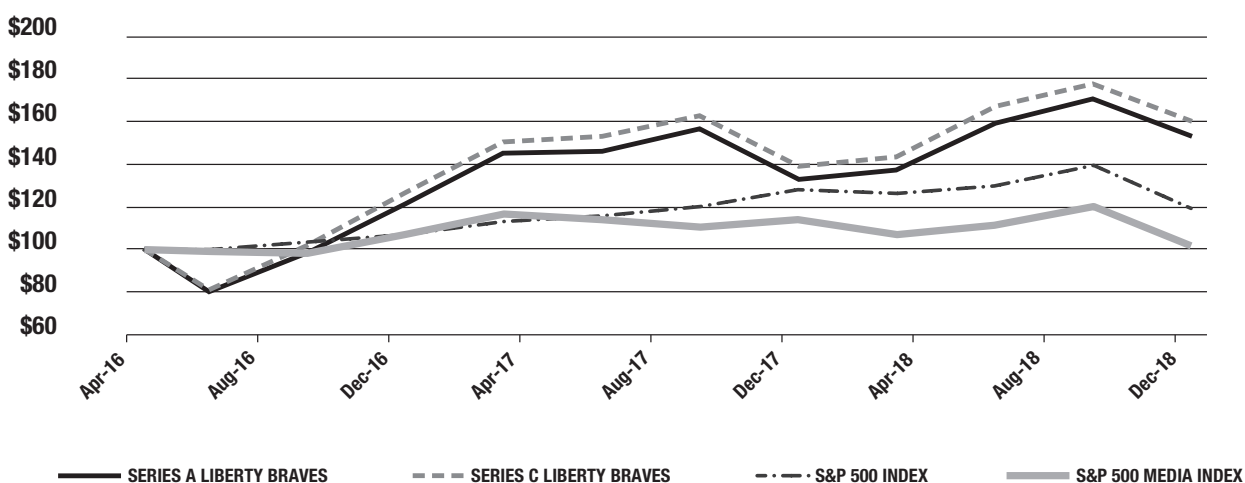


	4/18/2016	12/31/2016	12/31/2017	12/31/2018
SERIES A LIBERTY FORMULA ONE	\$100.00	\$164.74	\$171.94	\$156.17
SERIES C LIBERTY FORMULA ONE	\$100.00	\$172.62	\$188.21	\$169.15
S&P 500 INDEX	\$100.00	\$106.90	\$127.66	\$119.70
S&P 500 MEDIA INDEX	\$100.00	\$106.92	\$114.22	\$101.79

STOCK PERFORMANCE

The following graph compares the percentage change in the cumulative total stockholder return on our Series A and Series C Liberty Braves common stock (Nasdaq: BATRA, BATRK), including the impact of the Braves Group rights offering, from April 18, 2016 (the date on which these shares first traded “regular way”) through December 31, 2018 to the S&P 500 Index and the S&P 500 Media Index.

LIBERTY BRAVES COMMON STOCK VS. S&P 500 AND S&P 500 MEDIA INDICES 4/18/16 TO 12/31/18



	4/18/2016	12/31/2016	12/31/2017	12/31/2018
SERIES A LIBERTY BRAVES	\$100.00	\$121.06	\$132.72	\$153.50
SERIES C LIBERTY BRAVES	\$100.00	\$126.70	\$139.22	\$159.73
S&P 500 INDEX	\$100.00	\$106.90	\$127.66	\$119.70
S&P 500 MEDIA INDEX	\$100.00	\$106.92	\$114.22	\$101.79

INVESTMENT SUMMARY

Based On Publicly Available Information As Of January 31, 2019 – libertymedia.com/overview/asset-list.html

Liberty Media Corporation owns interests in a broad range of media, communications and entertainment businesses. Those interests are attributed to three tracking stock groups: the Braves Group, Formula One Group and Liberty SiriusXM Group.

The following tables set forth some of Liberty Media Corporation's assets which may be held directly and indirectly through partnerships, joint ventures, common stock investments and/or instruments convertible into common stock. Ownership percentages in the tables are approximate and, where applicable, assume conversion to common stock by Liberty Media Corporation and, to the extent known by Liberty Media Corporation, other holders. In some cases, Liberty Media Corporation's interest may be subject to buy/sell procedures, repurchase rights or dilution.

BRAVES GROUP			
ENTITY	DESCRIPTION OF OPERATING BUSINESS	ATTRIBUTED SHARE COUNT ⁽¹⁾ (in millions)	ATTRIBUTED OWNERSHIP ⁽²⁾
Braves Holdings, LLC	Owner of the Atlanta Braves, a Major League Baseball club, as well as certain of the Atlanta Braves minor league clubs and associated real estate projects.	N/A	100%

FORMULA ONE GROUP			
ENTITY	DESCRIPTION OF OPERATING BUSINESS	ATTRIBUTED SHARE COUNT ⁽¹⁾ (in millions)	ATTRIBUTED OWNERSHIP ⁽²⁾
Associated Partners, L.P.	Investment and operating partnership that targets long-term, risk-balanced and tax-efficient returns.	N/A	33%
AT&T Inc. (NYSE: T)	AT&T is a global leader in telecommunications, media and entertainment and technology. It executes in the market under four operating units: Warner Media, Communications, Latin America and Xandr.	6.1	<1%
Braves Group	Consists of Liberty Media Corporation's wholly owned subsidiary Braves Holdings, LLC, which owns the Atlanta Braves, a Major League Baseball club, as well as certain of the Atlanta Braves' minor league clubs and associated real estate projects.	9.1	15% ⁽³⁾
Drone Racing League, Inc.	DRL is the premier drone racing league. A sports and media company, DRL combines world-class pilots, iconic locations, and proprietary technology to create engaging drone racing content with mass appeal.	N/A	3%
Formula 1	Formula 1, which began in 1950, is an iconic global motorsports business.	N/A	100%

INVESTMENT SUMMARY, CONTINUED

FORMULA ONE GROUP			
ENTITY	DESCRIPTION OF OPERATING BUSINESS	ATTRIBUTED SHARE COUNT ⁽¹⁾ (in millions)	ATTRIBUTED OWNERSHIP ⁽²⁾
Ideiasnet (BOVESPA: IDNT3)	A Brazil-based company that develops projects and acquires stakes in companies in technology, media and telecommunications.	4.0	24%
INRIX, Inc.	Provider of traffic data and analytics to auto OEM's, governments, businesses and consumers.	N/A	4%
Kroenke Arena Company, LLC	Owner of the Pepsi Center, a sports and entertainment facility in Denver, Colorado.	N/A	7%
Liberty Technology Venture Capital, LLC	Investment fund focused on Israeli technology companies.	N/A	80%
Live Nation Entertainment, Inc. (NYSE: LYV)	Largest live entertainment company in the world, consisting of four segments: concerts, sponsorship and advertising and ticketing.	69.6	33%
Saavn Global Holdings, Ltd.	Indian music streaming service focused on Bollywood music.	N/A	5%
Tastemade, Inc.	Tastemade brings the world's leading tastemakers in food together to create high-quality shows in the food and lifestyle category for digital platforms.	N/A	6%
Viacom Inc. (NASDAQ: VIA)	Viacom creates entertainment experiences through television, film, digital media, live events, merchandise and solutions. Viacom's media networks segment includes Nickelodeon, MTV, BET, Comedy Central and Paramount Network. Viacom's filmed entertainment segment includes Paramount Pictures, Paramount Players, Paramount Animation and Paramount Television divisions.	1.9	<1%
LIBERTY SIRIUSXM GROUP			
ENTITY	DESCRIPTION OF OPERATING BUSINESS	ATTRIBUTED SHARE COUNT ⁽¹⁾ (in millions)	ATTRIBUTED OWNERSHIP ⁽²⁾
Sirius XM Holdings Inc. (NASDAQ: SIRI)	A satellite radio company delivering commercial-free music plus sports, entertainment, comedy, talk, news, traffic and weather.	3,162.2	67% ⁽⁴⁾

1) Applicable only for publicly-traded entities.

2) Represents undiluted ownership interest unless otherwise noted.

3) Represents an inter-group interest in the Braves Group, which is not represented by outstanding shares.

4) Gives effect to the SIRI acquisition of Pandora Media, Inc., which closed on February 1st, 2019.



LIBERTY MEDIA CORPORATION

12300 Liberty Boulevard
Englewood, Colorado 80112
(720) 875-5400

April 24, 2019

Dear Stockholder:

You are cordially invited to attend the 2019 annual meeting of stockholders of Liberty Media Corporation (**Liberty Media**) to be held at 8:00 a.m., local time, on May 30, 2019, at the corporate offices of Liberty Media, 12300 Liberty Boulevard, Englewood, Colorado 80112, telephone (720) 875-5400.

At the annual meeting, you will be asked to consider and vote on the proposals described in the accompanying notice of annual meeting and proxy statement, as well as on such other business as may properly come before the meeting.

Your vote is important, regardless of the number of shares you own. Whether or not you plan to attend the annual meeting, please read the enclosed proxy materials and then promptly vote via the Internet or telephone or by completing, signing and returning by mail the enclosed proxy card. Doing so will not prevent you from later revoking your proxy or changing your vote at the meeting.

Thank you for your cooperation and continued support and interest in Liberty Media.

Very truly yours,

Gregory B. Maffei
President and Chief Executive Officer

The proxy materials relating to the annual meeting will first be made available on or about April 29, 2019.

LIBERTY MEDIA CORPORATION

12300 Liberty Boulevard
Englewood, Colorado 80112
(720) 875-5400

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

to be Held on May 30, 2019

NOTICE IS HEREBY GIVEN of the annual meeting of stockholders of Liberty Media Corporation (**Liberty Media**) to be held at 8:00 a.m., local time, on May 30, 2019, at the corporate offices of Liberty Media, 12300 Liberty Boulevard, Englewood, Colorado 80112, telephone (720) 875-5400, to consider and vote on the following proposals:

1. A proposal (which we refer to as the **election of directors proposal**) to elect John C. Malone, Robert R. Bennett and M. Ian G. Gilchrist to continue serving as Class III members of our board until the 2022 annual meeting of stockholders or their earlier resignation or removal; and
2. A proposal (which we refer to as the **auditors ratification proposal**) to ratify the selection of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2019.

You may also be asked to consider and vote on such other business as may properly come before the annual meeting.

Holders of record of our Series A Liberty SiriusXM common stock, par value \$0.01 per share, Series A Liberty Braves common stock, par value \$0.01 per share, Series A Liberty Formula One common stock, par value \$0.01 per share, Series B Liberty SiriusXM common stock, par value \$0.01 per share, Series B Liberty Braves common stock, par value \$0.01 per share, and Series B Liberty Formula One common stock, par value \$0.01 per share, in each case, outstanding as of 5:00 p.m., New York City time, on April 8, 2019, the **record date** for the annual meeting, will be entitled to notice of the annual meeting and to vote at the annual meeting or any adjournment or postponement thereof. These holders will vote together as a single class on each proposal. A list of stockholders entitled to vote at the annual meeting will be available at our offices at 12300 Liberty Boulevard, Englewood, Colorado 80112 for review by our stockholders for any purpose germane to the annual meeting for at least ten days prior to the annual meeting. The holders of record of our Series C Liberty SiriusXM common stock, par value \$0.01 per share, Series C Liberty Braves common stock, par value \$0.01 per share, and Series C Liberty Formula One common stock, par value \$0.01 per share, are not entitled to any voting powers, except as required by Delaware law, and may not vote on the proposals to be presented at the annual meeting.

We describe the proposals in more detail in the accompanying proxy statement. We encourage you to read the proxy statement in its entirety before voting.

Our board of directors has unanimously approved each proposal and recommends that you vote "**FOR**" the election of each director nominee and "**FOR**" the auditors ratification proposal.

Votes may be cast in person at the annual meeting or by proxy prior to the meeting by telephone, via the Internet, or by mail.

Important Notice Regarding the Availability of Proxy Materials For the Annual Meeting of Stockholders to be Held on May 30, 2019: our Notice of Annual Meeting of Stockholders, Proxy Statement, and 2018 Annual Report to Stockholders are available at www.proxyvote.com.

YOUR VOTE IS IMPORTANT. Voting promptly, regardless of the number of shares you own, will aid us in reducing the expense of any further proxy solicitation in connection with the annual meeting.

By order of the board of directors,

A handwritten signature in black ink that reads "Pamela L. Coe". The signature is written in a cursive, flowing style.

Pamela L. Coe
Senior Vice President and Secretary

Englewood, Colorado
April 24, 2019

WHETHER OR NOT YOU INTEND TO BE PRESENT AT THE ANNUAL MEETING, PLEASE VOTE PROMPTLY VIA TELEPHONE OR ELECTRONICALLY VIA THE INTERNET. ALTERNATIVELY, PLEASE COMPLETE, SIGN AND RETURN BY MAIL THE ENCLOSED PAPER PROXY CARD.

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PROXY STATEMENT SUMMARY

2019 ANNUAL MEETING OF STOCKHOLDERS

WHEN

8:00 a.m., local time, on May 30, 2019

WHERE

The Corporate Offices of Liberty Media
12300 Liberty Boulevard
Englewood, Colorado 80112

RECORD DATE

5:00 p.m., New York City time, on April 8, 2019

PROXY VOTING

Stockholders of record on the record date are entitled to vote by proxy in the following ways:



By calling 1-800-690-6903
(toll free) in the United States or
Canada



Online at
www.proxyvote.com



By returning a properly
completed, signed and dated
proxy card

ITEMS OF BUSINESS

1. Election of directors proposal—To elect John C. Malone, Robert R. Bennett and M. Ian G. Gilchrist to continue serving as Class III members of our board until the 2022 annual meeting of stockholders or their earlier resignation or removal.
2. Auditors ratification proposal—To ratify the selection of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2019.

Such other business as may properly come before the annual meeting.

WHO MAY VOTE

Holders of shares of LSXMA, LSXMB, BATRA, BATRB, FWONA and FWONB. Holders of shares of LSXMK, FWONK, and BATRK are NOT eligible to vote at the annual meeting.

ANNUAL MEETING AGENDA AND VOTING RECOMMENDATIONS

Proposal	Voting Recommendation	Page Reference (for more detail)
Election of directors proposal	✓ FOR EACH NOMINEE	18
Auditors ratification proposal	✓ FOR	23

LIBERTY MEDIA CORPORATION

a Delaware corporation

12300 Liberty Boulevard
Englewood, Colorado 80112
(720) 875-5400

PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS

We are furnishing this proxy statement in connection with the board of directors' solicitation of proxies for use at our 2019 Annual Meeting of Stockholders to be held at 8:00 a.m., local time, at the corporate offices of Liberty Media, 12300 Liberty Boulevard, Englewood, Colorado 80112 on May 30, 2019, or at any adjournment or postponement of the annual meeting. At the annual meeting, we will ask you to consider and vote on the proposals described in the accompanying Notice of Annual Meeting of Stockholders. The proposals are described in more detail in this proxy statement. We are soliciting proxies from holders of our Series A Liberty SiriusXM common stock, par value \$0.01 per share (**LSXMA**), Series A Liberty Braves common stock, par value \$0.01 per share (**BATRA**), Series A Liberty Formula One common stock, par value \$0.01 per share (**FWONA**), Series B Liberty SiriusXM common stock, par value \$0.01 per share (**LSXMB**), Series B Liberty Braves common stock, par value \$0.01 per share (**BATRB**), and Series B Liberty Formula One common stock, par value \$0.01 per share (**FWONB**). The holders of our Series C Liberty SiriusXM common stock, par value \$0.01 per share (**LSXMK**), Series C Liberty Braves common stock, par value \$0.01 per share (**BATRK**), and Series C Liberty Formula One common stock, par value \$0.01 per share (**FWONK**), are not entitled to any voting powers, except as required by Delaware law, and may not vote on the proposals to be presented at the annual meeting. We refer to LSXMA, LSXMB, LSXMK, BATRA, BATRB, BATRK, FWONA, FWONB and FWONK together as our **common stock**.

THE ANNUAL MEETING

ELECTRONIC DELIVERY

Registered stockholders may elect to receive future notices and proxy materials by e-mail. To sign up for electronic delivery, go to www.proxyvote.com. Stockholders who hold shares through a bank, brokerage firm or other nominee may sign up for electronic delivery when voting by Internet at www.proxyvote.com, by following the prompts. Also, stockholders who hold shares through a bank, brokerage firm or other nominee may sign up for electronic delivery by contacting their nominee. Once you sign up, you will not receive a printed copy of the notices and proxy materials, unless you request them. If you are a registered stockholder, you may suspend electronic delivery of the notices and proxy materials at any time by contacting our transfer agent, Broadridge, at (888) 789-8415 (outside the United States (303) 562-9273). Stockholders who hold shares through a bank, brokerage firm or other nominee should contact their nominee to suspend electronic delivery.

TIME, PLACE AND DATE

The annual meeting of stockholders is to be held at 8:00 a.m., local time, on May 30, 2019, at the corporate offices of Liberty Media, 12300 Liberty Boulevard, Englewood, Colorado 80112, telephone (720) 875-5400.

PURPOSE

At the annual meeting, you will be asked to consider and vote on each of the following:

- the election of directors proposal, to elect John C. Malone, Robert R. Bennett and M. Ian G. Gilchrist to continue serving as Class III members of our board until the 2022 annual meeting of stockholders or their earlier resignation or removal; and
- the auditors ratification proposal, to ratify the selection of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2019.

You may also be asked to consider and vote on such other business as may properly come before the annual meeting, although we are not aware at this time of any other business that might come before the annual meeting.

QUORUM

In order to conduct the business of the annual meeting, a quorum must be present. This means that the holders of at least a majority of the aggregate voting power represented by the shares of our common stock outstanding on the record date and entitled to vote at the annual meeting must be represented at the annual meeting either in person or by proxy. For purposes of determining a quorum, your shares will be included as represented at the meeting even if you indicate on your proxy that you abstain from voting. If a broker, who is a record holder of shares, indicates on a form of proxy that the broker does not have discretionary authority to vote those shares on a particular proposal or proposals, or if those shares are voted in circumstances in which proxy authority is defective or has been withheld, those shares (**broker non-votes**) will nevertheless be treated as present for purposes of determining the presence of a quorum. See “—Voting Procedures for Shares Held in Street Name—Effect of Broker Non-Votes” below.

WHO MAY VOTE

Holders of shares of LSXMA, LSXMB, BATRA, BATRB, FWONA and FWONB, as recorded in our stock register as of 5:00 p.m., New York City time, on April 8, 2019 (such date and time the record date for the annual meeting), will be entitled to notice of the annual meeting and to vote at the annual meeting or any adjournment or postponement thereof.

VOTES REQUIRED

Each director nominee who receives a plurality of the combined voting power of the outstanding shares of our common stock present in person or represented by proxy at the annual meeting and entitled to vote on the election of directors at the annual meeting, voting together as a single class, will be elected to the office.

Approval of the auditors ratification proposal requires the affirmative vote of a majority of the combined voting power of the outstanding shares of our common stock that are present in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class.

VOTES YOU HAVE

At the annual meeting, holders of shares of LSXMA, BATRA and FWONA will have one vote per share, and holders of shares of LSXMB, BATRB and FWONB will have ten votes per share, in each case, that our records show are owned as of the record date. Holders of LSXMK, BATRK and FWONK will not be eligible to vote at the annual meeting.

RECOMMENDATION OF OUR BOARD OF DIRECTORS

Our board of directors has unanimously approved each of the proposals and recommends that you vote “**FOR**” the election of each director nominee and “**FOR**” the auditors ratification proposal.

SHARES OUTSTANDING

As of the record date, an aggregate of approximately 102,866,000 shares of LSXMA, 9,822,000 shares of LSXMB, 10,249,000 shares of BATRA, 982,000 shares of BATRB, 25,680,000 shares of FWONA and 2,453,000 shares of FWONB were issued and outstanding and entitled to vote at the annual meeting.

NUMBER OF HOLDERS

There were, as of the record date, 1,153 and 65 record holders of LSXMA and LSXMB, respectively, 1,681 and 41 record holders of BATRA and BATRB, respectively, and 817 and 59 record holders of FWONA and FWONB, respectively (which amounts do not include the number of stockholders whose shares are held of record by banks, brokers or other nominees, but include each such institution as one holder).

VOTING PROCEDURES FOR RECORD HOLDERS

Holders of record of LSXMA, LSXMB, BATRA, BATRB, FWONA and FWONB as of the record date may vote in person at the annual meeting, by telephone or through the Internet. Alternatively, they may give a proxy by completing, signing, dating and returning the proxy card by mail. Instructions for voting by using the telephone or the Internet are printed on the proxy voting instructions attached to the proxy card. In order to vote through the Internet, holders should have their proxy cards available so they can input the required information from the proxy card, and log onto the Internet website address shown on the proxy card. When holders log onto the Internet website address, they will receive instructions on how to vote their shares. The telephone and Internet voting procedures are designed to authenticate votes cast by use of a personal identification number, which will be provided to each voting stockholder separately. Unless subsequently revoked, shares of our common stock represented by a proxy submitted as described herein and received at or before the annual meeting will be voted in accordance with the instructions on the proxy.

YOUR VOTE IS IMPORTANT. It is recommended that you vote by proxy even if you plan to attend the annual meeting. You may change your vote at the annual meeting.

If you submit a properly executed proxy without indicating any voting instructions as to a proposal enumerated in the Notice of Annual Meeting of Stockholders, the shares represented by the proxy will be voted “**FOR**” the election of each director nominee and “**FOR**” the auditors ratification proposal.

If you submit a proxy indicating that you abstain from voting as to a proposal, it will have no effect on the election of directors proposal and will have the same effect as a vote “**AGAINST**” the auditors ratification proposal.

If you do not submit a proxy or you do not vote in person at the annual meeting, your shares will not be counted as present and entitled to vote for purposes of determining a quorum, and your failure to vote will have no effect on determining whether any of the proposals are approved (if a quorum is present).

VOTING PROCEDURES FOR SHARES HELD IN STREET NAME

General

If you hold your shares in the name of a broker, bank or other nominee, you should follow the instructions provided by your broker, bank or other nominee when voting your shares or to grant or revoke a proxy. The rules and regulations of the New York Stock Exchange and The Nasdaq Stock Market LLC (**Nasdaq**) prohibit brokers, banks and other nominees from voting shares on behalf of their clients with respect to numerous matters, including, in our case, the election of directors proposal. Accordingly, to ensure your shares held in street name are voted on these matters, we encourage you to provide promptly specific voting instructions to your broker, bank or other nominee.

Effect of Broker Non-Votes

Broker non-votes are counted as shares of our common stock present and entitled to vote for purposes of determining a quorum but will have no effect on any of the proposals. You should follow the directions your broker, bank or other nominee provides to you regarding how to vote your shares of LSXMA, BATRA, FWONA, LSXMB, BATRB or FWONB or how to change your vote or revoke your proxy.

REVOKING A PROXY

If you submitted a proxy prior to the start of the annual meeting, you may change your vote by voting in person at the annual meeting or by delivering a signed proxy revocation or a new signed proxy with a later date to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. Any signed proxy revocation or later-dated proxy must be received before the start of the annual meeting. In addition, you may change your vote through the Internet or by telephone (if you originally voted by the corresponding method) not later than 11:59 p.m., New York City time, on May 29, 2019.

Your attendance at the annual meeting will not, by itself, revoke a prior vote or proxy from you.

If your shares are held in an account by a broker, bank or other nominee, you should contact your nominee to change your vote or revoke your proxy.

SOLICITATION OF PROXIES

We are soliciting proxies by means of our proxy statement and our annual report (together, the **proxy materials**) on behalf of our board of directors. In addition to this mailing, our employees may solicit proxies personally or by telephone. We pay the cost of soliciting these proxies. We also reimburse brokers and other nominees for their expenses in sending paper proxy materials to you and getting your voting instructions.

If you have any further questions about voting or attending the annual meeting, please contact Liberty Media Investor Relations at (877) 772-1518 or Broadridge at (888) 789-8415.

OTHER MATTERS TO BE VOTED ON AT THE ANNUAL MEETING

Our board of directors is not currently aware of any business to be acted on at the annual meeting other than that which is described in the Notice of Annual Meeting of Stockholders and this proxy statement. If, however, other matters are properly brought to a vote at the annual meeting, the persons designated as proxies will have discretion to vote or to act on these matters according to their best judgment. In the event there is a proposal to adjourn or postpone the annual meeting, the persons designated as proxies will have discretion to vote on that proposal.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth information concerning shares of our common stock beneficially owned by each person or entity known by us to own more than five percent of the outstanding shares of each series of our voting stock. All of such information is based on publicly available filings, unless otherwise known to us from other sources.

Unless otherwise indicated, the security ownership information is given as of April 15, 2019 and, in the case of percentage ownership information, is based upon (1) 102,816,795 LSXMA shares, (2) 9,821,531 LSXMB shares, (3) 209,079,807 LSXMK shares, (4) 10,244,591 BATRA shares, (5) 981,860 BATRB shares, (6) 39,740,215 BATRK shares, (7) 25,675,346 FWONA shares, (8) 2,453,485 FWONB shares and (9) 202,887,872 FWONK shares, in each case, outstanding on February 28, 2019. The percentage voting power is presented on an aggregate basis for all LSXMA, LSXMB, BATRA, BATRB, FWONA and FWONB shares.

Name and Address of Beneficial Owner	Title of Series	Amount and Nature of Beneficial Ownership	Percent of Series (%)	Voting Power (%)
John C. Malone c/o Liberty Media Corporation 12300 Liberty Boulevard Englewood, CO 80112	LSXMA	1,167,728 ⁽¹⁾	1.1	47.6
	LSXMB	9,455,341 ⁽¹⁾	96.3	
	LSXMK	15,461,807 ⁽¹⁾	7.4	
	BATRA	116,771 ⁽¹⁾	1.1	
	BATRB	945,532 ⁽¹⁾	96.3	
	BATRK	3,027,466 ⁽¹⁾	7.6	
	FWONA	291,930 ⁽¹⁾	1.1	
	FWONB	2,363,834 ⁽¹⁾	96.4	
	FWONK	4,653,362 ⁽¹⁾	2.3	
Berkshire Hathaway, Inc. 3555 Farnam Street Omaha, NE 68131	LSXMA	14,860,360 ⁽²⁾	14.5	5.5
	LSXMB	—	—	
	LSXMK	31,090,985 ⁽²⁾	14.9	
	BATRA	—	—	
	BATRB	—	—	
	BATRK	—	—	
	FWONA	—	—	
	FWONB	—	—	
	FWONK	—	—	
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	LSXMA	6,484,270 ⁽³⁾	6.3	3.0
	LSXMB	—	—	
	LSXMK	12,170,640 ⁽³⁾	5.8	
	BATRA	661,499 ⁽³⁾	6.5	
	BATRB	—	—	
	BATRK	2,388,512 ⁽³⁾	6.0	
	FWONA	1,057,067 ⁽³⁾	4.1	
	FWONB	—	—	
	FWONK	9,515,547 ⁽³⁾	4.7	

Name and Address of Beneficial Owner	Title of Series	Amount and Nature of Beneficial Ownership	Percent of Series (%)	Voting Power (%)
Norges Bank (The Central Bank of Norway) Bankplassen 2 PO Box 1179 Sentrum Oslo, Q8 0107 Norway	LSXMA	2,260,630 ⁽⁴⁾	2.2	1.3
	LSXMB	—	—	
	LSXMK	1,494,577 ⁽⁴⁾	*	
	BATRA	569,036 ⁽⁴⁾	5.6	
	BATRB	—	—	
	BATRK	224,015 ⁽⁴⁾	*	
	FWONA	710,649 ⁽⁴⁾	2.8	
	FWONB	—	—	
	FWONK	3,380,383 ⁽⁴⁾	1.7	
	The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	LSXMA	8,828,793 ⁽⁵⁾	8.6
LSXMB		—	—	
LSXMK		14,012,828 ⁽⁵⁾	6.7	
BATRA		462,737 ⁽⁶⁾	4.5	
BATRB		—	—	
BATRK		1,722,776 ⁽⁶⁾	4.3	
FWONA		2,287,400 ⁽⁵⁾	8.9	
FWONB		—	—	
FWONK		16,678,660 ⁽⁵⁾	8.2	
Park West Asset Management LLC 900 Larkspur Landing Circle Suite 165 Larkspur, CA 94939	LSXMA	—	—	*
	LSXMB	—	—	
	LSXMK	—	—	
	BATRA	863,562 ⁽⁷⁾	8.4	
	BATRB	—	—	
	BATRK	2,847,218 ⁽⁷⁾	7.2	
	FWONA	—	—	
	FWONB	—	—	
	FWONK	—	—	
FMR LLC 245 Summer Street Boston, MA 02210	LSXMA	1,539,255 ⁽⁸⁾	1.5	*
	LSXMB	—	—	
	LSXMK	77,269 ⁽⁸⁾	*	
	BATRA	121 ⁽⁸⁾	*	
	BATRB	—	—	
	BATRK	909 ⁽⁸⁾	*	
	FWONA	847,389 ⁽⁸⁾	3.3	
	FWONB	—	—	
	FWONK	10,421,371 ⁽⁸⁾	5.1	

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Name and Address of Beneficial Owner	Title of Series	Amount and Nature of Beneficial Ownership	Percent of Series (%)	Voting Power (%)
GAMCO Investors, Inc. One Corporate Center Rye, NY 10580	LSXMA	599,959 ⁽⁹⁾	*	*
	LSXMB	—	—	
	LSXMK	674,513 ⁽⁹⁾	*	
	BATRA	1,458,438 ⁽¹⁰⁾	14.2	
	BATRB	—	—	
	BATRK	1,715,205 ⁽⁹⁾	4.3	
	FWONA	137,640 ⁽⁹⁾	*	
	FWONB	—	—	
	FWONK	190,013 ⁽⁹⁾	*	
Ancient Art, L.P. 500 West 5th Street Suite 1110 Austin, TX 78701	LSXMA	—	—	1.0
	LSXMB	—	—	
	LSXMK	—	—	
	BATRA	—	—	
	BATRB	—	—	
	BATRK	—	—	
	FWONA	2,593,428 ⁽¹¹⁾	10.1	
	FWONB	—	—	
	FWONK	—	—	
Janus Henderson Group plc 201 Bishopsgate ECM 3AE, United Kingdom	LSXMA	27,615 ⁽¹²⁾	*	*
	LSXMB	—	—	
	LSXMK	62,557 ⁽¹²⁾	*	
	BATRA	—	—	
	BATRB	—	—	
	BATRK	—	—	
	FWONA	—	—	
	FWONB	—	—	
	FWONK	10,225,807 ⁽¹²⁾	5.0	
UBS Group AG Bahnhofstrasse 45 Zurich, Switzerland	LSXMA	265,361 ⁽¹³⁾	*	*
	LSXMB	—	—	
	LSXMK	529,626 ⁽¹³⁾	*	
	BATRA	1,241,525 ⁽¹³⁾	12.1	
	BATRB	—	—	
	BATRK	20,775 ⁽¹³⁾	*	
	FWONA	156 ⁽¹³⁾	*	
	FWONB	—	—	
	FWONK	516,696 ⁽¹³⁾	*	

Name and Address of Beneficial Owner	Title of Series	Amount and Nature of Beneficial Ownership	Percent of Series (%)	Voting Power (%)
Southeastern Asset Management, Inc. 6410 Poplar Avenue, Suite 900 Memphis, TN 38119	LSXMA	—	—	*
	LSXMB	—	—	
	LSXMK	—	—	
	BATRA	—	—	
	BATRB	—	—	
	BATRK	—	—	
	FWONA	2,343,015 ⁽¹⁴⁾	9.1	
	FWONB	—	—	
	FWONK	4,619,714 ⁽¹⁴⁾	2.3	
Barclays PLC 1 Churchill Place, London, E14 5HP, England	LSXMA	181,120 ⁽¹⁵⁾	*	*
	LSXMB	—	—	
	LSXMK	235,203 ⁽¹⁵⁾	*	
	BATRA	603,187 ⁽¹⁵⁾	5.9	
	BATRB	—	—	
	BATRK	12,780 ⁽¹⁵⁾	*	
	FWONA	1,369 ⁽¹⁵⁾	*	
	FWONB	—	—	
	FWONK	83,269 ⁽¹⁵⁾	*	

* Less than one percent

- (1) Information with respect to shares of our common stock beneficially owned by Mr. Malone, our Chairman of the Board, is also set forth in “—Security Ownership of Management.”
- (2) Based on Form 13F, filed February 14, 2019, by Berkshire Hathaway, Inc. (**Berkshire Hathaway**), with respect to itself and certain related institutional investment managers, including Warren E. Buffett (**Mr. Buffett**), GEICO Corp. (**GEICO**), National Fire & Marine Insurance Co. (**National Fire**) and National Indemnity Co (**National Indemnity**), which Form 13F reports sole voting power, shared voting power, sole investment discretion, and shared investment discretion for shares of LSXMA and LSXMK as follows:

	Title of Series	Sole Voting Power	Shared Voting Power	Sole Investment Discretion	Shared Investment Discretion
Berkshire Hathaway and Mr. Buffett	LSXMA	4,308,117	—	—	4,308,117
	LSXMK	7,153,027	—	—	7,153,027
Berkshire Hathaway, Mr. Buffett and National Fire	LSXMA	933,391	—	—	933,391
	LSXMK	508,654	—	—	508,654
Berkshire Hathaway, Mr. Buffett and National Indemnity	LSXMA	1,827,072	—	—	1,827,072
	LSXMK	4,069,394	—	—	4,069,394
Berkshire Hathaway, Mr. Buffett, GEICO and National Indemnity	LSXMA	7,791,780	—	—	7,791,780
	LSXMK	19,359,910	—	—	19,359,910

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

- (3) Based on (i) Schedule 13G, filed February 11, 2019, by BlackRock, Inc. (**BlackRock**), a parent holding company, with respect to its ownership of shares of LSXMK, (ii) three separate filings, each an Amendment No. 2 to Schedule 13G filed February 6, 2019 by BlackRock, with respect to its ownership of shares of LSXMA, BATRA and BTRK, respectively, and (iii) Form 13F, filed February 8, 2019, by BlackRock with respect to its ownership of shares of FWONA and FWONK, Blackrock has sole voting power, shared voting power, sole dispositive power/investment discretion, and shared dispositive power/investment discretion over these shares as provided in the following table. All shares covered by such filings are held by BlackRock and/or its subsidiaries.

Title of Series	Sole Voting Power	Shared Voting Power	Sole Dispositive Power/ Investment Discretion	Shared Dispositive Power/ Investment Discretion
LSXMA	5,767,555	—	6,484,270	—
LSXMK	10,561,150	—	12,170,640	—
BATRA	635,065	—	661,499	—
BATRK	2,312,691	—	2,388,512	—
FWONA	972,695	—	1,057,067	—
FWONK	8,310,031	—	9,515,547	—

- (4) Based on Amendment No. 1 to Form 13F, filed March 4, 2019, by Norges Bank (**Norges**), which states that Norges has: sole investment discretion and sole voting power over 2,260,630 LSXMA shares; sole investment discretion and sole voting power over 1,494,577 LSXMK shares; sole investment discretion and sole voting power over 569,036 BATRA shares; sole investment discretion and sole voting power over 224,015 BATRK shares; sole investment discretion and sole voting power over 710,649 FWONA shares; and sole investment discretion and sole voting power over 3,380,383 FWONK shares.
- (5) Based on four separate filings, each an Amendment No. 2 to Schedule 13G filed February 12, 2019 by The Vanguard Group (**Vanguard**), which state that Vanguard, with respect to its ownership of shares of each of LSXMA, LSXMK, FWONA and FWONK, has sole voting power, shared voting power, sole dispositive power, and shared dispositive power over these shares as follows:

Title of Series	Sole Voting Power	Shared Voting Power	Sole Dispositive Power	Shared Dispositive Power
LSXMA	61,042	13,734	8,755,101	73,692
LSXMK	115,738	56,884	13,838,333	174,495
FWONA	17,345	—	2,270,055	17,345
FWONK	127,736	43,963	16,514,661	163,999

- (6) Based on Form 13F, filed February 14, 2019, by Vanguard, with respect to itself and certain related institutional investment managers, including Vanguard Fiduciary Trust Co (**Trust Co**) and Vanguard Investments Australia, Ltd. (**Australia**), which Form 13F reports sole voting power, shared voting power, sole investment discretion, and shared investment discretion for shares of BATRA and BATRK as follows:

	Title of Series	Sole Voting Power	Shared Voting Power	Sole Investment Discretion	Shared Investment Discretion
Vanguard	BATRA	—	—	442,720	—
	BATRK	3,455	—	1,650,545	—
Vanguard and Trust Co	BATRA	20,017	—	—	20,017
	BATRK	69,631	—	—	69,631
Vanguard and Australia	BATRA	—	—	—	—
	BATRK	—	2,600	—	2,600

- (7) Based on (i) Amendment No. 3 to Schedule 13G, filed February 14, 2019, jointly by Park West Asset Management LLC (**PWAM**) and Peter S. Park, which states that, with respect to BATRA shares, each of PWAM and Peter S. Park has shared voting power and shared dispositive power over 863,562 shares and (ii) Form 13F, filed February 14, 2019, by PWAM, which states that PWAM has sole investment discretion and sole voting power over 2,847,218 BATRK shares.

- (8) Based on (i) Amendment No. 1 to Schedule 13G, filed February 13, 2019, by FMR LLC (**FMR**) and Abigail P. Johnson, which states that, with respect to FWONK shares, each of FMR and Ms. Johnson has sole dispositive power over 10,421,371 shares and FMR has sole voting power over 1,609,659 shares, and (ii) Form 13F, filed February 13, 2019, by FMR, with respect to itself and certain related institutional investment managers, including Fidelity Management & Research Co. (**Fidelity M&R**), Strategic Advisers LLC (**Strategic**), and FMR Co. Inc. (**FMR Co**), which Form 13F reports sole voting power, shared voting power, sole investment discretion, and shared investment discretion as follows:

	Title of Series	Sole Voting Power	Shared Voting Power	Sole Investment Discretion	Shared Investment Discretion
FMR, Fidelity M&R, and FMR Co	LSXMA	—	—	—	1,532,700
	LSXMK	—	—	—	45,524
	BATRA	—	—	—	—
	BATRK	—	—	—	—
	FWONA	—	—	—	846,357
FMR and Strategic	LSXMA	6,555	—	—	6,555
	LSXMK	31,744	—	—	31,744
	BATRA	121	—	—	121
	BATRK	909	—	—	909
	FWONA	1,032	—	—	1,032

- (9) Based on Form 13F, filed January 30, 2019, by GAMCO Investors, Inc. (**GBL**), which reports that GBL has sole investment discretion over 599,959 LSXMA shares and sole voting power over 591,402 LSXMA shares, sole investment discretion over 674,513 LSXMK shares and sole voting power over 611,411 LSXMK shares, sole investment discretion over 1,715,205 BATRK shares and sole voting power over 1,560,378 BATRK shares, sole investment discretion over 137,640 FWONA shares and sole voting power over 127,335 FWONA shares, and sole investment discretion over 190,013 FWONK shares and sole voting power over 176,526 FWONK shares.
- (10) Based on Amendment No. 11 to Schedule 13D, filed on April 15, 2019, jointly by Gabelli Funds, LLC (**Gabelli Funds**), GAMCO Asset Management Inc. (**GAMCO**), MJG Associates, Inc. (**MJG**), GGCP, Inc. (**GGCP**), GBL, Associated Capital Group, Inc. (**AC**), Gabelli Foundation, Inc. (**Foundation**) and Mario J. Gabelli (**Mr. Gabelli**) with respect to BATRA shares. Mr. Gabelli is deemed to have beneficial ownership of the shares owned beneficially by each of such persons. AC, GBL and GGCP are deemed to have beneficial ownership of the shares owned beneficially by each of such persons other than Mr. Gabelli and the Foundation.

These entities have reported sole voting power, shared voting power, sole dispositive power and shared dispositive power over these shares as follows:

	Title of Series	Sole Voting Power	Shared Voting Power	Sole Dispositive Power	Shared Dispositive Power
Gabelli Funds	BATRA	263,109	—	263,109	—
GAMCO	BATRA	1,398,431	—	1,458,438	—
MJG	BATRA	2,000	—	2,000	—
Mario J. Gabelli	BATRA	39,000	—	39,000	—
AC	BATRA	410	—	410	—
GGCP	BATRA	25,000	—	25,000	—
Foundation	BATRA	1,500	—	1,500	—

- (11) Based on Amendment No. 1 to Schedule 13G, filed February 11, 2019, jointly by Ancient Art, L.P., Trango II, L.L.C., and Quincy J. Lee, which states that, with respect to FWONA shares, each has shared voting power and shared dispositive power over 2,593,428 shares.
- (12) Based on (i) Schedule 13G, filed February 12, 2019, by Janus Henderson Group plc (**Janus Henderson**), a parent holding company, which states that, with respect to FWONK shares, Janus Henderson has shared voting power and shared dispositive power over 10,255,807 shares, and (ii) Form 13F, filed February 6, 2019, by Janus Henderson, with respect to itself and certain related institutional investment managers, including Intech Investment Management LLC (**Intech**), which Form 13F reports sole voting power, shared voting power, sole investment discretion, and shared investment discretion as follows:

	Title of Series	Sole Voting Power	Shared Voting Power	Sole Investment Discretion	Shared Investment Discretion
Janus Henderson, Henderson	LSXMA	—	24,253	—	27,615
Global and Intech	LSXMK	—	59,819	—	62,557

- (13) Based on (i) Amendment No. 1 to Schedule 13G, filed April 2, 2019, by UBS Group AG (**UBS Group**), a parent holding company, on behalf of UBS Asset Management Americas Inc. (**UBS Americas**) which states that, with respect to BATRA shares held by UBS Americas and/or its subsidiaries, UBS Americas has sole voting power over 1,184,890 shares and shared dispositive power over 1,241,525 shares, and (ii) Form 13F, filed February 13, 2019, by UBS Americas, with respect to itself and certain related institutional investment managers, including UBS Group, UBS Asset Management Trust Company (**UBS AM Trust**), UBS AG/UBS Asset Management (**UBS AG**), UBS Asset Management (UK) Ltd (**UBS UK**), and UBS Asset Management Life Ltd (**UBS Life**), which Form 13F reports sole voting power, shared voting power, sole investment discretion, and shared investment discretion as follows:

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

	Title of Series	Sole Voting Power	Shared Voting Power	Sole Investment Discretion	Shared Investment Discretion
UBS Americas	LSXMA	39,305	—	33,350	11,789
	LSXMK	76,469	—	65,851	18,420
	BATRK	—	—	—	—
	FWONA	—	—	—	—
	FWONK	71,464	—	75,382	3,633
UBS Americas and UBS Group	LSXMA	475	—	—	10,367
	LSXMK	1,138	—	—	21,770
	BATRK	80	—	—	80
	FWONA	156	—	—	156
	FWONK	201	—	—	21,391
UBS Americas and UBS AM Trust	LSXMA	8,578	—	—	8,578
	LSXMK	16,162	—	—	16,162
	BATRK	—	—	—	—
	FWONA	—	—	—	—
	FWONK	15,487	—	—	15,487
UBS Americas and UBS AG	LSXMA	109,147	—	116,906	91
	LSXMK	215,806	—	238,954	198
	BATRK	19,695	—	20,695	—
	FWONA	—	—	—	—
	FWONK	249,122	—	267,741	231
UBS Americas and UBS UK	LSXMA	22,012	—	2,544	62,780
	LSXMK	46,451	—	2,838	128,913
	BATRK	—	—	—	—
	FWONA	—	—	—	—
	FWONK	49,893	—	3,697	129,134
UBS Americas and UBS Life	LSXMA	18,956	—	—	18,956
	LSXMK	36,520	—	—	36,520
	BATRK	—	—	—	—
	FWONA	—	—	—	—
	FWONK	—	—	—	—

- (14) Based on (i) Schedule 13G, filed February 14, 2019, jointly by Southeastern Asset Management, Inc. (**Southeastern**), Longleaf Partners Small-Cap Fund (**Longleaf**), and O. Mason Hawkins, which states that, with respect to FWONA shares, each of Southeastern and Longleaf has shared voting power and shared dispositive power over 2,322,149 shares and Southeastern has sole dispositive power over 20,866 shares, and (ii) Form 13F, filed February 14, 2019, by Southeastern, with respect to itself and certain related institutional investment managers, including Longleaf, which Form 13F reports, with respect to FWONK shares, Southeastern's sole dispositive power over 37,598 shares, and Southeastern and Longleaf's joint shared dispositive power and sole voting power over 4,582,116 shares.
- (15) Based on (i) Schedule 13G, filed February 14, 2019, by Barclays PLC (**Barclays**), Barclays Capital Inc. (**Barclays Capital**), and Barclays Bank PLC (**Barclays Bank**), which states that, with respect to BATRA shares, Barclays has sole voting power and sole dispositive power over 603,187 shares, Barclays Capital has sole voting power and sole dispositive power over 33,973 shares, and Barclays Bank has sole voting power and sole dispositive power over 569,214 shares, and (ii) Form 13F, filed February 14, 2019, by Barclays, with respect to itself and certain related institutional investment managers, including Barclays Bank, Barclays Capital, and Barclays Capital Securities LTD (**Barclays Securities**), which Form 13F reports sole voting power, shared voting power, sole investment discretion, and shared investment discretion as follows:

	Title of Series	Sole Voting Power	Shared Voting Power	Sole Investment Discretion	Shared Investment Discretion
Barclays and Barclays Bank	LSXMA	168,875	—	168,875	—
	LSXMK	162,599	—	162,599	—
	BATRK	12,756	—	12,756	—
	FWONA	1,346	—	1,346	—
	FWONK	76,148	—	76,148	—
Barclays and Barclays Capital	LSXMA	11,200	—	11,200	—
	LSXMK	69,821	—	69,821	—
	BATRK	24	—	24	—
	FWONA	23	—	23	—
	FWONK	3,900	—	3,900	—
Barclays and Barclays Securities	LSXMA	1,045	—	1,045	—
	LSXMK	2,783	—	2,783	—
	BATRK	—	—	—	—
	FWONA	—	—	—	—
	FWONK	3,221	—	3,221	—

SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth information with respect to the ownership by each of our directors and named executive officers (as defined herein) and by all of our directors and executive officers as a group of shares of (1) each series of our common stock (LSXMA, LSXMB, LSXMK, BATRA, BATRB, BATTRK, FWONA, FWONB and FWONK) and (2) the common stock, par value \$0.001 per share (**SIRI**), of Sirius XM Holdings Inc. (**Sirius XM**), in which we hold a controlling interest. The security ownership information with respect to our common stock is given as of February 28, 2019 and, in the case of percentage ownership information, is based upon (1) 102,816,795 LSXMA shares, (2) 9,821,531 LSXMB shares, (3) 209,079,807 LSXMK shares, (4) 10,244,591 BATRA shares, (5) 981,860 BATRB shares, (6) 39,740,215 BATTRK shares, (7) 25,675,346 FWONA shares, (8) 2,453,485 FWONB shares and (9) 202,887,872 FWONK shares, in each case, outstanding on that date. The security ownership information with respect to SIRI is given as of February 28, 2019, and, in the case of percentage ownership information, is based on 4,345,777,230 SIRI shares outstanding on January 28, 2019. The percentage voting power with respect to our company is presented in the table below on an aggregate basis for all LSXMA, LSXMB, BATRA, BATRB, FWONA and FWONB shares.

The table also includes performance-based restricted stock units that had been certified as earned by our compensation committee on or before February 28, 2019 that will be settled in shares of our common stock within 60 days of such date. Shares of common stock issuable upon exercise or conversion of options, warrants and convertible securities that were exercisable or convertible on or within 60 days after February 28, 2019 are deemed to be outstanding and to be beneficially owned by the person holding the options, warrants or convertible securities for the purpose of computing the percentage ownership of that person and for the aggregate percentage owned by the directors and named executive officers as a group, but are not treated as outstanding for the purpose of computing the percentage ownership of any other individual person. For purposes of the following presentation, beneficial ownership of shares of LSXMB, BATRB or FWONB, though convertible on a one-for-one basis into shares of LSXMA, BATRA or FWONA, respectively, are reported as beneficial ownership of LSXMB, BATRB or FWONB only, and not as beneficial ownership of LSXMA, BATRA or FWONA, respectively. So far as is known to us, the persons indicated below have sole voting and dispositive power with respect to the shares indicated as owned by them, except as otherwise stated in the notes to the table.

The number of shares indicated as owned by the persons in the table includes interests in shares held by the Liberty Media 401(k) Savings Plan as of February 28, 2019. The shares held by the trustee of the Liberty Media 401(k) Savings Plan for the benefit of these persons are voted as directed by such persons.

Name	Title of Series	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Series (%)	Voting Power (%)
John C. Malone Chairman of the Board and Director	LSXMA	1,168 ⁽¹⁾⁽²⁾⁽³⁾	1.1	47.6
	LSXMB	9,455 ⁽¹⁾⁽⁴⁾⁽⁵⁾	96.3	
	LSXMK	15,462 ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾⁽⁶⁾	7.4	
	BATRA	117 ⁽¹⁾⁽²⁾⁽³⁾	1.1	
	BATRB	946 ⁽¹⁾⁽⁴⁾⁽⁵⁾	96.3	
	BATTRK	3,027 ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾⁽⁶⁾	7.6	
	FWONA	292 ⁽¹⁾⁽²⁾⁽³⁾	1.1	
	FWONB	2,364 ⁽¹⁾⁽⁴⁾⁽⁵⁾	96.4	
	FWONK	4,653 ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾⁽⁶⁾	2.3	
	SIRI	267 ⁽³⁾	*	*

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Name	Title of Series	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Series (%)	Voting Power (%)
Gregory B. Maffei President, Chief Executive Officer and Director	LSXMA	2,978 ⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹⁰⁾	2.9	1.6
	LSXMB	37	*	
	LSXMK	10,498 ⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹⁰⁾	4.9	
	BATRA	298 ⁽⁷⁾⁽⁸⁾⁽⁹⁾	2.9	
	BATRB	4	*	
	BATRK	1,413 ⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹⁴⁾	3.5	
	FWONA	693 ⁽⁷⁾⁽⁸⁾⁽⁹⁾	2.7	
	FWONB	9	*	
	FWONK	2,576 ⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹⁴⁾	1.3	
	SIRI	744 ⁽¹¹⁾	*	*
Robert R. Bennett Director	LSXMA	760 ⁽¹²⁾	*	*
	LSXMB	—	—	
	LSXMK	1,530 ⁽¹²⁾	*	
	BATRA	76 ⁽¹²⁾	*	
	BATRB	—	—	
	BATRK	268 ⁽¹²⁾	*	
	FWONA	190 ⁽¹²⁾	*	
	FWONB	—	—	
	FWONK	383 ⁽¹²⁾	*	
	SIRI	—	—	—
Brian M. Deevy Director	LSXMA	10 ⁽¹³⁾	*	*
	LSXMB	—	—	
	LSXMK	15 ⁽⁷⁾⁽¹³⁾	*	
	BATRA	1 ⁽¹³⁾	*	
	BATRB	—	—	
	BATRK	2 ⁽⁷⁾⁽¹³⁾	*	
	FWONA	3 ⁽¹³⁾	*	
	FWONB	—	—	
	FWONK	5 ⁽⁷⁾⁽¹³⁾	*	
	SIRI	—	—	—
M. Ian G. Gilchrist Director	LSXMA	1 ⁽⁷⁾	*	*
	LSXMB	—	—	
	LSXMK	19 ⁽⁷⁾	*	
	BATRA	** ⁽⁷⁾	*	
	BATRB	—	—	
	BATRK	3 ⁽⁷⁾	*	
	FWONA	** ⁽⁷⁾	*	
	FWONB	—	—	
	FWONK	10 ⁽⁷⁾	*	
	SIRI	—	—	—

Name	Title of Series	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Series (%)	Voting Power (%)
Evan D. Malone Director	LSXMA	11	*	*
	LSXMB	—	—	
	LSXMK	54 ⁽⁷⁾	*	
	BATRA	1	*	
	BATRB	—	—	
	BATRK	8 ⁽⁷⁾	*	
	FWONA	3	*	
	FWONB	—	—	
	FWONK	16 ⁽⁷⁾	*	
	SIRI	237 ⁽¹¹⁾	*	*
David E. Rapley Director	LSXMA	4	*	*
	LSXMB	—	—	
	LSXMK	22 ⁽⁷⁾	*	
	BATRA	—	—	
	BATRB	—	—	
	BATRK	3 ⁽⁷⁾	*	
	FWONA	1	*	
	FWONB	—	—	
	FWONK	9 ⁽⁷⁾	*	
	SIRI	—	—	—
Larry E. Romrell Director	LSXMA	20	*	*
	LSXMB	**	*	
	LSXMK	58 ⁽⁷⁾	*	
	BATRA	2	*	
	BATRB	**	*	
	BATRK	7 ⁽⁷⁾	*	
	FWONA	5	*	
	FWONB	**	*	
	FWONK	20 ⁽⁷⁾	*	
	SIRI	—	—	—
Andrea L. Wong Director	LSXMA	4	*	*
	LSXMB	—	—	
	LSXMK	31 ⁽⁷⁾	*	
	BATRA	**	*	
	BATRB	—	—	
	BATRK	4 ⁽⁷⁾	*	
	FWONA	1	*	
	FWONB	—	—	
	FWONK	9 ⁽⁷⁾	*	
	SIRI	—	—	—

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Name	Title of Series	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Series (%)	Voting Power (%)
Richard N. Baer Chief Legal Officer	LSXMA	—	—	*
	LSXMB	—	—	
	LSXMK	27 ⁽¹⁴⁾	*	
	BATRA	—	—	
	BATRB	—	—	
	BATRK	4 ⁽¹⁴⁾	*	
	FWONA	—	—	
	FWONB	—	—	
	FWONK	20 ⁽¹⁴⁾	*	
	SIRI	—	—	—
Mark D. Carleton Chief Financial Officer	LSXMA	—	—	*
	LSXMB	—	—	
	LSXMK	178 ⁽⁷⁾⁽¹⁴⁾	*	
	BATRA	13 ⁽⁷⁾	*	
	BATRB	—	—	
	BATRK	43 ⁽⁷⁾⁽¹⁴⁾	*	
	FWONA	18 ⁽⁷⁾	*	
	FWONB	—	—	
	FWONK	34 ⁽⁷⁾⁽¹⁴⁾	*	
	SIRI	163 ⁽¹¹⁾	*	*
Albert E. Rosenthaler Chief Corporate Development Officer	LSXMA	67	*	*
	LSXMB	—	—	
	LSXMK	330 ⁽⁶⁾⁽⁷⁾⁽¹⁴⁾	*	
	BATRA	10 ⁽⁷⁾	*	
	BATRB	—	—	
	BATRK	53 ⁽⁶⁾⁽⁷⁾⁽¹⁴⁾	*	
	FWONA	17	*	
	FWONB	—	—	
	FWONK	72 ⁽⁶⁾⁽⁷⁾⁽¹⁴⁾	*	
	SIRI	—	—	—
All directors and executive officers as a group (12 persons)	LSXMA	5,024 ⁽¹⁾⁽²⁾⁽³⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹⁰⁾⁽¹²⁾⁽¹³⁾	4.8	49.4
	LSXMB	9,492 ⁽¹⁾⁽⁴⁾⁽⁵⁾	96.7	
	LSXMK	28,223 ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹⁰⁾⁽¹²⁾⁽¹³⁾⁽¹⁴⁾	13.0	
	BATRA	518 ⁽¹⁾⁽²⁾⁽³⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹²⁾⁽¹³⁾	5.0	
	BATRB	949 ⁽¹⁾⁽⁴⁾⁽⁵⁾	96.7	
	BATRK	4,834 ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹²⁾⁽¹³⁾⁽¹⁴⁾	11.9	
	FWONA	1,223 ⁽¹⁾⁽²⁾⁽³⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹²⁾⁽¹³⁾	4.7	
	FWONB	2,373 ⁽¹⁾⁽⁴⁾⁽⁵⁾	96.7	
	FWONK	7,808 ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹²⁾⁽¹³⁾⁽¹⁴⁾	3.8	
	SIRI	1,411 ⁽³⁾⁽¹¹⁾	*	*

* Less than one percent

** Less than 1,000 shares

- (1) Includes 101,778 LSXMA shares, 230,564 LSXMB shares, 664,684 LSXMK shares, 10,177 BATRA shares, 23,056 BATRB shares, 113,329 BATRK shares, 25,444 FWONA shares, 57,641 FWONB shares and 166,171 FWONK shares held by Mr. Malone's wife, Mrs. Leslie Malone, as to which shares Mr. Malone has disclaimed beneficial ownership.
- (2) Includes (i) 250,000 LSXMA shares, 162,500 LSXMK shares, 25,000 BATRA shares, 28,781 BATRK shares, 62,500 FWONA shares and 40,625 FWONK shares held by The Malone Family Land Preservation Foundation and (ii) 203,043 LSXMA shares, 20,304 BATRA shares, 9,543 BATRK shares and 50,760 FWONA shares held by The Malone Family Foundation, as to which shares Mr. Malone has disclaimed beneficial ownership.
- (3) Includes 612,907 LSXMA shares, 4,425,554 LSXMK shares, 61,290 BATRA shares, 1,095,768 BATRK shares, 153,226 FWONA shares, 1,125,144 FWONK shares and 267,141 SIRI shares pledged to Fidelity Brokerage Services, LLC (**Fidelity**); 2,157,102 LSXMK shares, 510,221 BATRK shares, and 801,055 FWONK shares pledged to Merrill Lynch, Pierce, Fenner & Smith Incorporated (**Merrill Lynch**); and 7,380,000 LSXMK shares, 1,102,500 BATRK shares and 1,875,000 FWONK shares pledged to Bank of America (**BoA**) in connection with margin loan facilities extended by BoA.
- (4) Includes 108,687 LSXMB shares, 10,868 BATRB shares, and 27,171 FWONB shares held by two trusts which are managed by an independent trustee, of which the beneficiaries are Mr. Malone's adult children and in which Mr. Malone has no pecuniary interest. Mr. Malone retains the right to substitute assets held by the trusts and has disclaimed beneficial ownership of the shares held by the trusts.
- (5) Includes 490,597 LSXMB shares, 671,594 LSXMK shares, 49,059 BATRB shares, 167,293 BATRK shares, 122,649 FWONB shares and 245,298 FWONK shares held by a trust with respect to which Mr. Malone is the sole trustee and, with his wife, retains a unitrust interest in the trust.
- (6) Includes shares held in the Liberty Media 401(k) Savings Plan as follows:

	LSXMK	BATRK	FWONK
John C. Malone	373	31	69
Gregory B. Maffei	38,178	3,780	9,467
Albert E. Rosenthaler	7,067	703	1,748
Total	45,618	4,514	11,284

- (7) Includes beneficial ownership of shares that may be acquired upon exercise of, or which relate to, stock options exercisable within 60 days after February 28, 2019.

	LSXMA	LSXMK	BATRA	BATRK	FWONA	FWONK
Brian M. Deevy	—	8,149	—	949	—	3,254
M. Ian G. Gilchrist	854	18,868	85	2,795	213	9,053
Gregory B. Maffei	1,165,787	6,825,622	116,599	720,409	291,362	1,626,471
Evan D. Malone	—	29,263	—	3,535	—	9,701
David E. Rapley	—	14,631	—	1,767	—	4,850
Larry E. Romrell	—	29,263	—	3,535	—	9,701
Andrea L. Wong	—	17,263	—	2,341	—	4,669
Mark D. Carleton	—	157,858	7,327	26,743	18,309	19,524
Albert E. Rosenthaler	—	158,242	3,328	23,627	—	19,331
Total	1,166,641	7,259,159	127,339	785,701	309,884	1,706,554

- (8) Includes 305,768 LSXMA shares, 595,757 LSXMK shares, 30,576 BATRA shares, 45,677 BATRK shares, 14,758 FWONA shares and 72,313 FWONK shares held by The Maffei Foundation, as to which shares Mr. Maffei has disclaimed beneficial ownership.
- (9) Includes 680,989 LSXMA shares, 1,489,367 LSXMK shares, 119,007 BATRA shares, 492,012 BATRK shares, 170,247 FWONA shares and 671,937 FWONK shares pledged to Morgan Stanley Private Bank, National Association in connection with a loan facility.
- (10) Includes 824,069 LSXMA shares and 285,232 LSXMK shares held by a grantor retained annuity trust.
- (11) Includes beneficial ownership of shares that may be acquired upon exercise of, or which relate to, stock options exercisable within 60 days after February 28, 2019.

	SIRI
Gregory B. Maffei	726,643
Evan D. Malone	219,718
Mark D. Carleton	145,559
Total	1,091,920

- (12) Includes 21,585 LSXMA shares, 43,170 LSXMK shares, 2,158 BATRA shares, 7,568 BATRK shares, 5,396 FWONA shares and 10,792 FWONK shares owned by Hilltop Investments, LLC, which is jointly owned by Mr. Bennett and his wife, Mrs. Deborah Bennett.
- (13) Includes 247 LSXMA shares, 494 LSXMK shares, 24 BATRA shares, 87 BATRK shares, 61 FWONA shares and 123 FWONK shares held by the WJD Foundation, over which Mr. Deevy has sole voting power.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(14) Includes performance-based restricted stock units that had been certified as earned by our compensation committee that will be settled in shares of our common stock within 60 days of February 28, 2019, as follows:

	LSXMK	BATRK	FWONK
Gregory B. Maffei	—	14,121	98,429
Mark D. Carleton	12,239	1,810	9,010
Albert E. Rosenthaler	12,239	1,810	9,010
Richard N. Baer	16,391	2,424	12,066
Total	<u>40,869</u>	<u>20,165</u>	<u>128,515</u>

CHANGES IN CONTROL

We know of no arrangements, including any pledge by any person of our securities, the operation of which may at a subsequent date result in a change in control of our company.

PROPOSALS OF OUR BOARD

The following proposals will be presented at the annual meeting by our board of directors.

PROPOSAL 1—THE ELECTION OF DIRECTORS PROPOSAL

BOARD OF DIRECTORS

Our board of directors currently consists of nine directors, divided among three classes. Our Class III directors, whose term will expire at the 2019 annual meeting, are John C. Malone, Robert R. Bennett and M. Ian G. Gilchrist. These directors are nominated for election to our board to continue serving as Class III directors, and we have been informed that Messrs. Malone, Bennett and Gilchrist are each willing to continue serving as a director of our company. The term of the Class III directors who are elected at the annual meeting will expire at the annual meeting of our stockholders in the year 2022. Our Class I directors, whose term will expire at the annual meeting of stockholders in the year 2020, are Evan D. Malone, David E. Rapley and Larry E. Romrell. Our Class II directors, whose term will expire at the annual meeting of stockholders in the year 2021, are Brian M. Deevy, Gregory B. Maffei and Andrea L. Wong.

If any nominee should decline election or should become unable to serve as a director of our company for any reason before election at the annual meeting, votes will be cast by the persons appointed as proxies for a substitute nominee, if any, designated by the board of directors.

The following lists the three nominees for election as directors at the annual meeting and the six directors of our company whose term of office will continue after the annual meeting, and includes as to each person how long such person has been a director of our company, such person's professional background, other public company directorships and other factors considered in the determination that such person possesses the requisite qualifications and skills to serve as a member of our board of directors. All positions referenced in the biographical information below with our company include, where applicable, positions with our predecessors. The number of shares of our common stock beneficially owned by each director is set forth in this proxy statement under the caption "Security Ownership of Certain Beneficial Owners and Management."

Nominees for Election as Directors

John C. Malone

- *Age:* 78
- Chairman of the Board of our company.
- *Professional Background:* Mr. Malone has served as the Chairman of the Board of our company (including our predecessor) since August 2011 and as a director since December 2010. He served as Chairman of the Board of Qurate Retail, Inc. (formerly named Liberty Interactive Corporation, **Qurate Retail**), including its predecessor, from its inception in 1994 until March 2018 and served as Qurate Retail's Chief Executive Officer from August 2005 to February 2006. Mr. Malone served as Chairman of the Board of Tele-Communications, Inc. (**TCI**) from November 1996 until March 1999, when it was acquired by AT&T Corp., and as Chief Executive Officer of TCI from January 1994 to March 1997.
- *Other Public Company Directorships:* Mr. Malone has served as (i) a director of Qurate Retail (including its predecessor) since 1994 and served as Chairman of the Board of Qurate Retail (including its predecessor) from 1994 to March 2018, (ii) a director of Discovery, Inc. (**Discovery**), which was formerly known as Discovery Communications, Inc. (**Discovery Communications**), since September 2008, and a director of Discovery Communications' predecessor, Discovery Holding Company (**DHC**), from May 2005 to September 2008 and as Chairman of the Board from March 2005 to September 2008, (iii) the Chairman of the Board of Liberty Global plc (**LGP**) since June 2013, having previously served as Chairman of the Board of Liberty Global, Inc. (**LGI**), LGP's predecessor, from June 2005 to June 2013 and as Chairman of the Board of LGI's predecessor, Liberty Media International, Inc. (**LMI**) from March 2004 to June 2005 and a director of UnitedGlobalCom, Inc., now a subsidiary of LGP, from January 2002 to June 2005, (iv) the Chairman of the Board of Liberty Broadband Corporation (**Liberty Broadband**) since November 2014, (v) Chairman of the Board of Liberty Expedia Holdings, Inc. (**Liberty Expedia**) since November 2016, (vi) a director of Liberty Latin America Ltd. since December 2017 and (vii) Chairman of the Board of GCI Liberty, Inc. (**GCI Liberty**)

since March 2018. Previously, he served as (i) a director of Lions Gate Entertainment Corp. from March 2015 to September 2018, (ii) a director of Charter Communications, Inc. (**Charter**) from May 2013 to July 2018, (iii) a director of Expedia, Inc. from December 2012 to December 2017, having previously served as a director from August 2005 to November 2012, (iv) the Chairman of the Board of Liberty TripAdvisor Holdings, Inc. (**Liberty TripAdvisor**) from August 2014 to June 2015, (v) a director of Sirius XM from April 2009 to May 2013, (vi) a director of Ascent Capital Group, Inc. (**Ascent**) from January 2010 to September 2012, (vii) a director of Live Nation Entertainment, Inc. (**Live Nation**) from January 2010 to February 2011, (viii) Chairman of the Board of DIRECTV and its predecessors from February 2008 to June 2010 and (ix) a director of IAC/InterActiveCorp from May 2006 to June 2010.

- *Board Membership Qualifications:* Mr. Malone, as President of TCI, co-founded Qurate Retail's former parent company and is considered one of the preeminent figures in the media and telecommunications industry. He is well known for his sophisticated problem solving and risk assessment skills.

Robert R. Bennett

- *Age:* 61
- A director of our company.
- *Professional Background:* Mr. Bennett has served as a director of our company (including our predecessor) since September 2011. Mr. Bennett serves as Managing Director of Hilltop Investments LLC, a private investment company. Mr. Bennett served as the Chief Executive Officer of Qurate Retail from April 1997 to August 2005 and its President from April 1997 to February 2006 and held various executive positions with Qurate Retail from 1994 to 1997.
- *Other Public Company Directorships:* Mr. Bennett served as a director of Qurate Retail from September 1994 to December 2011. He has served as a director of Discovery since September 2008 and served as a director of DHC from May 2005 to September 2008. Mr. Bennett has served as a director of HP, Inc. (formerly Hewlett-Packard Company) since July 2013. He served as a director of Demand Media, Inc. from January 2011 to February 2014 and Sprint Corporation (and its predecessor) from October 2006 to November 2016.
- *Board Membership Qualifications:* Mr. Bennett brings to our board in-depth knowledge of the media and telecommunications industry generally and our corporate history specifically. He has experience in significant leadership positions with Qurate Retail, especially as a past Chief Executive Officer and President, and provides our company with strategic insights. Mr. Bennett also has an in-depth understanding of finance, and has held various financial management positions during the course of his career.

M. Ian G. Gilchrist

- *Age:* 69
- A director of our company.
- *Professional Background:* Mr. Gilchrist has served as a director of our company (including our predecessor) since September 2011 and as a director and the President of Trine Acquisition Corp. since March 2019. Mr. Gilchrist held various officer positions including Managing Director at Citigroup/Salomon Brothers from 1995 to 2008, CS First Boston Corporation from 1988 to 1995, and Blyth Eastman Paine Webber from 1982 to 1988 and served as a Vice President of Warburg Paribas Becker Incorporated from 1976 to 1982. Previously, he worked in the venture capital field and as an investment analyst.
- *Other Public Company Directorships:* Mr. Gilchrist has served as a director of Qurate Retail since July 2009 and as a director of Trine Acquisition Corp. since March 2019.
- *Board Membership Qualifications:* Mr. Gilchrist's field of expertise is in the media and telecommunications sector, having been involved with companies in this industry during much of his 32 years as an investment banker. Mr. Gilchrist brings to our board significant financial expertise and a unique perspective on the company and the media and telecommunications sector. He is also an important resource with respect to the financial services firms that our company engages from time to time.

Directors Whose Term Expires in 2020

Evan D. Malone

- *Age:* 48
- A director of our company.
- *Professional Background:* Dr. Malone has served as a director of our company (including our predecessor) since September 2011. Since June 2009, he has served as President of NextFab Studio, LLC, which provides manufacturing-related technical training, product development, and business acceleration services. Since January 2008, Dr. Malone has served as the owner and manager of a real estate property and management company, 1525 South Street LLC. Dr. Malone has served as co-owner and director of Drive Passion PC Services, CC, an Internet café, telecommunications and document services company, in South Africa since 2007 and served as an applied physics technician for Fermi National Accelerator Laboratory, part of the national laboratory system of the Office of Science, U.S. Department of Energy, from 1999 until 2001. He also is a founding member of Jet Wine Bar, a wine bar, and Rex 1516, a restaurant, both in Philadelphia. Since November 2016, he has served as director and president of the NextFab Foundation, an IRS 501(c)(3) private operating foundation, which provides manufacturing-related technology and education to communities affected by economic or humanitarian distress.
- *Other Public Company Directorships:* Dr. Malone has served as a director of Qurate Retail since August 2008 and Sirius XM since May 2013.
- *Board Membership Qualifications:* Dr. Malone brings an applied science and engineering perspective to the board. Dr. Malone's perspectives assist the board in developing business strategies and adapting to technological changes facing the industries in which our company competes. In addition, his entrepreneurial experience assists the board in evaluating strategic opportunities.

David E. Rapley

- *Age:* 77
- A director of our company.
- *Professional Background:* Mr. Rapley has served as a director of our company (including our predecessor) since September 2011. Mr. Rapley founded Rapley Engineering Services, Inc. (**RESI**) and served as its Chief Executive Officer and President from 1985 to 1998. Mr. Rapley also served as Executive Vice President of Engineering of VECO Corp. Alaska (a company that acquired RESI in 1998) from January 1998 to December 2001. Mr. Rapley served as the President and Chief Executive Officer of Rapley Consulting, Inc. from January 2000 to December 2014. From 2003 to 2013, Mr. Rapley was a director of Merrick & Co., a private firm providing engineering and other services to domestic and international clients. From 2008 to 2011, Mr. Rapley was chairman of the board of Merrick Canada ULC.
- *Other Public Company Directorships:* Mr. Rapley has served as a director of Qurate Retail since July 2002, having previously served as a director during 1994. He has served as a director of LGP since June 2013, having previously served as a director of LGI, LGP's predecessor, from June 2005 to June 2013 and as a director of LMI, LGI's predecessor, from May 2004 to June 2005.
- *Board Membership Qualifications:* Mr. Rapley brings to our board the unique perspective of his lifelong career as an engineer. The industries in which our company competes are heavily dependent on technology, which continues to change and advance. Mr. Rapley's perspectives assist the board in adapting to these changes and developing strategies for our businesses.

Larry E. Romrell

- *Age:* 79
- A director of our company.
- *Professional Background:* Mr. Romrell has served as a director of our company (including our predecessor) since September 2011. Mr. Romrell held numerous executive positions with TCI from 1991 to 1999. Previously, Mr. Romrell held various executive positions with Westmarc Communications, Inc.
- *Other Public Company Directorships:* Mr. Romrell has served as a director of Qurate Retail since December 2011, having previously served as a director from March 1999 to September 2011, and as a

director of Liberty TripAdvisor since August 2014. He has served as a director of LGP since June 2013, having previously served as a director of LGI, LGP's predecessor, from June 2005 to June 2013 and as a director of LMI, LGI's predecessor, from May 2004 to June 2005.

- *Board Membership Qualifications:* Mr. Romrell brings extensive experience, including venture capital experience, in the telecommunications industry to our board and is an important resource with respect to the management and operations of companies in the media and telecommunications sector.

Directors Whose Term Expires in 2021

Brian M. Deevy

- *Age:* 64
- A director of our company.
- *Professional Background:* Mr. Deevy has been a director of our company since June 2015. Mr. Deevy previously served as the head of Royal Bank of Canada (**RBC**) Capital Markets' Communications, Media & Entertainment Group (**CME Group**) until June 2015. Mr. Deevy was responsible for strategic development of the CME Group's business, which includes mergers & acquisitions, private equity and debt capital formation and financial advisory engagements. Mr. Deevy also served as Chairman and Chief Executive Officer of Daniels & Associates, the investment banking firm that provided financial advisory services to the communications industry until it was acquired by RBC in 2007. Prior to joining Daniels & Associates, RBC Daniels' predecessor, Mr. Deevy was with Continental Illinois National Bank.
- *Other Public Company Directorships:* Mr. Deevy served as a director of Ascent from November 2013 to May 2016. Mr. Deevy served on the board of directors of Ticketmaster Entertainment, Inc. from August 2008 to January 2010.
- *Board Membership Qualifications:* Mr. Deevy brings to our board in-depth knowledge of the communications, media and entertainment industries. He has an extensive background in mergers and acquisitions, investment banking and capital formation and provides strategic insights with respect to our company's activities in these areas.

Gregory B. Maffei

- *Age:* 58
- Chief Executive Officer, President and a director of our company.
- *Professional Background:* Mr. Maffei has served as a director and the President and Chief Executive Officer of our company (including our predecessor) since May 2007, Liberty Broadband since June 2014 and GCI Liberty since March 2018. He has served as a director, the President and Chief Executive Officer of Liberty TripAdvisor since July 2013 and as its Chairman of the Board since June 2015. He has served as the Chairman of the Board of Qurate Retail (including its predecessor), since March 2018, and as a director of Qurate Retail (including its predecessor) since November 2005. Mr. Maffei also served as the President and Chief Executive Officer of Qurate Retail (including its predecessor) from February 2006 to March 2018, having served as its CEO-Elect from November 2005 through February 2006. Prior thereto, Mr. Maffei served as President and Chief Financial Officer of Oracle Corporation (**Oracle**), Chairman, President and Chief Executive Officer of 360networks Corporation (**360networks**), and Chief Financial Officer of Microsoft Corporation (**Microsoft**).
- *Other Public Company Directorships:* Mr. Maffei has served as (i) Chairman of the Board of Qurate Retail since March 2018 and a director of Qurate Retail (including its predecessor) since November 2005, (ii) Chairman of the Board of Liberty TripAdvisor since June 2015 and a director since July 2013, (iii) a director of Liberty Broadband since June 2014, (iv) a director of GCI Liberty since March 2018, (v) the Chairman of the Board of TripAdvisor, Inc. since February 2013, (vi) the Chairman of the Board of Live Nation since March 2013 and as a director since February 2011, (vii) the Chairman of the Board of Sirius XM since April 2013 and as a director since March 2009, (viii) a director of Zillow Group, Inc. since February 2015, having previously served as a director of its predecessor, Zillow, Inc., from May 2005 to February 2015, and (ix) a director of Charter since May 2013. Mr. Maffei served as (i) a director of DIRECTV and its predecessors from February 2008 to June 2010, (ii) a director of Electronic Arts, Inc. from June 2003 to July 2013, (iii) a director of Barnes & Noble, Inc. from September 2011 to April 2014, (iv) Chairman of the Board of Starz from

January 2013 until its acquisition by Lions Gate Entertainment Corp. in December 2016 and (v) the Chairman of the Board of Pandora Media, Inc. from September 2017 to February 2019.

- *Board Membership Qualifications:* Mr. Maffei brings to our board significant financial and operational experience based on his senior policy making positions at our company, Qurate Retail (including its predecessor), GCI Liberty, Liberty TripAdvisor, Liberty Broadband, Oracle, 360networks and Microsoft and his public company board experience. He provides our board with executive leadership perspective on the operations and management of large public companies and risk management principles.

Andrea L. Wong

- *Age:* 52
- A director of our company.
- *Professional Background:* Ms. Wong has served as a director of our company (including our predecessor) since September 2011. Ms. Wong served as President, International Production for Sony Pictures Television and President, International for Sony Pictures Entertainment from September 2011 to March 2017. She previously served as President and Chief Executive Officer of Lifetime Entertainment Services from 2007 to April 2010. Ms. Wong also served as an Executive Vice President with ABC, Inc., a subsidiary of The Walt Disney Company, from 2003 to 2007.
- *Other Public Company Directorships:* Ms. Wong has served as a director of Qurate Retail since April 2010, as a director of Hudson's Bay Company since September 2014, as a director of Hudson Pacific Properties, Inc. since August 2017 and as a director of Social Capital Hedosophia Holdings Corp. since September 2017.
- *Board Membership Qualifications:* Ms. Wong brings to our board significant experience in the media and entertainment industry, having an extensive background in media programming across a variety of platforms, as well as executive leadership experience with the management and operation of companies in the entertainment sector. Her experience with programming development and production, brand enhancement and marketing brings a pragmatic and unique perspective to our board. Her professional expertise, combined with her continued involvement in the media and entertainment industry, makes her a valuable member of our board.

VOTE AND RECOMMENDATION

A plurality of the combined voting power of the outstanding shares of our common stock present in person or represented by proxy at the annual meeting and entitled to vote on the election of directors at the annual meeting, voting together as a single class, is required to elect each of Messrs. Malone, Bennett and Gilchrist as a Class III member of our board of directors.



**Our board of directors unanimously recommends a vote
"FOR" the election of each nominee to our board of directors.**

PROPOSAL 2—THE AUDITORS RATIFICATION PROPOSAL

We are asking our stockholders to ratify the selection of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2019.

Even if the selection of KPMG LLP is ratified, the audit committee of our board of directors in its discretion may direct the appointment of a different independent accounting firm at any time during the year if our audit committee determines that such a change would be advisable. In the event our stockholders fail to ratify the selection of KPMG LLP, our audit committee will consider it as a direction to select other auditors for the year ending December 31, 2019.

A representative of KPMG LLP is expected to be available to answer appropriate questions at the annual meeting and will have the opportunity to make a statement if he or she so desires.

AUDIT FEES AND ALL OTHER FEES

The following table presents fees for professional audit services rendered by KPMG LLP for the audit of our consolidated financial statements for 2018 and 2017 and fees billed for other services rendered by KPMG LLP.

	2018 ⁽¹⁾	2017 ⁽¹⁾
Audit fees	\$3,107,000	3,221,000
Audit related fees ⁽²⁾	72,000	—
Audit and audit related fees	3,179,000	3,221,000
Tax fees ⁽³⁾	441,000	1,612,000
All other fees	5,000	5,000
Total fees	<u>\$3,625,000</u>	<u>4,838,000</u>

(1) Such fees with respect to 2018 and 2017 exclude audit fees, audit related fees and tax fees billed by KPMG LLP to Sirius XM for services rendered. Sirius XM is a separate public company and its audit fees, audit related fees, tax fees and all other fees (which aggregated \$2,567,500 in 2018 and \$2,622,800 in 2017) are reviewed and approved by the audit committee of the board of directors of Sirius XM.

(2) Consists of audit related fees with respect to due diligence related to potential business combinations.

(3) Tax fees consist of tax compliance and consultations regarding the tax implications of certain transactions.

Our audit committee has considered whether the provision of services by KPMG LLP to our company other than auditing is compatible with KPMG LLP maintaining its independence and believes that the provision of such other services is compatible with KPMG LLP maintaining its independence.

POLICY ON PRE-APPROVAL OF AUDIT AND PERMISSIBLE NON-AUDIT SERVICES OF INDEPENDENT AUDITOR

Our audit committee has adopted a policy regarding the pre-approval of all audit and permissible non-audit services provided by our independent auditor. Pursuant to this policy, our audit committee has approved the engagement of our independent auditor to provide the following services (all of which are collectively referred to as **pre-approved services**):

- audit services as specified in the policy, including (i) financial audits of our company and our subsidiaries, (ii) services associated with registration statements, periodic reports and other documents filed or issued in connection with securities offerings (including comfort letters and consents), (iii) attestations of management reports on our internal controls and (iv) consultations with management as to accounting or disclosure treatment of transactions;
- audit related services as specified in the policy, including (i) due diligence services, (ii) financial statement audits of employee benefit plans, (iii) consultations with management as to the accounting or disclosure treatment of transactions, (iv) attest services not required by statute or regulation, (v) certain audits incremental to the audit of our consolidated financial statements, (vi) closing balance sheet audits related to dispositions, and (vii) general assistance with implementation of the requirements of certain Securities and Exchange Commission (**SEC**) rules or listing standards; and

- tax services as specified in the policy, including federal, state, local and international tax planning, compliance and review services, expatriate tax assistance and compliance and tax due diligence and advice regarding mergers and acquisitions.

Notwithstanding the foregoing general pre-approval, if, in the reasonable judgment of Liberty Media's Chief Financial Officer or Senior Vice President and Controller, an individual project involving the provision of pre-approved services is likely to result in fees in excess of \$100,000, or if individual projects under \$100,000 are likely to equal or exceed \$500,000 during the period between the regularly scheduled meetings of the audit committee, then such projects will require the specific pre-approval of our audit committee. Our audit committee has delegated the authority for the foregoing approvals to the chairman of the audit committee, subject to his subsequent disclosure to the entire audit committee of the granting of any such approval. Brian M. Deevy currently serves as the chairman of our audit committee. In addition, the independent auditor is required to provide a report at each regularly scheduled audit committee meeting on all pre-approved services incurred during the preceding quarter. Any engagement of our independent auditors for services other than the pre-approved services requires the specific approval of our audit committee.

Under our policy, any fees incurred by Sirius XM in connection with the provision of services by Sirius XM's independent auditor, are expected to be reviewed and approved by Sirius XM's audit committee pursuant to Sirius XM's policy regarding the pre-approval of all audit and permissible non-audit services provided by its independent auditor in effect at the time of such approval. Such approval by Sirius XM's audit committee pursuant to its policy is deemed to be pre-approval of the services by our audit committee.

Our pre-approval policy prohibits the engagement of our independent auditor to provide any services that are subject to the prohibition imposed by Section 201 of the Sarbanes-Oxley Act.

All services provided by our independent auditor during 2018 were approved in accordance with the terms of the policy in place.

VOTE AND RECOMMENDATION

The affirmative vote of a majority of the combined voting power of the outstanding shares of our common stock that are present in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class, is required to approve the auditors ratification proposal.



**Our board of directors unanimously recommends a vote
"FOR" the auditors ratification proposal.**

MANAGEMENT AND GOVERNANCE MATTERS

EXECUTIVE OFFICERS

The following lists the executive officers of our company (other than Gregory B. Maffei, our President and Chief Executive Officer, and John C. Malone, our Chairman of the Board, each of whom also serve as directors of our company and who are listed under “Proposals of Our Board—Proposal 1—The Election of Directors Proposal”), their ages and a description of their business experience, including positions held with our company. All positions referenced in the table below with our company include, where applicable, positions with our predecessors.

Name	Positions
Richard N. Baer Age: 62	Mr. Baer has served as Chief Legal Officer of our company, Qurate Retail, Liberty TripAdvisor and Liberty Broadband since January 2016, Liberty Expedia since March 2016 and GCI Liberty since March 2018. He previously served as a Senior Vice President and General Counsel of our company and Qurate Retail from January 2013 to December 2015, Liberty TripAdvisor from July 2013 to December 2015 and Liberty Broadband from June 2014 to December 2015. Previously, Mr. Baer served as Executive Vice President and Chief Legal Officer of UnitedHealth Group Incorporated from May 2011 to December 2012. He served as Executive Vice President and General Counsel of Qwest Communications International Inc. from December 2002 to April 2011 and Chief Administrative Officer from August 2008 to April 2011.
Albert E. Rosenthaler Age: 59	Mr. Rosenthaler has served as Chief Corporate Development Officer of our company, Qurate Retail, Liberty TripAdvisor, Liberty Broadband and Liberty Expedia since October 2016 and GCI Liberty since March 2018. He previously served as Chief Tax Officer of our company, Qurate Retail, Liberty TripAdvisor and Liberty Broadband from January 2016 to September 2016 and Liberty Expedia from March 2016 to September 2016. Prior to that, he served as a Senior Vice President of our company (including our predecessor) from May 2007 to December 2015, Qurate Retail (including its predecessor) from April 2002 to December 2015, Liberty TripAdvisor from July 2013 to December 2015 and Liberty Broadband from June 2014 to December 2015.
Mark D. Carleton Age: 58	Mr. Carleton has served as Chief Financial Officer of our company, Qurate Retail and Liberty Broadband since October 2016. He has also served as Chief Financial Officer of GCI Liberty since March 2018 and served as Treasurer from March 2018 to May 2018. He previously served as Chief Development Officer of our company, Qurate Retail, Liberty Broadband and Liberty TripAdvisor from January 2016 to September 2016, as a Senior Vice President of our company from January 2013 to December 2015, Liberty Broadband from October 2014 to December 2015, and Qurate Retail from November 2014 to December 2015, and as a Senior Vice President of predecessors of Liberty Media from December 2003 to January 2013. Prior to that time, Mr. Carleton served as a partner at KPMG LLP, where he had overall responsibility for the communications sector and served on KPMG’s board of directors.

Our executive officers will serve in such capacities until their respective successors have been duly elected and have been qualified, or until their earlier death, resignation, disqualification or removal from office. There is no family relationship between any of our executive officers or directors, by blood, marriage or adoption, other than Evan D. Malone, who is the son of John C. Malone.

During the past ten years, none of our directors and executive officers has had any involvement in such legal proceedings as would be material to an evaluation of his or her ability or integrity.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended (the **Exchange Act**), requires our executive officers and directors, and persons who own more than ten percent of a registered class of our equity securities, to file reports of ownership and changes in ownership with the SEC. Officers, directors and greater than ten-percent stockholders are required by SEC regulation to furnish us with copies of all Section 16 forms they file.

Based solely on a review of the copies of the Forms 3, 4 and 5 and amendments to those forms furnished to us during our most recent fiscal year and written representations made to us by our executive officers and directors, we believe that, during the year ended December 31, 2018, all Section 16(a) filing requirements applicable to our officers, directors and greater than ten-percent beneficial owners were met, with the exception of one Form 4 reporting one transaction by Gregory B. Maffei that was filed on an untimely basis.

CODE OF ETHICS

We have adopted a code of business conduct and ethics that applies to our directors, officers, and employees of Liberty Media, which constitutes our “code of ethics” within the meaning of Section 406 of the Sarbanes-Oxley Act. Our code of business conduct and ethics is available on our website at www.libertymedia.com.

DIRECTOR INDEPENDENCE

It is our policy that a majority of the members of our board of directors be independent of our management. For a director to be deemed independent, our board of directors must affirmatively determine that the director has no direct or indirect material relationship with us. To assist our board of directors in determining which of our directors qualify as independent for purposes of Nasdaq rules as well as applicable rules and regulations adopted by the SEC, the nominating and corporate governance committee of our board of directors follows Nasdaq’s corporate governance rules on the criteria for director independence.

Our board of directors has determined that each of Robert R. Bennett, Brian M. Deevy, M. Ian G. Gilchrist, David E. Rapley, Larry E. Romrell and Andrea L. Wong qualifies as an independent director of our company.

BOARD COMPOSITION

As described above under “Proposals of Our Board—Proposal 1—The Election of Directors Proposal,” our board is comprised of directors with a broad range of backgrounds and skill sets, including in media and telecommunications, science and technology, venture capital, investment banking, auditing and financial engineering. Our board is also chronologically diverse with our members’ ages spanning four decades. For more information on our policies with respect to board candidates, see “—Committees of the Board of Directors—Nominating and Corporate Governance Committee” below.

BOARD LEADERSHIP STRUCTURE

Our board has separated the positions of Chairman of the Board and Chief Executive Officer (principal executive officer). John C. Malone, one of our largest stockholders, holds the position of Chairman of the Board, leads our board and board meetings and provides strategic guidance to our Chief Executive Officer. Gregory B. Maffei, our President, holds the position of Chief Executive Officer, leads our management team and is responsible for driving the performance of our company. We believe this division of responsibility effectively assists our board in fulfilling its duties.

BOARD ROLE IN RISK OVERSIGHT

The board as a whole has responsibility for risk oversight, with reviews of certain areas being conducted by the relevant board committees. Our audit committee oversees management of financial risks and risks relating to potential conflicts of interest. Our compensation committee oversees the management of risks relating to our compensation arrangements with senior officers. Our nominating and corporate governance committee oversees risks associated with the independence of the board. These committees then provide reports periodically to the full board. The oversight responsibility of the board and its committees is enabled by management reporting processes that are designed to provide visibility to the board about the identification, assessment and management of critical risks. These areas of focus include strategic, operational, financial and reporting, succession and compensation, legal and compliance, and other risks. Our management reporting processes include regular reports from our Chief Executive Officer, which are prepared with input from our senior management team, and also include input from our Internal Audit group.

COMMITTEES OF THE BOARD OF DIRECTORS

Executive Committee

Our board of directors has established an executive committee, whose members are John C. Malone, Gregory B. Maffei and Robert R. Bennett. Except as specifically prohibited by the General Corporation Law of the State of Delaware, the executive committee may exercise all the powers and authority of our board of directors in the management of our business and affairs, including the power and authority to authorize the issuance of shares of our capital stock.

Compensation Committee

Our board of directors has established a compensation committee, whose chairman is M. Ian G. Gilchrist and whose other members are David E. Rapley and Andrea L. Wong. See “—Director Independence” above.

The compensation committee reviews and approves corporate goals and objectives relevant to the compensation of our Chief Executive Officer and our other executive officers. The compensation committee also reviews and approves the compensation of our Chief Executive Officer, Chief Legal Officer, Chief Financial Officer and Chief Corporate Development Officer, and oversees the compensation of the chief executive officers of our non-public operating subsidiaries. For a description of our processes and policies for consideration and determination of executive compensation, including the role of our Chief Executive Officer and outside consultants in determining or recommending amounts and/or forms of compensation, see “Executive Compensation—Compensation Discussion and Analysis.”

Our board of directors has adopted a written charter for the compensation committee, which is available on our website at www.libertymedia.com.

Compensation Committee Report

The compensation committee has reviewed and discussed with our management the “Compensation Discussion and Analysis” included under “Executive Compensation” below. Based on such review and discussions, the compensation committee recommended to our board of directors that the “Compensation Discussion and Analysis” be included in this proxy statement.

Submitted by the Members of the Compensation Committee

***M. Ian G. Gilchrist
David E. Rapley
Andrea L. Wong***

Compensation Committee Interlocks and Insider Participation

No member of our compensation committee during 2018 is or has been an officer or employee of our company, or has engaged in any related party transaction in which our company was a participant.

Nominating and Corporate Governance Committee

Our board of directors has established a nominating and corporate governance committee, whose chairman is David E. Rapley and whose other members are M. Ian G. Gilchrist, Larry E. Romrell and Andrea L. Wong. See “—Director Independence” above.

The nominating and corporate governance committee identifies individuals qualified to become board members consistent with criteria established or approved by our board of directors from time to time, identifies director nominees for upcoming annual meetings, develops corporate governance guidelines applicable to our company and oversees the evaluation of our board and management.

The nominating and corporate governance committee will consider candidates for director recommended by any stockholder provided that such recommendations are properly submitted. Eligible stockholders wishing to recommend a candidate for nomination as a director should send the recommendation in writing to the Corporate Secretary, Liberty Media Corporation, 12300 Liberty Boulevard, Englewood, Colorado 80112. Stockholder recommendations must be made in accordance with our bylaws, as discussed under “Stockholder Proposals” below, and contain the following information:

- the name and address of the proposing stockholder and the beneficial owner, if any, on whose behalf the nomination is being made, and documentation indicating the number of shares of our common stock owned beneficially and of record by such person and the holder or holders of record of those shares, together with a statement that the proposing stockholder is recommending a candidate for nomination as a director;
- the candidate’s name, age, business and residence addresses, principal occupation or employment, business experience, educational background and any other information relevant in light of the factors considered by the nominating and corporate governance committee in making a determination of a candidate’s qualifications, as described below;
- a statement detailing any relationship, arrangement or understanding between the proposing stockholder and/or beneficial owner(s), if different, and any other person(s) (including their names) under which the proposing stockholder is making the nomination and any affiliates or associates (as defined in Rule 12b-2 of the Exchange Act) of such proposing stockholder(s) or beneficial owner (each a **Proposing Person**);
- a statement detailing any relationship, arrangement or understanding that might affect the independence of the candidate as a member of our board of directors;
- any other information that would be required under SEC rules in a proxy statement soliciting proxies for the election of such candidate as a director;
- a representation as to whether the Proposing Person intends (or is part of a group that intends) to deliver any proxy materials or otherwise solicit proxies in support of the director nominee;
- a representation by each Proposing Person who is a holder of record of our common stock as to whether the notice is being given on behalf of the holder of record and/or one or more beneficial owners, the number of shares held by any beneficial owner along with evidence of such beneficial ownership and that such holder of record is entitled to vote at the annual stockholders meeting and intends to appear in person or by proxy at the annual stockholders meeting at which the person named in such notice is to stand for election;
- a written consent of the candidate to be named in the proxy statement and to serve as a director, if nominated and elected;
- a representation as to whether the Proposing Person has received any financial assistance, funding or other consideration from any other person regarding the nomination (a **Stockholder Associated Person**) (including the details of such assistance, funding or consideration); and

- a representation as to whether and the extent to which any hedging, derivative or other transaction has been entered into with respect to our company within the last six months by, or is in effect with respect to, the Proposing Person, any person to be nominated by the proposing stockholder or any Stockholder Associated Person, the effect or intent of which transaction is to mitigate loss to or manage risk or benefit of share price changes for, or increase or decrease the voting power of, the Proposing Person, its nominee, or any such Stockholder Associated Person.

In connection with its evaluation, the nominating and corporate governance committee may request additional information from the proposing stockholder and the candidate. The nominating and corporate governance committee has sole discretion to decide which individuals to recommend for nomination as directors.

To be nominated to serve as a director, a nominee need not meet any specific minimum criteria. However, the nominating and corporate governance committee believes that nominees for director should possess the highest personal and professional ethics, integrity, values and judgment and should be committed to the long-term interests of our stockholders. When evaluating a potential director nominee, including one recommended by a stockholder, the nominating and corporate governance committee will take into account a number of factors, including, but not limited to, the following:

- independence from management;
- his or her unique background, including education, professional experience and relevant skill sets;
- judgment, skill, integrity and reputation;
- existing commitments to other businesses as a director, executive or owner;
- personal conflicts of interest, if any; and
- the size and composition of the existing board of directors, including whether the potential director nominee would positively impact the composition of the board by bringing a new perspective or viewpoint to the board of directors.

The nominating and corporate governance committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. The nominating and corporate governance committee does not have a formal policy with respect to diversity; however, our board and the nominating and corporate governance committee believe that it is important that our board members represent diverse viewpoints.

When seeking candidates for director, the nominating and corporate governance committee may solicit suggestions from incumbent directors, management, stockholders and others. After conducting an initial evaluation of a prospective nominee, the nominating and corporate governance committee will interview that candidate if it believes the candidate might be suitable to be a director. The nominating and corporate governance committee may also ask the candidate to meet with management. If the nominating and corporate governance committee believes a candidate would be a valuable addition to our board of directors, it may recommend to the full board that candidate's nomination and election.

Prior to nominating an incumbent director for re-election at an annual meeting of stockholders, the nominating and corporate governance committee will consider the director's past attendance at, and participation in, meetings of the board of directors and its committees and the director's formal and informal contributions to the various activities conducted by the board and the board committees of which such individual is a member.

The members of our nominating and corporate governance committee have determined that Messrs. Malone, Bennett and Gilchrist, who are nominated for election at the annual meeting, continue to be qualified to serve as directors of our company and such nominations were approved by the entire board of directors.

Our board of directors has adopted a written charter for the nominating and corporate governance committee. Our board of directors has also adopted corporate governance guidelines, which were developed by the nominating and corporate governance committee. The charter and the corporate governance guidelines are available on our website at www.libertymedia.com.

Audit Committee

Our board of directors has established an audit committee, whose chairman is Brian M. Deevy and whose other members are M. Ian G. Gilchrist and Larry E. Romrell. See "—Director Independence" above.

Our board of directors has determined that Mr. Gilchrist is an “audit committee financial expert” under applicable SEC rules and regulations. The audit committee reviews and monitors the corporate financial reporting and the internal and external audits of our company. The committee’s functions include, among other things:

- appointing or replacing our independent auditors;
- reviewing and approving in advance the scope and the fees of our annual audit and reviewing the results of our audits with our independent auditors;
- reviewing and approving in advance the scope and the fees of non-audit services of our independent auditors;
- reviewing compliance with and the adequacy of our existing major accounting and financial reporting policies;
- reviewing our management’s procedures and policies relating to the adequacy of our internal accounting controls and compliance with applicable laws relating to accounting practices;
- confirming compliance with applicable SEC and stock exchange rules; and
- preparing a report for our annual proxy statement.

Our board of directors has adopted a written charter for the audit committee, which is available on our website at www.libertymedia.com.

Audit Committee Report

Each member of the audit committee is an independent director as determined by our board of directors, based on the listing standards of Nasdaq. Each member of the audit committee also satisfies the SEC’s independence requirements for members of audit committees. Our board of directors has determined that Mr. Gilchrist is an “audit committee financial expert” under applicable SEC rules and regulations.

The audit committee reviews our financial reporting process on behalf of our board of directors. Management has primary responsibility for establishing and maintaining adequate internal controls, for preparing financial statements and for the public reporting process. Our independent auditor, KPMG LLP, is responsible for expressing opinions on the conformity of our audited consolidated financial statements with U.S. generally accepted accounting principles. Our independent auditor also expresses its opinion as to the effectiveness of our internal control over financial reporting.

Our audit committee has reviewed and discussed with management and KPMG LLP our most recent audited consolidated financial statements, as well as management’s assessment of the effectiveness of our internal control over financial reporting and KPMG LLP’s evaluation of the effectiveness of our internal control over financial reporting. Our audit committee has also discussed with KPMG LLP the matters required to be discussed by the Public Company Accounting Oversight Board Auditing Standard No. 1301, Communications with Audit Committees, including that firm’s judgment about the quality of our accounting principles, as applied in its financial reporting.

KPMG LLP has provided our audit committee with the written disclosures and the letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding KPMG LLP’s communications with the audit committee concerning independence, and the audit committee has discussed with KPMG LLP that firm’s independence from the company and its subsidiaries.

Based on the reviews, discussions and other considerations referred to above, our audit committee recommended to our board of directors that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2018 (the **2018 Form 10-K**), which was filed on February 28, 2019 with the SEC.

Submitted by the Members of the Audit Committee

Brian M. Deevy
M. Ian G. Gilchrist
Larry E. Romrell

Other

Our board of directors, by resolution, may from time to time establish other committees of our board of directors, consisting of one or more of our directors. Any committee so established will have the powers delegated to it by resolution of our board of directors, subject to applicable law.

BOARD MEETINGS

During 2018, there were six meetings of our full board of directors, no meetings of our executive committee, four meetings of our compensation committee, one meeting of our nominating and corporate governance committee and six meetings of our audit committee.

DIRECTOR ATTENDANCE AT ANNUAL MEETINGS

Our board of directors encourages all members of the board to attend each annual meeting of our stockholders. All of the nine directors then serving attended our 2018 annual meeting of stockholders.

STOCKHOLDER COMMUNICATION WITH DIRECTORS

Our stockholders may send communications to our board of directors or to individual directors by mail addressed to the Board of Directors or to an individual director c/o Liberty Media Corporation, 12300 Liberty Boulevard, Englewood, Colorado 80112. All such communications from stockholders will be forwarded to our directors on a timely basis.

EXECUTIVE SESSIONS

In 2018, the independent directors of our company, then serving, met at three executive sessions without management participation.

Any interested party who has a concern regarding any matter that it wishes to have addressed by our independent directors, as a group, at an upcoming executive session may send its concern in writing addressed to Independent Directors of Liberty Media Corporation, c/o Liberty Media Corporation, 12300 Liberty Boulevard, Englewood, Colorado 80112. The current independent directors of our company are Robert R. Bennett, Brian M. Deevy, M. Ian G. Gilchrist, David E. Rapley, Larry E. Romrell and Andrea L. Wong.

EXECUTIVE COMPENSATION

This section sets forth information relating to, and an analysis and discussion of, compensation paid by our company to the following persons (who we collectively refer to as our **named executive officers**):

- John C. Malone, our Chairman of the Board;
- Gregory B. Maffei, our Chief Executive Officer and President;
- Mark D. Carleton, our Chief Financial Officer; and
- Richard N. Baer and Albert E. Rosenthaler, our other two most highly compensated executive officers at the end of 2018.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Overview

Our compensation committee of our board of directors has responsibility for establishing, implementing and regularly monitoring adherence to our compensation philosophy. That philosophy seeks to align the interests of the named executive officers with those of our stockholders, with the ultimate goal of appropriately motivating our executives to increase long-term stockholder value. To that end, the compensation packages provided to the named executive officers (other than Mr. Malone) include significant performance-based bonuses and significant equity incentive awards, including equity awards that vest many years after initial grant.

Our compensation committee seeks to approve a compensation package for each named executive officer that is commensurate with the responsibilities and proven performance of that executive and that is competitive relative to the compensation packages paid to similarly situated executives in other companies. Our compensation committee does not engage in any regular benchmarking analysis; rather, it is familiar with the range of total compensation paid by other companies and periodically reviews survey information provided by Mercer (US) Inc. (**Mercer**) and others. Our compensation committee uses this range and survey data as a guide to ensure that the named executive officers receive attractive compensation packages. Our compensation committee believes that our compensation packages should assist our company in attracting and retaining key executives critical to our long-term success.

At our 2018 annual stockholder meeting, stockholders representing a majority of the aggregate voting power of Liberty Media present and entitled to vote on our say-on-pay proposal voted in favor of, on an advisory basis, our executive compensation disclosed in our proxy statement for the 2018 annual meeting of stockholders. No material changes were implemented to our executive compensation program as a result of this vote. At our 2018 annual stockholder meeting, stockholders elected to hold a say-on-pay vote every three years and our board of directors adopted this as the frequency at which future say-on-pay votes would be held.

Services Agreements

In connection with prior spin-off or split-off transactions involving our company or Qurate Retail, we entered into transitional services arrangements with each of Qurate Retail, Liberty Broadband, Liberty TripAdvisor, Liberty Expedia and GCI Liberty. Pursuant to these arrangements, our employees provide or provided services to these companies and our company is reimbursed for the time spent serving these companies.

Qurate Retail

We assumed a services agreement with Qurate Retail (the **Qurate Retail Services Agreement**) in connection with the spin-off of our company from our predecessor parent company. Pursuant to the Qurate Retail Services Agreement, in 2018, Qurate Retail reimbursed us for the portion of the base salary and certain other compensation we paid to our employees that was allocable to Qurate Retail for estimated time spent by each such employee related to that company. Qurate Retail does not reimburse us for time spent by Mr. Maffei on Qurate Retail matters. Rather, Qurate Retail pays Mr. Maffei directly pursuant to his employment agreement with Qurate Retail. The 2018 performance-based bonuses earned by the named executive officers for services provided to our company were paid directly by our company and the performance-based bonuses earned by the named executive officers for services provided to Qurate Retail were paid directly by Qurate Retail. During 2018, the estimate of the allocable percentages of time spent performing services for Qurate Retail, on the one hand, and our company, on the other hand, were reviewed quarterly by our audit committee for appropriateness. The salaries and certain perquisite

information included in the “Summary Compensation Table” below reflect the portion of the compensation paid by and allocable to Liberty Media and do not reflect the portion of the compensation allocable to Qurate Retail and for which Qurate Retail reimbursed Liberty Media under the Qurate Retail Services Agreement. During the year ended December 31, 2018, the weighted average percentage of each such named executive officer’s time that was allocated to our company was: Mr. Malone—75%; Mr. Baer—70%; Mr. Carleton—75%; and Mr. Rosenthaler—73%.

Other Services Agreements

In connection with each of the August 2014 spin-off of Liberty TripAdvisor from Qurate Retail, our November 2014 spin-off of Liberty Broadband, the November 2016 split-off of Liberty Expedia from Qurate Retail and the March 2018 acquisition and subsequent separation of GCI Liberty from Qurate Retail, we entered into a services agreement with Liberty TripAdvisor, Liberty Broadband, Liberty Expedia and GCI Liberty, respectively, pursuant to which we provide each of them certain administrative and management services, and each of them pays us a monthly management fee, the amount of which is subject to semi-annual review. For the year ended December 31, 2018, Liberty TripAdvisor, Liberty Broadband, Liberty Expedia and GCI Liberty accrued aggregate management fees of \$3.2 million, \$3.5 million, \$4.0 million and \$8.3 million, respectively, payable to our company under the relevant services agreement.

Setting Executive Compensation

In making its compensation decision for each named executive officer (other than Mr. Malone), our compensation committee considers the following:

- each element of the named executive officer’s compensation, including salary, bonus, equity compensation, perquisites and other personal benefits, and weights equity compensation most heavily;
- the financial performance of our company compared to internal forecasts and budgets;
- the scope of the named executive officer’s responsibilities;
- the competitive nature of the compensation packages offered based on general industry knowledge of the media, telecommunications and entertainment industries and periodic use of survey information provided by Mercer and others; and
- the performance of the group reporting to the named executive officer.

In addition, when setting compensation, our compensation committee considers the recommendations obtained from our Chief Executive Officer as to all elements of the compensation packages of Messrs. Baer, Carleton and Rosenthaler. To make these recommendations, our Chief Executive Officer evaluates the performance and contributions of each such named executive officer. He also considers whether the pay packages afforded to such named executive officers are competitive and are aligned internally. He also evaluates the named executive officer’s performance against individual, department and corporate goals.

In December 2014, our compensation committee approved a five-year employment agreement with Mr. Maffei (the **Maffei Employment Agreement**), which establishes his compensation for the term of the agreement. See “—Executive Compensation Arrangements—Gregory B. Maffei” below. Prior to entering into the Maffei Employment Agreement, our compensation committee reviewed information from Mercer with respect to chief executive officer compensation packages at media, telecommunications, e-commerce and entertainment companies and discussed with Mercer alternative equity award structures.

In May 2016, our compensation committee approved a new four-year employment agreement with Mr. Baer (the **2016 Baer Employment Agreement**), which establishes his compensation for the term of the agreement. See “—Executive Compensation Arrangements—Richard N. Baer” below. Prior to entering into the 2016 Baer Employment Agreement, our compensation committee reviewed compensation data with respect to chief legal officer compensation packages at media, telecommunications and entertainment companies and considered the recommendations of Mr. Maffei with respect to the proposed compensation package.

Mr. Malone’s compensation is governed by the terms of his employment agreement with our company. See “—Executive Compensation Arrangements—John C. Malone.”

Elements of 2018 Executive Compensation

For 2018, the principal components of compensation for the named executive officers (other than Mr. Malone) were:

- base salary;
- a performance-based bonus, payable in cash;
- time-vested and performance-based stock option awards and RSUs;
- perquisites and other limited personal benefits; and
- deferred compensation arrangements.

Base Salary

Our compensation committee believes base salary should be a relatively smaller portion of each named executive officer's overall compensation package, thereby aligning the interests of our executives more closely with those of our stockholders. The base salaries of the named executive officers are reviewed on an annual basis (other than Messrs. Malone and Maffei, whose salaries are set by their respective employment agreements), as well as at the time of any change in responsibilities. Typically, after establishing a named executive officer's base salary, salary increases are limited to cost-of-living adjustments, adjustments based on changes in the scope of the named executive officer's responsibilities, and adjustments to align the named executive officer's salary level with those of our other named executive officers. Similarly, in accordance with the terms of his employment agreement, Mr. Malone's fixed cash compensation is limited.

After completion of the annual review in December 2017, the 2018 base salaries of Messrs. Baer, Carleton and Rosenthaler were increased by 2%, reflecting a cost-of-living adjustment. For 2018, Mr. Maffei received the 5% base salary increase prescribed by the Maffei Employment Agreement. Mr. Malone received no increase under the terms of his employment agreement.

2018 Performance-based Bonuses

For 2018, our compensation committee adopted an annual, performance-based bonus program for each of the named executive officers (other than Mr. Malone). The 2018 bonus program was comprised of two components: a bonus amount payable based on each participant's individual performance (the **Individual Performance Bonus**) and a bonus amount payable based on the corporate performance of our company (the **Corporate Performance Bonus**). No amounts would be payable under our 2018 bonus program unless a minimum corporate performance was achieved: the combined Adjusted OIBDA (or equivalent measure) of Sirius XM, Braves Holdings, LLC (**Braves Holdings**), Formula 1 (or **F1**), and a proportionate share of the equivalent measure of Adjusted OIBDA of Live Nation, for the year ended December 31, 2018 was required to exceed \$500 million (the **Bonus Threshold**). If the Bonus Threshold was met, the notional bonus pool for our company would be funded with 0.57% of the amount by which such combined Adjusted OIBDA exceeded \$500 million (the **Cash Bonus Pool**). If the Cash Bonus Pool were insufficient to cover the aggregate maximum bonus amounts of all participants (as described in more detail below), each participant's maximum bonus amount would be reduced pro rata, for all purposes under the program, based upon his respective maximum bonus amount.

For purposes of the bonus program, Adjusted OIBDA is defined as revenue less cost of sales, operating expense and selling, general and administrative expense (excluding stock compensation). Sirius XM and Live Nation do not report Adjusted OIBDA information. As a result, we used Adjusted EBITDA as reported by Sirius XM and Adjusted Operating Income, or AOI, as reported by Live Nation, which are the most similar non-GAAP measures reported by Sirius XM and Live Nation, to determine their results. For a definition of Adjusted EBITDA as defined by Sirius XM, see Sirius XM's Annual Report on Form 10-K for the year ended December 31, 2018, filed on January 30, 2019. For a definition of AOI as defined by Live Nation, see Live Nation's Annual Report on Form 10-K for the year ended December 31, 2018, filed on February 28, 2019.

Each participant was assigned a maximum bonus under the performance-based bonus program for each of Liberty Media and Qurate Retail. The maximum bonuses for the Liberty Media program were as follows: Mr. Maffei—\$8,341,414; Mr. Baer—\$1,406,882; Mr. Carleton—\$1,366,305; and Mr. Rosenthaler—\$1,366,305 (each participant's **LMC Funding Pool Maximum Performance Bonus**). Qurate Retail also established maximum performance-based bonuses for our participants as follows: Mr. Maffei—\$5,560,943; Mr. Baer—\$937,921; Mr. Carleton—\$910,870; and Mr. Rosenthaler—\$910,870.

To determine the LMC Funding Pool Maximum Performance Bonus for each of Messrs. Baer, Carleton and Rosenthaler, our compensation committee divided the base salary paid by our company in half, recognizing that the other half would be subject to Qurate Retail's bonus program. Our compensation committee then set the LMC Funding Pool Maximum Performance Bonus at three times the quotient above for Mr. Baer, Mr. Carleton and Mr. Rosenthaler. Mr. Maffei's LMC Funding Pool Maximum Performance Bonus was set at seven and one half times the base salary paid by our company, which exceeded the terms of the Maffei Employment Agreement. Mr. Baer's LMC Funding Pool Maximum Performance Bonus was set at three times the base salary paid by our company, which exceeded the terms of the 2016 Baer Employment Agreement. Our compensation committee increased Mr. Maffei's LMC Funding Pool Maximum Performance Bonus and Mr. Baer's LMC Funding Pool Maximum Performance Bonus to account for the fact that their respective time allocated to Liberty TripAdvisor, Liberty Broadband, Liberty Expedia, and GCI Liberty under the services agreements is charged to our company in the determination of their LMC individual bonuses by our compensation committee. In addition, the LMC Funding Pool Maximum Performance Bonuses of Mr. Carleton and Mr. Rosenthaler were similarly increased in 2018.

Our compensation committee then determined that if the Cash Bonus Pool were fully funded, it would make its determinations as to the percentage to pay Mr. Maffei and Mr. Baer based on the above-described contractual limits (five times base pay for Mr. Maffei and two times attributable base pay for Mr. Baer). Similarly, our compensation committee determined to make its determinations as to the percentage to pay Mr. Carleton and Mr. Rosenthaler based on a limit of two times their respective attributable base pay. These limits will be referred to as the **LMC Maximum Performance Bonus**.

Assuming the Bonus Threshold was met (and after taking into account any reductions associated with a shortfall in the Cash Bonus Pool), each participant was entitled to receive from our company an amount (the **LMC Maximum Individual Bonus**) equal to 60% of the LMC Maximum Performance Bonus for that participant. The LMC Maximum Individual Bonus was subject to reduction based on a determination of the participant's achievement of qualitative criteria established with respect to the services to be performed by the participant on behalf of our company. Under Qurate Retail's corollary program, each participant was entitled to receive from Qurate Retail a maximum individual bonus equal to 60% of his Qurate Retail maximum performance bonus, subject to reduction based on a determination of the participant's achievement of qualitative criteria established with respect to the services to be performed by the participant on behalf of Qurate Retail. Our compensation committee believes this construct was appropriate in light of the Qurate Retail Services Agreement and the fact that each participant splits his professional time and duties.

Also, assuming the Bonus Threshold was met (and after taking into account any reductions associated with a shortfall in the Cash Bonus Pool), each participant was entitled to receive from our company an amount (the **LMC Maximum Corporate Bonus**) equal to 40% of his LMC Maximum Performance Bonus, subject to reduction based on a determination of the corporate performance of our company. Qurate Retail has a corollary program pursuant to which each participant was entitled to receive from Qurate Retail a bonus that is 40% of the Qurate Retail maximum bonus, which was subject to reduction based on a determination of the corporate performance of Qurate Retail.

In December 2018, our compensation committee and the Qurate Retail compensation committee reviewed contemporaneously our respective named executive officers' performance under each company's program. Notwithstanding this joint effort, our compensation committee retained sole and exclusive discretion with respect to the approval of award terms and amounts payable under our bonus program.

Also, in December 2018, our compensation committee determined that the combined Adjusted OIBDA (or equivalent measure) for Sirius XM, Braves Holdings, Formula 1 and a proportionate share of the equivalent measure of Adjusted OIBDA of Live Nation, was approximately \$2,959.7 million using the formula described above, exceeding the Bonus Threshold by approximately \$2,459.7 million, thereby creating a notional Cash Bonus Pool of approximately \$14.02 million, which exceeded the amount necessary to cover the aggregate LMC Funding Pool Maximum Performance Bonuses of all the participants and enabling each participant to receive a bonus under the performance-based program up to his LMC Funding Pool Maximum Performance Bonus.

Individual Performance Bonus. Our compensation committee then reviewed the individual performance of each participant to determine the reductions that would apply to each participant's LMC Maximum Individual Bonus. Our compensation committee took into account a variety of factors, without assigning a numerical weight to any single performance measure. This determination was based on reports of our board, the observations of committee members throughout the year, executive self-evaluations and, with respect to the participants other than Mr. Maffei, the observations and input of Mr. Maffei. In evaluating the performance of each of the participants for determining

the reduction that would apply to each named executive officer's LMC Maximum Individual Bonus, our compensation committee considered the various performance objectives related to our company which had been assigned to each participant for 2018, including:

Individual	Performance Objectives
Gregory B. Maffei	<ul style="list-style-type: none"> • Provide leadership to management team to drive strategies, further enhance brand and increase shareholder value • Support F1 management and Sirius XM management in strategic initiatives • Pursue synergistic acquisitions • Assist subsidiaries with succession plans and hiring of key executives • Pursue optimal capital structure for our company and subsidiaries, including development of additional capital funding strategies • Assist with strategy and succession planning at our company and subsidiaries • Oversee extension of Braves stadium development • Support development of our company's management team
Richard N. Baer	<ul style="list-style-type: none"> • Provide effective legal support in connection with mergers, acquisitions, investments and other transactional matters • Oversee compliance obligations and assist with litigation at our company and its subsidiaries • Negotiate executive employment arrangements • Facilitate, along with other members of senior management team, sound approach to governance and compliance • Provide legal support to, and assess and appropriately manage significant legal matters of, subsidiaries and controlled companies • Assist with succession planning at our company and subsidiaries • Facilitate continued professional development and engagement of legal department staff
Mark D. Carleton	<ul style="list-style-type: none"> • Manage relationship with Live Nation • Co-oversee activities of Atlanta Braves subsidiary • Assist Sirius XM in its corporate development and other efforts • Oversee personal and departmental growth of Accounting, Finance and Internal Audit Groups • Support the Accounting department to maintain timely and accurate internal and external financial reports
Albert E. Rosenthaler	<ul style="list-style-type: none"> • Lead corporate development efforts, including efforts at F1, Sirius XM and our company • Identify possible acquisition targets; provide analysis and evaluation of potential transactions • Oversee, train and develop internal tax staff • Increase staffing as needed and oversee personal and departmental growth of corporate development team

Our compensation committee then considered the time allocated and services provided by each named executive officer to (i) our company, or (ii) the companies who are parties to the services agreements, under which our company is reimbursed for such time and services. See "—Services Agreements" above.

Following a review of the above, our compensation committee determined to pay each participant the following portion of his LMC Maximum Individual Bonus:

Name	LMC Maximum Individual Bonus	Percentage Payable	Aggregate Dollar Amount
Gregory B. Maffei	\$5,738,893	62.50%	\$3,586,808
Richard N. Baer	\$ 787,854	87.50%	\$ 689,372
Mark D. Carleton	\$ 819,783	75.00%	\$ 614,837
Albert E. Rosenthaler	\$ 797,922	81.25%	\$ 648,312

Corporate Performance Bonus. Our compensation committee then made a determination as to the reductions, if any, that would apply to each participant's LMC Maximum Corporate Bonus. In making this determination, our compensation committee reviewed forecasts of 2018 Adjusted OIBDA, revenue and free cash flow (as defined below) for Sirius XM, Braves Holdings and Formula 1, and a proportionate share of Live Nation, all of which forecasts were prepared in December 2018 and are set forth in the table below. Also set forth in the table below are the corresponding actual financial measures achieved for 2018, which deviated from our forecasts as indicated below. Although forecasted free cash flow deviated from the actual result, neither that deviation nor the Revenue or Adjusted OIBDA deviations would have materially affected the amounts paid under the corporate performance bonus portion of the program.

	(dollar amounts in millions)		
	2018 Forecast	2018 Actual	Actual/Forecast
Revenue ⁽¹⁾	\$11,526.3	\$11,672.4	1.3%
Adjusted OIBDA ⁽¹⁾	\$ 2,959.7	\$ 3,001.1	1.4%
Free Cash Flow ⁽¹⁾⁽²⁾	\$ 2,078.8	\$ 2,161.9	4.0%

(1) Revenue, Adjusted OIBDA and Free Cash Flow information represent the summation for Sirius XM, Braves Holdings and Formula 1, and a proportionate share of Live Nation. Includes our share of Live Nation's revenue, Adjusted OIBDA (or comparable measure) and Free Cash Flow (or comparable measure) at ownership levels as of December 31, 2017, which was the percentage used for approving the 2018 performance bonus program.

(2) Defined for purposes of the bonus program as Adjusted OIBDA less all other operating and investing items.

Based on a review of these forecasts and our compensation committee's consideration of our company's performance against plan for these measures, our compensation committee determined that the growth metrics were achieved to the extent described below:

Growth Factor	Liberty Media Corporation
Revenue	25% of a possible 25%
Adjusted OIBDA	50% of a possible 50%
Free Cash Flow	17.5% of a possible 25%

Our compensation committee then translated the achievement of these growth metrics into a percentage payable to each participant of his LMC Maximum Corporate Bonus, as follows:

Name	LMC Maximum Corporate Bonus	Percentage Payable	Aggregate Dollar Amount
Gregory B. Maffei	\$3,011,928	92.5%	\$2,786,033
Richard N. Baer	\$ 507,998	92.5%	\$ 469,899
Mark D. Carleton	\$ 493,347	92.5%	\$ 456,346
Albert E. Rosenthaler	\$ 493,347	92.5%	\$ 456,346

Aggregate Results. The following table presents information concerning the aggregate 2018 performance-based bonus amounts payable to each named executive officer by our company (other than Mr. Malone), after giving effect to the determinations described above.

Name	Individual Performance Bonus	Corporate Performance Bonus	Total Bonus
Gregory B. Maffei	\$3,586,808	\$2,786,033	\$6,372,841
Richard N. Baer	\$ 689,372	\$ 469,899	\$1,159,270
Mark D. Carleton	\$ 614,837	\$ 456,346	\$1,071,183
Albert E. Rosenthaler	\$ 648,312	\$ 456,346	\$1,104,658

Our compensation committee then noted that, when combined with the total 2018 performance-based bonus amounts paid by Qurate Retail to the overlapping named executive officers, each of our named executive officers received the following payments:

Name	Combined Performance Bonus
Gregory B. Maffei	\$7,064,502
Richard N. Baer	\$1,472,891
Mark D. Carleton	\$1,293,780
Albert E. Rosenthaler	\$1,362,095

For more information regarding these bonus awards, please see the “Grants of Plan-Based Awards” table below.

Equity Incentive Compensation

The Liberty Media Corporation 2017 Omnibus Incentive Plan, as amended, (the **2017 incentive plan**) provides, and prior to its expiration, the Liberty Media Corporation 2013 Incentive Plan (Amended and Restated as of March 31, 2015), as amended (the **2013 incentive plan**) provided, for the grant of a variety of incentive awards, including stock options, restricted shares, RSUs, stock appreciation rights and performance awards. Our compensation committee has a preference for grants of stock-based incentive awards (RSUs, restricted stock and options) as compared with cash incentive awards based on the belief that they better promote retention of key employees through the continuing, long-term nature of an equity investment. It is the policy of our compensation committee that stock options be awarded with an exercise price equal to fair market value on the date of grant, typically measured by reference to the closing price on the grant date.

Maffei Performance-based Equity Awards. In December 2014, we entered into the Maffei Employment Agreement which provides Mr. Maffei with the opportunity to earn annual equity incentive awards during the employment term. See “—Executive Compensation Arrangements—Gregory B. Maffei” for additional information about the annual awards to be provided under the Maffei Employment Agreement. The Maffei Employment Agreement provides that Mr. Maffei was entitled to receive from our company and Qurate Retail in 2018 a combined target value equity award of \$19 million and contemplates that the equity awards would be structured to qualify as performance-based compensation under Section 162(m) of the Code. The Maffei Employment Agreement contemplated that the \$19 million equity award would be divided between our company and Qurate Retail according to relative market capitalization. Mr. Maffei is also eligible to receive above-target equity awards from our company and Qurate Retail equaling in the aggregate \$9.5 million (split by relative market capitalization) that would be granted at the end of the performance period in each compensation committee’s sole discretion. The Maffei Employment Agreement also sets forth provisions for determining and establishing any performance criteria for equity awards.

In 2018, our compensation committee, with the consent of Mr. Maffei, decided to grant a combination of time-vested stock options and performance-based RSUs that the parties agreed were in satisfaction of our obligations under the Maffei Employment Agreement. Our compensation committee believes that time-vested stock options are consistent with its philosophy of aligning the interests of the named executive officers with those of our stockholders, with the ultimate goal of appropriately motivating our executives to increase long-term stockholder value. In addition, our compensation committee believed that Mr. Maffei’s RSU grants should be subject to performance metrics that incentivize and reward Mr. Maffei for successful completion of our company’s strategic initiatives. Our compensation committee determined to grant 23% of the total award value of \$19 million in FWONK awards, 36% of the total award value of \$19 million in LSXMK, and 3% of the total award value of \$19 million in BATRK awards in accordance with the relative market capitalization of our three tracking stock groups and Qurate Retail’s two tracking stock groups. The parties did not amend the Maffei Employment Agreement and made no decision as to whether to formalize the above process for future grants.

As a result, our compensation committee granted to Mr. Maffei 632,752 LSXMK time-vested options (the **Maffei LSXMK options**), 46,052 BATRK time-vested options (the **Maffei BATRK options**), 138,655 FWONK time-vested options (the **Maffei FWONK options**), 12,279 BATRK performance-based RSUs (the **2018 Maffei BATRK RSUs**) and 85,590 FWONK performance-based RSUs (the **2018 Maffei FWONK RSUs**, and collectively with the 2018 Maffei BATRK RSUs, the **2018 Maffei RSUs**). The Maffei LSXMK options, Maffei BATRK options and Maffei FWONK options had a grant date of March 5, 2018, had a term of seven years, and had a base price of \$42.50, \$23.34 and \$31.99, respectively, which was the closing price of LSXMK, BATRK and FWONK on the grant date. In addition, the stock options vested in full on December 31, 2018, and were subject to other applicable terms and conditions for option grants as set forth in the Maffei Employment Agreement. Our compensation committee also granted to Mr. Maffei the 2018 Maffei RSUs on March 5, 2018, which vest only upon attainment of the performance objectives described below.

Our compensation committee adopted an annual, performance-based program for payment of the 2018 Maffei RSUs. None of the 2018 Maffei RSUs would vest unless a minimum corporate performance was achieved: the combined Adjusted OIBDA (or equivalent measure) of Sirius XM, Braves Holdings, Formula 1 and a proportionate share of the equivalent measure of Adjusted OIBDA of Live Nation, for the year ended December 31, 2018 was required to exceed \$500 million (the **Maffei RSU Threshold**). If the Maffei RSU Threshold were met, the notional pool for payment of the 2018 Maffei RSUs would be funded with 0.43% of the amount by which such combined Adjusted OIBDA exceeded \$500 million (the **Maffei RSU pool**). A maximum payout equal to 1.5 times the target number of 2018 Maffei RSUs or \$9.234 million of grant value was established.

For purposes of the Maffei RSU pool, Adjusted OIBDA was defined in the same manner as the cash performance bonus program. See “—Elements of 2018 Executive Compensation—2018 Performance-based Bonuses” above. Assuming the Maffei RSU Threshold of \$500 million was met and the Maffei RSU pool was funded, the amount earned would be subject to reduction from the maximum amount payable by our compensation committee based on performance criteria. After review of our company’s 2018 Adjusted OIBDA results, our compensation committee determined and certified that the maximum 2018 Maffei RSUs could be paid to Mr. Maffei. Our compensation committee then determined to review Mr. Maffei’s performance to determine what portion of the maximum award would be paid. Our compensation committee reviewed Mr. Maffei’s 2018 performance and noted his efforts in successfully overseeing the acquisition of Pandora by Sirius XM. After considering Mr. Maffei’s performance in these areas, our compensation committee determined to vest 100% of the previously issued 2018 Maffei RSUs.

In addition, for the same reasons, our compensation committee awarded Mr. Maffei above-target awards for his performance in 2018. Our compensation committee also recommended to the Qurate Retail compensation committee and the GCI Liberty compensation committee that those committees consider making similar above-target awards related to Mr. Maffei’s performance. As a result of these discussions, the three compensation committees awarded Mr. Maffei above-target awards with a grant value aggregating \$2.7 million. The compensation committees split the grant value by each granting an additional 15% of the target number of restricted stock units and stock options granted to Mr. Maffei in March 2018. In the case of GCI Liberty, such grant related to awards of Qurate Retail’s former Series B Liberty Ventures common stock on an as-converted basis as a result of the March 2018 transactions between Qurate Retail and GCI Liberty. Accordingly, our compensation committee granted 6,908 BATRK options, 94,913 LSXMK options, 20,798 FWONK options, 1,842 BATRK restricted stock units, and 12,839 FWONK restricted stock units. For more information regarding the target equity and above-target equity awards, see the “Grants of Plan-Based Awards” table below and “—Executive Compensation—Compensation Discussion and Analysis—Elements of 2018 Executive Compensation—Equity Incentive Compensation—Maffei Performance-based Equity Awards” in Qurate Retail’s Definitive Proxy Statement on Schedule 14A filed April 24, 2019.

Other 2018 Awards

Multiyear Stock Options. Consistent with its previous practices, our compensation committee has made larger stock option grants (equaling approximately four to five years’ value of the named executive officer’s annual grants) that vest between four and five years after grant, rather than making annual grants over the same period. These multiyear grants provide for back-end weighted vesting and generally expire seven to ten years after grant to encourage executives to remain with the company over the long-term and to better align their interests with those of the stockholders. Our compensation committee made such an award to Mr. Maffei in connection with the execution of the Maffei Employment Agreement. See “—Executive Compensation Arrangements—Gregory B. Maffei” below. Also, in March 2015, our compensation committee granted to each of Messrs. Carleton and Rosenthaler multiyear stock options that equaled the value of the named executive officer’s annual grants that were expected to be granted to him for the period from January 1, 2016 through December 31, 2020. See “Summary Compensation Table” below. Also, Mr. Baer received a multi-year stock option award in June 2016 in connection with entering into the 2016 Baer Employment Agreement. See “—Executive Compensation Arrangements—Richard N. Baer—2016 Term Options” below. Mr. Baer’s grant equaled the value of his annual grants that were expected to be granted to him for the period from January 1, 2017 through December 31, 2020. Mr. Malone does not participate in the equity award program and as a result did not receive a multiyear stock option award.

Annual Performance Awards. Consistent with our practice since December 2014 of granting a combination of multiyear stock options and annual performance awards to senior officers, our compensation committee granted annual performance RSUs to Messrs. Baer, Carleton and Rosenthaler in March 2018. Our compensation committee granted to Messrs. Baer, Carleton and Rosenthaler, 16,391, 12,239 and 12,239 LSXMK performance-based RSUs, respectively, 2,424, 1,810 and 1,810 BATRK performance-based RSUs, respectively,

and 12,066, 9,010 and 9,010 FWONK performance-based RSUs, respectively, on March 5, 2018 (the **2018 Chief RSUs**). The 2018 Chief RSUs would vest only upon attainment of the performance objectives described below.

Our compensation committee adopted an annual, performance-based program for payment of the 2018 Chief RSUs. None of the 2018 Chief RSUs would vest unless a minimum corporate performance was achieved: the combined Adjusted OIBDA (or equivalent measure) of Sirius XM, Braves Holdings, Formula 1 and a proportionate share of the equivalent measure of Adjusted OIBDA of Live Nation, for the year ended December 31, 2018 was required to exceed \$500 million (the **Chief Threshold**). If the Chief Threshold were met, the notional pool for payment of the 2018 Chief RSUs would be funded with 0.24% of the amount by which such combined Adjusted OIBDA exceeded \$500 million (the **Chief RSU pool**). If the Chief RSU pool was not funded so that the maximum awards could be paid to all participants, each participant's maximum award would be reduced pro rata. The maximum payout set for each of Messrs. Baer, Carleton and Rosenthaler was \$1.875 million, \$1.4 million and \$1.4 million, respectively.

For purposes of the Chief RSU pool, Adjusted OIBDA was defined in the same manner as the performance cash bonus program. See “—Elements of 2018 Executive Compensation—2018 Performance-based Bonuses”. Assuming the Chief Threshold of \$500 million was met and the Chief RSU pool was fully funded, the amount earned would be subject to reduction from the maximum amount payable by our compensation committee based on performance criteria. After review of our company's 2018 Adjusted OIBDA results, our compensation committee determined and certified that the maximum Chief RSU awards could be paid to Messrs. Baer, Carleton and Rosenthaler. Our compensation committee then determined to review each named executive officer's performance to determine what portion of the maximum award would be paid. Our compensation committee reviewed Messrs. Baer, Carleton and Rosenthaler's performance and also considered the recommendations from Mr. Maffei. Mr. Maffei recommended that our committee vest 100% of the 2018 Chief RSUs previously granted to each of Messrs. Baer, Carleton and Rosenthaler based on his assessment of their individual performance against the goals established in connection with the performance cash bonus program and his general observation of their leadership and executive performance. Accordingly, our compensation committee determined to reduce the payouts down to the target award levels and then approved vesting of all of the 2018 Chief RSUs previously granted to Messrs. Baer, Carleton and Rosenthaler.

Mr. Malone did not participate in the annual performance RSU program.

Perquisites and Other Personal Benefits

The perquisites and other personal benefits available to our executives (that are not otherwise available to all of our salaried employees, such as matching contributions to the Liberty Media 401(k) Savings Plan and the payment of life insurance premiums) consist of:

- limited personal use of corporate aircraft;
- in the case of Mr. Maffei, reimbursement of legal expenses;
- occasional, personal use of an apartment in New York City owned by a subsidiary of our company, which is primarily used for business purposes, and occasional, personal use of a company car and driver;
- in the case of Mr. Carleton, reimbursement for use of private housing while on New York City business trips;
- a deferred compensation plan that provides above-market preferential returns; and
- in the case of Mr. Malone, an annual allowance of \$1 million for personal expenses provided pursuant to the terms of his employment agreement (see “—Executive Compensation Arrangements—John C. Malone”).

Taxable income may be incurred by our executives in connection with their receipt of perquisites and personal benefits. Other than as contemplated by Mr. Malone's employment agreement, we have not provided gross-up payments to our executives in connection with any such taxable income incurred during the past three years.

Aircraft Usage. On occasion, and with the approval of our Chairman or Chief Executive Officer, executives may have family members and other guests accompany them on our corporate aircraft when traveling on business. Under the terms of the employment arrangements with our Chairman and our Chief Executive Officer, our Chairman and our Chief Executive Officer and their guests may use the corporate aircraft for non-business purposes subject to specified limitations.

Pursuant to a February 5, 2013 letter agreement between us and Mr. Maffei, Mr. Maffei was entitled to 120 hours per year of personal flight time through the first to occur of (i) the termination of his employment, subject to any continued right to use the corporate aircraft as described below or pursuant to the terms of his employment arrangement in effect at the time of the termination or (ii) the cessation of ownership or lease of corporate aircraft. Effective November 11, 2015, pursuant to a letter agreement between us and Mr. Maffei of the same date, Mr. Maffei is entitled to 30 additional hours per year of personal flight time if he reimburses us for such usage through the first to occur of (i) the termination of his employment or (ii) the cessation of ownership or lease of corporate aircraft. Under the Maffei Employment Agreement, if Mr. Maffei's employment had been terminated due to disability, for good reason or without cause, Mr. Maffei would have been entitled to continued use of the company's aircraft under the terms of the February 5, 2013 letter agreement for 12 months after termination of his employment. Mr. Maffei incurs taxable income, calculated in accordance with the Standard Industry Fare Level (SIFL) rates, for all personal use of our corporate aircraft under the February 5, 2013 letter agreement. Mr. Maffei incurs taxable income at the SIFL rates minus amounts paid under time sharing agreements with our company for travel pursuant to the November 11, 2015 letter agreement. Flights where there are no passengers on company-owned aircraft were not charged against the 120 hours of personal flight time per year allotted to Mr. Maffei if the flight department determines that the use of a NetJets, Inc. supplied aircraft for a proposed personal flight would be disadvantageous to our company due to (i) use of budgeted hours under the then current Liberty Media fractional ownership contract with NetJets, Inc. or (ii) higher flight cost as compared to the cost of using company owned aircraft.

The cost of Mr. Malone's personal use of our corporate aircraft, calculated in accordance with SIFL, counts toward his \$1 million personal expense allowance (described above).

For disclosure purposes, we determine incremental cost using a method that takes into account:

- landing and parking expenses;
- crew travel expenses;
- supplies and catering;
- aircraft fuel and oil expenses per hour of flight;
- any customs, foreign permit and similar fees; and
- passenger ground transportation.

Because the company's aircraft is used primarily for business travel, this methodology excludes fixed costs that do not change based on usage, such as salaries of pilots and crew, purchase or lease costs of aircraft and costs of maintenance and upkeep.

Pursuant to our aircraft time sharing agreements with Qurate Retail, Liberty TripAdvisor, Liberty Broadband, Liberty Expedia, and GCI Liberty, each of these companies pays us for any costs, calculated in accordance with Part 91 of the Federal Aviation Regulations, associated with Mr. Malone or Mr. Maffei using our corporate aircraft that are allocable to such company, except that allocations made to Liberty TripAdvisor, Liberty Broadband, Liberty Expedia or GCI Liberty may only be made for corporate aircraft use relating to such company's business matters, while allocations made to Qurate Retail relate to such company's business matters along with approved personal use of our aircraft. Pursuant to our aircraft time sharing agreements with Mr. Maffei, Mr. Maffei reimburses us for costs associated with his personal use of our corporate aircraft under the November 11, 2015 letter agreement, and such costs include the expenses listed above, insurance obtained for the specific flight and an additional charge equal to 100% of the aircraft fuel and oil expenses for the specific flight.

For purposes of determining an executive's taxable income, personal use of our aircraft is valued using a method based on SIFL rates, as published by the Treasury Department. The amount determined using the SIFL rates is typically lower than the amount determined using the incremental cost method. Under the American Jobs Creation Act of 2004, the amount we may deduct for a purely personal flight is limited to the amount included in the taxable income of the executives who took the flight. Also, the deductibility of any non-business use will be limited by Section 162(m) of the Code to the extent that the named executive officer's compensation that is subject to that limitation exceeds \$1 million. See "—Deductibility of Executive Compensation" below.

Deferred Compensation

To help accommodate the tax and estate planning objectives of the named executive officers, as well as other executives with the title of Assistant Vice President and above, our board of directors assumed the previously established Liberty Media Corporation 2006 Deferred Compensation Plan (as amended and restated). Under that plan, participants could elect to defer up to 50% of their base salaries and up to 100% of their cash performance bonuses that were allocable to our company. Compensation deferred under the plan that otherwise would have been received prior to 2015 would earn interest income at the rate of 9% per annum, compounded quarterly, for the period of the deferral. Compensation deferred under the plan that otherwise would have been received on or after January 1, 2015 will earn interest income at a rate that is intended to approximate our company's general cost of 10-year debt. For 2016, 2017 and 2018, the rate was 6.25%, 6.5% and 6.25%, respectively. Since September 2011, the named executive officers may not participate in the plan with respect to any portion of their cash performance bonuses paid by Qurate Retail. In addition, Mr. Carleton had a deferral election in place for his 2011 performance-based bonus, with respect to which Qurate Retail will remain responsible for the payment of such deferred amount and all deferred interest thereon going forward. For more information on this plan and the amendments that became effective January 1, 2016, see “—Executive Compensation Arrangements—2006 Deferred Compensation Plan” and the “—Nonqualified Deferred Compensation Plans” table below.

We provide Mr. Malone with certain deferred compensation arrangements that were entered into by our predecessors and assumed by us in connection with the various restructurings that we have undergone. Beginning in February 2009, Mr. Malone began receiving accelerated payments under those deferred compensation arrangements. For more information on these arrangements, see “—Executive Compensation Arrangements—John C. Malone” below.

Changes for 2019

Maffei Employment Agreement Grant Process. In March 2019, our compensation committee determined, with the consent of Mr. Maffei, to set performance criteria for Mr. Maffei's 2019 annual performance awards in a manner similar to those set in 2018, which the parties agreed was in satisfaction of the obligations under the Maffei Employment Agreement. Our compensation committee has followed this general process since 2016.

Equity from Spin-off and Split-off Companies. In the past, except for the 2014 stock option grants from Liberty Broadband and Liberty TripAdvisor to Mr. Maffei, our company has not allocated any portion of the costs of the named executive officers' equity awards to Liberty Broadband, Liberty TripAdvisor, GCI Liberty, or Liberty Expedia. After the closing of the transactions that resulted in Qurate Retail acquiring a controlling equity interest in GCI Liberty that was subsequently split-off, our compensation committee reviewed this practice and determined that it would be appropriate to request each of these entities (other than Liberty Expedia due to its pending merger with a wholly owned subsidiary of Expedia Group, Inc.) to grant a portion of the equity awards granted to our named executive officers. Our compensation committee determined to allocate to each of Qurate Retail, Liberty Broadband, Liberty TripAdvisor and GCI Liberty, a proportionate share of the aggregate equity grant value given to each named executive officer based 50% on relative market capitalization and 50% on relative time spent by our company's employees working for such issuer.

Deductibility of Executive Compensation

In developing the 2018 compensation packages for the named executive officers, the deductibility of executive compensation under Section 162(m) of the Code was considered. That provision prohibits the deduction of compensation of more than \$1 million paid to certain executives, subject to certain exceptions. Following the enactment of the Tax Cuts and Jobs Act of 2017, beginning with the 2018 calendar year, the executives potentially affected by the limitations of Section 162(m) of the Code has been expanded and there is no longer any exception for qualified performance-based compensation. Although some performance-based awards will not result in a compensation deduction until after 2017, we believe the transition rules in effect for binding contracts in effect on November 2, 2017 should continue to allow certain of these awards to maintain their exemption from the \$1 million annual deduction limitation for so long as such contracts are not materially modified. However, portions of the compensation we pay to the named executive officers may not be deductible due to the application of Section 162(m) of the Code. Our compensation committee believes that the lost deduction on compensation payable in excess of the \$1 million limitation for the named executive officers is not material relative to the benefit of being able to attract and retain talented management.

Policy on Restatements

In those instances where we grant cash or equity-based incentive compensation, we include in the related agreement with the executive a right, in favor of our company, to require the executive to repay or return to the company any cash, stock or other incentive compensation (including proceeds from the disposition of shares received upon exercise of options or stock appreciation rights). That right will arise if (1) a material restatement of any of our financial statements is required and (2) in the reasonable judgment of our compensation committee, (A) such restatement is due to material noncompliance with any financial reporting requirement under applicable securities laws and (B) such noncompliance is a result of misconduct on the part of the executive. In determining the amount of such repayment or return, our compensation committee may take into account, among other factors it deems relevant, the extent to which the market value of the applicable series of our common stock was affected by the errors giving rise to the restatement. The cash, stock or other compensation that we may require the executive to repay or return must have been received by the executive during the 12-month period beginning on the date of the first public issuance or the filing with the SEC, whichever occurs earlier, of the financial statement requiring restatement. The compensation required to be repaid or returned will include (1) cash or company stock received by the executive (A) upon the exercise during that 12-month period of any stock appreciation right held by the executive or (B) upon the payment during that 12-month period of any incentive compensation, the value of which is determined by reference to the value of company stock, and (2) any proceeds received by the executive from the disposition during that 12-month period of company stock received by the executive upon the exercise, vesting or payment during that 12-month period of any award of equity-based incentive compensation.

Stock Ownership Guidelines

Our board of directors adopted stock ownership guidelines that require each executive officer (other than Mr. Malone) to own shares of our company's stock equal to (i) at least three times the base salary paid by our company to Mr. Maffei, with respect to Mr. Maffei's requirement, and (ii) at least three times 50% of the base salary paid by our company to Messrs. Baer, Carleton and Rosenthaler, in the case of Messrs. Baer, Carleton and Rosenthaler. The named executive officers (other than Mr. Malone) have a similar stock ownership requirement at Qurate Retail with respect to the base salary paid by Qurate Retail, in the case of Mr. Maffei, or allocated to Qurate Retail per our company's stock ownership guidelines in the case of Messrs. Baer, Carleton, and Rosenthaler. The named executive officers (other than Mr. Malone) will have until March 2021 to comply with these guidelines.

SUMMARY COMPENSATION TABLE

Name and Principal Position (as of 12/31/18)	Year	Salary (\$) ⁽¹⁾	Bonus (\$)	Stock Awards (\$) ⁽²⁾	Option Awards (\$) ⁽³⁾	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) ⁽⁴⁾	All Other Compensation (\$) ⁽⁵⁾⁽⁶⁾⁽⁷⁾	Total (\$)
John C. Malone Chairman of the Board	2018	2,925	—	—	—	—	215,628	920,790 ⁽⁸⁾	1,139,343
	2017	1,677	—	—	—	—	224,672	570,733 ⁽⁸⁾	797,082
	2016	1,482	—	—	—	—	232,747	512,927 ⁽⁸⁾	747,156
Gregory B. Maffei President and Chief Executive Officer	2018	1,112,188	—	3,024,616	8,830,019	6,372,841	397,703	416,179 ⁽⁹⁾⁽¹⁰⁾	20,153,546
	2017	1,059,227	—	1,711,501	10,247,980	6,066,373	401,887	325,295 ⁽⁹⁾⁽¹⁰⁾	19,812,263
	2016	1,045,739	928,872	2,296,392	6,907,448	5,043,938	335,068	332,008 ⁽⁹⁾⁽¹⁰⁾	16,889,465
Richard N. Baer Chief Legal Officer	2018	656,545	—	1,139,185	—	1,159,270	—	24,517	2,979,517
	2017	487,351	—	1,186,302	—	937,400	—	18,298	2,629,351
	2016	607,856	106,355	16,532	3,073,150	901,500	—	20,534	4,725,927
Mark D. Carleton Chief Financial Officer	2018	683,153	—	850,633	—	1,071,183	331,289	33,677 ⁽¹⁰⁾	2,969,935
	2017	669,758	—	885,819	—	1,016,186	304,384	33,227 ⁽¹⁰⁾	2,909,374
	2016	781,045	151,773	1,233,631	—	875,500	199,301	34,736 ⁽¹⁰⁾	3,275,986
Albert E. Rosenthaler Chief Corporate Development Officer	2018	664,935	—	850,633	—	1,104,658	—	29,494 ⁽¹⁰⁾⁽¹¹⁾	2,649,720
	2017	553,666	—	885,819	561,640	953,229	—	19,673	2,974,027
	2016	572,161	84,903	1,221,037	—	875,500	—	24,902 ⁽¹¹⁾	2,778,503

- (1) Represents only that portion of each named executive officer's salary that was allocated to our company with respect to the years ended December 31, 2018, 2017 and 2016 under the services agreements. For a description of the allocation of compensation between our company and Qurate Retail, Liberty TripAdvisor, Liberty Broadband, Liberty Expedia and GCI Liberty, see "—Compensation Discussion and Analysis—Services Agreements."
- (2) Reflects the grant date fair value of the restricted stock granted in 2016 and RSUs granted to our named executive officers during 2018, 2017 and 2016. The table reflects the grant date fair value of the 2016 performance-based RSUs granted to each of Messrs. Maffei, Carleton and Rosenthaler, restricted stock granted to Messrs. Maffei, Baer, Carleton and Rosenthaler in 2016, the 2017 performance-based RSUs granted to each of Messrs. Maffei, Baer, Carleton and Rosenthaler and the 2018 Maffei RSUs and the 2018 Chief RSUs. A maximum payout equal to 1.5 times the target number of 2018 Maffei RSUs or \$9.234 million of grant value was established. The maximum payout set for Mr. Baer was \$1.875 million of grant value, and the maximum payout set for each of Messrs. Carleton and Rosenthaler was \$1.4 million of grant value of 2018 Chief RSUs. The grant date fair value of these awards has been computed in accordance with FASB ASC Topic 718, but (pursuant to SEC regulations) without reduction for estimated forfeitures. For a description of the assumptions applied in these calculations, see Note 14 to our consolidated financial statements for the year ended December 31, 2018 (which are included in our 2018 Form 10-K).
- (3) The grant date fair value of Mr. Maffei's 2018, 2017 and 2016 stock option awards, Mr. Baer's 2016 Term Options (as defined below) and Mr. Rosenthaler's 2017 stock option award have been computed in accordance with FASB ASC Topic 718, but (pursuant to SEC regulations) without reduction for estimated forfeitures. For a description of the assumptions applied in these calculations, see Note 14 to our consolidated financial statements for the year ended December 31, 2018 (which are included in the 2018 Form 10-K).
- (4) Reflects the above-market earnings credited during 2018, 2017 and 2016 to the deferred compensation accounts of each applicable named executive officer. See "—Compensation Discussion and Analysis—Elements of 2018 Executive Compensation—Deferred Compensation," "—Executive Compensation Arrangements—John C. Malone," and "—Nonqualified Deferred Compensation Plans" below.
- (5) Included in this column are the following life insurance premiums paid on behalf of each of the named executive officers and allocated to our company under the services agreement:

Name	Amounts (\$)		
	2018	2017	2016
John C. Malone	4,635	2,657	2,348
Gregory B. Maffei	4,217	3,432	3,462
Richard N. Baer	5,267	3,988	3,309
Mark D. Carleton	3,677	3,677	4,378
Albert E. Rosenthaler	3,579	3,040	3,207

- (6) We make available to our personnel, including our named executive officers, tickets to various sporting events with no aggregate incremental cost attributable to any single person.
- (7) The Liberty Media 401(k) Savings Plan provides employees with an opportunity to save for retirement. The Liberty Media 401(k) Savings Plan participants may contribute up to 75% of their eligible compensation on a pre-tax basis to the plan and an additional 10% of their eligible compensation on an after-tax basis (subject to specified maximums and IRS limits), and we contribute a matching contribution based on the participants' own contributions up to the maximum matching contribution set forth in the plan. Our company receives reimbursements from Qurate Retail under the Qurate Retail Services Agreement for Qurate Retail's allocable portion of the matching contribution. Participant contributions to the Liberty Media 401(k) Savings Plan are fully vested upon contribution.

Generally, participants acquire a vested right in our matching contributions as follows:

Years of Service	Vesting Percentage
Less than 1	0%
1 – 2	33%
2 – 3	66%
3 or more	100%

Included in this column, with respect to each named executive officer are the following matching contributions made by and allocated to our company to the Liberty Media 401(k) Savings Plan in 2018, 2017 and 2016:

Name	Amounts (\$)		
	2018	2017	2016
John C. Malone	20,625	11,610	10,070
Gregory B. Maffei	23,650	18,900	18,020
Richard N. Baer	19,250	14,310	17,225
Mark D. Carleton	20,625	20,250	22,790
Albert E. Rosenthaler	20,075	16,633	16,695

With respect to these matching contributions, all of our named executive officers are fully vested.

- (8) Includes the following amounts which were allocated to our company under the Qurate Retail Services Agreement:

	Amounts (\$)		
	2018	2017	2016
Reimbursement for personal legal, accounting and tax services	45,000	64,064	26,852
Compensation related to personal use of corporate aircraft ^(a)	204,974	165,655	188,122
Tax payments made on behalf of Mr. Malone	642,598	324,073	281,515

(a) Calculated based on aggregate incremental cost of such usage to our company.

Also includes miscellaneous personal expenses, such as courier charges.

- (9) Includes the following amounts which were allocated to our company under the Qurate Retail Services Agreement:

	Amounts (\$)		
	2018	2017	2016
Reimbursement for legal services	—	—	3,454
Compensation related to personal use of corporate aircraft ^(a)	373,028	298,535	304,454

(a) Calculated based on aggregate incremental cost of such usage to our company.

- (10) We own an apartment in New York City which is primarily used for business purposes. Messrs. Maffei, Carleton and Rosenthaler occasionally used this apartment for personal reasons. From time to time, we reimburse Mr. Carleton for his use of private housing while on New York City business trips, and we also pay the cost of miscellaneous shipping and catering expenses for Mr. Maffei.
- (11) Includes \$5,000 in charitable contributions in 2018 and 2016 made on behalf of Mr. Rosenthaler pursuant to our political action committee matching contribution program.

EXECUTIVE COMPENSATION ARRANGEMENTS

John C. Malone

Mr. Malone's employment agreement and his deferred compensation arrangements with our predecessor companies, as described below, have been assigned to our company. The term of Mr. Malone's employment agreement is extended daily so that the remainder of the employment term is five years. The employment agreement was amended in June 1999 to provide for, among other things, an annual salary of \$2,600 (which was increased to \$3,900 in 2014), subject to increase with board approval. The employment agreement was amended in 2003 to provide for payment or reimbursement of personal expenses, including professional fees and other expenses incurred by Mr. Malone for estate, tax planning and other services, and for personal use of corporate aircraft and flight crew. The aggregate amount of such payments or reimbursements and the value of his personal use of corporate aircraft was originally limited to \$500,000 per year but increased to \$1 million effective January 1, 2007 by the Qurate Retail compensation committee. Although the "Summary Compensation Table" table above reflects the portion of the aggregate incremental cost of Mr. Malone's personal use of our corporate aircraft attributable to our company, the value of his aircraft use for purposes of his employment agreement is determined in accordance with SIFL, which aggregated \$70,712 for use of the aircraft by our company and Qurate Retail during the year ended December 31, 2018. Qurate Retail is allocated, and reimburses us for, portions of the other components of the payments/reimbursements to Mr. Malone described above.

In December 2008, the Qurate Retail compensation committee determined to modify Mr. Malone's employment arrangements to permit Mr. Malone to begin receiving fixed monthly payments in 2009, in advance of a termination event, in satisfaction of its obligations to him under a 1993 deferred compensation arrangement, a 1982 deferred compensation arrangement and an installment severance plan, in each case, entered into with him by Qurate Retail's predecessors (and which had been assumed by Qurate Retail). At the time of the amendment, the amounts owed to Mr. Malone under these arrangements aggregated approximately \$2.4 million, \$20 million and \$39 million, respectively. As a result of these modifications, Mr. Malone receives 240 equal monthly installments, which commenced February 2009, of: (1) approximately \$20,000 under the 1993 deferred compensation arrangement, (2) approximately \$237,000 under the 1982 deferred compensation arrangement and (3) approximately \$164,000 under the installment severance plan. Interest ceased to accrue under the installment severance plan once these payments began; however, interest continues to accrue on the 1993 deferred compensation arrangement at a rate of 8% per annum and on the 1982 deferred compensation arrangement at a rate of 13% per annum. In 2013, we assumed these payment obligations.

Under the terms of Mr. Malone's employment agreement, he is entitled to receive upon the termination of his employment at our election for any reason (other than for death or "cause"), a lump sum equal to his salary for a period of five full years following termination (calculated on the basis of \$3,900 per annum, the **lump sum severance payment**). As described above, we assumed Mr. Malone's employment agreement and all outstanding obligations thereunder, and Qurate Retail will reimburse us for its allocated portion of any such lump sum severance payments made thereunder.

For a description of the effect of any termination event or a change in control of our company on his employment agreement, see "—Potential Payments Upon Termination or Change in Control" below.

Gregory B. Maffei

December 2014 Employment Arrangement

On December 24, 2014, our compensation committee approved a new compensation arrangement with Mr. Maffei. The arrangement provides for a five year employment term beginning January 1, 2015 and ending December 31, 2019, with an annual base salary of \$960,750, increasing annually by 5% of the prior year's base salary, and an annual target cash bonus equal to 250% of the applicable year's base salary. The arrangement also provides Mr. Maffei with the opportunity to earn annual performance-based equity incentive awards during the employment term, as described in more detail below. In connection with the approval of his compensation arrangement, Mr. Maffei was granted the Term Options defined below. Mr. Maffei's compensation arrangement was memorialized in the Maffei Employment Agreement executed on December 29, 2014.

The arrangement provides that, in the event Mr. Maffei is terminated for cause (as defined in the Maffei Employment Agreement) he will be entitled to only his accrued base salary and any amounts due under applicable law. If Mr. Maffei is terminated by Liberty Media without cause or if Mr. Maffei terminates his employment for good

reason (as defined in the Maffei Employment Agreement), he is entitled to (i) his accrued base salary, (ii) his accrued but unpaid bonus and any amounts due under applicable law (the **Standard Entitlements**), (iii) a severance payment of 1.5 times his base salary during the year of his termination to be paid in equal installments over 18 months, (iv) a payment equal to \$11,750,000 pro rated based upon the elapsed number of days in the calendar year of termination (including the date of termination), with (subject to certain exceptions) up to 25% of such amount payable in shares of our common stock, at our discretion and with the remainder of such amount paid in cash (the **Pro Rated Amount**), (v) a payment equal to \$17,500,000, with (subject to certain exceptions) up to 25% of such amount payable in shares of our common stock at our discretion and with the remainder of such amount paid in cash (the **Un-Pro Rated Amount**), and (vi) continued use of certain services and perquisites provided by our company, including continued aircraft benefits consistent with those provided to him during the period of his employment (the **Services**). If Mr. Maffei terminates his employment without good reason (as defined in the Maffei Employment Agreement), he will be entitled to the Standard Entitlements and a payment of the Pro Rated Amount. Lastly, in the case of Mr. Maffei's death or disability, he is entitled to the Standard Entitlements, a payment of 1.5 times his base salary during the year of his termination, payments of the Pro Rated Amount and the Un-Pro Rated Amount, and, only in the case of his termination for disability, the Services. The Maffei Employment Agreement also contains other customary terms and conditions.

Term Options

Also on December 24, 2014, in connection with the approval of his compensation arrangement, Mr. Maffei received a one-time grant of 3,298,724 options to purchase shares of our then-existing Series C common stock (the **Term Options**), which had an exercise price of \$34.04 per share. Mr. Maffei's Term Options have been adjusted in connection with the April 2016 reclassification and exchange of our common stock into the Liberty SiriusXM common stock, the Liberty Braves common stock and the Liberty Formula One common stock (the **reclassification**) and the June 2016 rights offering with respect to BTRK shares, and as a result, the Term Options now relate to shares of LSXMK, BTRK and FWONK. One-half of the Term Options vested on the fourth anniversary of the grant date with the remaining Term Options vesting on the fifth anniversary of the grant date, subject to Mr. Maffei being employed on such date. The Term Options have a term of seven years.

Upon a change in control (as defined in the Maffei Employment Agreement) prior to Mr. Maffei's termination or in the event of Mr. Maffei's termination for death or disability, all of his unvested Term Options will become exercisable. If Mr. Maffei is terminated for cause, all of his unvested Term Options will terminate immediately. If Mr. Maffei is terminated by our company without cause or if he terminates his employment for good reason (as defined in the Maffei Employment Agreement), then each unvested tranche of each type of Term Options will vest pro rata based on the number of days elapsed in the vesting period for such tranche since the grant date plus 548 calendar days; however, in the event (i) all members of the Malone Group (as defined in the Maffei Employment Agreement) cease to beneficially own our company's securities representing at least 20% of our company's voting power, (ii) within 90 to 210 days of clause (i) Mr. Maffei's employment is terminated by our company without cause or by Mr. Maffei for good reason and (iii) at the time of clause (i) Mr. Maffei does not beneficially own our company's securities representing at least 20% of our company's voting power, then all unvested Term Options will vest in full as of the date of Mr. Maffei's termination. If Mr. Maffei terminates his employment without good reason, then a portion of each unvested tranche of each type of Term Options will vest pro rata based on the number of days elapsed in the vesting period for such tranche since the grant date. In the event of a change in control prior to Mr. Maffei's termination, all of the Term Options will remain exercisable until the end of the term. If Mr. Maffei is terminated for cause prior to December 31, 2019 (without a prior change in control occurring), then all vested Term Options will expire on the 90th day following such termination. In all other events of termination or if Mr. Maffei has not been terminated prior to December 31, 2019, all vested Term Options will expire at the end of the term.

Annual Awards

Mr. Maffei will receive annual grants of options to purchase shares of LSXMK, BTRK and FWONK with a term of seven years (the **Annual Options**) and RSUs with respect to LSXMK, BTRK and FWONK (the **Annual RSUs** and together with the Annual Options, the **Annual Awards**), and Mr. Maffei may elect the portions of his Annual Award that he desires to be issued in the form of Annual RSUs and Annual Options. For a description of Mr. Maffei's target Annual Awards, see "—Compensation Discussion and Analysis—Elements of 2018 Executive Compensation—Equity Incentive Compensation—Maffei Performance-based Equity Awards." Pursuant to the Maffei Employment Agreement, Mr. Maffei receives upfront grants of the Annual Awards and awards from Qurate Retail in the following combined target amounts: \$16 million for calendar year 2015, \$17 million for calendar year

2016, \$18 million for calendar year 2017, \$19 million for calendar year 2018 and \$20 million for calendar year 2019. The combined target amounts for 2015 to 2018 were allocated between Qurate Retail and our company based on relative market capitalization and, for 2019, will be allocated among Qurate Retail, GCI Liberty, Liberty Broadband, Liberty TripAdvisor and our company based 50% on relative market capitalization and 50% on time allocation. In our compensation committee's sole discretion, Mr. Maffei is also eligible to receive additional awards each year from Liberty Media up to a maximum of 50% of the Liberty Media target award grant amount for such year as an above-target award.

Upon Mr. Maffei's termination for any reason, his unvested Annual Awards (including any dividend equivalents related to any unvested Annual RSUs) will terminate at the close of business on the day of the separation, except that, in the case of performance-based Annual RSUs, if Mr. Maffei remains employed through the end of the relevant grant year but his termination occurs prior to the date as of which any performance criteria has been determined to have been met or not with respect to the Annual RSUs relating to such grant year, such Annual RSUs will remain outstanding until such determination date and become vested to the extent determined by the compensation committee. Upon a change in control prior to Mr. Maffei's termination, all vested Annual Options (and any Annual Options that vest after such change in control) will terminate at the expiration of the original term. If Mr. Maffei is terminated by our company for cause (without a prior change in control) prior to December 31, 2019, all vested Annual Options will terminate at the close of business on the 90th day following the termination. In all other events of termination or if Mr. Maffei has not been terminated prior to December 31, 2019, all vested Annual Options will terminate at the expiration of the original term.

Aircraft Usage

We are party to a February 5, 2013 letter agreement with Mr. Maffei, pursuant to which he was entitled to personal use of corporate aircraft not to exceed 120 hours of flight time per year through the first to occur of (i) the termination of his employment, subject to any continued right to use the corporate aircraft as described below or pursuant to the terms of his employment arrangement in effect at the time of the termination or (ii) the cessation of ownership or lease of corporate aircraft. Effective November 11, 2015, pursuant to a letter agreement between us and Mr. Maffei of the same date, Mr. Maffei is entitled to 30 additional hours per year of personal flight time if he reimburses us for such usage through the first to occur of (i) the termination of his employment or (ii) the cessation of ownership or lease of corporate aircraft. Mr. Maffei will continue to incur taxable income, calculated in accordance with SIFL, for all personal use of our corporate aircraft under the February 5, 2013 letter agreement. Mr. Maffei incurs taxable income at the SIFL rates minus amounts paid under time sharing agreements with our company for travel pursuant to the November 11, 2015 letter agreement. Pursuant to our aircraft time sharing agreements with Qurate Retail, Liberty TripAdvisor, Liberty Broadband and Liberty Expedia, such entities pay us for any costs, calculated in accordance with Part 91 of the Federal Aviation Regulations, associated with Mr. Maffei using our corporate aircraft that are allocable to these entities. Qurate Retail, Liberty TripAdvisor, Liberty Broadband and Liberty Expedia reimburse us for Mr. Maffei's use of our corporate aircraft for such entity's business, as the case may be, while Qurate Retail also reimburses us for Mr. Maffei's personal use of our corporate aircraft. Pursuant to our aircraft time sharing agreements with Mr. Maffei, Mr. Maffei reimburses us for costs associated with his up to 30 hours of personal use of our corporate aircraft under the November 11, 2015 letter agreement. Flights where there are no passengers on company-owned aircraft are not charged against the 120 hours of personal flight time per year allotted to Mr. Maffei if the flight department determines that the use of a NetJets, Inc. supplied aircraft for a proposed personal flight would be disadvantageous to our company due to (i) use of budgeted hours under the then current Liberty Media fractional ownership contract with NetJets, Inc. or (ii) higher flight cost as compared to the cost of using company owned aircraft.

Richard N. Baer

2016 Baer Employment Agreement

On May 24, 2016, the compensation committee of our company approved a new compensation arrangement with Mr. Baer, which was memorialized in a definitive employment agreement, dated effective as of August 18, 2016 (the **2016 Baer Employment Agreement**), between our company and Mr. Baer. The arrangement provides for a four year employment term beginning January 1, 2017 and ending December 31, 2020 (the **employment period**) during which Mr. Baer will continue to serve as Chief Legal Officer of our company, Qurate Retail, GCI Liberty, Liberty Broadband, Liberty Expedia and Liberty TripAdvisor. The 2016 Baer Employment Agreement memorialized Mr. Baer's 2016 annual base salary of \$901,500 and provides for its adjustment from time to time. Mr. Baer's

annual target cash bonus of 100% of base salary under the 2012 employment agreement with our company remains unchanged under the 2016 Baer Employment Agreement. The arrangement also provided Mr. Baer with the opportunity to earn annual performance-based equity incentive awards from our company and Qurate Retail, and, for 2019, from our company, Qurate Retail, GCI Liberty, Liberty TripAdvisor and Liberty Broadband, during the employment term, as described in more detail below. In connection with the approval of his compensation arrangement, the compensation committee granted options to Mr. Baer with respect to LSXMK, BTRK and FWONK (together, the **2016 Term Options**), each as described in more detail below.

The 2016 Baer Employment Agreement governs any termination of Mr. Baer's employment that occurs on or after January 1, 2017 during the term of such agreement. The 2016 Baer Employment Agreement provides that, in the event Mr. Baer is terminated for cause (as defined in the 2016 Baer Employment Agreement), he will be entitled to his accrued but unpaid base salary through the date of termination, any unpaid expenses and other amounts required to be paid by law. In addition, all unexercised 2016 Term Options, whether vested or unvested, will be forfeited.

If, however, Mr. Baer terminates his employment for good reason (as defined in the 2016 Baer Employment Agreement) or if his employment is terminated without cause (as defined in the 2016 Baer Employment Agreement), then he is entitled to receive his (i) accrued but unpaid base salary, (ii) any unpaid expenses and other amounts required to be paid by law, (iii) a lump sum payment of any declared but unpaid bonus from the prior year and (iv) if such termination occurs (x) between January 1, 2017 and March 31, 2018, a lump sum cash payment of \$5.3 million, (y) between April 1, 2018 and March 31, 2019, a lump sum cash payment of \$3.5 million or (z) between April 1, 2019 and the close of business on December 31, 2020, a lump sum cash payment of \$1.9 million. In addition, if his employment is terminated by us without cause or by Mr. Baer for good reason (a **protected termination**), (a) between January 1, 2017 and December 31, 2019, he will vest in 75% of the original number of 2016 Term Options (less any options that have previously vested) or (b) during 2020, the unvested portion of his 2016 Term Options will vest in full, in each case on the date of his termination, and such options will remain exercisable for the period specified in the applicable award agreement. The award agreements for Mr. Baer's annual grants of Performance RSUs (as defined below) will provide that if a protected termination occurs during the employment period, any Performance RSUs that are outstanding and unvested on the termination date will remain outstanding until the date that our compensation committee determines whether the performance criteria applicable to such Performance RSUs were met and will vest to the extent determined by the committee on the date of such determination.

If Mr. Baer terminates his employment without good reason (as defined in the 2016 Baer Employment Agreement), he is entitled to receive any accrued but unpaid base salary, any declared but unpaid bonus from the prior year and any unpaid expenses and other amounts required to be paid by law. In addition, Mr. Baer will forfeit any 2016 Term Options and Performance RSUs that are unvested on the date of such termination. Any vested 2016 Term Options will remain exercisable for 90 days after Mr. Baer's termination without good reason, or, if such termination occurs after December 31, 2020, for the remainder of the term of such options.

In the case of Mr. Baer's death or disability (as defined in the 2016 Baer Employment Agreement), such employment agreement provides for the right for his estate or him, as applicable, to receive any accrued but unpaid base salary, any unpaid expenses and other amounts required to be paid by law, any declared but unpaid bonus from the prior year and a lump sum cash payment of \$1.9 million. In addition, the 2016 Term Options will vest in full and remain exercisable for a one year period following his death or disability or, if such termination occurs after December 31, 2020, for the remainder of the term of such options. Any outstanding but unvested Performance RSUs will vest immediately in the event of Mr. Baer's death or disability to the extent not already vested as of the date of his termination due to death or disability.

As a condition to Mr. Baer's receipt of any severance payments as a result of his termination, as well as any acceleration of vesting or extension of exercise periods described in the grant agreements for the equity grants, Mr. Baer must execute a severance agreement and release in favor of Liberty Media in accordance with the procedures set forth in the 2016 Baer Employment Agreement.

Although not a party to the 2016 Baer Employment Agreement, Qurate Retail is obligated to reimburse us for its allocable portion of the above payments (other than payments relating to performance bonuses and payments relating to equity awards which are directly settled with the applicable issuer) pursuant to the Qurate Retail Services Agreement.

2016 Term Options

On May 24, 2016, in connection with the approval of his compensation arrangement, the compensation committee approved a one-time grant to Mr. Baer of (i) 346,466 options to purchase shares of LSXMK with an exercise price equal to \$31.66 per share, (ii) 32,048 options to purchase shares of BTRK with an exercise price equal to \$15.11 per share, and (iii) 83,942 options to purchase shares of FWONK with an exercise price equal to \$19.11 per share. The exercise prices are equal to the closing price of LSXMK, BTRK and FWONK on June 1, 2016, the grant date for these options. One-half of the 2016 Term Options will vest on December 31, 2019 with the remaining 2016 Term Options vesting on December 31, 2020, in each case, subject to Mr. Baer being employed on the applicable vesting date, and subject to any accelerated vesting upon a termination event. The 2016 Term Options expire on December 31, 2023.

Annual Performance-Based Awards

Beginning in 2017, Mr. Baer is eligible to receive annual grants of performance-based RSUs with respect to LSXMK, BTRK and FWONK (the **Performance RSUs**). The combined annual target value of the Performance RSUs and the performance-based RSUs issued by Qurate Retail has been \$1.875 million. The compensation committee will establish performance metrics with respect to each grant of Performance RSUs that will determine, in the compensation committee's sole discretion, the extent to which such grant will vest.

Equity Incentive Plans

The 2017 incentive plan is administered by the compensation committee of our board of directors. The compensation committee has full power and authority to grant eligible persons the awards described below and to determine the terms and conditions under which any awards are made. The 2017 incentive plan is designed to provide additional remuneration to certain employees and independent contractors for exceptional service and to encourage their investment in our company. Our compensation committee may grant non-qualified stock options, SARs, restricted shares, RSUs, cash awards, performance awards or any combination of the foregoing under the 2017 incentive plan (collectively, **incentive plan awards**).

The maximum number of shares of our common stock with respect to which incentive plan awards may be issued under the 2017 incentive plan is 50,000,000, subject to anti-dilution and other adjustment provisions of the 2017 incentive plan. With limited exceptions, under the 2017 incentive plan, no person may be granted in any calendar year incentive plan awards covering more than 8,000,000 shares of our common stock (subject to anti-dilution and other adjustment provisions of the 2017 incentive plan) nor may any person receive under the 2017 incentive plan payment for cash incentive plan awards during any calendar year in excess of \$10 million. However, no nonemployee director may be granted during any calendar year incentive plan awards having a value (as determined on the grant date of such award) in excess of \$2 million. Shares of our common stock issuable pursuant to incentive plan awards made under the 2017 incentive plan are made available from either authorized but unissued shares or shares that have been issued but reacquired by our company. The 2017 incentive plan has a five year term.

In 2013, our company's board of directors adopted the Liberty Media Corporation Transitional Stock Adjustment Plan (the **TSAP**, and together with the 2013 incentive plan, the **existing incentive plans**). The TSAP governs the terms and conditions of equity incentive awards with respect to our common stock issued in connection with adjustments made to equity incentive awards relating to our predecessor's common stock that were granted prior to 2013. No further grants are permitted under the TSAP.

2006 Deferred Compensation Plan

Our company maintains the Liberty Media Corporation 2006 Deferred Compensation Plan (as amended and restated, the **2006 deferred compensation plan**), under which officers at the level of Assistant Vice President and above are eligible to elect to defer up to 50% of such officer's annual base salary and 100% of cash performance bonuses. These deferral elections must be made in advance of certain deadlines and may include (1) the selection of a payment date, which generally may not be later than 30 years from the end of the year in which the applicable compensation is initially deferred, and (2) the form of distribution, such as a lump-sum payment or substantially equal annual installments over two to five years for elections made prior to January 1, 2016 or two to ten years for elections made on or after January 1, 2016.

In addition to the accelerated distribution events described under “—Potential Payments Upon Termination or Change in Control” below, at the eligible officer’s request, if the compensation committee determines that such officer has suffered a financial hardship, it may authorize immediate distribution of amounts deferred under the 2006 deferred compensation plan.

Compensation deferred under the 2006 deferred compensation plan that otherwise would have been received prior to 2015 would earn interest income at the rate of 9% per annum, compounded quarterly, for the period of the deferral. Compensation deferred under the 2006 deferred compensation plan that otherwise would have been received on or after January 1, 2015 will earn interest income at a rate that is intended to approximate our company’s general cost of 10-year debt. For amounts deferred on or after January 1, 2015, the compensation committee may not change the applicable interest rate in effect after a change of control has occurred. For 2018 the rate was 6.25%.

Our board of directors reserves the right to terminate the 2006 deferred compensation plan at any time. An optional termination by our board of directors will not result in any distribution acceleration.

Pay Ratio Information

We are providing the following information about the relationship of the median annual total compensation of our employees and the total compensation of Mr. Maffei, our chief executive officer on December 31, 2018, pursuant to the SEC’s pay ratio disclosure rules set forth in Item 402(u) of Regulation S-K. We believe our pay ratio is a reasonable estimate calculated in a manner consistent with the SEC’s pay ratio disclosure rules. However, because these rules provide flexibility in determining the methodology, assumptions and estimates used to determine pay ratios and the fact that workforce composition issues differ significantly between companies, our pay ratio may not be comparable to the pay ratios reported by other companies.

To identify our median employee, we first determined our employee population as of December 31, 2018, which consisted of employees located in the U.S., the Dominican Republic, Venezuela and the United Kingdom, representing all full-time, part-time, seasonal and temporary employees employed by our company and our consolidated subsidiaries, Sirius XM, Formula 1 and Braves Holdings, on that date. Using information from our payroll records and Form W-2s (or its equivalent for non-U.S. employees), we then measured each employee’s gross wages for calendar year 2018, consisting of base salary, commissions, actual bonus payments, long-term incentive cash payments, if any, realized equity award value and taxable fringe benefits. We did not annualize the compensation of employees who were new hires or took a leave of absence in 2018. Also, we did not annualize the compensation of our temporary or seasonal employees. In addition, we did not make any cost-of-living adjustments to the gross wages information.

We determined that the median employee’s total compensation for calendar year 2018, including any perquisites and other benefits, in the same manner that we determined the total compensation of our named executive officers for purposes of the Summary Compensation Table above. The ratio of our chief executive officer’s total annual compensation to that of the median employee was as follows:

Chief Executive Officer Total Annual Compensation	\$20,153,546
Median Employee Total Annual Compensation	\$ 72,089
Ratio of Chief Executive Officer to Median Employee Total Annual Compensation	280:1

GRANTS OF PLAN-BASED AWARDS

The following table contains information regarding plan-based incentive awards granted during the year ended December 31, 2018 to the named executive officers (other than Mr. Malone, who did not receive any grants).

Name	Grant Date	Committee Action Date	Estimated Future Payouts under Non-Equity Incentive Plan Awards			Estimated Future Payouts under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)
			Threshold (\$) ⁽¹⁾	Target (\$) ⁽¹⁾	Maximum (\$) ⁽²⁾	Threshold (#) ⁽³⁾	Target (#) ⁽³⁾	Maximum (#) ⁽⁴⁾				
Gregory B. Maffei												
	3/14/2018 ⁽⁵⁾		—	—	8,758,485	—	—	—	—	—	—	—
LSXMK	3/5/2018		—	—	—	—	—	—	—	632,752 ⁽⁶⁾	42.50	7,313,816
BATRK	3/5/2018		—	—	—	—	—	—	—	46,052 ⁽⁶⁾	23.34	296,457
BATRK	3/5/2018 ⁽⁷⁾		—	—	—	—	12,279	—	—	—	—	286,592
FWONK	3/5/2018		—	—	—	—	—	—	—	138,655 ⁽⁶⁾	31.99	1,219,745
FWONK	3/5/2018 ⁽⁷⁾		—	—	—	—	85,590	—	—	—	—	2,738,024
Richard N. Baer												
	3/14/2018 ⁽⁵⁾		—	—	1,435,019	—	—	—	—	—	—	—
LSXMK	3/5/2018 ⁽⁷⁾		—	—	—	—	16,391	—	—	—	—	696,618
BATRK	3/5/2018 ⁽⁷⁾		—	—	—	—	2,424	—	—	—	—	56,576
FWONK	3/5/2018 ⁽⁷⁾		—	—	—	—	12,066	—	—	—	—	385,991
Mark D. Carleton												
	3/14/2018 ⁽⁵⁾		—	—	1,393,631	—	—	—	—	—	—	—
LSXMK	3/5/2018 ⁽⁷⁾		—	—	—	—	12,239	—	—	—	—	520,158
BATRK	3/5/2018 ⁽⁷⁾		—	—	—	—	1,810	—	—	—	—	42,245
FWONK	3/5/2018 ⁽⁷⁾		—	—	—	—	9,010	—	—	—	—	288,230
Albert E. Rosenthaler												
	3/14/2018 ⁽⁵⁾		—	—	1,393,631	—	—	—	—	—	—	—
LSXMK	3/5/2018 ⁽⁷⁾		—	—	—	—	12,239	—	—	—	—	520,158
BATRK	3/5/2018 ⁽⁷⁾		—	—	—	—	1,810	—	—	—	—	42,245
FWONK	3/5/2018 ⁽⁷⁾		—	—	—	—	9,010	—	—	—	—	288,230

- (1) Our 2018 performance-based bonus program does not provide for a threshold bonus amount. The program also does not provide for a target payout amount for any named executive officer that would be payable upon satisfaction of the performance criteria under the 2018 performance-based bonus program. For the actual bonuses paid by our company see the amounts included for 2018 in the column entitled Non-Equity Incentive Plan Compensation in the "Summary Compensation Table" above.
- (2) Represents the maximum amount that would have been payable to each named executive officer assuming the Bonus Threshold was met in order to permit the maximum bonus amounts to have been payable. For more information on this performance bonus program, see "—Compensation Discussion and Analysis—Elements of 2018 Executive Compensation—2018 Performance-based Bonuses."
- (3) The terms of the 2018 Maffei RSUs and the 2018 Chief RSUs do not provide for a threshold amount that would be payable upon satisfaction of the performance criteria established by the compensation committee. The amounts in the Target column represent the target amount that would have been payable to the named executive officer assuming (x) maximum achievement of the Maffei RSU Threshold and the Chief Threshold was attained and (y) our compensation committee determined not to reduce such payout after considering a combination of the criteria established by our compensation committee in March 2018. For the actual 2018 Annual Options, 2018 Maffei RSUs and 2018 Chief RSUs that vested see "—Compensation Discussion and Analysis—Elements of 2018 Executive Compensation—Equity Incentive Compensation—Maffei Performance-based Equity Awards" and "—Compensation Discussion and Analysis—Elements of 2018 Executive Compensation—Equity Incentive Compensation—Annual Performance Awards" above.

- (4) Our compensation committee also set a maximum grant value payout with respect to (i) the 2018 Maffei RSUs - equal to 1.5 times the target number of 2018 Maffei RSUs or \$9.234 million of grant value and (ii) the 2018 Chief RSUs - equal to \$1.875 million for Mr. Baer and \$1.4 million for each of Messrs. Carleton and Rosenthaler of grant value of the 2018 Chief RSUs. Any payout of an equity award by our company above the target equity award would be in our compensation committee's sole discretion, would be issued in the first quarter of 2019, and would vest immediately after grant. For more information on the target equity award, see "—Compensation Discussion and Analysis—Elements of 2018 Executive Compensation—Equity Incentive Compensation—Maffei Performance-based Equity Awards" and "—Compensation Discussion and Analysis—Elements of 2018 Executive Compensation—Equity Incentive Compensation—Annual Performance Awards" above.
- (5) Reflects the date on which our compensation committee established the terms of the 2018 performance-based bonus program, as described under "—Compensation Discussion and Analysis—Elements of 2018 Executive Compensation—2018 Performance-based Bonuses."
- (6) Vested in full on December 31, 2018.
- (7) Reflects the date on which our compensation committee established the terms of the 2018 Maffei RSUs and the 2018 Chief RSUs as described under "—Compensation Discussion and Analysis—Elements of 2018 Executive Compensation—Equity Incentive Compensation— Maffei Performance-based Equity Awards" and "—Compensation Discussion and Analysis—Elements of 2018 Executive Compensation—Equity Incentive Compensation—Annual Performance Awards" above.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table contains information regarding unexercised options and unvested RSUs which were outstanding as of December 31, 2018 and held by the named executive officers (with the exception of John C. Malone, who had no outstanding equity awards as of December 31, 2018).

Name	Option awards					Stock awards				
	Number of securities underlying unexercised options (#) Exercisable	Number of securities underlying unexercised options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option exercise price (\$)	Option expiration date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)	
Gregory B. Maffei										
<i>Option Awards</i>										
LSXMA	1,165,787	—	—	19.75	12/17/2019	—	—	—	—	
LSXMK	2,374,526	—	—	19.38	12/17/2019	—	—	—	—	
LSXMK	1,668,596	1,668,597 ⁽¹⁾	—	28.01	12/24/2021	—	—	—	—	
LSXMK	348,109	—	—	31.44	03/31/2022	—	—	—	—	
LSXMK	62,339	—	—	30.26	03/15/2023	—	—	—	—	
LSXMK	724,228	—	—	31.07	03/29/2023	—	—	—	—	
LSXMK	22,465	—	—	36.78	05/11/2024	—	—	—	—	
LSXMK	897,694	—	—	36.78	05/11/2024	—	—	—	—	
LSXMK	632,752	—	—	42.50	03/05/2025	—	—	—	—	
BATRA	116,599	—	—	11.42	12/17/2019	—	—	—	—	
BATRK	237,549	—	—	11.19	12/17/2019	—	—	—	—	
BATRK	166,955	166,955 ⁽¹⁾	—	16.17	12/24/2021	—	—	—	—	
BATRK	33,491	—	—	18.15	03/31/2022	—	—	—	—	
BATRK	6,255	—	—	17.47	03/15/2023	—	—	—	—	
BATRK	74,322	—	—	17.94	03/29/2023	—	—	—	—	
BATRK	15,283	—	—	23.51	03/30/2024	—	—	—	—	
BATRK	133,594	—	—	23.51	03/30/2024	—	—	—	—	
BATRK	46,052	—	—	23.34	03/05/2025	—	—	—	—	
FWONA	291,362	—	—	11.68	12/17/2019	—	—	—	—	
FWONK	593,545	—	—	11.18	12/17/2019	—	—	—	—	
FWONK	417,158	417,158 ⁽¹⁾	—	16.16	12/24/2021	—	—	—	—	
FWONK	83,682	—	—	18.14	03/31/2022	—	—	—	—	
FWONK	15,631	—	—	17.46	03/15/2023	—	—	—	—	
FWONK	185,703	—	—	17.93	03/29/2023	—	—	—	—	
FWONK	171,299	—	—	33.92	03/30/2024	—	—	—	—	
FWONK	138,655	—	—	31.99	03/05/2025	—	—	—	—	
<i>RSU Awards</i>										
BATRK	—	—	—	—	—	—	—	12,279 ⁽²⁾	305,624	
FWONK	—	—	—	—	—	—	—	85,590 ⁽²⁾	2,627,613	
Richard N. Baer										
<i>Option Awards</i>										
LSXMK	—	346,466 ⁽³⁾	—	31.66	12/31/2023	—	—	—	—	
BATRK	—	32,048 ⁽³⁾	—	15.11	12/31/2023	—	—	—	—	
FWONK	—	83,942 ⁽³⁾	—	19.11	12/31/2023	—	—	—	—	
<i>RSU Awards</i>										
LSXMK	—	—	—	—	—	—	—	16,391 ⁽²⁾	606,139	
BATRK	—	—	—	—	—	—	—	2,424 ⁽²⁾	60,333	
FWONK	—	—	—	—	—	—	—	12,066 ⁽²⁾	370,426	

Name	Option awards					Stock awards				
	Number of securities underlying unexercised options (#) Exercisable	Number of securities underlying unexercised options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option exercise price (\$)	Option expiration date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)	
Mark D. Carleton										
<i>Option Awards</i>										
LSXMK	39,000	—	—	19.38	03/19/2020	—	—	—	—	
LSXMK	118,858	—	—	32.63	03/04/2022	—	—	—	—	
LSXMK	—	193,774 ⁽³⁾	—	32.63	03/04/2023	—	—	—	—	
BATRA	7,327	—	—	11.42	03/19/2020	—	—	—	—	
BATRK	14,927	—	—	11.19	03/19/2020	—	—	—	—	
BATRK	11,816	—	—	18.84	03/04/2022	—	—	—	—	
BATRK	—	19,264 ⁽³⁾	—	18.84	03/04/2023	—	—	—	—	
FWONA	18,309	—	—	11.68	03/19/2020	—	—	—	—	
FWONK	19,524	—	—	18.83	03/04/2022	—	—	—	—	
FWONK	—	48,134 ⁽³⁾	—	18.83	03/04/2023	—	—	—	—	
<i>RSU Awards</i>										
LSXMK	—	—	—	—	—	—	—	12,239 ⁽²⁾	452,598	
BATRK	—	—	—	—	—	—	—	1,810 ⁽²⁾	45,051	
FWONK	—	—	—	—	—	—	—	9,010 ⁽²⁾	276,607	
Albert E. Rosenthaler										
<i>Option Awards</i>										
LSXMK	118,858	—	—	32.63	03/04/2022	—	—	—	—	
LSXMK	—	193,774 ⁽³⁾	—	32.63	03/04/2023	—	—	—	—	
LSXMK	39,384	—	—	39.21	03/20/2024	—	—	—	—	
BATRA	3,328	—	—	11.42	03/19/2020	—	—	—	—	
BATRK	6,780	—	—	11.19	03/19/2020	—	—	—	—	
BATRK	11,816	—	—	18.84	03/04/2022	—	—	—	—	
BATRK	—	19,264 ⁽³⁾	—	18.84	03/04/2023	—	—	—	—	
BATRK	5,031	—	—	22.96	03/20/2024	—	—	—	—	
FWONK	—	48,134 ⁽³⁾	—	18.83	03/04/2023	—	—	—	—	
FWONK	19,331	—	—	33.85	03/20/2024	—	—	—	—	
<i>RSU Awards</i>										
LSXMK	—	—	—	—	—	—	—	12,239 ⁽²⁾	452,598	
BATRK	—	—	—	—	—	—	—	1,810 ⁽²⁾	45,051	
FWONK	—	—	—	—	—	—	—	9,010 ⁽²⁾	276,607	

(1) Vests on December 24, 2019.

(2) Represents the target number of 2018 Maffei RSUs that Mr. Maffei could earn and the target number of 2018 Chief RSUs that each of Messrs. Baer, Carleton and Rosenthaler could earn based on our performance in 2018.

(3) Vests 50% on December 31, 2019 and 50% on December 31, 2020.

OPTION EXERCISES AND STOCK VESTED

The following table sets forth information concerning the exercise of vested options and the vesting of RSUs held by our named executive officers (with the exception of Mr. Malone, who had no exercises of vested options or vesting of RSUs), in each case, during the year ended December 31, 2018.

Name	Option Awards		Stock Awards	
	Number of shares acquired on exercise (#) ⁽¹⁾	Value realized on exercise (\$)	Number of shares acquired on vesting (#) ⁽¹⁾	Value realized on vesting (\$)
Gregory B. Maffei				
LSXMA	—	—	—	—
LSXMK	—	—	—	—
BATRA	—	—	—	—
BATRK	—	—	—	—
FWONA	—	—	—	—
FWONK	—	—	29,438	967,333
Richard N. Baer				
LSXMA	—	—	—	—
LSXMK	—	—	19,285	830,412
BATRA	—	—	—	—
BATRK	—	—	2,492	59,285
FWONA	—	—	—	—
FWONK	—	—	11,039	362,742
Mark D. Carleton				
LSXMA	—	—	—	—
LSXMK	60,218	1,601,197	14,400	620,064
BATRA	—	—	—	—
BATRK	—	—	1,861	44,273
FWONA	—	—	—	—
FWONK	—	—	8,243	270,865
Albert E. Rosenthaler				
LSXMA	—	—	—	—
LSXMK	—	—	14,400	620,064
BATRA	—	—	—	—
BATRK	—	—	1,861	44,273
FWONA	8,316	193,921	—	—
FWONK	46,465	974,825	8,243	270,865

(1) Includes shares withheld in payment of withholding taxes at election of holder.

NONQUALIFIED DEFERRED COMPENSATION PLANS

The following table sets forth information regarding the nonqualified deferred compensation plans in which our named executive officers participated during the year ended December 31, 2018. Messrs. Maffei and Carleton participated in the 2006 deferred compensation plan. See “—Executive Compensation Arrangements—2006 Deferred Compensation Plan” for more information. Mr. Malone’s deferred compensation arrangements are described under “—Executive Compensation Arrangements—John C. Malone.” During 2018, Messrs. Baer and Rosenthaler did not participate in any deferred compensation arrangements.

Name	Executive contributions in 2018 (\$)	Registrant contributions in 2018 (\$)	Aggregate earnings in 2018 (\$) ⁽¹⁾	Aggregate withdrawals/distributions (\$)	Aggregate balance at 12/31/18 (\$) ⁽¹⁾⁽²⁾
John C. Malone	—	—	2,259,620	(3,082,818)	17,589,370
Gregory B. Maffei	—	—	601,783	—	7,066,788
Richard N. Baer	—	—	—	—	—
Mark D. Carleton	1,501,445	—	564,343	—	9,196,482
Albert E. Rosenthaler	—	—	—	—	—

- (1) Of these amounts, the following were reported in the “Summary Compensation Table” as above-market earnings that were credited to the named executive officer’s deferred compensation account during 2018:

Name	Amount (\$)
John C. Malone	215,628
Gregory B. Maffei	397,703
Richard N. Baer	—
Mark D. Carleton	331,289
Albert E. Rosenthaler	—

- (2) In our prior year proxy statements, we reported the following above-market earnings that were credited as interest to the applicable officer’s deferred compensation accounts during the years reported:

Name	Amount (\$)		
	2017	2016	2015
John C. Malone	224,672	232,747	239,961
Gregory B. Maffei	401,887	335,068	99,232
Richard N. Baer	—	—	—
Mark D. Carleton	304,384	199,301	n/a
Albert E. Rosenthaler	—	—	—

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE-IN-CONTROL

The following table sets forth the potential payments to our named executive officers if their employment with Liberty Media had terminated or a change in control had occurred, in each case, as of December 31, 2018, which was the last business day of our last completed fiscal year. In the event of such a termination or change in control, the actual amounts may be different due to various factors. In addition, we may enter into new arrangements or modify these arrangements from time to time.

The amounts provided in the tables are based on the closing market prices on December 31, 2018 for our LSXMA common stock, which was \$36.80, our LSXMK common stock, which was \$36.98, our BATRA common stock, which was \$24.94, our BTRK common stock, which was \$24.89, our FWONA common stock, which was \$29.72, and our FWONK common stock, which was \$30.70. The value of the options shown in the table is based on the spread between the exercise price of the award and the applicable closing market price. Because the exercise prices of certain stock options held by Messrs. Maffei and Rosenthaler were more than the applicable closing market price of LSXMK and FWONK shares on December 31, 2018, these options have been excluded from the table below. The value of the RSUs shown in the table is based on the applicable closing market price and the number of RSUs unvested.

Each of our named executive officers (other than Mr. Malone) has received awards and payments under the existing incentive plans, and each of our named executive officers is eligible to participate in our deferred compensation plan. Additionally, each of Messrs. Malone, Maffei and Baer is entitled to certain payments and acceleration rights upon termination under his respective employment agreement. See “—Executive Compensation Arrangements” above and “—Termination Without Cause or for Good Reason” below.

No immediate distributions under the 2006 deferred compensation plan are permitted as a result of a termination for cause or a termination without cause or for good reason (other than pursuant to the compensation committee’s right to distribute certain de minimus amounts from an officer’s deferred compensation account). In addition, we do not have an acceleration right to pay out account balances to the named executive officers upon a voluntary termination or a termination due to death or disability. However, the named executive officer may file an election at the time of the deferral to receive distributions under the 2006 deferred compensation plan upon his separation from service, including any of the types of termination above. For purposes of the tabular presentation below, we have assumed that the named executive officer has elected to receive payout of all deferred compensation upon his separation from service, including interest. The 2006 deferred compensation plan also provides our compensation committee with the option of terminating the plan 30 days preceding or within 12 months after a change of control and distributing the account balances (which option is assumed to have been exercised for purposes of the tabular presentation below).

The circumstances giving rise to these potential payments and a brief summary of the provisions governing their payout are described below and in the footnotes to the table (other than those described under “—Executive Compensation Arrangements,” which are incorporated by reference herein):

Voluntary Termination

Each of the named executive officers (other than Mr. Malone) holds equity awards that were issued under our existing incentive plans. Under these plans and the related award agreements, in the event of a voluntary termination of his employment with our company for any reason, each named executive officer (other than Mr. Malone) would only have a right to the equity grants that vested prior to his termination date, except that in 2018 Mr. Maffei had certain acceleration rights with respect to one or more of his equity awards upon a voluntary termination. Also, if Mr. Maffei voluntarily terminated his employment as of December 31, 2018, his 2018 Annual RSUs would remain outstanding until any performance criteria had been determined to have been met or not and would vest to the extent determined by the compensation committee. Mr. Baer would have forfeited his 2016 Term Options and his 2018 Chief RSUs if he had voluntarily terminated his employment as of December 31, 2018. See “—Executive Compensation Arrangements—Gregory B. Maffei” and “—Executive Compensation Arrangements—Richard N. Baer” above. Mr. Carleton and Mr. Rosenthaler are not entitled to any severance payments or other benefits upon a voluntary termination of his employment. The foregoing discussion assumes that the named executive officers voluntarily terminated his respective employment without good reason. See “—Termination Without Cause or for Good Reason” below for a discussion of potential payments and benefits upon a named executive officer’s voluntary termination of his employment for good reason.

Termination for Cause

All outstanding equity grants constituting options, whether unvested or vested but not yet exercised, and all equity grants constituting unvested RSUs under the existing incentive plans would be forfeited by any named executive officer (other than Mr. Maffei in the case of equity grants constituting vested options or similar rights) who is terminated for “cause.” However, if Mr. Maffei’s employment was terminated for cause as of December 31, 2018, his 2018 Annual RSUs would remain outstanding until any performance criteria had been determined to have been met or not and would vest to the extent determined by the compensation committee. The existing incentive plans, which govern the awards unless there is a different definition in the applicable award agreement, define “cause” as 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* that, if such termination is within 12 months after a change in control (as described below), “cause” means a felony conviction for fraud, misappropriation or embezzlement. Mr. Maffei has certain continuing rights to exercise vested options or similar rights following a termination for cause under his employment agreement, and the employment agreement of Mr. Maffei has a definition of cause that is different from the definition under the incentive plans. See “—Executive Compensation Arrangements” above.

Termination Without Cause or for Good Reason

Mr. Malone does not have any outstanding equity awards. As of December 31, 2018, Mr. Maffei's unvested equity awards consisted of the Term Options and the 2018 Annual RSUs. The Term Options are subject to partial acceleration upon a termination of his employment without cause or for good reason. If Mr. Maffei's employment was terminated without cause or he terminated it for good reason as of December 31, 2018, his 2018 Annual RSUs would remain outstanding until any performance criteria had been determined to have been met or not and become vested to the extent determined by the compensation committee. Each of Mr. Malone and Mr. Maffei is entitled to severance payments and/or other benefits upon a termination of his employment without cause or for good reason. See "—Executive Compensation Arrangements—John C. Malone" and "—Executive Compensation Arrangements—Gregory B. Maffei" above.

As of December 31, 2018, Mr. Baer's unvested equity awards consisted of his 2016 Term Options and his 2018 Chief RSUs. Mr. Baer would have vested in 75% of the original number of his 2016 Term Options (less any options that have previously vested) if his employment had been terminated without cause or for good reason as of December 31, 2018, and his 2018 Chief RSUs would have stayed outstanding until the date the compensation committee acted to determine the extent to which the performance criteria were met and the number of Mr. Baer's 2018 Chief RSUs that would have been earned and vested had he remained employed through December 31, 2018. Mr. Baer is also entitled under certain circumstances to severance payments and other benefits upon a termination of his employment without cause or for good reason. To receive these benefits, Mr. Baer must execute a severance agreement and release in favor of our company in accordance with the procedure set forth in the Baer Employment Agreement. See "—Executive Compensation Arrangements—Richard N. Baer."

As of December 31, 2018, Mr. Carleton's and Mr. Rosenthaler's only unvested equity awards were the multi-year stock option awards granted to them on March 4, 2015 and the 2018 Chief RSUs granted to them on March 5, 2018. The multi-year stock option awards granted to them on March 4, 2015 provide for vesting upon a termination of employment without cause of those options that would have vested during the 12-month period following the termination date if such person had remained an employee, plus a pro rata portion of the remaining unvested options based on the portion of the vesting period elapsed through the termination date. The 2018 Chief RSUs held by these officers would have remained outstanding until any performance criteria had been determined to have been met or not and become vested to the extent determined by the compensation committee. None of these officers is entitled to any severance pay or other benefits upon a termination without cause.

Death

In the event of death of any of the named executive officers, the existing incentive plans and applicable award agreements provide for vesting in full of any outstanding options and the lapse of restrictions on any RSU awards, except that if Mr. Maffei's employment was terminated due to death on December 31, 2018, his 2018 Annual RSUs would remain outstanding until any performance criteria had been determined to have been met or not and would vest to the extent determined by the compensation committee. Each of Mr. Malone, Mr. Maffei and Mr. Baer is also entitled to certain payments and other benefits if he dies while employed by our company. See "—Executive Compensation Arrangements" above.

No amounts are shown for payments pursuant to life insurance policies, which we make available to all our employees.

Disability

If the employment of any of the named executive officers is terminated due to disability, which is defined in the existing incentive plans or applicable award agreements, such plans or agreements provide for vesting in full of any outstanding options and the lapse of restrictions on any RSU awards, except that if Mr. Maffei's employment was terminated due to disability on December 31, 2018, his 2018 Annual RSUs would remain outstanding until any performance criteria had been determined to have been met or not and become vested to the extent determined by the compensation committee. Each of Mr. Malone, Mr. Maffei and Mr. Baer is also entitled to certain payments and other benefits upon a termination of his employment due to disability. See "Executive Compensation Arrangements" above.

No amounts are shown for payments pursuant to short-term and long-term disability policies, which we make available to all our employees.

Change in Control

In case of a change in control, the incentive plans provide for vesting in full of any outstanding options and the lapse of restrictions on any RSU awards held by the named executive officers. A change in control is generally defined as:

- The acquisition by a non-exempt person (as defined in the incentive plans) of beneficial ownership of at least 20% of the combined voting power of the then outstanding shares of our company ordinarily having the right to vote in the election of directors, other than pursuant to a transaction approved by our board of directors.
- The individuals constituting our board of directors over any two consecutive years cease to constitute at least a majority of the board, subject to certain exceptions that permit the board to approve new members by approval of at least two-thirds of the remaining directors.
- Any merger, consolidation or binding share exchange that causes the persons who were common stockholders of our company immediately prior thereto to lose their proportionate interest in the common stock or voting power of the successor or to have less than a majority of the combined voting power of the then outstanding shares ordinarily having the right to vote in the election of directors, the sale of substantially all of the assets of the company or the dissolution of the company.

In the case of a change in control described in the last bullet point, our compensation committee may determine not to accelerate the existing equity awards of the named executive officers if equivalent awards will be substituted for the existing awards, except that Mr. Maffei's Term Options may also be subject to acceleration upon a change in control, including of the type described in the last bullet point, pursuant to the terms of his employment agreement. See "—Executive Compensation Arrangements—Gregory B. Maffei" above. For purposes of the tabular presentation below, we have assumed that our named executive officers' existing unvested equity awards would vest in full in the case of a change in control described in the last bullet.

Benefits Payable Upon Termination or Change in Control

Name	Voluntary Termination Without Good Reason (\$)	Termination for Cause (\$)	Termination Without Cause or for Good Reason (\$)	Death (\$)	Disability (\$)	After a Change in Control (\$)
John C. Malone						
Lump Sum Severance ⁽¹⁾	19,500	—	19,500	—	19,500	19,500
Installment Severance Plan ⁽²⁾	19,808,835	19,808,835	19,808,835	19,808,835	19,808,835	19,808,835
1993 Deferred Compensation Arrangement ⁽³⁾	2,430,310	2,430,310	2,430,310	1,664,442	2,430,310	2,430,310
1982 Deferred Compensation Arrangement ⁽³⁾	28,654,769	28,654,769	28,654,769	15,924,928	28,654,769	28,654,769
Options	—	—	—	—	—	—
RSUs	—	—	—	—	—	—
Total	<u>50,913,414</u>	<u>50,893,914</u>	<u>50,913,414</u>	<u>37,398,205</u>	<u>50,913,414</u>	<u>50,913,414</u>
Gregory B. Maffei						
Severance	11,750,000 ⁽⁴⁾	—	30,918,283 ⁽⁵⁾	30,918,283 ⁽⁵⁾	30,918,283 ⁽⁵⁾	—
Deferred Compensation	7,066,788 ⁽⁶⁾	7,066,788 ⁽⁶⁾	7,066,788 ⁽⁶⁾	7,066,788 ⁽⁶⁾	7,066,788 ⁽⁶⁾	7,066,788 ⁽⁷⁾
Options	135,416,150 ⁽⁸⁾	117,336,565 ⁽⁸⁾	139,825,205 ⁽⁹⁾	139,825,205 ⁽¹⁰⁾	139,825,205 ⁽¹⁰⁾	139,825,205 ⁽¹⁰⁾
RSUs	2,933,237 ⁽⁸⁾	2,933,237 ⁽⁸⁾	2,933,237 ⁽⁹⁾	2,933,237 ⁽¹⁰⁾	2,933,237 ⁽¹⁰⁾	2,933,237 ⁽¹⁰⁾
Perquisites ⁽¹¹⁾	—	—	380,922	—	380,922	—
Total	<u>157,166,176</u>	<u>127,336,590</u>	<u>181,124,435</u>	<u>180,743,513</u>	<u>181,124,435</u>	<u>149,825,230</u>
Richard N. Baer						
Severance ⁽¹²⁾	—	—	3,500,000	1,900,000	1,900,000	—
Options	— ⁽⁸⁾	— ⁽⁸⁾	2,347,129 ⁽¹³⁾	3,129,516 ⁽¹⁰⁾	3,129,516 ⁽¹⁰⁾	3,129,516 ⁽¹⁰⁾
RSUs	— ⁽⁸⁾	— ⁽⁸⁾	1,036,899 ⁽¹³⁾	1,036,899 ⁽¹⁰⁾	1,036,899 ⁽¹⁰⁾	1,036,899 ⁽¹⁰⁾
Total	<u>—</u>	<u>—</u>	<u>6,884,028</u>	<u>6,066,415</u>	<u>6,066,415</u>	<u>4,166,415</u>
Mark D. Carleton						
Deferred Compensation	9,196,482 ⁽⁶⁾	9,196,482 ⁽⁶⁾	9,196,482 ⁽⁶⁾	9,196,482 ⁽⁶⁾	9,196,482 ⁽⁶⁾	9,196,482 ⁽⁷⁾
Options	2,140,524 ⁽⁸⁾	— ⁽⁸⁾	3,408,520 ⁽¹³⁾	3,671,339 ⁽¹⁰⁾	3,671,339 ⁽¹⁰⁾	3,671,339 ⁽¹⁰⁾
RSUs	— ⁽⁸⁾	— ⁽⁸⁾	774,256 ⁽¹³⁾	774,256 ⁽¹⁰⁾	774,256 ⁽¹⁰⁾	774,256 ⁽¹⁰⁾
Total	<u>11,337,006</u>	<u>9,196,482</u>	<u>13,379,259</u>	<u>13,642,077</u>	<u>13,642,077</u>	<u>13,642,077</u>
Albert E. Rosenthaler						
Options	736,109 ⁽⁸⁾	— ⁽⁸⁾	2,004,106 ⁽¹³⁾	2,266,924 ⁽¹⁰⁾	2,266,924 ⁽¹⁰⁾	2,266,924 ⁽¹⁰⁾
RSUs	— ⁽⁸⁾	— ⁽⁸⁾	774,256 ⁽¹³⁾	774,256 ⁽¹⁰⁾	774,256 ⁽¹⁰⁾	774,256 ⁽¹⁰⁾
Total	<u>736,109</u>	<u>—</u>	<u>2,778,362</u>	<u>3,041,180</u>	<u>3,041,180</u>	<u>3,041,180</u>

(1) Under Mr. Malone's employment agreement, which was assigned to our company in 2013, if his employment had been terminated, as of December 31, 2018, at our election (other than for death or cause) (whether before or after a change in control) or upon Mr. Malone's prior written notice, he would have been entitled to a lump sum severance payment of \$19,500 payable upon termination, which is equal to five years of his current annual salary of \$3,900. See "—Executive Compensation Arrangements—John C. Malone" above. Pursuant to the services agreement, 25% of such lump sum severance payment would have been allocable to Qurate Retail.

(2) As described above, Mr. Malone began receiving 240 consecutive monthly installment severance payments in February 2009 pursuant to the terms of his amended employment agreement. The number included in the table represents the aggregate amount of the payments remaining as of December 31, 2018. With respect to periods following the termination of his employment, the foregoing payments are conditioned on Mr. Malone's compliance with the confidentiality, non-competition, non-solicitation and non-interference covenants contained in his employment agreement. See "—Executive Compensation Arrangements—John C. Malone" above.

- (3) As described above, Mr. Malone began receiving 240 consecutive monthly payments of his deferred compensation plus interest, in February 2009 pursuant to the terms of his amended employment agreement, which our company assumed in 2013. The number included in the table represents the aggregate amount of these payments remaining as of December 31, 2018. With respect to periods following the termination of his employment, the foregoing payments are conditioned on Mr. Malone's compliance with the confidentiality, non-competition, non-solicitation and non-interference covenants contained in his employment agreement. If Mr. Malone's employment had been terminated, as of December 31, 2018, as a result of his death, his beneficiaries would have instead been entitled to a lump sum payment of the unamortized principal balance of the remaining deferred compensation payments, and the compliance conditions described above would be inapplicable. See "—Executive Compensation Arrangements—John C. Malone" above.
- (4) If Mr. Maffei had voluntarily terminated his employment without good reason (as defined in the Maffei Employment Agreement) as of December 31, 2018, he would have been entitled to receive in a lump sum the Pro-Rated Amount of \$11,750,000, with up to 25% of such amount payable in shares of our common stock. See "—Executive Compensation Arrangements—Gregory B. Maffei" above.
- (5) If Mr. Maffei's employment had been terminated as of December 31, 2018 by Liberty Media without cause or by Mr. Maffei for good reason (as defined in the Maffei Employment Agreement) (whether before or within a specified period following a change in control) or due to Mr. Maffei's death or disability, as of December 31, 2018, he would have been entitled to receive a payment of 1.5 times his 2018 base salary payable in 18 equal monthly installments. Mr. Maffei would also be entitled to receive in lump sums the Pro-Rated Amount of \$11,750,000 and a separate Un-Pro Rated Amount of \$17,500,000 and, in each case, up to 25% of such amounts would be payable in shares of our common stock. See "—Executive Compensation Arrangements—Gregory B. Maffei" above.
- (6) Under the 2006 deferred compensation plan, we do not and Qurate Retail does not have an acceleration right to pay out account balances to Mr. Maffei or Mr. Carleton upon a termination of employment. However, Mr. Maffei and Mr. Carleton had the right to file an election at the time of his initial deferral to receive distributions under the 2006 deferred compensation plan upon his separation from service, including under the termination scenarios in the table above. For purposes of the tabular presentation above, we have assumed that each of Mr. Maffei and Mr. Carleton has elected to receive payout upon a separation from service of all deferred compensation, including interest.
- (7) The 2006 deferred compensation plan provides our compensation committee with the option of terminating the plan 30 days preceding or within 12 months after a change of control of Liberty Media and distributing the account balances (which option is assumed to have been exercised for purposes of the tabular presentation above).
- (8) Based on the number of vested options held by each named executive officer at December 31, 2018, other than certain stock options held by Messrs. Maffei and Rosenthaler to purchase LSXMK and FWONK shares, and, with respect to Mr. Maffei upon a voluntary termination of his employment without good reason, the pro rata vesting of his unvested Term Options. Because the exercise prices of certain stock options held by Messrs. Maffei and Rosenthaler were more than the applicable closing market price of LSXMK and FWONK shares on December 31, 2018, these options have been excluded. Also, if Mr. Maffei's employment terminated without good reason or for cause as of December 31, 2018, his 2018 Annual RSUs would remain outstanding until any performance criteria had been determined to have been met or not and would vest to the extent determined by the compensation committee. If Mr. Baer's employment had been terminated without good reason or for cause as of December 31, 2018, he would have forfeited the 2016 Term Options and his 2018 Chief RSUs. Each of Messrs. Carleton and Rosenthaler would have forfeited his 2018 Chief RSUs if his employment had been terminated without good reason or for cause as of December 31, 2018. For more information, see the "Outstanding Equity Awards at Fiscal Year-End" table, "—Executive Compensation Arrangements—Gregory B. Maffei" and "—Executive Compensation Arrangements—Richard N. Baer" above.
- (9) Based on (i) the number of vested options held by Mr. Maffei at December 31, 2018, other than certain stock options held by Mr. Maffei to purchase LSXMK and FWONK shares, and (ii) the number of unvested Term Options held by Mr. Maffei at December 31, 2018 that would vest pursuant to the forward-vesting provisions in the award agreement if he were terminated without cause or for good reason as of December 31, 2018. Because the exercise prices of certain stock options held by Mr. Maffei were more than the applicable closing market price of LSXMK and FWONK shares on December 31, 2018, these options have been excluded. Also, if Mr. Maffei's employment terminated without cause or for good reason as of December 31, 2018, his 2018 Annual RSUs would remain outstanding until any performance criteria had been determined to have been met or not and would vest to the extent determined by the compensation committee. See "—Executive Compensation Arrangements—Gregory B. Maffei" above and the "Outstanding Equity Awards at Fiscal Year-End" table above.
- (10) Based on (i) the number of vested options held by each named executive officer at December 31, 2018, other than certain stock options held by Messrs. Maffei and Rosenthaler to purchase LSXMK and FWONK shares, (ii) the number of unvested options held by each named executive officer at December 31, 2018, and (iii) the number of unvested 2018 Annual RSUs held by Mr. Maffei and the number of unvested 2018 Chief RSUs held by Messrs. Baer, Carleton and Rosenthaler at December 31, 2018. Because the exercise prices of certain stock options held by Messrs. Maffei and Rosenthaler were more than the applicable closing market price of LSXMK and FWONK shares on December 31, 2018, these options have been excluded. Also, if Mr. Maffei's employment terminated due to death or disability as of December 31, 2018, his 2018 Annual RSUs would remain outstanding until any performance criteria had been determined to have been met or not and would vest to the extent determined by the compensation committee. Upon a change in control, we have assumed for purposes of the tabular presentation above that Mr. Maffei's 2018 Annual RSUs and the other named executive officers' Chief RSUs would vest in full. For more information, see the "Outstanding Equity Awards at Fiscal Year-End" table above.
- (11) If Mr. Maffei's employment had been terminated at our company's election for any reason (other than cause) or by Mr. Maffei for good reason (as defined in his employment agreement) or by reason of disability, as of December 31, 2018, he would have been entitled to receive personal use of the corporate aircraft for 120 hours per year over a 12-month period. Perquisite amount of \$380,922 represents the maximum potential cost of using the corporate aircraft for 120 hours based on an hourly average of the incremental cost of use of the corporate aircraft. Pursuant to the Qurate Retail Services Agreement, 14% of such perquisite expense would have been allocable to Qurate Retail.

- (12) If Mr. Baer's employment had been terminated by Liberty Media without cause or by Mr. Baer for good reason (as defined in his 2016 Employment Agreement), as of December 31, 2018, he would have been entitled to receive a \$3.5 million lump sum payment. If Mr. Baer's employment had been terminated due to his disability or death, as of December 31, 2018, he or his estate would have been entitled to receive a lump sum payment of \$1.9 million. See "—Executive Compensation Arrangements—Richard N. Baer" above. Pursuant to the Qurate Retail Services Agreement, 30% of such lump sum severance payment would have been allocable to Qurate Retail.
- (13) Based on (i) the number of vested options held by such named executive officer at December 31, 2018, other than certain stock options held by Mr. Rosenthaler to purchase LSXMK and FWONK shares, and (ii) the number of unvested options held by each named executive officer at December 31, 2018 that would vest pursuant to the forward-vesting provisions in such named executive officer's award agreements if he were terminated without cause as of December 31, 2018 and (iii) the number of 2018 Chief RSUs held by Messrs. Baer, Carleton and Rosenthaler. Because the exercise prices of certain stock options held by Mr. Rosenthaler were more than the applicable closing market price of LSXMK and FWONK shares on December 31, 2018, these options have been excluded. See "—Executive Compensation Arrangements—Richard N. Baer," the "Outstanding Equity Awards at Fiscal Year-End" table and "—Termination Without Cause or for Good Reason" above.

DIRECTOR COMPENSATION

NONEMPLOYEE DIRECTORS

Director Fees. Each of our directors who is not an employee of our company is paid an annual fee for 2019 of \$222,500 (which, in 2018, was \$218,000) (which we refer to as the **director fee**), of which \$106,000 (\$104,000 in 2018) is payable in cash and the balance is payable in RSUs or options to purchase shares of LSXMK, BTRK and FWONK. For service on our board in 2019 and 2018, each director was permitted to elect to receive \$116,500 and \$114,000, respectively, of his or her director fee in RSUs or options to purchase shares of LSXMK, BTRK and FWONK. The awards issued to our board of directors with respect to service on our board in 2019 were issued in December 2018. See “—Director RSU Grants” and “—Director Option Grants” below for information on the incentive awards granted in 2018.

Fees for service on our audit committee, compensation committee and nominating and corporate governance committee are the same for 2018 and 2019, with each member thereof receiving an additional annual fee of \$30,000, \$10,000 and \$10,000, respectively, for his or her participation on each such committee, except that the chairman of each such committee instead receives an additional annual fee of \$40,000, \$20,000 and \$20,000, respectively, for his participation on that committee. With respect to our executive committee, each member thereof who is not an employee of our company receives an additional annual fee of \$10,000 for his participation on that committee. The cash portion of the director fees and the fees for participation on committees are payable quarterly in arrears.

Charitable Contributions

If a director makes a donation to our political action committee, we will make a matching donation to a charity of his or her choice in an amount not to exceed \$10,000.

Equity Incentive Plan

Awards granted to our nonemployee directors under the 2017 incentive plan are administered by our board of directors or our compensation committee. Our board of directors has full power and authority to grant nonemployee directors the awards described below and to determine the terms and conditions under which any awards are made. The 2017 incentive plan is designed to provide our nonemployee directors with additional remuneration for services rendered, to encourage their investment in our common stock and to aid in attracting persons of exceptional ability to become nonemployee directors of our company. Our board of directors may grant non-qualified stock options, SARs, restricted shares, restricted stock units and cash awards or any combination of the foregoing under the 2017 incentive plan.

The maximum number of shares of our common stock with respect to which awards may be granted under the 2017 incentive plan is 50 million shares, subject to anti-dilution and other adjustment provisions of the 2017 incentive plan. No nonemployee director may be granted during any calendar year awards having a value (as determined on the grant date of such award) that would be in excess of \$2 million. Shares of our common stock issuable pursuant to awards made under the 2017 incentive plan will be made available from either authorized but unissued shares of our common stock or shares of our common stock that we have issued but reacquired, including shares purchased in the open market.

As described above, in 2013, our company’s board of directors adopted the TSAP, which governs the terms and conditions of awards with respect to our common stock issued in connection with adjustments made to awards relating to our predecessor’s common stock that were granted prior to 2013.

In 2018, each of our nonemployee directors was given a choice of receiving his or her annual equity grant in the form of RSUs or options.

Director RSU Grants

Pursuant to our director compensation policy described above and the 2017 incentive plan, we granted the following RSU awards in December 2018:

Name	LSXMK	BATRK	FWONK
Robert R. Bennett	1,738	274	1,158
David E. Rapley	869	137	579

These RSUs will vest on the first anniversary of the grant date, or on such earlier date that the grantee ceases to be a director because of death or disability, and, unless our board of directors determines otherwise, will be forfeited if the grantee resigns or is removed from the board before the vesting date.

Director Option Grants

Pursuant to our director compensation policy described above and the 2017 incentive plan, we granted the following stock option awards in December 2018:

Name	# of LSXMK Options	Exercise Price (\$)	# of BATRK Options	Exercise Price (\$)	# of FWONK Options	Exercise Price (\$)
Brian M. Deevy	6,039	39.28	888	25.46	3,879	30.57
M. Ian G. Gilchrist	6,039	39.28	888	25.46	3,879	30.57
Evan D. Malone	6,039	39.28	888	25.46	3,879	30.57
David E. Rapley	3,020	39.28	444	25.46	1,939	30.57
Larry E. Romrell	6,039	39.28	888	25.46	3,879	30.57
Andrea L. Wong	6,039	39.28	888	25.46	3,879	30.57

These options will become exercisable on the first anniversary of the grant date, or on such earlier date that the grantee ceases to be a director because of death or disability, and, unless our board determines otherwise, will be terminated without becoming exercisable if the grantee resigns or is removed from the board before the vesting date. Once vested, the options will remain exercisable until the seventh anniversary of the grant date or, if earlier, until the first business day following the first anniversary of the date the grantee ceases to be a director.

Stock Ownership Guidelines

In March 2016, our board of directors adopted stock ownership guidelines that require each nonemployee director to own shares of our company's stock equal to at least three times the value of their annual cash retainer fees. Nonemployee directors will have five years from the later of (i) the effective date of the guidelines and (ii) the director's initial appointment to our board to comply with these guidelines.

Director Deferred Compensation Plan

Effective beginning in the fourth quarter of 2013, directors of our company are eligible to participate in the Liberty Media Corporation Nonemployee Director Deferred Compensation Plan (the **director deferred compensation plan**), pursuant to which eligible directors of our company can elect to defer all or any portion of their annual cash fees that they would otherwise be entitled to receive. The deferral of such annual cash fees shall be effected by a reduction in the quarterly payment of such annual cash fees by the percentage specified in the director's election. Elections are required to be made in advance of certain deadlines, which generally must be on or before the close of business on December 31 of the year prior to the year to which the director's election will apply, and elections must include the form of distribution, such as a lump-sum payment or substantially equal installments over a period not to exceed ten years. Compensation deferred under the director deferred compensation plan that otherwise would have been received prior to 2015 would earn interest income at the rate of 9% per annum, compounded quarterly, for the period of the deferral. Compensation deferred under the director deferred compensation plan that otherwise would have been received on or after January 1, 2015 will earn interest income at a rate that is intended to approximate our company's general cost of 10-year debt. For 2016, 2017 and 2018, the rate was 6.25%, 6.5% and 6.25%, respectively.

DIRECTOR COMPENSATION TABLE

Name ⁽¹⁾	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) ⁽²⁾⁽³⁾	Option Awards (\$) ⁽²⁾⁽³⁾	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) ⁽⁴⁾	All Other Compensation (\$) ⁽⁵⁾	Total (\$)
Robert R. Bennett	114,000 ⁽⁴⁾	110,645	—	22,070	20,368 ⁽⁶⁾	267,083
Brian M. Deevy	144,000	—	108,166	—	20,368 ⁽⁶⁾	272,534
M. Ian G. Gilchrist	164,000	—	108,166	—	22,868 ⁽⁶⁾⁽⁷⁾	295,034
Evan D. Malone	104,000	—	108,166	—	—	212,166
David E. Rapley	134,000 ⁽⁴⁾	55,322	54,084	10,395	20,368 ⁽⁶⁾	274,169
Larry E. Romrell	144,000	—	108,166	—	20,368 ⁽⁶⁾	272,534
Andrea L. Wong	124,000 ⁽⁴⁾	—	108,166	20,923	17,645 ⁽⁶⁾⁽⁷⁾	270,734

- (1) John C. Malone and Gregory B. Maffei, each of whom is a director of our company and a named executive officer, received no compensation for serving as directors of our company during 2018.
- (2) As of December 31, 2018, our directors (other than Messrs. Malone and Maffei, whose equity awards are listed in “Outstanding Equity Awards at Fiscal Year-End” above) held the following equity awards with respect to shares of our common stock:

	Robert R. Bennett	Brian M. Deevy	M. Ian G. Gilchrist	Evan D. Malone	David E. Rapley	Larry E. Romrell	Andrea L. Wong
Options (#)							
LSXMA	—	—	854	—	—	—	—
LSXMK	—	14,188	24,907	35,302	17,651	35,302	23,302
BATRA	—	—	85	—	—	—	—
BATRK	—	1,837	3,683	4,423	2,211	4,423	3,229
FWONA	—	—	213	—	—	—	—
FWONK	—	7,133	12,932	13,580	6,789	13,580	8,548
RSUs (#)							
LSXMK	1,738	—	—	—	869	—	—
BATRK	274	—	—	—	137	—	—
FWONK	1,158	—	—	—	579	—	—

- (3) The aggregate grant date fair value of the stock options and RSU awards has been computed in accordance with FASB ASC Topic 718, but (pursuant to SEC regulations) without reduction for estimated forfeitures. For a description of the assumptions applied in these calculations, see Note 14 to our consolidated financial statements for the year ended December 31, 2018 (which are included in the 2018 Form 10-K).
- (4) Includes the following amounts earned and deferred under the director deferred compensation plan:

Name	2018 Deferred Compensation (\$)	2018 Above Market Earnings on Accrued Interest (\$)	2017 Above Market Earnings on Accrued Interest (\$)
Robert R. Bennett	111,376	22,070	20,358
David E. Rapley	131,376	10,395	7,407
Andrea L. Wong	122,220	20,923	18,250

- (5) We make available to our directors tickets to various sporting events with no aggregate incremental cost attributable to any single person.

DIRECTOR COMPENSATION

- (6) Includes the following amounts of health insurance premiums paid by our company for the benefit of the following directors:

Name	Amount (\$)
Robert R. Bennett	20,368
Brian M. Deevy	20,368
M. Ian G. Gilchrist	20,368
David E. Rapley	20,368
Larry E. Romrell	20,368
Andrea L. Wong	16,645

- (7) Includes charitable contributions made on behalf of each of Mr. Gilchrist and Ms. Wong pursuant to our political action committee matching contribution program.

Name	Amount (\$)
M. Ian G. Gilchrist	2,500
Andrea L. Wong	1,000

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information as of December 31, 2018 with respect to shares of our common stock authorized for issuance under our equity compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights	Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column (a))
<i>Equity compensation plans approved by security holders:</i>			
Liberty Media Corporation 2013 Incentive Plan (Amended and Restated as of March 31, 2015), as amended			— ⁽¹⁾
LSXMA	11,480	\$30.55	
LSXMB	—	—	
LSXMK	7,922,910	\$30.72	
BATRA	323	\$17.86	
BATRB	—	—	
BATRK	843,544	\$18.28	
FWONA	1,611	\$18.27	
FWONB	—	—	
FWONK	3,900,062	\$26.90	
Liberty Media Corporation 2013 Nonemployee Director Incentive Plan (Amended and Restated as of December 17, 2015), as amended			— ⁽¹⁾
LSXMA	—	—	
LSXMB	—	—	
LSXMK	86,207	\$31.96	
BATRA	—	—	
BATRB	—	—	
BATRK	10,262	\$18.97	
FWONA	—	—	
FWONB	—	—	
FWONK	22,811	\$23.45	
Liberty Media Corporation 2017 Omnibus Incentive Plan, as amended			43,922,779 ⁽²⁾
LSXMA	—	—	
LSXMB	—	—	
LSXMK	778,607	\$42.38	
BATRA	—	—	
BATRB	—	—	
BATRK	67,515	\$23.30	
FWONA	—	—	
FWONB	—	—	
FWONK	2,123,427	\$31.70	
Liberty Media Corporation Transitional Stock Adjustment Plan, as amended			— ⁽³⁾
LSXMA	1,390,999	\$19.75	
LSXMB	—	—	
LSXMK	2,707,508	\$19.38	
BATRA	177,104	\$11.42	
BATRB	—	—	
BATRK	354,354	\$11.19	
FWONA	358,748	\$11.68	
FWONB	—	—	
FWONK	637,467	\$11.18	

EQUITY COMPENSATION PLAN INFORMATION

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights	Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column (a))
<i>Equity compensation plans not approved by security holders: None.</i>			
Total			
LSXMA	1,402,479		
LSXMB	—		
LSXMK	11,495,232		
BATRA	177,427		
BATRB	—		
BATRK	1,275,675		
FWONA	360,359		
FWONB	—		
FWONK	6,683,767		
			43,922,779

- (1) Upon adoption of the Liberty Media Corporation 2017 Omnibus Incentive Plan, the board of directors ceased making any further grants under the prior plans, including the Liberty Media Corporation 2013 Incentive Plan and the Liberty Media Corporation 2013 Nonemployee Director Incentive Plan.
- (2) The Liberty Media Corporation 2017 Omnibus Incentive Plan permits grants of, or with respect to, shares of any series of our common stock, subject to a single aggregate limit.
- (3) The Liberty Media Corporation Transitional Stock Adjustment Plan governs the terms and conditions of awards with respect to our company's common stock that were granted in connection with adjustments made to awards relating to our predecessor's common stock that were granted prior to 2013. As a result, no further grants are permitted under this plan.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Under our Code of Business Conduct and Ethics and Corporate Governance Guidelines, if a director or executive officer has an actual or potential conflict of interest (which includes being a party to a proposed “related party transaction” (as defined by Item 404 of Regulation S-K)), the director or executive officer should promptly inform the person designated by our board to address such actual or potential conflicts. No related party transaction may be effected by our company without the approval of the audit committee of our board or another independent body of our board designated to address such actual or potential conflicts.

STOCKHOLDER PROPOSALS

This proxy statement relates to our annual meeting of stockholders for the calendar year 2019 which will take place on May 30, 2019. Based solely on the date of our 2019 annual meeting and the date of this proxy statement, (i) a stockholder proposal must be submitted in writing to our Corporate Secretary and received at our executive offices at 12300 Liberty Boulevard, Englewood, Colorado 80112, by the close of business on December 31, 2019 in order to be eligible for inclusion in our proxy materials for the annual meeting of stockholders for the calendar year 2020 (the **2020 annual meeting**), and (ii) a stockholder proposal, or any nomination by stockholders of a person or persons for election to the board of directors, must be received at our executive offices at the foregoing address not earlier than February 28, 2020 and not later than March 31, 2020 to be considered for presentation at the 2020 annual meeting. We currently anticipate that the 2020 annual meeting will be held during the second quarter of 2020. If the 2020 annual meeting takes place more than 30 days before or 30 days after May 30, 2020 (the anniversary of the 2019 annual meeting), a stockholder proposal, or any nomination by stockholders of a person or persons for election to the board of directors, will instead be required to be received at our executive offices at the foregoing address not later than the close of business on the tenth day following the first day on which notice of the date of the 2020 annual meeting is communicated to stockholders or public disclosure of the date of the 2020 annual meeting is made, whichever occurs first, in order to be considered for presentation at the 2020 annual meeting.

All stockholder proposals for inclusion in our proxy materials will be subject to the requirements of the proxy rules adopted under the Exchange Act, our charter and bylaws and Delaware law.

ADDITIONAL INFORMATION

We file periodic reports, proxy materials and other information with the SEC. You may read and copy any document that we file at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at (800) SEC-0330. You may also inspect such filings on the Internet website maintained by the SEC at www.sec.gov. Additional information can also be found on our website at www.libertymedia.com. (Information contained on any website referenced in this proxy statement is not incorporated by reference in this proxy statement.) **If you would like to receive a copy of the 2018 Form 10-K, or any of the exhibits listed therein, please call or submit a request in writing to Investor Relations, Liberty Media Corporation, 12300 Liberty Boulevard, Englewood, Colorado 80112, Tel. No. (877) 772-1518, and we will provide you with the 2018 Form 10-K without charge, or any of the exhibits listed therein upon the payment of a nominal fee (which fee will be limited to the expenses we incur in providing you with the requested exhibits).**

FINANCIAL INFORMATION

Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Liberty Media Corporation (“Liberty,” the “Company,” “we,” “us,” and “our”) has three classes of stock. Series A, Series B and Series C Liberty SiriusXM common stock trade under the symbols LSXMA/B/K, respectively; Series A, Series B and Series C Liberty Braves common stock trade or are quoted under the symbols BATRA/B/K respectively; and Series A, Series B and Series C Liberty Media common stock traded or were quoted under the symbols LMCA/B/K, respectively. Shortly following the closing of the acquisition of Formula 1 on January 23, 2017 (the “Second Closing”), the Liberty Media Group and Liberty Media common stock were renamed the Liberty Formula One Group (the “Formula One Group”) and the Liberty Formula One common stock, respectively, and the corresponding ticker symbols for the Series A, Series B and Series C Liberty Media common stock were changed to FWONA/B/K, respectively. Each series (Series A, Series B and Series C) of the Liberty SiriusXM common stock trades on the Nasdaq Global Select Market. Series A and Series C Liberty Braves common stock trade on the Nasdaq Global Select Stock Market, and Series B Liberty Braves common stock is quoted on the OTC Markets. Series A and Series C Liberty Formula One common stock continue to trade on the Nasdaq Global Select Market and the Series B Liberty Formula One common stock continues to be quoted on the OTC Markets. Although the Second Closing, and the corresponding tracking stock name and the ticker symbol change, were not completed until January 23 and January 24, 2017, respectively, historical information of the Liberty Media Group and Liberty Media common stock is referred to herein as the Formula One Group and Liberty Formula One common stock, respectively. Stock price information for securities traded on the Nasdaq Global Select Market can be found on the Nasdaq’s website at www.nasdaq.com.

The following tables set forth the range of high and low sales prices of our Series B Liberty SiriusXM common stock, Series B Liberty Braves common stock and Series B Liberty Formula One common stock for the years ended December 31, 2018 and 2017. Although our Series B Liberty SiriusXM common stock is traded on the Nasdaq Global Select Market, an established public trading market does not exist for the stock, as it is not actively traded. Additionally, there is no established public trading market for our Series B Liberty Braves common stock and our Series B Liberty Formula One common stock, which are quoted on OTC Markets. The over-the-counter market quotations for our series B Liberty Braves common stock and our Series B Liberty Formula One common stock reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

	Liberty SiriusXM Group	
	Series B (LSXMB)	
	High	Low
<i>2017</i>		
First quarter	\$ 41.20	33.82
Second quarter	\$ 43.30	37.72
Third quarter	\$ 46.18	41.53
Fourth quarter	\$ 46.51	39.69
<i>2018</i>		
First quarter	\$ 47.61	38.62
Second quarter	\$ 47.80	40.78
Third quarter	\$ 49.94	45.61
Fourth quarter	\$ 43.24	35.46

	Braves Group	
	Series B (BATRB)	
	High	Low
<i>2017</i>		
First quarter	\$ 21.00	21.00
Second quarter	\$ 25.80	23.92
Third quarter	\$ 27.64	25.10
Fourth quarter	\$ 27.54	22.40

<i>2018</i>		
First quarter	\$ 24.50	24.50
Second quarter	\$ 26.00	22.95
Third quarter	\$ 27.00	25.75
Fourth quarter	\$ 27.00	24.09

	Formula One Group	
	Series B (FWONB)	
	High	Low
<i>2017</i>		
First quarter	\$ 32.81	28.25
Second quarter	\$ 35.26	30.60
Third quarter	\$ 37.68	30.00
Fourth quarter	\$ 38.77	33.26

<i>2018</i>		
First quarter	\$ 36.81	30.10
Second quarter	\$ 32.62	28.00
Third quarter	\$ 36.50	32.50
Fourth quarter	\$ 31.75	28.55

Holders

The number of record holders as of January 31, 2019 were as follows:

	<u>Series A</u>	<u>Series B</u>	<u>Series C</u>
Liberty SiriusXM common stock	1,161	68	1,223
Liberty Braves common stock	1,654	43	841
Liberty Formula One common stock	822	62	1,049

The foregoing numbers of record holders do not include the number of stockholders whose shares are held nominally by banks, brokerage houses or other institutions, but include each such institution as one shareholder.

Dividends

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

Securities Authorized for Issuance Under Equity Compensation Plans

Information required by this item is incorporated by reference to our definitive proxy statement for our 2019 Annual Meeting of Stockholders.

Purchases of Equity Securities by the Issuer

Share Repurchase Programs

On January 11, 2013 (ratified February 26, 2013) Liberty announced that its board of directors authorized \$450 million of repurchases of Liberty Media Corporation common stock from that day forward. Additionally, in connection with the Broadband Spin-Off, an additional authorization of \$300 million in Liberty share repurchases was approved by the Liberty board of directors on October 9, 2014. In August 2015, our board of directors authorized an additional \$1 billion of Liberty Media Corporation common stock repurchases. The amount previously authorized for share repurchases may be used to repurchase Series A and Series C of each of Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Formula One common stock.

A summary of the repurchase activity for the three months ended December 31, 2018 is as follows:

<u>Period</u>	<u>Series C Liberty SiriusXM Common Stock</u>			<u>(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet be Purchased Under the Plans or Programs</u>
	<u>(a) Total Number of Shares Purchased</u>	<u>(b) Average Price Paid per Share</u>	<u>(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</u>	
October 1 - 31, 2018	625,049	\$ 43.19	625,049	\$ 882 million
November 1 - 30, 2018	—	NA	—	\$ 882 million
December 1 - 31, 2018	1,869,060	\$ 38.10	1,869,060	\$ 811 million
Total.....	<u>2,494,109</u>		<u>2,494,109</u>	

There were no repurchases of Series A Liberty SiriusXM common stock, Liberty Formula One common stock or Liberty Braves common stock during the three months ended December 31, 2018.

During the three months ended December 31, 2018, no shares of Series A and 68 shares of Series C Liberty Formula One common stock, no shares of Series A and 272 shares of Series C Liberty SiriusXM common stock, and no shares of Series A and 27 shares of Series C Liberty Braves common stock were surrendered by certain of our officers and employees to pay withholding taxes and other deductions in connection with the vesting of their restricted stock and restricted stock units.

Selected Financial Data.

The following tables present selected historical financial statement information relating to our financial condition and results of operations for the past five years. Certain prior period amounts have been reclassified for comparability with the current year presentation. The following data should be read in conjunction with the accompanying consolidated financial statements.

	December 31,				
	2018	2017	2016	2015	2014
	amounts in millions				
<i>Summary Balance Sheet Data:</i>					
Cash	\$ 358	1,029	562	201	681
Investments in debt and equity securities	\$ 1,278	1,114	1,309	533	816
Investment in affiliates, accounted for using the equity method	\$ 1,641	1,750	1,117	1,115	851
Intangible assets not subject to amortization (1)	\$ 28,060	28,057	24,018	24,018	24,018
Intangible assets subject to amortization, net (1)	\$ 5,715	6,192	1,072	1,097	1,166
Total assets (1)	\$ 40,828	41,996	31,377	29,798	30,269
Current portion of deferred revenue	\$ 2,079	1,941	1,877	1,797	1,641
Long-term debt, including current portion (1)	\$ 13,388	13,954	8,018	6,881	5,845
Deferred tax liabilities, net	\$ 1,651	1,478	2,025	1,667	1,507
Stockholders' equity (1)	\$ 16,595	16,943	11,756	10,933	11,398
Noncontrolling interest	\$ 5,103	5,631	5,960	7,198	8,778
	Years ended December 31,				
	2018	2017	2016	2015	2014
	amounts in millions, except per share amounts				
<i>Summary Statement of Operations Data:</i>					
Revenue (1)	\$ 8,040	7,594	5,276	4,795	4,450
Operating income (loss)	\$ 1,511	1,394	1,734	954	841
Interest expense (1)	\$ (606)	(591)	(362)	(328)	(255)
Share of earnings (loss) of affiliates, net	\$ 18	104	14	(40)	(113)
Realized and unrealized gains (losses) on financial instruments, net	\$ 40	(88)	37	(140)	38
Net earnings (loss) attributable to the noncontrolling interests	\$ 334	536	244	184	217
Net earnings (loss) from continuing operations attributable to Liberty Media Corporation stockholders (2)					
Liberty Media Corporation common stock	\$ NA	NA	377	64	178
Liberty SiriusXM common stock	676	1,124	297	NA	NA
Liberty Braves common stock	5	(25)	(30)	NA	NA
Liberty Formula One common stock	(150)	255	36	NA	NA
	<u>\$ 531</u>	<u>1,354</u>	<u>680</u>	<u>64</u>	<u>178</u>
Basic earnings (loss) from continuing operations attributable to Liberty Media Corporation stockholders per common share (2)(3):					
Series A, B and C Liberty Media Corporation common stock	\$ NA	NA	1.13	0.19	0.52
Series A, B and C Liberty SiriusXM common stock	2.04	3.35	0.89	NA	NA
Series A, B and C Liberty Braves common stock	0.10	(0.51)	(0.65)	NA	NA
Series A, B and C Liberty Formula One common stock	(0.65)	1.23	0.43	NA	NA
Diluted earnings (loss) from continuing operations attributable to Liberty Media Corporation stockholders per common share (2)(3):					
Series A, B and C Liberty Media Corporation common stock	\$ NA	NA	1.12	0.19	0.52
Series A, B and C Liberty SiriusXM common stock	2.01	3.31	0.88	NA	NA
Series A, B and C Liberty Braves common stock	0.10	(0.51)	(0.65)	NA	NA
Series A, B and C Liberty Formula One common stock	(0.65)	1.21	0.42	NA	NA

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- (1) On September 7, 2016 Liberty, through its indirect wholly owned subsidiary Liberty GR Cayman Acquisition Company, entered into two definitive stock purchase agreements relating to the acquisition of Delta Topco Limited (“Delta Topco”), the parent company of Formula 1, a global motorsports business, from a consortium of sellers led by CVC Capital Partners (“CVC”). The transactions contemplated by the first purchase agreement were completed on September 7, 2016 and provided for Liberty’s acquisition of slightly less than a 20% minority stake in Formula 1 on an undiluted basis for \$746 million, funded entirely in cash (which is equal to \$821 million in consideration less a \$75 million holdback to be repaid by Liberty to selling stockholders upon completion of the acquisition). On October 27, 2016, under the terms of the first purchase agreement, Liberty acquired an additional incremental equity interest in Delta Topco, maintaining Liberty’s investment in Delta Topco on an undiluted basis and increasing slightly to 19.1% on a fully diluted basis. Prior to the Second Closing, CVC continued to be the controlling shareholder of Formula 1, and Liberty did not have any voting interests or board representation in Formula 1. As a result, we concluded that we did not have significant influence over Formula 1, and therefore accounted for our investment in Formula 1 as a cost investment until the completion of the Second Closing. The Second Closing was completed on January 23, 2017, at which time we began consolidating Formula 1. See note 5 to the accompanying consolidated financial statements for additional information related to the acquisition of Formula 1.
 - (2) During November 2015, Liberty’s board of directors authorized management to pursue a recapitalization of the Company’s common stock into three new tracking stock groups, one to be designated as the Liberty Braves common stock, one to be designated as the Liberty Media common stock and one to be designated as the Liberty SiriusXM common stock, and to cause to be distributed subscription rights related to the Liberty Braves common stock following the creation of the new tracking stocks. The Recapitalization was completed on April 15, 2016 and the newly issued shares commenced trading or quotation in the regular way on the Nasdaq Global Select Market or the OTC Markets, as applicable, on Monday, April 18, 2016. In the Recapitalization, each issued and outstanding share of Liberty’s existing common stock was reclassified and exchanged for (a) 1 share of the corresponding series of Liberty SiriusXM common stock, (b) 0.1 of a share of the corresponding series of Liberty Braves common stock and (c) 0.25 of a share of the corresponding series of Liberty Media common stock on April 15, 2016. Cash was paid in lieu of the issuance of any fractional shares.

Following the creation of the tracking stocks, Series A, Series B and Series C Liberty SiriusXM common stock trade under the symbols LSXMA/B/K, respectively; Series A, Series B and Series C Liberty Braves common stock trade or are quoted under the symbols BATRA/B/K respectively; and Series A, Series B and Series C Liberty Media common stock traded or were quoted under the symbols LMCA/B/K, respectively. Shortly following the Second Closing, the Liberty Media Group and Liberty Media common stock were renamed the Liberty Formula One Group (the “Formula One Group”) and the Liberty Formula One common stock, respectively, and the corresponding ticker symbols for the Series A, Series B and Series C Liberty Media common stock were changed to FWONA/B/K, respectively. Each series (Series A, Series B and Series C) of the Liberty SiriusXM common stock trades on the Nasdaq Global Select Market. Series A and Series C Liberty Braves common stock trade on the Nasdaq Global Select Stock Market, and Series B Liberty Braves common stock is quoted on the OTC Markets. Series A and Series C Liberty Formula One common stock continue to trade on the Nasdaq Global Select Market, and the Series B Liberty Formula One common stock continues to be quoted on the OTC Markets.

- (3) On July 23, 2014, holders of Series A and Series B Liberty Media Corporation common stock as of 5:00 p.m., New York City, time on July 7, 2014, the record date for the dividend, received a dividend of two shares of Series C Liberty Media Corporation common stock for each share of Series A or Series B Liberty Media Corporation common stock held by them as of the record date. The impact on basic and diluted earnings per share of the Series C Liberty Media Corporation common stock issuance has been reflected retroactively in all periods presented due to the treatment of the dividend as a stock split for accounting purposes.

Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis provides information concerning our results of operations and financial condition. This discussion should be read in conjunction with our accompanying consolidated financial statements and the notes thereto. See note 3 in the accompanying consolidated financial statements for an overview of accounting standards that we have adopted or that we plan to adopt that have had or may have an impact on our financial statements.

Overview

We own controlling and non-controlling interests in a broad range of media and entertainment companies. Our most significant operating subsidiary, which is a reportable segment, is Sirius XM Holdings Inc. (“SIRIUS XM”). SIRIUS XM provides a subscription based satellite radio service. SIRIUS XM also transmits a larger set of music and other channels through SIRIUS XM’s streaming service. SIRIUS XM’s streaming services is available online and through applications for mobile devices, home devices and other consumer electronic equipment. SIRIUS XM also provides connected vehicle services which are designed to enhance the safety, security and driving experience for vehicle operators while providing marketing and operational benefits to automakers and their dealers.

On September 7, 2016, Liberty, through its indirect wholly owned subsidiary Liberty GR Cayman Acquisition Company, entered into two definitive stock purchase agreements relating to the acquisition of Delta Topco, the parent company of Formula 1. The transactions contemplated by the first purchase agreement were completed on September 7, 2016, resulting in the acquisition of slightly less than a 20% minority stake in Formula 1 on an undiluted basis. On October 27, 2016 under the terms of the first purchase agreement, Liberty acquired an additional incremental equity interest of Delta Topco, maintaining Liberty’s investment in Delta Topco on an undiluted basis and increasing slightly to 19.1% on a fully diluted basis. Liberty acquired 100% of the fully diluted equity interests of Delta Topco, other than a nominal number of shares held by certain Formula 1 teams, in a closing under the second purchase agreement (and following the unwind of the first purchase agreement) on January 23, 2017. See note 5 to the accompanying consolidated financial statements for additional information related to the acquisition. Liberty’s acquired interest in Delta Topco and by extension Formula 1, along with existing Formula 1 cash and debt (which is non-recourse to Liberty), was attributed to the Formula One Group upon completion of the Second Closing. Formula 1 is a reportable segment.

Our “Corporate and Other” category includes a consolidated subsidiary, Braves Holdings, LLC (“Braves Holdings”) and corporate expenses. In addition, we hold an ownership interest in Live Nation Entertainment, Inc. (“Live Nation”), which is accounted for as an equity method investment at December 31, 2018 and is included in corporate and other. We also maintain minority positions in other public companies.

As discussed in note 2 of the accompanying consolidated financial statements, on April 15, 2016, Liberty completed the Recapitalization. Upon completion of the Second Closing, as discussed below, the Liberty Media Group was renamed the Formula One Group. Although the Recapitalization was not effective for all periods presented herein, information has been presented among the tracking stock groups for all periods presented as if the Recapitalization had been completed for all periods presented. This attribution of historical financial information does not purport to be what actual results and balances would have been if the Recapitalization had actually occurred and been in place during the periods prior to April 15, 2016. Operating results prior to the Recapitalization are attributed to Liberty stockholders in the aggregate.

A 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 Liberty SiriusXM Group, Liberty Braves Group (the “Braves Group”) and Formula One Group have separate collections of businesses, assets and liabilities attributed to them, no group is a separate legal entity and therefore cannot own assets, issue securities or enter into legally binding agreements. Therefore, the Liberty SiriusXM Group, Braves Group and Formula One Group do not represent separate legal entities, but rather represent those businesses, assets and liabilities that have been attributed to each respective group. Holders of tracking stock have no direct claim to the group’s stock or assets and therefore, do not own, by virtue of their ownership of a Liberty tracking stock, any equity or voting interest in a company, such as SIRIUS XM, Formula 1 or Live Nation, in which Liberty holds an interest and that is attributed to a Liberty tracking stock group, such as the Liberty SiriusXM Group or the Formula One Group. Holders of tracking stock

are also 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 “Liberty SiriusXM Group” does not represent a separate legal entity, rather it represents those businesses, assets and liabilities that have been attributed to that group. The Liberty SiriusXM Group is primarily comprised of Liberty’s subsidiary, SIRIUS XM, corporate cash, investments in debt securities, Liberty’s 2.125% Exchangeable Senior Debentures due 2048 and a margin loan obligation incurred by a wholly-owned special purpose subsidiary of Liberty. As of December 31, 2018, the Liberty SiriusXM Group has cash and cash equivalents of approximately \$91 million, which includes \$54 million of subsidiary cash.

SIRIUS XM is the only operating subsidiary attributed to the Liberty SiriusXM Group. In the event SIRIUS XM were to become insolvent or file for bankruptcy, Liberty’s management would evaluate the circumstances at such time and take appropriate steps in the best interest of all of its stockholders, which may not be in the best interest of a particular group or groups when considered independently. In such a situation, Liberty’s management and its board of directors would have several approaches at their disposal, including, but not limited to, the conversion of the Liberty SiriusXM common stock into another tracking stock of Liberty, the reattribution of assets and liabilities among Liberty’s tracking stock groups or the restructuring of Liberty’s tracking stocks to either create a new tracking stock structure or eliminate it altogether. On February 1, 2019, SIRIUS XM acquired Pandora Media, Inc. (“Pandora”). See note 7 to the accompanying consolidated financial statements for more information regarding the acquisition of Pandora.

The term “Braves Group” does not represent a separate legal entity, rather it represents those businesses, assets and liabilities that have been attributed to that group. The Braves Group is primarily comprised of Braves Holdings, which indirectly owns the Atlanta Braves Major League Baseball Club (“ANLBC,” the “Braves,” or the “Atlanta Braves”) and certain assets and liabilities associated with ANLBC’s stadium and mixed use development project (the “Development Project”) and corporate cash. As of December 31, 2018, the Braves Group has cash and cash equivalents of approximately \$107 million, which includes \$40 million of subsidiary cash. Additionally, as discussed below, the Formula One Group retains an intergroup interest in the Braves Group. See note 2 to the accompanying consolidated financial statements for information regarding the Series C Liberty Braves common stock rights offering.

The term “Formula One Group” does not represent a separate legal entity, rather it represents those businesses, assets and liabilities that have been attributed to that group. As of December 31, 2018, the Formula One Group (formerly the Liberty Media Group) is primarily comprised of all of the businesses, assets and liabilities of Liberty other than those specifically attributed to the Liberty SiriusXM Group or the Braves Group, including Liberty’s interests in Formula 1 and Live Nation, Liberty’s 1.375% Cash Convertible Notes due 2023 and related financial instruments, Liberty’s 1% Cash Convertible Notes due 2023, Liberty’s 2.25% Exchangeable Senior Debentures due 2046 and Liberty’s 2.25% Exchangeable Senior Debentures due 2048. Following the creation of the tracking stocks and the closing of the Series C Liberty Braves common stock rights offering, the Formula One Group retains an intergroup interest in the Braves Group of approximately 15.1%, valued at \$226 million, as of December 31, 2018. As of December 31, 2018, the Formula One Group had cash and cash equivalents of approximately \$160 million, which includes \$30 million of subsidiary cash.

Strategies and Challenges of Business Units

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

- the acquisition and pricing of unique or compelling programming;
- the development and introduction of new features or services;
- significant new or enhanced distribution arrangements;
- investments in infrastructure, such as satellites, equipment or radio spectrum; and
- acquisitions and investments, including acquisitions and investments that are not directly related to its satellite radio business.

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

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

Formula 1. Formula 1's goal is to further broaden and increase the global scale and appeal of the FIA Formula One World Championship (the "World Championship") in order to improve the overall value of Formula 1 as a sport and its financial performance. Key factors of this strategy include:

- continuing to seek and identify opportunities to expand and develop the Event calendar and bring Events to attractive and/or strategically important new markets outside of Europe, which typically have higher race promotion fees, while continuing to build on the foundation of the sport in Europe;
- developing advertising and sponsorship revenue, including increasing sales of Event-based packages and under the Global Partner program, and exploring opportunities in underexploited product categories;
- capturing opportunities created by media's evolution, including the growth of social media and the development of Formula 1's digital media assets;
- building up the entertainment experience for fans and engaging with new fans on a global basis to further drive race attendance and television viewership; and
- working with stakeholders within the sport to improve the sustainability and on-track competitive balance of the World Championship and the long term financial stability of the participating Teams.

Results of Operations—Consolidated

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

Consolidated Operating Results

	Years ended December 31,		
	2018	2017	2016
	amounts in millions		
Revenue			
Liberty SiriusXM Group			
SIRIUS XM	\$ 5,771	5,425	5,014
Total Liberty SiriusXM Group	<u>5,771</u>	<u>5,425</u>	<u>5,014</u>
Braves Group			
Corporate and other	442	386	262
Total Braves Group	<u>442</u>	<u>386</u>	<u>262</u>
Formula One Group			
Formula 1	1,827	1,783	—
Total Formula One Group	<u>1,827</u>	<u>1,783</u>	<u>—</u>
Consolidated Liberty	<u>\$ 8,040</u>	<u>7,594</u>	<u>5,276</u>
Operating Income (Loss)			
Liberty SiriusXM Group			
SIRIUS XM	\$ 1,659	1,588	1,386
Corporate and other	(39)	(41)	(34)
Total Liberty SiriusXM Group	<u>1,620</u>	<u>1,547</u>	<u>1,352</u>
Braves Group			
Corporate and other	1	(113)	(61)
Total Braves Group	<u>1</u>	<u>(113)</u>	<u>(61)</u>
Formula One Group			
Formula 1	(68)	17	—
Corporate and other	(42)	(57)	443
Total Formula One Group	<u>(110)</u>	<u>(40)</u>	<u>443</u>
Consolidated Liberty	<u>\$ 1,511</u>	<u>1,394</u>	<u>1,734</u>
Adjusted OIBDA			
Liberty SiriusXM Group			
SIRIUS XM	\$ 2,230	2,109	1,853
Corporate and other	(16)	(15)	(15)
Total Liberty SiriusXM Group	<u>2,214</u>	<u>2,094</u>	<u>1,838</u>
Braves Group			
Corporate and other	88	2	(20)
Total Braves Group	<u>88</u>	<u>2</u>	<u>(20)</u>
Formula One Group			
Formula 1	400	438	—
Corporate and other	(25)	(41)	(45)
Total Formula One Group	<u>375</u>	<u>397</u>	<u>(45)</u>
Consolidated Liberty	<u>\$ 2,677</u>	<u>2,493</u>	<u>1,773</u>

Revenue. Our consolidated revenue increased \$446 million and \$2,318 million for the years ended December 31, 2018 and 2017, respectively, as compared to the corresponding prior year periods. The 2018 increase was driven by revenue growth at SIRIUS XM, Braves Holdings and Formula 1 of \$346 million, \$56 million and \$44 million, respectively. The 2017 increase was primarily driven by \$1,783 million of Formula 1 revenue, as a result of the Company's acquisition of Formula 1 on January 23, 2017, and revenue growth at SIRIUS XM of \$411 million. Additionally, Braves Holdings revenue increased \$124 million during the year ended December 31, 2017, as compared to the prior year. See "Results of Operations—Businesses" below for a more complete discussion of the results of operations of SIRIUS XM, Formula 1 and Braves Holdings.

Operating income. Our consolidated operating income increased \$117 million and decreased \$340 million for the years ended December 31, 2018 and 2017, respectively, as compared to the corresponding prior years. Operating losses decreased \$114 million and operating income increased \$73 million for Braves Group and Liberty SiriusXM Group, respectively, and operating losses increased \$70 million for Formula One Group during 2018 as compared to the prior year. The decrease in corporate and other operating losses for Formula One Group for the year ended December 31, 2018 was driven by costs related to the acquisition of Formula 1 recognized during the year ended December 31, 2017. Formula One Group operating income decreased \$483 million during 2017 as compared to the prior year, largely due to the favorable one-time net \$511 million Vivendi lawsuit settlement during the first quarter of 2016, as discussed in note 17 of the accompanying consolidated financial statements. Liberty SiriusXM Group operating income increased \$195 million and Braves Group operating loss increased \$52 million during 2017 as compared to the prior year. See "Results of Operations—Businesses" below for a more complete discussion of the results of operations of SIRIUS XM, Formula 1 and Braves Holdings.

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 granted to officers and employees of certain of our subsidiaries pursuant to private equity plans and (3) amortization of restricted stock grants.

We recorded \$192 million, \$230 million and \$150 million of stock compensation expense for the years ended December 31, 2018, 2017 and 2016, respectively. The decrease in stock compensation expense in 2018 as compared to the prior year is primarily due to decreases of \$36 million and \$8 million at Braves Holdings and Formula 1, respectively, partially offset by increases of \$9 million at SIRIUS XM. The increase in stock compensation expense in 2017 as compared to the prior year is primarily due to increases of \$37 million at Braves Holdings, \$23 million at Formula 1 and \$15 million at SIRIUS XM.

As of December 31, 2018, the total unrecognized compensation cost related to unvested Liberty equity awards was approximately \$22 million. Such amount will be recognized in our consolidated statements of operations over a weighted average period of approximately 1.3 years. As of December 31, 2018, the total unrecognized compensation cost related to unvested SIRIUS XM stock options and restricted stock units was \$254 million. The SIRIUS XM unrecognized compensation cost will be recognized in the Company's consolidated statements of operations over a weighted average period of approximately 1.8 years.

See "Results of Operations—Businesses" below for a more complete discussion of the results of operations of SIRIUS XM, Formula 1 and Braves Holdings.

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

OIBDA should be considered in addition to, but not as a substitute for, operating income, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with GAAP. See note 18 to the accompanying consolidated financial statements for a reconciliation of Adjusted OIBDA to Operating income (loss) and Earnings (loss) from continuing operations before income taxes.

During the second quarter of 2018 and during the fourth quarters of 2017 and 2016, SIRIUS XM recorded \$69 million, \$45 million and \$46 million, respectively, related to music royalty legal settlements and reserves. As separately reported in note 17 of the accompanying consolidated financial statements, the \$69 million, \$45 million and \$46 million of expenses are included in the Revenue share and royalties expense line item in the accompanying consolidated financial statements for the years ended December 31, 2018, 2017 and 2016, respectively, but have been excluded from Adjusted OIBDA for the corresponding periods as these expenses were not incurred as a part of SIRIUS XM's normal operations for the periods, and these lump sum amounts do not relate to the on-going performance of the business.

SIRIUS XM recognized approximately \$43 million and \$40 million of Revenue share and royalties within the consolidated statement of operations during the years ended December 31, 2017 and 2016, respectively, related to the SIRIUS XM legal settlement associated with SIRIUS XM's use of certain pre-1972 sound recordings. As separately reported in note 17 of the accompanying consolidated financial statements, \$108 million of the settlement amount recognized during the year ended December 31, 2015 was excluded from Adjusted OIBDA for the corresponding period, as this expense was not incurred as a part of SIRIUS XM's normal operations for the period, and this lump sum amount did not relate to the on-going performance of the business. Subsequent to the settlement during June 2015, SIRIUS XM recognized \$43 million and \$40 million in 2017 and 2016, respectively, that is included as a component of Adjusted OIBDA.

Consolidated Adjusted OIBDA increased \$184 million and \$720 million for the years ended December 31, 2018 and 2017, respectively, as compared to the corresponding prior year periods. The increase in Adjusted OIBDA in 2018 as compared to the prior year was due to increases of \$120 million and \$86 million in Liberty SiriusXM Group and Braves Group Adjusted OIBDA, respectively, partially offset by a \$22 million decrease in Formula One Group Adjusted OIBDA. The increase in Adjusted OIBDA in 2017 as compared to the prior year was due to increases of \$442 million in Formula One Group Adjusted OIBDA, Liberty SiriusXM Group Adjusted OIBDA of \$256 million and Braves Group Adjusted OIBDA of \$22 million. See "Results of Operations—Businesses" below for a more complete discussion of the results of operations of SIRIUS XM, Formula 1 and Braves Holdings.

Other Income and Expense

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

	<u>Years ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	amounts in millions		
<i>Interest expense</i>			
Liberty SiriusXM Group	\$ (388)	(356)	(342)
Braves Group	(26)	(15)	(1)
Formula One Group	<u>(192)</u>	<u>(220)</u>	<u>(19)</u>
Consolidated Liberty	<u>\$ (606)</u>	<u>(591)</u>	<u>(362)</u>
<i>Share of earnings (losses) of affiliates</i>			
Liberty SiriusXM Group	\$ (11)	29	13
Braves Group	12	78	9
Formula One Group	<u>17</u>	<u>(3)</u>	<u>(8)</u>
Consolidated Liberty	<u>\$ 18</u>	<u>104</u>	<u>14</u>
<i>Realized and unrealized gains (losses) on financial instruments, net</i>			
Liberty SiriusXM Group	\$ (1)	(16)	—
Braves Group	(2)	—	1
Formula One Group	<u>43</u>	<u>(72)</u>	<u>36</u>
Consolidated Liberty	<u>\$ 40</u>	<u>(88)</u>	<u>37</u>
<i>Other, net</i>			
Liberty SiriusXM Group	\$ 25	(11)	(25)
Braves Group	35	3	—
Formula One Group	<u>18</u>	<u>16</u>	<u>21</u>
Consolidated Liberty	<u>\$ 78</u>	<u>8</u>	<u>(4)</u>
	<u>\$ (470)</u>	<u>(567)</u>	<u>(315)</u>

Interest expense. Consolidated interest expense increased \$15 million and \$229 million for the years ended December 31, 2018 and 2017, respectively, as compared to the corresponding prior year periods. The increase for 2018 as compared to the prior year was primarily due to an increase in the average amount of corporate and subsidiary debt outstanding during the current period for Liberty SiriusXM Group and the capitalization of interest related to construction of the stadium and mixed-use facilities during the prior period for Braves Group, partially offset by decreases in interest expense for the Formula One Group due to decreases in the average amount of corporate and subsidiary debt outstanding. The increase in 2017 as compared to the prior year was primarily due to approximately \$167 million of interest expense attributable to debt held at Formula 1, which we began consolidating on January 23, 2017 when we acquired Formula 1. The remaining increase in 2017 was due to an increase in the average amount of corporate, SIRIUS XM and other subsidiary debt outstanding.

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

	<u>Years ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	amounts in millions		
Liberty SiriusXM Group			
SIRIUS XM Canada	\$ (1)	29	13
Other	<u>(10)</u>	<u>—</u>	<u>—</u>
Total Liberty SiriusXM Group	<u>(11)</u>	<u>29</u>	<u>13</u>
Braves Group			
Other	<u>12</u>	<u>78</u>	<u>9</u>
Total Braves Group	<u>12</u>	<u>78</u>	<u>9</u>
Formula One Group			
Live Nation	3	(18)	(12)
Other	<u>14</u>	<u>15</u>	<u>4</u>
Total Formula One Group	<u>17</u>	<u>(3)</u>	<u>(8)</u>
	<u>\$ 18</u>	<u>104</u>	<u>14</u>

During the year ended December 31, 2017, an equity method affiliate of Braves Holdings sold a controlling interest in a subsidiary, resulting in Braves Holdings recording its portion of the gain of \$69 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:

	<u>Years ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	amounts in millions		
Debt and equity securities	\$ 2	(36)	112
Debt measured at fair value	130	(126)	(113)
Change in fair value of bond hedges	(94)	72	37
Other derivatives	<u>2</u>	<u>2</u>	<u>1</u>
	<u>\$ 40</u>	<u>(88)</u>	<u>37</u>

The changes in unrealized gains (losses) on debt and equity securities (as defined in note 3 of our accompanying consolidated financial statements) are due to market factors primarily driven by changes in the fair value of the stock underlying these financial instruments.

Changes in unrealized gains (losses) on debt measured at fair value are due to market factors primarily driven by changes in the fair value of the underlying shares into which the debt is exchangeable.

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

Other, net. The increase in 2018 was primarily due to a \$48 million decrease in losses on early extinguishment of debt and a \$17 million increase in gains on transactions, primarily driven by the sale of the residential portion of Braves Holdings' mixed-use complex. The increase in 2017 was primarily due to a \$19 million increase in interest and dividend income and a \$12 million increase in gains on transactions, partially offset by a \$24 million increase in losses on early extinguishment of debt, primarily related to the redemption of certain debt at SIRIUS XM. The loss in 2016 was primarily due to a \$24 million loss on extinguishment of SIRIUS XM's redemption of its 5.875% Senior Notes due 2020 during the

year, partially offset by approximately \$18 million in dividend and interest income, primarily due to dividends on Time Warner, Inc. shares.

Income taxes. Our effective tax rate for the years ended December 31, 2018, 2017 and 2016 was an expense of 17%, benefit of 129% and expense of 35%, respectively. Our effective tax rate for all three years was impacted for the following reasons:

- During 2018, our effective tax rate was lower than the federal tax rate of 21% U.S. due to deductible stock-based compensation, benefits related to federal tax credits and the resolution of historical matters with various tax authorities, partially offset by changes in the valuation allowance and taxable dividends not recognized for book purposes.
- During 2017, in connection with the initial analysis of the impact of the Tax Cuts and Jobs Act (the “Tax Act”), as discussed in note 11 of the accompanying consolidated financial statements, the Company recorded a discrete net tax benefit, primarily driven by the corporate tax rate reduction.
- During 2016, our effective tax rate was equal to the federal tax rate of 35% due to the offsetting impact of state income taxes and federal tax credits claimed by SIRIUS XM.

Net earnings. We had net earnings of \$865 million, \$1,890 million and \$924 million for the years ended December 31, 2018, 2017 and 2016, respectively. The change in net earnings was the result of the above-described fluctuations in our revenue, expenses and other gains and losses.

Liquidity and Capital Resources

As of December 31, 2018, substantially all of our cash and cash equivalents are invested in U.S. Treasury securities, other government securities or government guaranteed funds, AAA rated money market funds and other highly rated financial and corporate debt instruments.

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

Liberty currently does not have a corporate debt rating.

As of December 31, 2018, Liberty’s cash and cash equivalents and unencumbered marketable equity securities were as follows:

	<u>Cash and Cash Equivalents</u>	<u>Unencumbered Marketable Equity Securities</u>
	amounts in millions	
Liberty SiriusXM Group		
SIRIUS XM	\$ 54	—
Corporate and other	<u>37</u>	<u>—</u>
Total Liberty SiriusXM Group	91	—
Braves Group		
Corporate and other	<u>107</u>	<u>—</u>
Total Braves Group	107	—
Formula One Group		
Formula 1	30	—
Corporate and other	<u>130</u>	<u>228</u>
Total Formula One Group	160	228

To the extent the Company recognizes any taxable gains from the sale of assets we may incur tax expense and be required to make tax payments, thereby reducing any cash proceeds. Additionally, the Company has a controlling interest in SIRIUS XM which has significant cash flows provided by operating activities, although due to SIRIUS XM being a separate public company and the significant noncontrolling interest, we do not have ready access to its cash. Cash held by Formula 1 is accessible by Liberty, except when certain restricted payment tests imposed by the Senior Loan Facility at Formula 1 are not met. As of December 31, 2018, Liberty had \$750 million available under a \$1.35 billion margin loan due 2020 and \$600 million available under the Live Nation Margin Loan. Certain tax consequences may reduce the net amount of cash that Liberty is able to utilize for corporate purposes. Liberty believes that it currently has appropriate legal structures in place to repatriate foreign cash as tax efficiently as possible and meet the business needs of the Company.

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

	<u>Years ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	amounts in millions		
Cash Flow Information			
Liberty SiriusXM Group cash provided (used) by operating activities.	\$ 1,785	1,849	1,704
Braves Group cash provided (used) by operating activities.	103	(42)	89
Formula One Group cash provided (used) by operating activities	268	(75)	378
Net cash provided (used) by operating activities	<u>\$ 2,156</u>	<u>1,732</u>	<u>2,171</u>
Liberty SiriusXM Group cash provided (used) by investing activities.	\$ (756)	(1,254)	(210)
Braves Group cash provided (used) by investing activities.	159	(221)	(413)
Formula One Group cash provided (used) by investing activities.	227	(1,662)	(641)
Net cash provided (used) by investing activities	<u>\$ (370)</u>	<u>(3,137)</u>	<u>(1,264)</u>
Liberty SiriusXM Group cash provided (used) by financing activities.	\$ (1,552)	(267)	(1,319)
Braves Group cash provided (used) by financing activities.	(212)	296	418
Formula One Group cash provided (used) by financing activities	(616)	1,847	355
Net cash provided (used) by financing activities	<u>\$ (2,380)</u>	<u>1,876</u>	<u>(546)</u>

Liberty's primary uses of cash during the year ended December 31, 2018 (excluding cash used by SIRIUS XM, Formula 1 and Braves Holdings) were \$466 million of Series C Liberty SiriusXM common stock repurchases and \$414 million of investments in equity method affiliates and debt and equity securities. These uses were funded by borrowings of debt and cash on hand.

SIRIUS XM's primary uses of cash were the repurchase of outstanding SIRIUS XM common stock, dividends paid to stockholders and additions to property and equipment resulting from new satellite construction. The SIRIUS XM uses of cash were funded by cash provided by operating activities, cash on hand and borrowings of debt. During the year ended December 31, 2018, SIRIUS XM declared a cash dividend each quarter, and paid in cash an aggregate amount of \$201 million, of which Liberty received \$143 million. SIRIUS XM's board of directors expects to declare regular quarterly dividends, in an aggregate annual amount of \$0.0484 per share of common stock. On January 29, 2019, SIRIUS XM's board of directors declared a quarterly dividend on its common stock in the amount of \$0.0121 per share of common stock, payable on February 28, 2019 to stockholders of record at the close of business on February 11, 2019.

Formula 1's primary use of cash was the net repayment of debt.

The projected uses of Liberty cash (excluding SIRIUS XM's, Formula 1's and Braves Holdings' uses of cash) are primarily the investment in new or existing businesses, debt service, including potential repayment of the outstanding margin loan and the potential buyback of common stock under the approved share buyback program. Liberty expects to fund its projected uses of cash with cash on hand and borrowing capacity under margin loans and outstanding credit facilities. We may be required to make net payments of income tax liabilities to settle items under discussion with tax authorities.

SIRIUS XM's uses of cash are expected to be operating expenses, capital expenditures, including the construction of replacement satellites, working capital requirements, interest payments, taxes and scheduled maturities of outstanding

debt. Liberty expects SIRIUS XM to fund its projected uses of cash with cash on hand, cash provided by operations and borrowings under the existing credit facility.

Formula 1's uses of cash are expected to be debt service payments, as well as continued investment in its business. Liberty expects Formula 1 to fund its projected uses of cash with cash on hand and cash provided by operations.

Braves Holdings' uses of cash are expected to be expenditures related to the mixed-use development and new spring training facility. Liberty expects Braves Holdings to fund its projected uses of cash with borrowings under its existing debt instruments, cash provided by operations and through the issuance of new construction loans for Phase II.

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

Off-Balance Sheet Arrangements and Aggregate Contractual Obligations

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

The Atlanta Braves have entered into long-term employment contracts with certain of their players and coaches whereby such individuals' compensation is guaranteed. Amounts due under guaranteed contracts as of December 31, 2018 aggregated \$165 million. See the table below for more detail. In addition to the foregoing amounts, certain players and coaches may earn incentive compensation under the terms of their employment contracts.

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

	Payments due by period				
	Total	Less than 1 year	2 - 3 years	4 - 5 years	After 5 years
	amounts in millions				
<i>Consolidated contractual obligations</i>					
Long-term debt (1)	\$ 13,421	24	768	3,425	9,204
Interest payments (2)	4,004	594	1,123	1,037	1,250
Programming and royalty fees (3)	1,230	430	553	117	130
Operating lease obligations	433	54	112	88	179
Employment agreements	165	93	70	2	—
Other obligations (4)	531	162	104	38	227
Total consolidated	<u>\$ 19,784</u>	<u>1,357</u>	<u>2,730</u>	<u>4,707</u>	<u>10,990</u>

- (1) Amounts are stated at the face amount at maturity of our debt instruments and may differ from the amounts stated in our consolidated balance sheet to the extent debt instruments (i) were issued at a discount or premium or (ii) have elements which are reported at fair value in our consolidated balance sheet. Amounts include capital lease obligations. Amounts do not assume additional borrowings or refinancings of existing debt.
- (2) Amounts (i) are based on our outstanding debt at December 31, 2018, (ii) assume the interest rates on our variable rate debt remain constant at the December 31, 2018 rates and (iii) assume that our existing debt is repaid at maturity.
- (3) SIRIUS XM has entered into various programming agreements under which SIRIUS XM's obligations include fixed payments, advertising commitments and revenue sharing arrangements. Future revenue sharing costs are dependent upon many factors and are difficult to estimate; therefore, they are not included in the table above. In addition, SIRIUS XM has entered into certain music royalty arrangements that include fixed payments.
- (4) Includes amounts due related to the Braves Holdings baseball stadium and mixed-use development and SIRIUS XM satellite and transmission, marketing and distribution, satellite incentive payments, and other contractual commitments. SIRIUS XM satellite and transmission commitments are attributable to agreements with third parties

to operate and maintain the off-site satellite telemetry, tracking and control facilities and certain components of its terrestrial repeater networks. During the year ended December 31, 2016, SIRIUS XM entered into an agreement with Space Systems/Loral to design and build two satellites, SXM-7 and SXM-8, for SIRIUS XM's service. SIRIUS XM marketing and distribution commitments primarily relate to payments to sponsors, retailers, automakers and radio manufacturers pursuant to marketing, sponsorship and distribution agreements to promote the SIRIUS XM brand. Boeing Satellite Systems International, Inc. and Space Systems/Loral, the manufacturers of SIRIUS XM's in-orbit satellites, may be entitled to future in-orbit satellite incentive performance payments based on the expected operating performance of the satellites meeting their fifteen-year design life. Boeing may also be entitled to an additional \$10 million if the XM-4 satellite continues to operate above baseline specifications during the five years beyond the satellite's fifteen-year design life. Additionally, SIRIUS XM has entered into various agreements with third parties for general operating purposes.

Critical Accounting Estimates

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

Non-Financial Instruments. Our non-financial instrument valuations are primarily comprised of our determination of the estimated fair value allocation of net tangible and identifiable intangible assets acquired in business

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

As of December 31, 2018, the intangible assets not subject to amortization for each of our significant reporting units were as follows (amounts in millions):

	<u>Goodwill</u>	<u>FCC Licenses</u>	<u>Other</u>	<u>Total</u>
SIRIUS XM.....	\$ 14,250	8,600	931	23,781
Formula 1	3,956	—	—	3,956
Other	180	—	143	323
Consolidated	<u>\$ 18,386</u>	<u>8,600</u>	<u>1,074</u>	<u>28,060</u>

We perform our annual assessment of the recoverability of our goodwill and other nonamortizable intangible assets in the fourth quarter each year. The accounting guidance permits entities to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the quantitative goodwill impairment test. The accounting guidance also allows entities the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to the quantitative impairment test. The entity may resume performing the qualitative assessment in any subsequent period. In evaluating goodwill on a qualitative basis, the Company reviews the business performance of each reporting unit and evaluates other relevant factors as identified in the relevant accounting guidance to determine whether it is more likely than not that an indicated impairment exists for any of our reporting units. The Company considers whether there are any negative macroeconomic conditions, industry specific conditions, market changes, increased competition, increased costs

in doing business, management challenges, the legal environments and how these factors might impact company specific performance in future periods. As part of the analysis, the Company also considers fair value determinations for certain reporting units that have been made at various points throughout the current and prior year for other purposes. If based on the qualitative analysis it is more likely than not that an impairment exists, the Company performs the quantitative impairment test.

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

SIRIUS XM operates two in-orbit Sirius satellites, FM-5 and FM-6. SIRIUS XM estimates that its FM-5 and FM-6 satellites, launched in 2009 and 2013, respectively, will operate effectively through the end of their depreciable lives in 2024 and 2028, respectively.

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

SIRIUS XM's satellites have been designed to last fifteen-years. SIRIUS XM's in-orbit satellites may experience component failures which could adversely affect their useful lives. SIRIUS XM monitors the operating condition of its in-orbit satellites. If events or circumstances indicate that the depreciable lives of its in-orbit satellites have changed, the depreciable life will be modified accordingly. If SIRIUS XM were to revise its estimates, depreciation expense would change.

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

Results of Operations—Businesses

Liberty SiriusXM Group

SIRIUS XM SIRIUS XM transmits its music, sports, entertainment, comedy, talk, news, traffic and weather channels, as well as infotainment services, in the United States on a subscription fee basis through its two proprietary satellite radio systems. SIRIUS XM also transmits a larger set of music and other channels through SIRIUS XM's streaming service. SIRIUS XM's streaming services is available online and through applications for mobile devices, home devices and other consumer electronic equipment. SIRIUS XM also provides connected vehicle services which are designed to enhance the safety, security and driving experience for vehicle operators while providing marketing and operational benefits to automakers and their dealers.

SIRIUS XM has agreements with every major automaker ("OEMs") to offer satellite radio in their vehicles, through which it acquires the majority of its subscribers. SIRIUS XM also acquires subscribers through marketing to owners and lessees of previously owned vehicles that include factory-installed satellite radios that are not currently subscribing to SIRIUS XM's services. SIRIUS XM distributes its radios primarily through automakers, retailers and its website. Satellite radio services are also offered to customers of certain rental car companies.

As of December 31, 2018, SIRIUS XM had approximately 34.0 million subscribers of which approximately 28.9 million were self-pay subscribers and approximately 5.1 million were paid promotional subscribers. These subscriber totals include subscribers under regular pricing plans; discounted pricing plans; subscribers that have prepaid, including payments either made or due from automakers for subscriptions included in the sale or lease price of a vehicle; subscribers to SIRIUS XM's streaming services who do not also have satellite radio subscriptions; and certain subscribers to SIRIUS XM's weather, traffic and data services who do not also have satellite radio subscriptions. Subscribers and subscription related revenue and expenses associated with the SIRIUS XM Canada service, which had approximately 2.6 million subscribers as of December 31, 2018, and SIRIUS XM's connected vehicle services are not included in SIRIUS XM's subscriber count or subscriber-based operating metrics.

SIRIUS XM's primary source of revenue is subscription fees, with most of its customers subscribing to monthly, quarterly, semi-annual or annual plans. SIRIUS XM offers discounts for prepaid subscription plans, as well as a multiple subscription discount. SIRIUS XM also derives revenue from certain fees, the sale of advertising on select non-music channels, the direct sale of satellite radios and accessories and other ancillary services, such as weather, data and traffic services. SIRIUS XM provides traffic services to approximately 8.6 million vehicles.

We acquired a controlling interest in SIRIUS XM on January 18, 2013 and applied purchase accounting and consolidated the results of SIRIUS XM from that date. The results presented for SIRIUS XM below include the impacts of acquisition accounting adjustments in all periods presented. Additionally, as of December 31, 2018, there is an approximate 27% noncontrolling interest in SIRIUS XM, and the net earnings of SIRIUS XM attributable to such noncontrolling interest is eliminated through the noncontrolling interest line item in the consolidated statement of

operations. SIRIUS XM is a separate publicly traded company and additional information about SIRIUS XM can be obtained through its website and its public filings, which are not incorporated by reference herein.

SIRIUS XM's operating results were as follows:

	Years ended December 31,		
	2018	2017	2016
	amounts in millions		
Subscriber revenue	\$ 4,594	4,472	4,194
Other revenue	1,177	953	820
Total revenue	<u>5,771</u>	<u>5,425</u>	<u>5,014</u>
Operating expenses (excluding stock-based compensation included below):			
Cost of subscriber services			
Revenue share and royalties (excluding legal settlements)	(1,325)	(1,166)	(1,062)
Programming and content	(378)	(361)	(333)
Customer service and billing	(378)	(381)	(383)
Other	(122)	(113)	(139)
Subscriber acquisition costs	(470)	(499)	(513)
Other operating expenses	(106)	(97)	(69)
Selling, general and administrative expenses	<u>(762)</u>	<u>(699)</u>	<u>(662)</u>
Adjusted OIBDA	2,230	2,109	1,853
Legal settlement	(69)	(45)	(46)
Stock-based compensation	(133)	(124)	(109)
Depreciation and amortization	<u>(369)</u>	<u>(352)</u>	<u>(312)</u>
Operating income	<u>\$ 1,659</u>	<u>1,588</u>	<u>1,386</u>

Subscriber revenue includes subscription, activation and other fees. Subscriber revenue increased 3% and 7% for the years ended December 31, 2018 and 2017, respectively, as compared to the corresponding prior year periods. The increase for the year ended December 31, 2018 was primarily attributable to a 5% increase in the daily weighted average number of subscribers, partially offset by the impact of the adoption of Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*, and all related amendments, which established Accounting Standards Codification Topic 606 ("ASC 606"), effective as of January 1, 2018. The increase for the year ended December 31, 2017

was primarily attributable to a 4% increase in the daily weighted average number of subscribers as well as a 3% increase in SIRIUS XM's average monthly revenue per subscriber resulting from certain rate increases.

Other revenue includes advertising revenue, equipment revenue, royalty revenue and other ancillary revenue. For the years ended December 31, 2018 and 2017, other revenue increased 24% and 16%, respectively, as compared to the corresponding prior year periods. The increase for the year ended December 31, 2018 was primarily driven by higher U.S. music royalty fee revenue due to a higher rate and an increase in the number of subscribers and higher revenue generated from SIRIUS XM's connected vehicle services and SIRIUS XM Canada. In addition, equipment revenue increased due to additional royalty revenue due to SIRIUS XM's transition to a new generation of chipsets. The prior year increase was driven by higher revenue from Sirius XM Canada due to the new Services Agreement and Advisory Services Agreement entered into in the second quarter of 2017, additional revenue from the U.S. Music Royalty Fee due to an increase in the number of subscribers and subscribers paying at a higher rate and higher revenue generated from SIRIUS XM's connected vehicle services. Equipment revenue increased during the prior year driven by royalty revenue on certain satellite radio components starting in the second quarter of 2016 due to SIRIUS XM's transition to a new generation of chipsets and revenue from the sales of connected vehicle devices since the acquisition of Automatic, partially offset by lower revenue generated through satellite radio sales to distributors and consumers and lower OEM production. Advertising revenue increased during both periods due to a greater number of advertising spots sold and transmitted along with increased rates charged per spot.

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

- *Revenue Share and Royalties (excluding legal settlements)* includes distribution and content provider revenue share, royalties for transmitting content and web streaming, and advertising revenue share. Revenue share and royalties increased 14% and 10% during 2018 and 2017, respectively, as compared to the prior year periods. The increases during both years were primarily due to greater revenue subject to royalty and revenue sharing agreements and increases in the statutory royalty rate for the performance of sound recordings. During the second quarter of 2018, SIRIUS XM recorded a \$69 million charge related to the legal settlement that resolved all outstanding claims, including ongoing audits, under SIRIUS XM's statutory license for sound recordings for the period January 1, 2007 through December 31, 2017. During the fourth quarters of 2017 and 2016, SIRIUS XM recorded \$45 and \$46 million, respectively, related to music royalty legal settlements and reserves. These expenses are included in the Revenue share and royalties line item in the accompanying consolidated financial statements for the years ended December 31, 2018, 2017 and 2016, respectively, but have been excluded from Adjusted OIBDA for the corresponding periods as these expenses were not incurred as a part of SIRIUS XM's normal operations for the periods, and these lump sum amounts do not relate to the on-going performance of the business.
- *Programming and Content* includes costs to acquire, create, promote and produce content. Programming and content costs increased 5% and 8% during 2018 and 2017, respectively, as compared to the corresponding prior years. The increase for the year ended December 31, 2018 was driven primarily by increased personnel-related costs and higher music licensing costs. The prior year increase was due to the addition of video content rights, the payment for which started during the third quarter of 2016, as well as increased talent and personnel related costs.
- *Customer Service and Billing* includes costs associated with the operation and management of SIRIUS XM's internal and third party customer service centers and SIRIUS XM's subscriber management systems as well as billing and collection costs, transaction fees and bad debt expense. Customer service and billing expense decreased 1% and 1% during 2018 and 2017, respectively, as compared to the corresponding prior years. The current year decrease was primarily driven by lower call center costs due to lower agent rates, increased customer self-service resulting in lower contact rates and improved non-pay process driving lower bad debt expense, partially offset by increased transaction fees from a larger subscriber base and personnel-related costs. The prior year decrease was primarily due to a decline in call center agent rates and contact rates, partially offset by increased transaction fees based on a higher subscriber base.

- *Other* includes costs associated with the operation and maintenance of SIRIUS XM's terrestrial repeater networks; satellites; satellite telemetry, tracking and control systems; satellite uplink facilities; studios; and delivery of SIRIUS XM's streaming service and connected vehicle services as well as costs from the sale of satellite radios, components and accessories and provisions for inventory allowance attributable to products purchased for resale in SIRIUS XM's direct to consumer distribution channels. Other costs of subscriber services increased 8% and decreased 19% during the years ended December 31, 2018 and 2017, respectively, as compared to the corresponding prior years. The current year increase was primarily driven by higher wireless costs associated with SIRIUS XM's connected vehicle services and higher streaming costs, partially offset by lower direct satellite radio sales to consumers. The prior year decrease was driven by lower wireless costs associated with SIRIUS XM's connected vehicle services, a reduction in terrestrial repeater costs as a result of the elimination of duplicative repeater sites, and lower sales to distributors and consumers, partially offset by increased streaming costs and the incremental costs associated with the sale of connected vehicle devices since the acquisition of Automatic.

Subscriber acquisition costs include hardware subsidies paid to radio manufacturers, distributors and automakers, including subsidies paid for chipsets and certain other components used in manufacturing radios; device royalties for certain radios and chipsets; product warranty obligations; and freight. The majority of subscriber acquisition costs are incurred and expensed in advance of, or concurrent with, acquiring a subscriber. For the years ended December 31, 2018 and 2017, subscriber acquisition costs decreased 6% and 3%, respectively, as compared to the corresponding periods in the prior year. The decreases for both years were driven by reductions to OEM hardware subsidy rates, lower subsidized costs related to the transition of chipsets and decreases in satellite radio installations.

Other operating expense includes engineering, design and development costs consisting primarily of compensation and related costs to develop chipsets and new products and services. For the years ended December 31, 2018 and 2017, other operating expense increased 9% and 41%, respectively, as compared to the corresponding periods in the prior year. The current year increase was driven by the continued development of SIRIUS XM's streaming product and connected vehicle services. The prior year increase was driven by the development of SIRIUS XM's connected vehicle services and additional costs associated with the development of SIRIUS XM's audio and video streaming products.

Selling, general and administrative expense includes costs of marketing, advertising, media and production, including promotional events and sponsorships; cooperative marketing; compensation and related personnel costs; facilities costs, finance, legal, human resources and information technology costs. Selling, general and administrative expense increased 9% and 6% for the years ended December 31, 2018 and 2017, respectively, as compared to the corresponding prior year periods. The increases for both years were due to additional subscriber communications, retention programs and acquisition campaigns as well as higher personnel-related costs. Additional increases during the year ended December 31, 2018 were driven by higher information technology costs, a one-time charge for sales and use taxes and expenses associated with the Pandora acquisition. The increases during the year ended December 31, 2017 were partially offset by the timing of certain OEM marketing campaigns, lower legal costs, litigation reserves and consulting costs.

Stock-based compensation increased 7% and 14% during the years ended December 31, 2018 and 2017, respectively, as compared to the corresponding periods in the prior year. During the year ended December 31, 2018, SIRIUS XM recorded a one-time benefit to stock-based compensation expense as a result of the adoption of ASU 2018-07, *Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*. This benefit was more than offset by an increase in stock-based compensation expense due to an increase in the number of awards granted. The increase in the prior year is primarily due to an increase in the number of awards granted.

Depreciation and amortization increased 5% and 13% during the years ended December 31, 2018 and 2017, respectively, as compared to the corresponding periods in the prior year. The increase in the current year is driven by an increase in amortization expenses related to capitalized software additions and an increase in depreciation expense due to additional assets placed in-service. The increase in the prior year was driven by the acceleration of amortization related to a shorter useful life of certain software as well as additional assets placed in-service.

Formula One Group

Formula 1. Formula 1 is a global motorsports business that holds exclusive commercial rights with respect to the World Championship, an annual, approximately nine-month long, motor race-based competition in which teams compete for the Constructors' Championship and drivers compete for the Drivers' Championship. The World Championship takes place on various circuits with various Events. Formula 1 is responsible for the commercial exploitation and development of the World Championship. Formula 1 derives its primary revenue from the commercial exploitation and development of the World Championship through a combination of entering into race promotion, broadcasting and advertising and sponsorship arrangements. A significant majority of the race promotion, broadcasting and advertising and sponsorship contracts specify payments in advance and annual increases in the fees payable over the course of the contracts.

Liberty acquired a controlling interest in Formula 1 on January 23, 2017 and applied acquisition accounting and consolidated the results of Formula 1 from that date. Prior to the acquisition of our controlling interest, we maintained an investment in Formula 1 since September 7, 2016, which was accounted for as a cost method investment. Although Formula 1's results are only included in Liberty's results since January 23, 2017, we believe a discussion of Formula 1's results for all periods presented promotes a better understanding of the overall results of its business. For comparison and discussion purposes, we are presenting the pro forma results of Formula 1 for the full years ended December 31, 2017 and 2016, inclusive of acquisition accounting adjustments. The pro forma financial information was prepared based on the historical financial information of Formula 1 and assuming the acquisition of Formula 1 took place on January 1, 2016. The pro forma adjustments have been made solely for the purpose of providing comparative pro forma financial information. The financial information below is presented for illustrative purposes only and does not purport to represent the actual results of operations of Formula 1 had the business combination occurred on January 1, 2016, or to project the results of operations of Liberty for any future periods. The pro forma adjustments are based on available information and certain assumptions that Liberty management believes are reasonable. The pro forma adjustments are directly attributable to the business combination and are expected to have a continuing impact on the results of operations of Liberty.

Formula 1's operating results were as follows:

	Years ended December 31,		
	2018 (actual)	2017 (pro forma)	2016 (pro forma)
	amounts in millions		
Primary Formula 1 revenue	\$ 1,487	1,483	1,502
Other Formula 1 revenue	340	301	294
Total Formula 1 revenue	1,827	1,784	1,796
Operating expenses (excluding stock-based compensation included below):			
Cost of Formula 1 revenue	(1,273)	(1,221)	(1,256)
Selling, general and administrative expenses	(154)	(125)	(90)
Adjusted OIBDA	400	438	450
Stock-based compensation	(16)	(24)	—
Depreciation and amortization	(452)	(451)	(403)
Operating income (loss)	\$ (68)	(37)	47

Primary Formula 1 revenue is derived from the commercial exploitation and development of the World Championship through a combination of race promotion fees (earned from granting the rights to host, stage and promote each Event on the World Championship calendar), broadcasting fees (earned from licensing the right to broadcast Events on television and other platforms, including the internet) and advertising and sponsorship fees (earned from the sale of World Championship and Event-related advertising and sponsorship rights).

The World Championship calendar consisted of 21 Events, 20 Events and 21 Events during the years ended December 31, 2018, 2017 and 2016, respectively.

Primary Formula 1 revenue increased \$4 million and decreased \$19 million during the years ended December 31, 2018 and 2017, respectively, as compared to the corresponding periods in the prior year.

The increase for the year ended December 31, 2018 was driven by an increase in race promotion fees due to contractual increases in fees for certain Events and increased economics from contractual arrangements at one Event (which was fully offset by a decrease in advertising and sponsorship revenue, as discussed below). In addition, broadcasting revenue increased during the current period as compared to the corresponding period in the prior year due to the favorable impact of foreign currency exchange rates used to translate Great Britain Pound and Euro-denominated contracts into U.S. Dollars and the impact of certain contractual rate increases, partially offset by the early termination of one contract with a failing broadcast rights holder. Advertising and sponsorship revenue decreased during the current period as compared to the corresponding period in the prior year due to revised contractual arrangements at one Event and non-renewal of another small sponsorship arrangement, partially offset by revenue from new contracts and increases in existing contracts.

The prior year decrease was due to one less Event during 2017 compared to 2016 and legacy contractual terms of one Event, which provided a one time significant decrease in race promotion fees after the 2016 season through the remaining term of that contract. These decreases in race promotion revenue were partially offset by the impact of other contractual increases. Broadcasting revenue increased during the year ended December 31, 2017 as compared to the same period in the prior year due to the impact of certain contractual rate increases, partially offset by the net adverse impact of weaker prevailing foreign currency exchange rates used to translate a small number of fees that were not denominated in U.S. Dollars. Advertising and sponsorship revenue increased during the year ended December 31, 2017 as compared to the corresponding period in the prior year due to increased fees and growth in certain arrangements, partially offset by the non-renewal of two arrangements.

Other Formula 1 revenue is generated from miscellaneous and ancillary sources primarily related to administering the shipment of cars and equipment to and from events outside of Europe, revenue from the sale of tickets to the Formula One Paddock Club at most Events, support races at Events (either from the direct operation of the F2 and GP3 series (the latter of which will be replaced in 2019 by the F3 series) or from the licensing of other third party series or individual race events), various television production and post-production activities, digital and social media services and other ancillary operations.

Other Formula 1 revenue increased \$39 million and \$7 million during the years ended December 31, 2018 and 2017, respectively, as compared to pro forma Other Formula 1 revenue in the corresponding periods in the prior year. The increase in the current year was primarily attributable increases in revenue from the sale of the new F2 chassis, engine and other components to the series' competing teams due to 2018 being the first year of the F2 vehicle cycle, higher logistical and travel services revenue, higher digital media and television production related revenue and increased revenue from hospitality and various fan engagement and other event based activities.

The increase during the year ended December 31, 2017 as compared to the corresponding period in the prior year was primarily attributable to higher logistics and digital media revenue, contributions from broadcasting in Ultra High Definition and higher hospitality revenue, partially offset by lower spend by GP3 series' competing teams during 2017 due to it being the second year of the GP3 vehicle cycle.

	Years ended December 31,		
	2018 (actual)	2017 (pro forma)	2016 (pro forma)
	amounts in millions		
Team payments	\$ (913)	(919)	(966)
Other costs of Formula 1 revenue	(360)	(302)	(290)
Cost of Formula 1 revenue	<u>\$ (1,273)</u>	<u>(1,221)</u>	<u>(1,256)</u>

Cost of Formula 1 revenue increased approximately \$52 million and decreased \$35 million during the years ended December 31, 2018 and 2017, respectively, as compared to the corresponding periods in the prior year. Cost of Formula 1 revenue consists primarily of team payments.

Team payments decreased by \$6 million and \$47 million during the years ended December 31, 2018 and 2017, respectively, as compared to the corresponding periods in the prior year. The decreases were attributable to reductions in the variable elements of the Prize Fund which are calculated based on Formula 1's revenue and costs.

Other costs of Formula 1 revenue include hospitality costs, which are principally related to catering and other aspects of the production and delivery of the Paddock Club, and circuit rights' fees payable under various agreements with race promoters to acquire certain commercial rights at Events, including the right to sell advertising, hospitality and support race opportunities. Other costs include annual Federation Internationale de l'Automobile regulatory fees, advertising and sponsorship commissions and those incurred in the provision and sale of freight, travel and logistical services, F2 and GP3 cars, parts and maintenance services, television production and post-production services, advertising production services and digital and social media activities. These costs are largely variable in nature and relate directly to revenue opportunities. Other costs of Formula 1 revenue increased \$58 million and \$12 million during the years ended December 31, 2018 and 2017, respectively, as compared to the corresponding periods in the prior year. The current year increase is primarily due to increased technical, logistics and travel, hospitality and Formula 2 and GP3 costs associated with the changes in the World Championship calendar, increased costs associated with sale of the new Formula 2 chassis and components to the competing Formula 2 teams during the first season of the latest three year Formula 2 cycle, costs associated with increased fan engagement activities, technical and digital media development and delivery and higher freight and hospitality costs. The prior year increase is due to increasing fan engagement activities, filming in Ultra High definition and higher freight, digital media and hospitality costs, partially offset by a lower circuit rights' fee under the contractual arrangements of one Event and the impact of one less Event in the year.

Selling, general and administrative expenses include personnel costs, legal, professional and other advisory fees, bad debt expense, rental expense, information technology costs, non-Event-related travel costs, insurance premiums, maintenance and utility costs and other general office administration costs. Selling, general and administrative expenses increased \$29 million and \$35 million during the years ended December 31, 2018 and 2017, respectively, as compared to the corresponding periods in the prior year. The current year increase was primarily driven by higher marketing and research costs and an increase in bad debt expense. The increases in pro forma selling, general and administrative expense during 2017 were primarily driven by higher personnel, property, marketing and research costs and advisory fees, all due to the acquisition by Liberty of Formula 1, partially offset by an improvement in foreign exchange related gains and lower bad debt expense during the year ended December 31, 2017 as compared to the corresponding prior year period.

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

Depreciation and amortization includes depreciation of fixed assets and amortization of intangible assets. Depreciation and amortization was relatively flat during the year ended December 31, 2018 as compared to pro forma depreciation and amortization in the corresponding period in the prior year. Pro forma depreciation and amortization increased \$48 million during the year ended December 31, 2017, as compared to the corresponding period in the prior year. The increase was driven by an increase in amortization expense related to intangible assets acquired in the acquisition of Formula 1 by Liberty.

Braves Group

Braves Holdings. Braves Holdings is our wholly owned subsidiary that indirectly owns and operates the Atlanta Braves Major League Baseball club and six minor league baseball clubs (the Gwinnett Stripers, the Mississippi Braves, the Rome Braves, the Danville Braves, the GCL Braves and the Dominican Summer League). Braves Holdings had exclusive operating rights to Turner Field, the home stadium of the Atlanta Braves, until December 31, 2016 pursuant to an Operating Agreement with the Atlanta Fulton County Recreation Authority. Effective for the 2017 season, the Braves relocated to a new ballpark in Cobb County, a suburb of Atlanta. The facility is leased from Cobb County and Cobb-Marietta Coliseum and Exhibit Hall Authority and offers a range of activities and eateries for fans. Braves Holdings and its affiliates participated in the construction of the new stadium and are participating in the construction of an adjacent mixed-use development project, which we refer to as the Development Project.

Operating results attributable to the Braves Holdings were as follows.

	Year ended December 31,		
	2018	2017	2016
	amounts in millions		
Baseball revenue	\$ 404	371	262
Development revenue	38	15	—
Total revenue	<u>442</u>	<u>386</u>	<u>262</u>
Operating expenses (excluding stock-based compensation included below):			
Other operating expenses	(247)	(281)	(224)
Selling, general and administrative expenses	<u>(101)</u>	<u>(98)</u>	<u>(54)</u>
Adjusted OIBDA	94	7	(16)
Stock-based compensation	(10)	(46)	(9)
Depreciation and amortization	<u>(76)</u>	<u>(67)</u>	<u>(32)</u>
Operating income (loss)	<u>\$ 8</u>	<u>(106)</u>	<u>(57)</u>
Regular season home games	81	81	81
Post season home games	2	—	—

Revenue includes amounts generated from Braves Holdings' baseball and development operations. Baseball revenue is derived from three primary sources: ballpark operations (ticket sales, concessions, corporate sales, suites and premium seat fees), local and national broadcast rights, licensing and other shared Major League Baseball ("MLB") revenue streams. Development revenue is derived from the mixed-use facilities and primarily includes rental income. For the years ended December 31, 2018 and 2017, revenue increased \$56 million and \$124 million, respectively, as compared to the corresponding prior years. Baseball revenue per game increased in 2018 due to ticket sales and concession revenue primarily due to increases in attendance driven by team performance, including post season revenue from the 2018 MLB playoffs. Development revenue increased during the year ended December 31, 2018 as compared to the prior year as Braves Holdings had just begun renting the mixed-use facilities in 2017. The increase in 2017 as compared to 2016 was primarily due to the move to the new stadium which increased the number of tickets sold, the average ticket price and concession revenue. Additionally, the new mixed-use development added revenue that Braves Holdings did not have in the previous year.

Other operating expenses primarily include costs associated with baseball and stadium operations. For the years ended December 31, 2018 and 2017, other operating expenses decreased \$34 million and increased \$57 million, respectively, as compared to the corresponding prior years. The decrease in 2018 as compared to 2017 was driven by lower player salaries. The increase in 2017 as compared to 2016 was driven primarily by increases in player costs and higher concession, parking and security costs associated with the new stadium.

Selling, general and administrative expense includes costs of marketing, advertising, finance and related personnel costs. Selling, general and administrative expense increased \$3 million and \$44 million for the years ended December 31, 2018 and 2017, respectively, as compared to the corresponding prior years. The increase in 2018 as compared to 2017 was primarily driven by higher marketing costs in conjunction with the 2018 MLB playoffs and higher expenses related to the Development Project. The increase in 2017 as compared to 2016 was primarily due to costs incurred with the new stadium and the write-off of certain contractual rights related to international players.

Stock-based compensation decreased \$36 million and increased \$37 million during the years ended December 31, 2018 and 2017, respectively, as compared to the corresponding prior years. The decrease in 2018 as compared to 2017 is due to vesting of outstanding awards in 2017, the start of a new plan period in 2018 and decreases in the fair value of the underlying awards. The increase in 2017 as compared to 2016 is due to an increase in the value of Braves Holdings and vesting of outstanding awards.

Depreciation and amortization increased \$9 million and \$35 million during the years ended December 31, 2018 and 2017, respectively, as compared to the corresponding prior years. The increase in 2018 as compared to 2017 is due to an increase in depreciation related to the stadium, which was placed into service on March 21, 2017, partially offset by lower amortization expense related to international player contracts. The increase during 2017 as compared to 2016 is due to an increase in depreciation related to the stadium and an increase in property and equipment to support the Development Project.

Quantitative and Qualitative Disclosures about Market Risk.

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

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

As of December 31, 2018, our debt is comprised of the following amounts:

	<u>Variable rate debt</u>		<u>Fixed rate debt</u>	
	<u>Principal amount</u>	<u>Weighted avg interest rate</u>	<u>Principal amount</u>	<u>Weighted avg interest rate</u>
	dollar amounts in millions			
Liberty SiriusXM Group	\$ 1,039	4.8%	\$ 6,905	5.0%
Braves Group	\$ 154	5.0%	\$ 340	3.6%
Formula One Group	\$ 407	4.8%	\$ 4,576	3.3%

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

At December 31, 2018, the fair value of our marketable debt and equity securities was \$1,195 million. Had the market price of such securities been 10% lower at December 31, 2018, the aggregate value of such securities would have been \$120 million lower. Additionally, our stock in Live Nation (an equity method affiliate) is a publicly traded security which is not reflected at fair value in our balance sheet. This security is also subject to market risk that is not directly reflected in our financial statements.

Financial Statements and Supplementary Data.

The consolidated financial statements of Liberty Media Corporation are included herein, beginning on Page F-31.

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

None.

Controls and Procedures.

In accordance with Rules 13a-15 and 15d-15 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Company carried out an evaluation, under the supervision and with the participation of management, including its chief executive officer and principal accounting and financial officer (the “Executives”), of the effectiveness of its disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the

Executives concluded that the Company's disclosure controls and procedures were effective as of December 31, 2018 to provide reasonable assurance that information required to be disclosed in its reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

See page F-28 for *Management's Report on Internal Control Over Financial Reporting*.

See page F-29 for *Report of Independent Registered Public Accounting Firm* for their attestation regarding our internal control over financial reporting.

There has been no change in the Company's internal control over financial reporting that occurred during the three months ended December 31, 2018 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

Other Information.

None.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

The Company's management assessed the effectiveness of internal control over financial reporting as of December 31, 2018, using the criteria in *Internal Control-Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation the Company's management believes that, as of December 31, 2018, its internal control over financial reporting is effective.

The Company's independent registered public accounting firm audited the consolidated financial statements and related disclosures in the Annual Report and have issued an audit report on the effectiveness of the Company's internal control over financial reporting. This report appears on page F-29 of this Annual Report.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Liberty Media Corporation:

Opinion on Internal Control Over Financial Reporting

We have audited Liberty Media Corporation and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2018 and 2017, and the related consolidated statements of operations, comprehensive earnings (loss), cash flows and equity for each of the years in the three-year period ended December 31, 2018, and related notes (collectively, the consolidated financial statements), and our report dated February 28, 2019 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

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

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ KPMG LLP

Denver, Colorado
February 28, 2019

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Liberty Media Corporation:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Liberty Media Corporation and subsidiaries (the Company) as of December 31, 2018 and 2017, the related consolidated statements of operations, comprehensive earnings (loss), cash flows and equity for each of the years in the three year period ended December 31, 2018, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the years in the three year period ended December 31, 2018, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 28, 2019, expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Change in Accounting Principle

As discussed in Note 3 to the consolidated financial statements, the Company has changed its method of accounting for revenue recognition in 2018 due to the adoption of Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*.

Also as discussed in Note 3 to the consolidated financial statements, the Company changed its method of accounting for share-based payments in 2016 due to the adoption of ASU 2016-09, *Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 2010.

Denver, Colorado
February 28, 2019

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
	<u>amounts in millions</u>	
<i>Assets</i>		
Current assets:		
Cash and cash equivalents	\$ 358	1,029
Trade and other receivables, net.	364	358
Other current assets.	360	356
Total current assets	<u>1,082</u>	<u>1,743</u>
Investments in debt and equity securities (note 7)	1,278	1,114
Investments in affiliates, accounted for using the equity method (note 8)	1,641	1,750
Property and equipment, at cost	3,765	3,596
Accumulated depreciation	<u>(1,296)</u>	<u>(1,055)</u>
	<u>2,469</u>	<u>2,541</u>
Intangible assets not subject to amortization (note 9)		
Goodwill	18,386	18,383
FCC licenses	8,600	8,600
Other	1,074	1,074
	<u>28,060</u>	<u>28,057</u>
Intangible assets subject to amortization, net (note 9)	5,715	6,192
Other assets	583	599
Total assets	<u>\$ 40,828</u>	<u>41,996</u>
<i>Liabilities and Equity</i>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,116	1,250
Current portion of debt (note 10)	17	768
Deferred revenue	2,079	1,941
Other current liabilities	32	20
Total current liabilities	<u>3,244</u>	<u>3,979</u>
Long-term debt, including \$2,487 million and \$2,115 million measured at fair value, respectively (note 10)	13,371	13,186
Deferred income tax liabilities (note 11)	1,651	1,478
Other liabilities	864	779
Total liabilities	<u>\$ 19,130</u>	<u>19,422</u>

(continued)

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets (Continued)

December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
	<u>amounts in millions</u>	
Stockholders' equity (notes 12,14 and 16):		
Preferred stock, \$.01 par value. Authorized 50,000,000 shares; no shares issued	\$ —	—
Series A Liberty SiriusXM common stock, \$.01 par value. Authorized 2,000,000,000 shares at December 31, 2018; issued and outstanding 102,809,736 shares at December 31, 2018 and 102,701,972 shares at December 31, 2017 (note 2)	1	1
Series A Liberty Braves common stock, \$.01 par value. Authorized 200,000,000 shares at December 31, 2018; issued and outstanding 10,244,591 shares at December 31, 2018 and 10,243,259 shares at December 31, 2017 (note 2)	—	—
Series A Liberty Formula One common stock, \$.01 par value. Authorized 500,000,000 shares at December 31, 2018; issued and outstanding 25,675,346 shares at December 31, 2018 and 25,649,611 shares at December 31, 2017 (note 2)	—	—
Series B Liberty SiriusXM common stock, \$.01 par value. Authorized 75,000,000 shares at December 31, 2018; issued and outstanding 9,821,531 shares at December 31, 2018 and December 31, 2017 (note 2)	—	—
Series B Liberty Braves common stock, \$.01 par value. Authorized 7,500,000 shares at December 31, 2018; issued and outstanding 981,860 shares at December 31, 2018 and December 31, 2017 (note 2)	—	—
Series B Liberty Formula One common stock, \$.01 par value. Authorized 18,750,000 shares at December 31, 2018; issued and outstanding 2,453,485 shares at December 31, 2018 and 2,454,448 shares at December 31, 2017 (note 2)	—	—
Series C Liberty SiriusXM common stock, \$.01 par value. Authorized 2,000,000,000 shares at December 31, 2018; issued and outstanding 213,130,922 shares at December 31, 2018 and 223,588,953 shares at December 31, 2017 (note 2)	2	2
Series C Liberty Braves common stock, \$.01 par value. Authorized 200,000,000 shares at December 31, 2018; issued and outstanding 39,740,215 shares at December 31, 2018 and 39,723,440 shares at December 31, 2017 (note 2)	—	—
Series C Liberty Formula One common stock, \$.01 par value. Authorized 500,000,000 shares at December 31, 2018; issued and outstanding 202,887,872 shares at December 31, 2018 and 202,720,588 shares at December 31, 2017 (note 2)	2	2
Additional paid-in capital	2,984	3,892
Accumulated other comprehensive earnings (loss), net of taxes	(38)	(35)
Retained earnings	<u>13,644</u>	<u>13,081</u>
Total stockholders' equity	<u>16,595</u>	<u>16,943</u>
Noncontrolling interests in equity of subsidiaries	<u>5,103</u>	<u>5,631</u>
Total equity	<u>21,698</u>	<u>22,574</u>
Commitments and contingencies (note 17)		
Total liabilities and equity	<u>\$ 40,828</u>	<u>41,996</u>

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Statements Of Operations

Years ended December 31, 2018, 2017 and 2016

	2018	2017	2016
	amounts in millions		
Revenue:			
Subscriber revenue	\$ 4,594	4,473	4,194
Formula 1 revenue	1,827	1,783	—
Other revenue	1,619	1,338	1,082
Total revenue	8,040	7,594	5,276
Operating costs and expenses, including stock-based compensation (note 3):			
Cost of subscriber services (exclusive of depreciation shown separately below):			
Revenue share and royalties	1,394	1,210	1,109
Programming and content	406	388	354
Customer service and billing	382	385	387
Other	126	119	144
Cost of Formula 1 revenue	1,273	1,219	—
Subscriber acquisition costs	470	499	513
Other operating expenses	370	394	306
Selling, general and administrative	1,203	1,162	886
Legal settlement, net (note 17)	—	—	(511)
Depreciation and amortization	905	824	354
	6,529	6,200	3,542
Operating income (loss)	1,511	1,394	1,734
Other income (expense):			
Interest expense	(606)	(591)	(362)
Share of earnings (losses) of affiliates, net (note 8)	18	104	14
Realized and unrealized gains (losses) on financial instruments, net (note 6)	40	(88)	37
Other, net	78	8	(4)
	(470)	(567)	(315)
Earnings (loss) before income taxes	1,041	827	1,419
Income tax (expense) benefit (note 11)	(176)	1,063	(495)
Net earnings (loss)	865	1,890	924
Less net earnings (loss) attributable to the noncontrolling interests	334	536	244
Net earnings (loss) attributable to Liberty stockholders	\$ 531	1,354	680
Net earnings (loss) attributable to Liberty stockholders (note 2):			
Liberty Media Corporation common stock	\$ NA	NA	377
Liberty SiriusXM common stock	676	1,124	297
Liberty Braves common stock	5	(25)	(30)
Liberty Formula One common stock	(150)	255	36
	\$ 531	1,354	680

(continued)

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Statements Of Operations (Continued)

Years ended December 31, 2018, 2017 and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Basic net earnings (loss) attributable to Liberty stockholders per common share (notes 2 and 3)			
Series A, B and C Liberty Media Corporation common stock	NA	NA	1.13
Series A, B and C Liberty SiriusXM common stock	2.04	3.35	0.89
Series A, B and C Liberty Braves common stock	0.10	(0.51)	(0.65)
Series A, B and C Liberty Formula One common stock	(0.65)	1.23	0.43
Diluted net earnings (loss) attributable to Liberty stockholders per common share (notes 2 and 3)			
Series A, B and C Liberty Media Corporation common stock	NA	NA	1.12
Series A, B and C Liberty SiriusXM common stock	2.01	3.31	0.88
Series A, B and C Liberty Braves common stock	0.10	(0.51)	(0.65)
Series A, B and C Liberty Formula One common stock	(0.65)	1.21	0.42

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Statements Of Comprehensive Earnings (Loss)

Years ended December 31, 2018, 2017 and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
	<u>amounts in millions</u>		
Net earnings (loss)	\$ 865	1,890	924
Other comprehensive earnings (loss), net of taxes:			
Foreign currency translation adjustments	(34)	24	4
Unrealized holding gains (losses) arising during the period	(3)	(3)	—
Credit risk on fair value debt instruments gains (losses)	32	—	—
Share of other comprehensive earnings (loss) of equity affiliates	(10)	14	(14)
Other comprehensive earnings (loss)	<u>(15)</u>	<u>35</u>	<u>(10)</u>
Comprehensive earnings (loss)	850	1,925	914
Less comprehensive earnings (loss) attributable to the noncontrolling interests	<u>324</u>	<u>544</u>	<u>245</u>
Comprehensive earnings (loss) attributable to Liberty stockholders	<u>\$ 526</u>	<u>1,381</u>	<u>669</u>
Comprehensive earnings (loss) attributable to Liberty stockholders:			
Liberty Media Corporation common stock	\$ NA	NA	382
Liberty SiriusXM common stock	663	1,142	295
Liberty Braves common stock	2	(28)	(30)
Liberty Formula One common stock	<u>(139)</u>	<u>267</u>	<u>22</u>
	<u>\$ 526</u>	<u>1,381</u>	<u>669</u>

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Statements Of Cash Flows

Years ended December 31, 2018, 2017 and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
	amounts in millions		
	(see note 5)		
Cash flows from operating activities:			
Net earnings (loss)	\$ 865	1,890	924
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	905	824	354
Stock-based compensation	192	230	150
Share of (earnings) loss of affiliates, net	(18)	(104)	(14)
Realized and unrealized (gains) losses on financial instruments, net	(40)	88	(37)
Noncash interest expense	(1)	16	11
Losses (gains) on dilution of investment in affiliate	1	(3)	—
Loss on early extinguishment of debt	1	48	24
Deferred income tax expense (benefit)	167	(1,064)	427
Other charges (credits), net	(17)	4	30
Changes in operating assets and liabilities			
Current and other assets	(31)	50	25
Payables and other liabilities	132	(247)	277
Net cash provided (used) by operating activities	<u>2,156</u>	<u>1,732</u>	<u>2,171</u>
Cash flows from investing activities:			
Cash proceeds from dispositions of investments	399	21	62
Net cash paid for the acquisition of Formula 1	—	(1,647)	—
Investments in equity method affiliates and debt and equity securities	(414)	(862)	(784)
Repayment of loans and other cash receipts from equity method affiliates and debt and equity securities	14	—	48
Capital expended for property and equipment	(403)	(517)	(568)
Purchases of short term investments and other marketable securities	—	—	(258)
Sales of short term investments and other marketable securities	—	—	273
Other investing activities, net	34	(132)	(37)
Net cash provided (used) by investing activities	<u>(370)</u>	<u>(3,137)</u>	<u>(1,264)</u>
Cash flows from financing activities:			
Borrowings of debt	3,617	6,697	2,745
Repayments of debt	(4,057)	(5,107)	(1,749)
Proceeds from issuance of Series C Liberty Formula One common stock	—	1,938	—
Series C Liberty SiriusXM common stock repurchases	(466)	—	—
Subsidiary shares repurchased by subsidiary	(1,314)	(1,409)	(1,674)
Proceeds from Liberty Braves common stock rights offering	—	—	203
Cash dividends paid by subsidiary	(59)	(60)	(16)
Taxes paid in lieu of shares issued for stock-based compensation	(130)	(135)	(58)
Other financing activities, net	29	(48)	3
Net cash provided (used) by financing activities	<u>(2,380)</u>	<u>1,876</u>	<u>(546)</u>
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(1)	4	—
Net increase (decrease) in cash, cash equivalents and restricted cash	(595)	475	361
Cash, cash equivalents and restricted cash at beginning of period	1,047	572	211
Cash, cash equivalents and restricted cash at end of period	<u>\$ 452</u>	<u>1,047</u>	<u>572</u>

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2018, 2017 and 2016

(1) Basis of Presentation

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

Liberty, through its ownership of interests in subsidiaries and other companies, is primarily engaged in the media and entertainment industries primarily in North America and the United Kingdom. Our significant subsidiaries include Sirius XM Holdings Inc. (“SIRIUS XM”), Formula 1 and Braves Holdings, LLC (“Braves Holdings”). Our significant investment accounted for under the equity method of accounting is Live Nation Entertainment, Inc. (“Live Nation”). As discussed in notes 2 and 7, Liberty obtained a nearly 20% interest in Delta Topco Limited (“Delta Topco”), the parent company of Formula 1, a global motorsports business, during 2016 and acquired the remaining interests, other than a nominal number of shares held by certain Formula 1 teams, during January 2017.

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

In January 2013, Starz (which was renamed Starz Acquisition, LLC in connection with its acquisition by Lions Gate Entertainment Corp. and was formerly known as Liberty Media Corporation) spun-off (the “Starz Spin-Off”) its then-former wholly-owned subsidiary, which, at the time of the Starz Spin-Off, held all of the businesses, assets and liabilities of Starz not associated with Starz, LLC (with the exception of the Starz, LLC office building). The transaction was effected as a pro-rata dividend of shares of Liberty to the stockholders of Starz.

Also in January 2013, Liberty obtained a controlling interest and began consolidating SIRIUS XM. SIRIUS XM, since the date of our investment, has repurchased approximately 2.5 billion SIRIUS XM shares for approximately \$9.4 billion. Liberty continues to maintain a controlling interest in SIRIUS XM following the completion of the share repurchases. As of December 31, 2018, we owned approximately 73% of the outstanding equity interest in SIRIUS XM. On February 1, 2019, SIRIUS XM issued shares of SIRIUS XM Common Stock in conjunction with its acquisition of Pandora Media, Inc. (“Pandora”), which reduced our economic ownership in SIRIUS XM to approximately 67% as of such date. See note 7 for more information regarding the acquisition of Pandora.

During 2014, Liberty’s board of directors approved the issuance of shares of its Series C Liberty Media Corporation common stock to holders of its Series A and Series B Liberty Media Corporation common stock, effected by means of a dividend. On July 23, 2014, holders of Series A and Series B Liberty Media Corporation common stock received a dividend of two shares of Series C Liberty Media Corporation common stock for each share of Series A or Series B Liberty Media Corporation common stock held by them as of July 7, 2014. Additionally, in connection with the Series C Liberty Media Corporation common stock issuance and the Broadband Spin-Off (defined below), outstanding Series A Liberty Media Corporation common stock warrants have been adjusted, as well as the number of shares covered by outstanding cash convertible note hedges and purchased call options (the “Bond Hedge Transaction”). See note 10 for further discussion regarding the warrants and Bond Hedge Transaction.

On November 4, 2014, Liberty completed the spin-off to its stockholders common stock of a newly formed company called Liberty Broadband Corporation (“Liberty Broadband”) (the “Broadband Spin-Off”). In the Broadband Spin-Off, record holders of Series A, Series B and Series C Liberty Media Corporation common stock received one share of the corresponding series of Liberty Broadband common stock for every four shares of common stock held by them as of the record date for the Broadband Spin-Off, with cash paid in lieu of fractional shares.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

During August 2014, Liberty Interactive completed the distribution of Liberty TripAdvisor Holdings, Inc. (“Liberty TripAdvisor”) (the “TripAdvisor Spin-Off”). During July 2016, Liberty Interactive completed the spin-off of CommerceHub, Inc. (“CommerceHub”) (the “CommerceHub Spin-Off”). During November 2016, Liberty Interactive completed the split-off of Liberty Expedia Holdings, Inc. (“Expedia Holdings”) (the “Expedia Holdings Split-Off”). During March 2018, Liberty Interactive completed the split-off of GCI Liberty, Inc. (“GCI Liberty”) (the “GCI Liberty Split-Off”) and Liberty Interactive was subsequently renamed Qurate Retail, Inc. (“Qurate Retail”). Following these transactions, each of these companies operates (or in the case of Starz and CommerceHub, prior to their respective acquisitions, operated) as separate publicly traded companies, none of which has (or, in the case of Starz and CommerceHub, had) any stock ownership, beneficial or otherwise, in the other (except that GCI Liberty owns shares of Liberty Broadband’s Series C non-voting common stock). In connection with the Split-Off, Starz Spin-Off, TripAdvisor Spin-Off, Broadband Spin-Off, CommerceHub Spin-Off, Expedia Holdings Split-Off and GCI Liberty Split-Off, Liberty entered into certain agreements with Qurate Retail, Starz, Liberty TripAdvisor, Liberty Broadband, CommerceHub, Expedia Holdings and GCI Liberty, respectively, in order to govern ongoing relationships between the companies and to provide for an orderly transition. As a result, these entities are considered related parties of the Company for accounting purposes through the dates of the respective transactions. These agreements include Reorganization Agreements (in the case of Qurate Retail, Starz and Liberty Broadband only), Services Agreements (which, in Starz’s case terminated in April 2017, and in CommerceHub’s case, terminated in August 2018), Facilities Sharing Agreements (excluding Starz and CommerceHub), a Lease Agreement (in the case of the Starz Spin-Off only) and with respect to Starz and Liberty Broadband, Tax Sharing Agreements. The Reorganization, Services and Facilities Sharing Agreements entered into with Liberty Interactive were assigned from Starz to Liberty in connection with the Starz Spin-Off.

The Reorganization Agreements provide for, among other things, provisions governing the relationships between Liberty and each of Qurate Retail, Starz and Liberty Broadband, respectively, including certain cross-indemnities. Pursuant to the Services Agreements, Liberty provides Qurate Retail, Liberty TripAdvisor, Liberty Broadband, CommerceHub (prior to termination), Expedia Holdings and GCI Liberty with general and administrative services including legal, tax, accounting, treasury and investor relations support. Qurate Retail, Liberty TripAdvisor, Liberty Broadband, CommerceHub (prior to termination), Expedia Holdings and GCI Liberty reimburse Liberty for direct, out-of-pocket expenses incurred by Liberty in providing these services and in the case of Qurate Retail, Qurate Retail’s allocable portion of costs associated with any shared services or personnel based on an estimated percentage of time spent providing services to Qurate Retail. Liberty TripAdvisor, Liberty Broadband, CommerceHub (prior to termination), Expedia Holdings and GCI Liberty reimburse Liberty for shared services and personnel based on a flat fee. Under the Facilities Sharing Agreements, Liberty shares office space and related amenities with Qurate Retail, Liberty TripAdvisor, Liberty Broadband, Expedia Holdings and GCI Liberty at Liberty’s corporate headquarters. Under these various agreements, approximately \$30 million, \$24 million and \$21 million of these allocated expenses were reimbursed to Liberty during the years ended December 31, 2018, 2017 and 2016, respectively. Under the Lease Agreement, Starz leases its corporate headquarters from Liberty. The Lease Agreement with Starz for their corporate headquarters requires a payment of approximately \$4 million annually, subject to certain increases based on the Consumer Price Index. The Lease Agreement expires on December 31, 2023 and contains an extension option.

The Tax Sharing Agreements provide for the allocation and indemnification of tax liabilities and benefits between Liberty and each of Starz and Liberty Broadband as well as other agreements related to tax matters. Among other things, pursuant to the Tax Sharing Agreements, Liberty has generally agreed to indemnify Starz and Liberty Broadband for taxes and losses resulting from the failure of the Starz Spin-Off and the Broadband Spin-Off, respectively, to qualify for tax-free treatment. However, Starz will be responsible for any such taxes and losses related to the Starz Spin-Off which (i) result primarily from the breach of certain restrictive covenants made by Starz, or (ii) result from Section 355(e) of the Internal Revenue Code of 1986 (the “Code”) applying to the Starz Spin-Off as a result of the Starz Spin-Off being part of a plan (or series of related transactions) pursuant to which one or more persons acquire a 50-percent or greater interest (measured by vote or value) in the stock of Starz, and Liberty Broadband will be responsible for any such taxes and losses related to the Broadband Spin-Off which (i) result primarily from the breach of certain restrictive covenants made by Liberty

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

Broadband, or (ii) result from Section 355(e) of the Code applying to the Broadband Spin-Off as a result of the Broadband Spin-Off being part of a plan (or series of related transactions) pursuant to which one or more persons acquire a 50-percent or greater interest (measured by vote or value) in the stock of Liberty Broadband. In February 2014, the IRS and Starz entered into a closing agreement which provided that the Starz Spin-Off qualified for tax-free treatment to Starz and Liberty. In September 2015, Liberty entered into a closing agreement with the IRS which provided that the Broadband Spin-Off qualified for tax-free treatment.

(2) Tracking Stocks

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

The Recapitalization was completed on April 15, 2016 and the newly issued shares commenced trading or quotation in the regular way on the Nasdaq Global Select Market or the OTC Markets, as applicable, on Monday, April 18, 2016. In the Recapitalization, each issued and outstanding share of Liberty Media Corporation common stock was reclassified and exchanged for (a) 1 share of the corresponding series of Liberty SiriusXM common stock, (b) 0.1 of a share of the corresponding series of Liberty Braves common stock and (c) 0.25 of a share of the corresponding series of Liberty Formula One common stock on April 15, 2016. Cash was paid in lieu of the issuance of any fractional shares. In May 2016, the IRS completed its review of the Recapitalization and notified Liberty that it agreed with the nontaxable characterization of the transaction. The operating results prior to the Recapitalization are attributed to Liberty stockholders in the aggregate. However, the information in the following footnotes has been presented by tracking stock groups for all periods presented in order to enhance the information provided to users of these financial statements.

Following the creation of the tracking stocks, Series A, Series B and Series C Liberty SiriusXM common stock trade under the symbols LSXMA/B/K, respectively; Series A, Series B and Series C Liberty Braves common stock trade or are quoted under the symbols BATRA/B/K respectively; and Series A, Series B and Series C Liberty Media common stock traded or were quoted under the symbols LMCA/B/K, respectively. Shortly following the Second Closing (as defined below) of the acquisition of Formula 1, the Liberty Media Group and Liberty Media common stock were renamed the Liberty Formula One Group (the "Formula One Group") and the Liberty Formula One common stock, respectively, and the corresponding ticker symbols for the Series A, Series B and Series C Liberty Media common stock were changed to FWONA/B/K, respectively. Each series (Series A, Series B and Series C) of the Liberty SiriusXM common stock trades on the Nasdaq Global Select Market. Series A and Series C Liberty Braves common stock trade on the Nasdaq Global Select Stock Market and Series B Liberty Braves common stock is quoted on the OTC Markets. Series A and Series C Liberty Formula One common stock continue to trade on the Nasdaq Global Select Market and the Series B Liberty Formula One common stock continues to be quoted on the OTC Markets. Although the Second Closing, and the corresponding tracking stock name and the ticker symbol change, were not completed until January 23 and 24, 2017, respectively, historical information of the Liberty Media Group and Liberty Media common stock is referred to herein as the Formula One Group and Liberty Formula One common stock, respectively.

In addition, following the creation of the new tracking stocks, Liberty distributed to holders of its Liberty Braves common stock subscription rights to acquire shares of Series C Liberty Braves common stock in order to raise capital to repay an intergroup note and for working capital purposes. In the rights distribution, Liberty distributed 0.47 of a Series C Liberty Braves subscription right for each share of Series A, Series B or Series C Liberty Braves common stock held as of 5:00 p.m., New York City time, on May 16, 2016. Fractional Series C Liberty Braves subscription rights were rounded up to the nearest whole right. Each whole Series C Liberty Braves subscription right entitled the holder to purchase, pursuant to the basic subscription privilege, one share of Liberty's Series C Liberty Braves common stock at a subscription price of

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

\$12.80, which was equal to an approximate 20% discount to the trading day volume weighted average trading price of Series C Liberty Braves common stock for the 18-day trading period ending on May 11, 2016. Each Series C Liberty Braves subscription right also entitled the holder to subscribe for additional shares of Series C Liberty Braves common stock that were unsubscribed for in the rights offering pursuant to an oversubscription privilege. The rights offering commenced on May 18, 2016, which was also the ex-dividend date for the distribution of the Series C Liberty Braves subscription rights. The rights offering expired at 5:00 p.m. New York City time, on June 16, 2016 and was fully subscribed with 15,833,634 shares of Series C Liberty Braves common stock issued to those rightsholders exercising basic and, if applicable, oversubscription privileges. Approximately \$150 million of the proceeds from the rights offering were used to repay the outstanding balance on an intergroup note and accrued interest to Liberty. The remaining proceeds were used for development costs attributed to the Braves Group. In September 2016, the IRS completed its review of the distribution of the Series C Liberty Braves subscription rights and notified Liberty that it agreed with the nontaxable characterization of the distribution.

Additionally, as a result of the Recapitalization, Liberty's 1.375% Cash Convertible Senior Notes due 2023 are now convertible into cash based on the product of the conversion rate specified in the indenture and the basket of tracking stocks into which each outstanding share of Series A Liberty Media Corporation common stock was reclassified (the "Securities Basket"). The Series A Liberty Braves common stock component of the Securities Basket was subsequently adjusted pursuant to anti-dilution adjustments arising out of the distribution of subscription rights to purchase shares of Series C Liberty Braves common stock made to all holders of Liberty Braves common stock. Furthermore, the Company entered into amended agreements with the counterparties with regard the Recapitalization-related adjustments to the outstanding Series A Liberty Media Corporation common stock warrants as well as the outstanding cash convertible note hedges and purchased call options. See note 10 for a more detailed discussion of the amendments made to these financial instruments as a result of the Recapitalization.

As discussed in more detail in note 5, on September 7, 2016 Liberty, through its indirect wholly owned subsidiary Liberty GR Cayman Acquisition Company, entered into two definitive stock purchase agreements relating to the acquisition of Delta Topco. The transactions contemplated by the first purchase agreement were completed on September 7, 2016, resulting in the acquisition of slightly less than a 20% minority stake in Formula 1 on an undiluted basis. On October 27, 2016 under the terms of the first purchase agreement, Liberty acquired an additional incremental equity interest of Delta Topco, maintaining Liberty's investment in Delta Topco on an undiluted basis and increasing slightly to 19.1% on a fully diluted basis. Liberty's interest in Delta Topco and by extension Formula 1 is attributed to the Liberty Formula One Group (the "Formula One Group"). Liberty acquired 100% of the fully diluted equity interests of Delta Topco, other than a nominal number of shares held by certain Formula 1 teams, in a closing under the second purchase agreement (following the unwind of the first purchase agreement) on January 23, 2017 (the "Second Closing"). Liberty's acquired interest in Formula 1, along with existing Formula 1 cash and debt (which is non-recourse to Liberty), is attributed to the Formula One Group.

A 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 Liberty SiriusXM Group, Liberty Braves Group (the "Braves Group") and Formula One Group have separate collections of businesses, assets and liabilities attributed to them, no group is a separate legal entity and therefore cannot own assets, issue securities or enter into legally binding agreements. Therefore, the Liberty SiriusXM Group, Braves Group and Formula One Group do not represent separate legal entities, but rather represent those businesses, assets and liabilities that have been attributed to each respective group. Holders of tracking stock have no direct claim to the group's stock or assets and therefore, do not own, by virtue of their ownership of a Liberty tracking stock, any equity or voting interest in a public company, such as SIRIUS XM or Live Nation, in which Liberty holds an interest and that is attributed to a Liberty tracking stock group, such as the Liberty SiriusXM Group or the Formula One Group. Holders of tracking stock are also 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.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

The Liberty SiriusXM common stock is intended to track and reflect the separate economic performance of the businesses, assets and liabilities attributed to the Liberty SiriusXM Group. Liberty attributed to the Liberty SiriusXM Group its subsidiary SIRIUS XM, corporate cash, investments in debt securities, Liberty's 2.125% Exchangeable Senior Debentures due 2048 and a margin loan obligation incurred by a wholly-owned special purpose subsidiary of Liberty. On February 1, 2019, SIRIUS XM acquired Pandora. See note 7 for more information regarding the acquisition of Pandora. As of December 31, 2018, the Liberty SiriusXM Group has cash and cash equivalents of approximately \$91 million, which includes \$54 million of subsidiary cash.

The Liberty Braves common stock is intended to track and reflect the separate economic performance of the businesses, assets and liabilities attributed to the Braves Group. Liberty attributed to the Braves Group its subsidiary, Braves Holdings, which indirectly owns the Atlanta Braves Major League Baseball Club ("ANLBC" or the "Atlanta Braves") and certain assets and liabilities associated with ANLBC's stadium and mixed use development project (the "Development Project") and corporate cash. The Formula One Group holds an intergroup interest in the Braves Group. As of December 31, 2018, the Braves Group has cash and cash equivalents of approximately \$107 million, which includes \$40 million of subsidiary cash.

The Liberty Formula One common stock is intended to track and reflect the separate economic performance of the businesses, assets and liabilities attributed to the Formula One Group. Liberty attributed to the Formula One Group all of the businesses, assets and liabilities of Liberty other than those specifically attributed to the Braves Group or the Liberty SiriusXM Group, including Liberty's interests in Formula 1 and Live Nation, an intergroup interest in the Braves Group, Liberty's 1.375% Cash Convertible Notes due 2023 and related financial instruments, Liberty's 1% Cash Convertible Notes due 2023, Liberty's 2.25% Exchangeable Senior Debentures due 2046 and Liberty's 2.25% Exchangeable Senior Debentures due 2048. As of December 31, 2018, the Formula One Group has cash and cash equivalents of approximately \$160 million, which includes \$30 million of subsidiary cash.

As part of the Recapitalization, the Formula One Group initially held a 20% intergroup interest in the Braves Group. As a result of the rights offering, the number of notional shares representing the intergroup interest held by the Formula One Group was adjusted to 9,084,940, representing a 15.1% intergroup interest in the Braves Group at December 31, 2018. The intergroup interest is a quasi-equity interest which is not represented by outstanding shares of common stock; rather, the Formula One Group has an attributed value in the Braves Group which is generally stated in terms of a number of shares of Series C Liberty Braves common stock issuable to the Formula One Group with respect to its interest in the Braves Group. The intergroup interest may be settled, at the discretion of the Company's board of directors, through the transfer of newly issued shares of Liberty Braves common stock, cash and/or other assets to the Formula One Group. Accordingly, the intergroup interest attributable to the Formula One Group is presented as an asset and the intergroup interest attributable to the Braves Group is presented as a liability in the attributed financial statements and the offsetting amounts between tracking stock groups are eliminated in consolidation. The intergroup interest will remain outstanding until the cancellation of the outstanding interest, at the discretion of the Company's board of directors, through transfer of securities, cash and/or other assets from the Braves Group to the Formula One Group.

See page F-96 to this Annual Report for unaudited attributed financial information for Liberty's tracking stock groups.

(3) Summary of Significant Accounting Policies

Cash and Cash Equivalents

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

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

Receivables

Receivables are reflected net of an allowance for doubtful accounts and sales returns. Such allowance aggregated \$20 million and \$12 million at December 31, 2018 and 2017, respectively. Activity in the year ended December 31, 2018 included an increase of \$68 million of bad debt charged to expense and \$60 million of write-offs. Activity in the year ended December 31, 2017 included an increase of \$57 million of bad debt charged to expense and \$55 million of write-offs. Activity in the year ended December 31, 2016 included an increase of \$56 million of bad debt charged to expense and \$53 million of write-offs.

Investments

All marketable equity and debt securities held by the Company are carried at fair value, generally based on quoted market prices and changes in the fair value of such securities are reported in realized and unrealized gain (losses) on financial instruments in the accompanying consolidated statements of operations. The Company elected the measurement alternative (defined as the cost of the security, adjusted for changes in fair value when there are observable prices, less impairments) for its equity securities without readily determinable fair values. The total value of marketable debt and equity securities aggregated \$1,195 million and \$1,047 million as of December 31, 2018 and 2017, respectively.

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

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

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

The Company performs a qualitative assessment for equity securities without readily determinable fair values each reporting period to determine whether the security could be impaired. If the qualitative assessment indicates that an impairment could exist, we estimate the fair value of the investments, and, to the extent the security's fair value is less than its carrying value, an impairment is recorded in the consolidated statements of operations.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

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Derivative Instruments and Hedging Activities

All of the Company's derivatives, whether designated in hedging relationships or not, are recorded on the balance sheet at fair value. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings. If the derivative is designated as a cash flow hedge, the effective portions of changes in the fair value of the derivative are recorded in other comprehensive earnings and are recognized in the statement of operations when the hedged item affects earnings. Ineffective portions of changes in the fair value of cash flow hedges are recognized in earnings. If the derivative is not designated as a hedge, changes in the fair value of the derivative are recognized in earnings. None of the Company's derivatives are currently designated as hedges.

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

Property and Equipment

Property and equipment consisted of the following:

	<u>Estimated Useful Life</u>	<u>December 31, 2018</u>	<u>December 31, 2017</u>
		<u>amounts in millions</u>	
Land	NA	\$ 183	217
Buildings and improvements	10 - 40 years	905	974
Support equipment	3 - 20 years	553	514
Satellite system	15 years	1,679	1,676
Construction in progress	NA	445	215
Total property and equipment		<u>\$ 3,765</u>	<u>3,596</u>

Property and equipment, including significant improvements, is stated at cost. Depreciation is computed using the straight-line method using estimated useful lives. Depreciation expense for the years ended December 31, 2018, 2017 and 2016 was \$251 million, \$230 million and \$186 million, respectively.

A portion of the interest on funds borrowed to finance the construction of the Braves ballpark and mixed-use development as well as the launch of SIRIUS XM's satellites and launch vehicles is capitalized. Capitalized interest is recorded as part of the asset's cost and depreciated over the asset's useful life. Capitalized interest costs for the years ended December 31, 2018 and 2017 was approximately \$12 million and \$10 million, respectively, which related to the construction of SIRIUS XM's satellites during the year ended December 31, 2018 and construction of the Braves ballpark and mixed-use development and SIRIUS XM's satellites during the year ended December 31, 2017.

Intangible Assets

Intangible assets with estimable useful lives are amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment upon certain triggering events. Goodwill and other intangible

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

assets with indefinite useful lives (collectively, “indefinite lived intangible assets”) are not amortized, but instead are tested for impairment at least annually. Our annual impairment assessment of our indefinite-lived intangible assets is performed during the fourth quarter of each year.

In January 2017, the Financial Accounting Standards Board (“FASB”) issued new accounting guidance to simplify the measurement of goodwill impairment. Under the new guidance, an entity no longer performs a hypothetical purchase price allocation to measure goodwill impairment. Instead, a goodwill impairment is measured using the difference between the carrying value and the fair value of the reporting unit. The Company early adopted this guidance during the fourth quarter of 2017.

The accounting guidance permits entities to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the quantitative goodwill impairment test. The accounting guidance also allows entities the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to the quantitative impairment test. The entity may resume performing the qualitative assessment in any subsequent period.

In evaluating goodwill on a qualitative basis, the Company reviews the business performance of each reporting unit and evaluates other relevant factors as identified in the relevant accounting guidance to determine whether it is more likely than not that an indicated impairment exists for any of our reporting units. The Company considers whether there are any negative macroeconomic conditions, industry specific conditions, market changes, increased competition, increased costs in doing business, management challenges, the legal environments and how these factors might impact company specific performance in future periods. As part of the analysis, the Company also considers fair value determinations for certain reporting units that have been made at various points throughout the current and prior years for other purposes. If based on the qualitative analysis it is more likely than not that an impairment exists, the Company performs the quantitative impairment test.

The quantitative goodwill impairment test compares the estimated fair value of a reporting unit to its carrying value. Developing estimates of fair value requires significant judgments, including making assumptions about appropriate discount rates, perpetual growth rates, relevant comparable market multiples, public trading prices and the amount and timing of expected future cash flows. The cash flows employed in Liberty’s valuation analysis are based on management’s best estimates considering current marketplace factors and risks as well as assumptions of growth rates in future years. There is no assurance that actual results in the future will approximate these forecasts.

The accounting guidance also permits entities to first perform a qualitative assessment to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired. The accounting guidance also allows entities the option to bypass the qualitative assessment for any indefinite-lived intangible asset in any period and proceed directly to the quantitative impairment test. The entity may resume performing the qualitative assessment in any subsequent period. If the qualitative assessment supports that it is more likely than not that the carrying value of the Company’s indefinite-lived intangible assets, other than goodwill, exceeds its fair value, then a quantitative assessment is performed. If the carrying value of an indefinite-lived intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess.

Impairment of Long-lived Assets

The Company periodically reviews the carrying amounts of its property and equipment and its intangible assets (other than goodwill and indefinite-lived intangibles) to determine whether current events or circumstances indicate that such carrying amounts may not be recoverable. If the carrying amount of the asset group is greater than the expected undiscounted cash flows to be generated by such asset group, an impairment adjustment is to be recognized. Such adjustment is measured by the amount that the carrying value of such asset groups exceeds their fair value. The Company

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

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generally measures fair value by considering sale prices for similar assets or by discounting estimated future cash flows using an appropriate discount rate. Considerable management judgment is necessary to estimate the fair value of asset groups. Accordingly, actual results could vary significantly from such estimates. Asset groups to be disposed of are carried at the lower of their financial statement carrying amount or fair value less costs to sell.

Noncontrolling Interests

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

Revenue Recognition

In May 2014, the FASB issued new accounting guidance on revenue from contracts with customers. The new guidance requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This new guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. In March 2016, the FASB issued additional guidance which clarifies principal versus agent considerations, and in April 2016, the FASB issued further guidance which clarifies the identification of performance obligations and the implementation guidance for licensing. The updated guidance replaced most existing revenue recognition guidance in U.S. generally accepted accounting principles (“GAAP”). The Company adopted the new guidance, which established Accounting Standards Codification Topic 606 (“ASC 606” or the “new revenue standard”), effective January 1, 2018 under the modified retrospective transition method. Results for reporting periods beginning after January 1, 2018 are presented under ASC 606, while prior period amounts are not adjusted and continue to be reported in accordance with the Company’s historic accounting under ASC 605.

As part of adopting the new revenue standard under the modified retrospective transition method, the Company elected to utilize certain practical expedients as permitted under ASC 606. The Company elected to apply the guidance from ASC 606 only to contracts that were not completed as of January 1, 2018. Completed contracts are those contracts for which substantially all of the revenue had been recognized under ASC 605. The Company also elected to utilize the practical expedient for contract modifications. For modified contracts, the Company did not separately evaluate the effects of each contract modification that occurred prior to January 1, 2018. Instead, the Company reflected the aggregate effect of all contract modifications (on a contract-by-contract basis) that occurred prior to January 1, 2018 by identifying the satisfied and unsatisfied performance obligations and allocating the transaction price to such performance obligations.

Sales, value add, and other taxes when collected concurrently with revenue producing activities are excluded from revenue. Incremental costs of obtaining a contract are expensed when the amortization period of the asset is one year or less. To the extent the incremental costs of obtaining a contract relate to a period greater than one year, the Company amortizes such incremental costs in a manner that is consistent with the transfer to the customer of the goods or services to which the asset relates. If, at contract inception, we determine the time period between when we transfer a promised good or service to a customer and when the customer pays us for that good or service is one year or less, we do not adjust the promised amount of consideration for the effects of a significant financing component.

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Notes to Consolidated Financial Statements (Continued)

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The cumulative effect of the changes made to the consolidated balance sheet as of January 1, 2018 for the adoption of ASC 606 are as follows:

	<u>Balance at December 31, 2017</u>	<u>Adoption of ASC 606</u>	<u>Balance at January 1, 2018</u>
		<u>in millions</u>	
<i>Assets</i>			
Other current assets	\$ 356	55	411
Other assets	\$ 599	37	636
<i>Liabilities and Equity</i>			
Accounts payable and accrued liabilities	\$ 1,250	33	1,283
Deferred revenue	\$ 1,941	(42)	1,899
Other current liabilities	\$ 20	11	31
Other liabilities	\$ 779	30	809
Deferred income tax liabilities	\$ 1,478	15	1,493
Retained earnings	\$ 13,081	41	13,122
Noncontrolling interests in equity of subsidiaries	\$ 5,631	4	5,635

In accordance with the new revenue standard requirements, the following table illustrates the impact on our reported results in the consolidated statements of operations assuming we did not adopt the new revenue standard on January 1, 2018. Other than previously discussed, upon the adoption of the revenue standard on January 1, 2018, there were no additional material adjustments to our consolidated balance sheet as of December 31, 2018.

	<u>Year ended December 31, 2018</u>		
	<u>As reported</u>	<u>Impact of ASC 606</u>	<u>Balances without adoption of ASC 606</u>
		<u>in millions</u>	
<i>Revenue:</i>			
Subscriber revenue	\$ 4,594	95	4,689
Other revenue	\$ 1,619	(2)	1,617
<i>Costs of subscriber services:</i>			
Revenue share and royalties	\$ 1,394	88	1,482
Subscriber acquisition costs	\$ 470	4	474
Selling, general and administrative	\$ 1,203	(1)	1,202
Income tax (expense) benefit	\$ (176)	(1)	(177)
Net earnings (loss)	\$ 865	1	866

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Our customers generally pay for services in advance of the performance obligation and therefore these prepayments are recorded as deferred revenue. The deferred revenue is recognized as revenue in our consolidated statement of operations as the services are provided. Changes in the contract liability balance for SIRIUS XM during the year ended December 31, 2018 were not materially impacted by other factors. The opening and closing balances for our deferred revenue related to Formula 1 and Braves Holdings was approximately \$59 million and \$154 million, respectively. The primary cause for the increase related to the receipt of cash from our customers in advance of satisfying our performance obligations.

As the majority of SIRIUS XM contracts are one year or less, SIRIUS XM utilized the optional exemption under ASC 606 and has not disclosed information about the remaining performance obligations for contracts which have original expected durations of one year or less. As of December 31, 2018, less than ten percent of the SIRIUS XM total deferred revenue balance related to contracts that extended beyond one year. These contracts primarily include prepaid data trials which are typically provided for three to five years as well as for self-pay customers who prepay for their audio subscriptions for up to three years in advance. These amounts will be recognized on a straight-line basis as SIRIUS XM's services are provided.

Significant portions of the transaction prices for Formula 1 and Braves Holdings are related to undelivered performance obligations that are under contractual arrangements that extend beyond one year. The Company anticipates recognizing revenue from the delivery of such performance obligations of approximately \$1,905 million in 2019, \$1,779 million in 2020, \$4,603 million in 2021 through 2026, and \$449 million thereafter, primarily recognized through 2035. We have not included any amounts in the undelivered performance obligations amounts for Formula 1 and Braves Holdings for those performance obligations that relate to a contract with an original expected duration of one year or less.

Below is a summary of the impacts of the new revenue standard on SIRIUS XM, Formula 1 and Braves Holdings.

SIRIUS XM

The following table disaggregates SIRIUS XM's revenue by source:

	Year ended December 31, 2018 in millions
Subscriber	\$ 4,594
Advertising	188
Equipment	155
Music Royalty and Other	834
Total SIRIUS XM revenue	<u>\$ 5,771</u>

The new revenue standard primarily impacts how SIRIUS XM accounts for revenue share payments as well as other immaterial impacts.

SIRIUS XM previously recorded revenue share related to paid-trials as Revenue share and royalties expense. Under the new guidance, SIRIUS XM has recorded these revenue share payments as a reduction to revenue as the payments do not transfer a distinct good or service to SIRIUS XM. Prior to the adoption, a portion of deferred revenue was for the revenue share related to paid trials. Under the new revenue standard, SIRIUS XM reclassified the revenue share related to paid-trials existing as of the date of adoption from current portion of deferred revenue to accounts payable and accrued liabilities. For new paid-trials, the net amount of the paid trial will be recorded as deferred revenue and the portion of revenue share will be recorded to accounts payable and accrued liabilities.

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Activation fees were previously recognized over the expected subscriber life using the straight-line method. Under the new guidance, activation fees have been recognized over a one month period from activation as the activation fees are non-refundable and they do not convey a material right. Loyalty payments to major automakers ("OEMs") were previously expensed when incurred as subscriber acquisition costs. Under the new guidance, these costs have been capitalized in other current assets as costs to obtain a contract and these costs will be amortized to subscriber acquisition costs over an average self-pay subscriber life of that OEM. These changes do not have a material impact to the consolidated financial statements.

The following is a description of the principal activities from which SIRIUS XM generates its revenue - including from self-pay and paid promotional subscribers, advertising, and sales of equipment.

Subscriber revenue. Subscriber revenue consists primarily of subscription fees and other ancillary subscription based revenues. Revenue is recognized on a straight line basis when the performance obligations to provide each service for the period are satisfied, which is over time as SIRIUS XM's subscription services are continuously transmitted and can be consumed by customers at any time. Consumers purchasing or leasing a vehicle with a factory-installed satellite radio typically receive between a three and twelve month subscription to SIRIUS XM's service. In certain cases, the subscription fees for these consumers are prepaid by the applicable automaker. Prepaid subscription fees received from automakers or directly from consumers are recorded as deferred revenue and amortized to revenue ratably over the service period which commences upon sale. Activation fees are recognized over one month as the activation fees are non-refundable and do not provide for a material right to the customer. There is no revenue recognized for unpaid trial subscriptions. In some cases, SIRIUS XM pays a loyalty fee to the OEM when it receives a certain amount of payments from self-pay customers acquired from that OEM. These fees are considered incremental costs to obtain a contract and are therefore recognized as an asset and amortized to Subscriber acquisition costs over an average subscriber life. Revenue share and loyalty fees paid to an OEM offering a paid trial are accounted for as a reduction of revenue as the payment does not provide a distinct good or service.

Advertising revenue. SIRIUS XM recognizes revenue from the sale of advertising as performance obligations are satisfied upon airing of the advertising; therefore, revenue is recognized at a point in time when each advertising spot is transmitted. Agency fees are calculated based on a stated percentage applied to gross billing revenue for SIRIUS XM's advertising inventory and are reported as a reduction of advertising revenue. Additionally, SIRIUS XM pays certain third parties a percentage of advertising revenue. Advertising revenue is recorded gross of such revenue share payments as SIRIUS XM controls the advertising service including the ability to establish pricing and SIRIUS XM is primarily responsible for providing the service. Advertising revenue share payments are recorded to revenue share and royalties during the period in which the advertising is transmitted.

Equipment revenue. Equipment revenue and royalties from the sale of satellite radios, components and accessories are recognized when the performance obligation is satisfied and control is transferred, which is generally upon shipment. Revenue is recognized net of discounts and rebates. Shipping and handling costs billed to customers are recorded as revenue. Shipping and handling costs associated with shipping goods to customers are reported as a component of Cost of subscriber services.

Music Royalty and Other revenue. Music royalty and other revenue primarily consists of U.S. music royalty fees ("MRF") collected from subscribers. The related costs SIRIUS XM incurs for the right to broadcast music and other programming are recorded as revenue share and royalties expense. Fees received from subscribers for the MRF are

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recorded as deferred revenue and amortized to revenue ratably over the service period as the royalties relate to the subscription services which are continuously delivered to SIRIUS XM's customers.

SIRIUS XM revenue is reported net of any taxes assessed by a governmental authority that is both imposed on, and concurrent with, a specific revenue-producing transaction between a seller and a customer in the consolidated statements of operations.

Formula 1

The following table disaggregates Formula 1's revenue by source:

	<u>Year ended</u> <u>December 31, 2018</u> <u>in millions</u>
Primary	\$ 1,487
Other	340
Total Formula 1 revenue	<u>\$ 1,827</u>

Upon entering into a new arrangement, Formula 1 occasionally incurs certain incremental costs of obtaining a contract. These incremental costs relate to commission amounts that will be paid over the life of the contract for which the recipient does not have any substantive future performance requirement to earn such commission. Accordingly, the commission costs will be capitalized and amortized over the life of the contract. Upon adoption of the new revenue standard, Formula 1 recorded a contract cost asset and a corresponding commission payable.

The following is a description of principal activities from which Formula 1 generates its revenue.

Primary revenue. Formula 1 holds exclusive commercial rights with respect to the World Championship, an annual, approximately nine-month long, motor race-based competition in which teams compete for the Constructors' Championship and drivers compete for the Drivers' Championship. Formula 1 derives its primary revenue from the commercial exploitation and development of the World Championship through a combination of entering into race promotion, broadcasting and advertising and sponsorship arrangements. Primary revenue derived from the commercial exploitation of the World Championship is (i) recognized on an event by event basis for those performance obligations associated with a specific event based on the fees within the underlying contractual arrangement and (ii) recognized over time for those performance obligations associated with a period of time that is greater than a single specific event (for example, over the entire race season or calendar year) based on the fees within the underlying contractual arrangement.

Other revenue. Formula 1 earns other revenue from miscellaneous and ancillary sources, primarily related to administering the shipment of cars and equipment to and from the events outside of Europe and revenue from the sale of tickets to the Formula One Paddock Club event-based hospitality at certain of the motor races. To the extent such revenue relates to services provided or rights associated with a specific event, the revenue is recognized upon occurrence of the related event and to the extent such revenue relates to services provided or rights over a longer period of time, the revenue is recognized over time.

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Braves Holdings

The following table disaggregates Braves Holdings’ revenue by source:

	<u>Year ended</u> <u>December 31, 2018</u> <u>in millions</u>
Baseball	\$ 404
Development	38
Total Braves Holdings revenue	<u>\$ 442</u>

The new revenue standard primarily impacted Braves Holdings revenue recognition related to broadcast rights revenue. Under the old revenue standard, Braves Holdings recognized revenue from its broadcast rights arrangements limited to the amounts that were not contingent on the provision of future goods or services, which resulted in revenue recognition approximating the cash received. Upon adoption of the new revenue standard, Braves Holdings is required to estimate the entire transaction price of the contractual arrangements and recognize revenue allocated to each of the performance obligations within the contractual arrangements as those performance obligations are satisfied. Such performance obligations are typically satisfied over time and result in differences between revenue recognized and cash received, dependent on how far into a contractual arrangement Braves Holdings is at any given reporting period. The new revenue standard resulted in an immaterial change in revenue recognized during the year ended December 31, 2018 and an immaterial effect to the consolidated balance sheet as compared to the old revenue standard.

The following is a description of principal activities from which Braves Holdings generates its revenue.

Baseball revenue. Revenue for Braves Holdings ticket sales, signage and suites are recognized on a per game basis during the baseball season based on a pro rata share of total revenue earned during the entire baseball season to the total number of home games during the season. Broadcasting rights are recognized on a per game basis during the baseball season based on the pro rata number of games played to date to the total number of games during the season. Concession and parking revenue are recognized on a per game basis during the baseball season. Major League Baseball (“MLB”) revenue is earned throughout the year based on an estimate of revenue generated by MLB on behalf of the 30 MLB clubs. Sources of MLB revenue include distributions from the MLB Central Fund, distributions from MLB Properties and revenue sharing income, if applicable.

Development revenue. Revenue from Braves Holdings’ minimum rents are recognized on a straight-line basis over the terms of their respective lease agreements. Some retail tenants are required to pay overage rents based on sales over a stated base amount during the lease term. Overage rents are only recognized when each tenant’s sales exceed the applicable sales threshold. Tenants reimburse Braves Holdings for a substantial portion of Braves Holdings operating expenses, including common area maintenance, real estate taxes and property insurance. Braves Holdings accrues reimbursements from tenants for recoverable portions of all these expenses as revenue in the period the applicable expenditures are incurred. Braves Holdings recognizes differences between estimated recoveries and the final billed amounts in the subsequent year. These differences were not material in any period presented. Sponsorship revenue is recognized on a straight-line basis over each annual period. Parking revenue is recognized daily based on actual usage.

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Cost of Subscriber Services

Revenue Share

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

Programming Costs

Programming costs which are for a specified number of events are amortized on an event-by-event basis; programming costs which are for a specified season or include programming through a dedicated channel are amortized over the season or period on a straight-line basis. SIRIUS XM allocates a portion of certain programming costs which are related to sponsorship and marketing activities to selling, general and administrative expense on a straight-line basis over the term of the agreement.

Cost of Formula 1 Revenue

Cost of Formula 1 revenue consists of team payments and hospitality costs, which are principally related to catering and other aspects of the production and delivery of the Paddock Club, and circuit rights' fees payable under various agreements with race promoters to acquire certain commercial rights at Events, including the right to sell advertising, hospitality and support race opportunities. Other costs include annual Federation Internationale de l'Automobile regulatory fees, advertising and sponsorship commissions and those incurred in the provision and sale of freight, travel and logistical services, F2 and GP3 cars, parts and maintenance services, television production and post-production services, advertising production services and digital and social media activities. These costs are largely variable in nature and relate directly to revenue opportunities.

Subscriber Acquisition Costs

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

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

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Stock-Based Compensation

As more fully described in note 14, Liberty has granted to its directors, employees and employees of its subsidiaries options and restricted stock to purchase shares of Liberty common stock (collectively, “Awards”). The Company measures the cost of employee services received in exchange for an Award based on the grant-date fair value of the Award, and recognizes that cost over the period during which the employee is required to provide service (usually the vesting period of the Award).

Included in the accompanying consolidated statements of operations are the following amounts of stock-based compensation:

	<u>Years ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	amounts in millions		
Cost of subscriber services:			
Programming and content	\$ 28	27	21
Customer service and billing	4	4	4
Other	5	5	5
Other operating expense	17	16	13
Selling, general and administrative	<u>138</u>	<u>178</u>	<u>107</u>
	<u>\$ 192</u>	<u>230</u>	<u>150</u>

In March 2016, the FASB issued new accounting guidance on share-based payment accounting. The areas for simplification in this update involve several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, forfeiture calculations, and classification on the statement of cash flows. We early adopted this new guidance in the third quarter of 2016. The Company applied the new guidance prospectively from January 1, 2016. In accordance with the new guidance, excess tax benefits and tax deficiencies are recognized as income tax benefit or expense rather than as additional paid-in capital. The Company has elected to recognize forfeitures as they occur rather than continue to estimate expected forfeitures. In addition, pursuant to the new guidance, excess tax benefits are classified as an operating activity on the consolidated statements of cash flows. The recognition of excess tax benefits and deficiencies are applied prospectively. For tax benefits that were not previously recognized and for adjustments to compensation cost based on actual forfeitures, the Company recorded a cumulative-effect adjustment in retained earnings as of January 1, 2016 in the amount of \$66 million.

In June 2018, the FASB issued new accounting guidance which expands the scope of existing accounting guidance for stock-based compensation to include share-based payments made to nonemployees. The new guidance substantially aligns the accounting for payments made to nonemployees and employees. Upon adoption, equity classified share-based awards to nonemployees will be measured at fair value on the grant date of the awards, entities will need to assess the probability of satisfying performance conditions if any are present and awards will continue to be classified according to existing accounting guidance upon vesting, which eliminates the need to reassess classification upon vesting, consistent with awards granted to employees. The guidance is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, and early adoption is permitted. SIRIUS XM, the Company’s only subsidiary with nonemployee share-based payment arrangements, elected to early adopt this guidance effective July 1, 2018. Upon adoption, the previously liability-classified awards were reclassified to equity. The impact of the adoption of this guidance was a \$22 million increase to additional paid-in capital, \$3 million decrease in opening retained earnings, \$7 million increase in noncontrolling interest in equity of subsidiaries and a decrease of \$26 million in accounts payable and accrued liabilities.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

Income Taxes

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

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

In October 2016, the FASB issued new accounting guidance on income tax accounting associated with intra-entity transfers of assets other than inventory. This accounting update, which is part of the FASB's simplification initiative, is intended to reduce diversity in practice and the complexity of tax accounting, particularly for those transfers involving intellectual property. This new guidance requires an entity to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. Upon adoption, an entity may apply the new guidance only on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. The Company adopted this guidance effective January 1, 2018. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In February 2018, the FASB issued new accounting guidance on comprehensive income to provide an option for an entity to reclassify the stranded tax effects of the Tax Cuts and Jobs Act (the "Tax Act") enacted in December 2017, as discussed in note 11, from accumulated other comprehensive income directly to retained earnings. The stranded tax effects result from the remeasurement of deferred tax assets and liabilities which were originally recorded in comprehensive income but whose remeasurement is reflected in the income statement. The guidance is effective for interim and fiscal years beginning after December 15, 2018, with early adoption permitted. The Company does not expect this new guidance will have a material impact to its consolidated financial statements or related disclosures.

Earnings Attributable to Liberty Stockholders Per Common Share

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

As discussed in note 2, on April 15, 2016, the Company completed a recapitalization of its common stock into three new tracking stock groups, one designated as the Liberty SiriusXM common stock, one designated as the Liberty Braves common stock and one designated as the Liberty Media common stock. As further discussed in note 2, the Liberty Media common stock was renamed Liberty Formula One common stock on January 24, 2017 shortly after the Second Closing. The operating results prior to the Recapitalization are attributed to Liberty Media Corporation stockholders in the aggregate, and the operating results subsequent to the Recapitalization are attributed to the respective tracking stock groups.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

Excluded from diluted EPS for the period subsequent to the Recapitalization through December 31, 2016 are approximately 21 million potentially dilutive shares of Series A Liberty SiriusXM common stock, 2 million potentially dilutive shares of Series A Liberty Braves common stock and 5 million potentially dilutive shares of Series A Liberty Formula One common stock, primarily due to warrants issued in connection with the Bond Hedge Transaction (note 10), because their inclusion would be antidilutive. The Amended Warrant Transactions (as defined and discussed in note 10) may have a dilutive effect with respect to the shares comprising the Securities Basket underlying the warrants to the extent that the settlement price exceeds the strike price of the warrants, and the warrants are settled in shares comprising such Securities Basket. The warrants and any potential future settlement have been attributed to the Formula One Group.

Series A, Series B and Series C Liberty Media Corporation Common Stock

The basic and diluted EPS calculation is based on the following weighted average shares outstanding (“WASO”) of Liberty’s common stock. Excluded from diluted EPS for the periods from January 1, 2016 through the Recapitalization are 23 million potential common shares, primarily due to warrants issued in connection with the Bond Hedge Transaction (as defined and discussed in note 10) because their inclusion would be anti-dilutive.

	January 1, 2016 through April 15, 2016
	<u>number of shares in millions</u>
Basic WASO	335
Potentially dilutive shares	<u>2</u>
Diluted WASO	<u><u>337</u></u>

Series A, Series B and Series C Liberty SiriusXM Common Stock

The basic and diluted EPS calculations are based on the following weighted average outstanding shares of common stock. Excluded from diluted EPS for the years ended December 31, 2018 and 2017 are 22 million and 22 million potentially dilutive shares of Liberty SiriusXM common stock, respectively, because their inclusion would be antidilutive.

	Year ended December 31, 2018	Year ended December 31, 2017	April 18, 2016 through December 31, 2016
	<u>number of shares in millions</u>		
Basic WASO	332	336	335
Potentially dilutive shares	<u>4</u>	<u>4</u>	<u>2</u>
Diluted WASO	<u><u>336</u></u>	<u><u>340</u></u>	<u><u>337</u></u>

Series A, Series B and Series C Liberty Braves Common Stock

The basic and diluted EPS calculations are based on the following weighted average outstanding shares of common stock. Excluded from diluted EPS for the years ended December 31, 2018 and 2017 are 2 million and 2 million potentially dilutive shares of Liberty Braves common stock, respectively, because their inclusion would be antidilutive.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017 (a)</u>	<u>April 18, 2016 through December 31, 2016 (a)(b)(c)</u>
	number of shares in millions		
Basic WASO	51	49	46
Potentially dilutive shares	<u>10</u>	<u>10</u>	<u>9</u>
Diluted WASO	<u><u>61</u></u>	<u><u>59</u></u>	<u><u>55</u></u>

- (a) Potentially dilutive shares are excluded from the computation of diluted EPS during periods in which losses are reported since the result would be antidilutive.
- (b) As discussed in note 2, subsequent to the Recapitalization, Liberty distributed subscription rights to holders of Liberty Braves common stock, which were priced at a discount to the market value, to acquire additional shares of Liberty Braves common stock. The rights offering, because of the discount, is considered a stock dividend which requires retroactive treatment for prior periods for the weighted average shares outstanding.
- (c) As discussed in note 2, following the Recapitalization and Series C Liberty Braves common stock rights offering, the number of notional shares representing the Formula One Group’s intergroup interest in the Braves Group was adjusted to 9,084,940 shares. The intergroup interest is a quasi-equity interest which is not represented by outstanding shares of common stock; rather, the Formula One Group has an attributed value in the Braves Group which is generally stated in terms of a number of shares of stock issuable to the Formula One Group with respect to its interest in the Braves Group. Each reporting period, the notional shares representing the intergroup interest are marked to fair value. As the notional shares underlying the intergroup interest are not represented by outstanding shares of common stock, such shares have not been officially designated Series A, B or C Liberty Braves common stock. However, Liberty has assumed that the notional shares (if and when issued) would be comprised of Series C Liberty Braves common stock in order to not dilute voting percentages. Therefore, the market price of Series C Liberty Braves common stock is used for the quarterly mark-to-market adjustment through the unaudited attributed consolidated statements of operations. The notional shares representing the intergroup interest have no impact on the basic earnings per share weighted average number of shares outstanding. However, in periods where the Braves Group has net earnings, the notional shares representing the intergroup interest are included in the diluted earnings per share WASO as if the shares had been issued and outstanding during the period. In periods where the Braves Group has net earnings, an adjustment is also made to the numerator in the diluted earnings per share calculation for the unrealized gain or loss incurred from marking the intergroup interest to fair value during the period as follows:

	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017 (a)</u>	<u>April 18, 2016 through December 31, 2016 (a)</u>
	amounts in millions		
Basic earnings (loss) attributable to Liberty Braves shareholders	\$ 5	(25)	(30)
Unrealized (gain) loss on the intergroup interest . .	<u>24</u>	<u>15</u>	<u>27</u>
Diluted earnings (loss) attributable to Liberty Braves shareholders	<u><u>\$ 29</u></u>	<u><u>(10)</u></u>	<u><u>(3)</u></u>

- (a) Unrealized gains on the intergroup interest are excluded from the computation of diluted EPS during periods in which net losses attributable to the Braves Group are reported since the gain would be antidilutive.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

Series A, Series B and Series C Liberty Formula One Common Stock

The basic and diluted EPS calculations are based on the following weighted average outstanding shares of common stock. Excluded from diluted EPS for the years ended December 31, 2018 and 2017 are 8 million and 5 million potentially dilutive shares of Liberty Formula One common stock, respectively, because their inclusion would be antidilutive.

	Year ended December 31, 2018 (a)	Year ended December 31, 2017	April 18, 2016 through December 31, 2016
	number of shares in millions		
Basic WASO	231	207	84
Potentially dilutive shares	<u>1</u>	<u>4</u>	<u>1</u>
Diluted WASO	<u>232</u>	<u>211</u>	<u>85</u>

- (a) Unrealized gains on the intergroup interest are excluded from the computation of diluted EPS during periods in which net losses attributable to the Formula One Group are reported since the gain would be antidilutive.

Reclasses and Adjustments

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

Estimates

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

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

Recent Accounting Pronouncements

In February 2016, the FASB issued new accounting guidance on lease accounting. This guidance requires a company to recognize lease assets and lease liabilities arising from operating leases in the statement of financial position. Additionally, the criteria for classifying a lease as a finance lease versus an operating lease are substantially the same as the previous guidance. The amendments in this update are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, and early adoption is permitted. We plan to adopt this guidance on January 1, 2019 and expect to elect certain practical expedients under the transition guidance. Additionally, the Company plans elect the optional transition method that allows for a cumulative-effect adjustment in the period of adoption and does not plan to restate prior periods. The Company is currently working with its consolidated subsidiaries to evaluate the impact

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

of the adoption of this new guidance on our consolidated financial statements, including identifying the population of leases, evaluating technology solutions and collecting lease data.

SIRIUS XM's leases consist of repeater leases, facility leases and equipment leases. SIRIUS XM expects the adoption of the new guidance will result in the recognition of right-of-use assets of approximately \$360 million and lease liabilities of approximately \$370 million in its consolidated balance sheets for operating leases and will not impact its consolidated statements of operations or debt.

Braves Holdings is evaluating the impact of the new guidance with respect to its baseball stadium, which is accounted for as a financing obligation under the current build-to-suit lease guidance. The transition guidance for a build-to-suit lease arrangement requires the lessee to derecognize the assets and liabilities that were recognized solely as a result of a transaction's build-to-suit designation under the current guidance, with any difference recorded as an adjustment to equity as of the adoption date. Braves Holdings will then apply the general lessee guidance under the new standard to the baseball stadium lease, including classifying it as either a finance or operating lease, and record a right-of-use asset and lease liability on the balance sheet, which will be initially measured at the present value of the remaining lease payments over the lease term.

(4) Supplemental Disclosures to Consolidated Statements of Cash Flows

	Years ended December 31,		
	2018	2017	2016
	amounts in millions		
Cash paid for acquisitions:			
Fair value of assets acquired	\$ —	(484)	—
Intangibles not subject to amortization	3	4,039	—
Intangibles subject to amortization	2	5,499	—
Net liabilities assumed	(3)	(5,035)	—
Deferred tax liabilities	—	(475)	—
Fair value of equity consideration	—	(1,790)	—
Cash paid for acquisitions, net of cash acquired	\$ 2	1,754	—
Stock repurchased by subsidiary not yet settled	\$ —	17	23
Cash paid for interest, net of amounts capitalized.	\$ 586	561	327
Cash paid (received) for income taxes	\$ (26)	56	69

In November 2016, the FASB issued a new accounting standard which requires that the statement of cash flows include restricted cash and cash equivalents when reconciling beginning and ending cash. The guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. The Company adopted this new guidance effective January 1, 2018. Upon adoption, the Company added restricted cash to the reconciliation of beginning and ending cash and cash equivalents and included a reconciliation of total cash and cash equivalents and restricted cash to the balance sheet for each period presented in the consolidated statements of cash flows. The following

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Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

table reconciles cash and cash equivalents and restricted cash reported in our consolidated balance sheets to the total amount presented in our consolidated statements of cash flows:

	Years ended December 31,		
	2018	2017	2016
	amounts in millions		
Cash and cash equivalents	\$ 358	1,029	562
Restricted cash included in other current assets	70	8	—
Restricted cash included in other assets	24	10	10
Total cash, cash equivalents and restricted cash at end of period	<u>\$ 452</u>	<u>1,047</u>	<u>572</u>

In August 2016, the FASB issued new accounting guidance which addresses eight specific cash flow issues to reduce the diversity in practice for appropriate classification on the statement of cash flows. The Company adopted this guidance during the first quarter of 2018, and there was no significant effect of the standard on its consolidated financial statements.

(5) Acquisitions

Formula 1

On September 7, 2016, Liberty, through its indirect wholly owned subsidiary Liberty GR Cayman Acquisition Company, entered into two definitive stock purchase agreements relating to the acquisition of Delta Topco, the parent company of Formula 1, a global motorsports business, from a consortium of sellers led by CVC Capital Partners (“CVC”). The transactions contemplated by the first purchase agreement were completed on September 7, 2016 and provided for Liberty’s acquisition of slightly less than a 20% minority stake in Formula 1 on an undiluted basis for \$746 million, funded entirely in cash (which is equal to \$821 million in consideration less a \$75 million holdback that was repaid by Liberty to selling stockholders upon completion of the Second Closing). On October 27, 2016, under the terms of the first purchase agreement, Liberty acquired an additional incremental equity interest of Delta Topco, maintaining Liberty’s investment in Delta Topco on an undiluted basis and increasing slightly to 19.1% on a fully diluted basis. On January 23, 2017, Liberty acquired 100% of the fully diluted equity interests of Delta Topco, other than a nominal number of shares held by certain Formula 1 teams, in a second closing under the second purchase agreement (and following the unwind of the first purchase agreement). Prior to the Second Closing, CVC continued to be the controlling shareholder of Formula 1, and Liberty did not have any voting interests or board representation in Formula 1. As a result, Liberty concluded that it did not have significant influence over Formula 1, and therefore our initial investment in Formula 1 was accounted for as a cost investment until the completion of the Second Closing, at which time we began consolidating Formula 1.

The transaction price for the acquisition represents an enterprise value for Formula 1 of approximately \$8.0 billion and an equity value of approximately \$4.4 billion, calculated at the time of the first closing. The total consideration at the time of closing was \$4.7 billion, comprised of \$3.05 billion of cash (including the investments made under the first purchase agreement during 2016) and approximately \$1.6 billion of non-cash consideration represented by approximately 56 million newly issued shares of Series C Liberty Formula One common stock.

In connection with the transaction, Liberty entered into a \$500 million margin loan on November 8, 2016, secured by shares of Live Nation and other public equity securities held by Liberty (the “Live Nation Margin Loan”). No amounts were drawn on the Live Nation Margin Loan at December 31, 2016. Liberty drew approximately \$350 million to use for the purchase of Formula 1, on January 23, 2017. See note 10 for additional discussion regarding the Live Nation Margin Loan.

At the Second Closing, the Company issued 62 million new shares of Series C Liberty Formula One common stock, which were subject to market co-ordination and lock-up agreements, to certain third party investors at a price per share of \$25.00. As a result, the stock component of the consideration payable to the selling shareholders in the Formula 1

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

acquisition was decreased by 62 million shares, and the cash component of the consideration payable to the selling shareholders in the Formula 1 acquisition was increased by \$1.55 billion.

Also concurrently with the Second Closing, the Company used a portion of the net proceeds of its \$450 million cash offering of 1% Cash convertible Notes due 2023, as discussed in note 10, to increase the cash consideration payable to the selling shareholders by approximately \$400 million. The additional 19 million shares of Series C Liberty Formula One common stock that would otherwise have been issued to the selling shareholders based on the per share purchase price of \$21.26 were held in reserve by the Company for possible sale to the Formula 1 teams, until such opportunity expired in July of 2017.

In connection with the Second Closing, Delta Topco issued \$351 million subordinated exchangeable notes, upon the conversion of certain outstanding Delta Topco loan notes, that bear interest at 2% per annum and mature in July 2019, exchangeable into cash or newly issued shares of Series C Liberty Formula One common stock (“Exchangeable Notes”). See note 10 for additional discussion of this debt instrument.

The final acquisition price allocation for Formula 1 is as follows:

Ownership interest held prior to the Second Closing	\$ 759
Controlling interest acquired	<u>3,939</u>
Total acquisition price	<u>\$ 4,698</u>
Cash and cash equivalents	\$ 644
Receivables	136
Goodwill	3,956
Intangible assets subject to amortization	5,484
Other assets	153
Deferred revenue	(141)
Debt	(4,528)
Other liabilities assumed	(516)
Deferred tax liabilities	<u>(490)</u>
	<u>\$ 4,698</u>

Goodwill is calculated as the excess of the consideration transferred over the identifiable net assets acquired and represents the future economic benefits expected to arise from other intangible assets acquired that do not qualify for separate recognition, including assembled workforce, value associated with future customers, continued innovation and noncontractual relationships. Formula 1 amortizable intangible assets were comprised of an agreement with the Fédération Internationale de l’Automobile (the “FIA,” and the agreement, the “FIA Agreement”) (\$3.6 billion with a remaining useful life of approximately 35 years) and customer relationships of \$1.9 billion with a weighted average remaining life of approximately 11.5 years. The FIA owns the World Championship and has granted Formula 1 the exclusive commercial rights to the World Championship until the end of 2110. During the fourth quarter of 2017, the preliminary purchase price allocation was adjusted, resulting in increases of \$22 million to other assets and \$11 million to other liabilities assumed and decreases of \$12 million to goodwill and \$1 million to deferred tax liabilities. None of the acquired goodwill is expected to be deductible for tax purposes.

Included in net earnings (loss) for the year ended December 31, 2017 is \$261 million related to Formula 1’s operations since the date of acquisition.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

The unaudited pro forma revenue and net earnings of Liberty, prepared utilizing the historical financial statements of Formula 1, giving effect to acquisition accounting related adjustments made at the time of acquisition, as if the acquisition of Formula 1 discussed above occurred on January 1, 2016, are as follows:

	Years ended December 31,	
	2017	2016
	amounts in millions	
Revenue	\$ 7,595	7,072
Net earnings (loss)	\$ 1,874	743
Net earnings (loss) attributable to Liberty stockholders	\$ 1,338	499

The pro forma results include adjustments primarily related to the amortization of acquired intangible assets. The pro forma information is not representative of the Company's future results of operations nor does it reflect what the Company's results of operations would have been if the acquisition of Formula 1 had occurred previously and the Company consolidated Formula 1 during the periods presented.

(6) Assets and Liabilities Measured at Fair Value

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

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

Description	December 31, 2018			December 31, 2017		
	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)
	amounts in millions					
Cash equivalents	\$ 231	231	—	804	804	—
Debt and equity securities	\$ 1,195	228	967	1,047	467	580
Financial instrument assets	\$ 280	21	259	369	19	350
Debt	\$ 2,487	—	2,487	2,115	—	2,115

The majority of Liberty's Level 2 financial instruments are debt related instruments and derivative instruments. In addition, SIRIUS XM's investment in Pandora is classified as Level 2. See note 7 for information related to the investment in Pandora. The Company notes that these assets are not always traded publicly or not considered to be traded on "active markets," as defined in GAAP. The fair values for such instruments are derived from a typical model using observable market data as the significant inputs or a trading price of a similar asset or liability is utilized. The fair value of debt related instruments are based on quoted market prices but not considered to be traded on "active markets," as defined by GAAP. Accordingly, those debt and equity securities, financial instruments and debt or debt related instruments are reported in the foregoing table as Level 2 fair value. The financial instrument assets included in the table above are included in the Other assets line item in the consolidated balance sheets.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

In January 2016, the FASB issued new accounting guidance that is intended to improve the recognition and measurement of financial instruments. Pursuant to the new guidance, for financial liabilities for which the fair value option has been elected, entities are required to present separately in other comprehensive income the portion of the total changes in the fair value of the liability resulting from a change in the instrument-specific credit risk. The new standard is effective for the Company for fiscal years and interim periods beginning after December 15, 2017. The Company adopted this guidance effective January 1, 2018. The Company has elected the fair value option for its exchangeable debt. Prior to the adoption of this new guidance, the Company recognized all changes in the fair value of its exchangeable debt in realized and unrealized gains (losses) on financial instruments in the consolidated statements of operations. Upon adoption, the Company recorded an immaterial adjustment to beginning retained earnings to reflect the amount of comprehensive earnings related to the changes in the instrument-specific credit risk related to the Company's exchangeable debt.

Realized and Unrealized Gains (Losses) on Financial Instruments

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

	Years ended December 31,		
	2018	2017	2016
Debt and equity securities	\$ 2	(36)	112
Debt measured at fair value (a)	130	(126)	(113)
Change in fair value of bond hedges (b)	(94)	72	37
Other derivatives	2	2	1
	\$ 40	(88)	37

- (a) Changes in unrealized gains (losses) on debt measured at fair value are due to market factors primarily driven by changes in the fair value of the underlying shares into which the debt is exchangeable.
- (b) Contemporaneously with the issuance of the 1.375% Cash Convertible Notes due 2023, Liberty entered into privately negotiated cash convertible note hedges, which are expected to offset potential cash payments Liberty would be required to make in excess of the principal amount of the convertible notes, upon conversion of the notes. The bond hedges are marked to market based on the trading price of underlying Series A Liberty SiriusXM, Liberty Braves and Liberty Formula One securities and other observable market data as the significant inputs (Level 2). See note 10 for additional discussion of the convertible notes and the bond hedges.

(7) Investments in Debt and Equity Securities

All investments in marketable debt and equity securities held by the Company are carried at fair value, generally based on quoted market prices and changes in the fair value of such securities are reported in realized and unrealized gains (losses) on financial instruments in the accompanying consolidated statements of operations. The Company elected the measurement alternative (defined as the costs of the security, adjusted for changes in fair value when there are observable prices, less impairments) for its equity securities without readily determinable fair values.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

Investments in debt and equity securities are summarized as follows:

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
	<u>amounts in millions</u>	
Liberty SiriusXM Group		
Debt securities		
Pandora	\$ 523	480
iHeart (a)	<u>444</u>	<u>100</u>
Total attributed Liberty SiriusXM Group	<u>967</u>	<u>580</u>
Braves Group		
Other equity securities	<u>8</u>	<u>8</u>
Total attributed Braves Group	<u>8</u>	<u>8</u>
Formula One Group		
Equity Securities		
AT&T (b)	174	389
Other	<u>129</u>	<u>137</u>
Total attributed Formula One Group	<u>303</u>	<u>526</u>
Consolidated Liberty	<u>\$ 1,278</u>	<u>1,114</u>

(a) During the year ended December 31, 2018, the Company purchased \$522 million in principal of iHeart Media, Inc. (“iHeart”) bonds for \$389 million, resulting in the Company owning an aggregate amount of \$660 million in principal of iHeart bonds as of December 31, 2018.

(b) See note 10 for details regarding the acquisition of Time Warner, Inc. (“Time Warner”) by AT&T Inc. (“AT&T”).

Pandora

On September 22, 2017, a subsidiary of SIRIUS XM completed a \$480 million investment in newly issued Series A convertible preferred stock of Pandora (the “Series A Preferred Stock”). Pandora operates an internet-based music discovery platform, offering a personalized experience for listeners. The Series A preferred stock, including accrued but unpaid dividends, represents an approximate 19% interest in Pandora’s currently outstanding common stock and an approximate 16% interest on an as-converted basis.

The Series A Preferred Stock is convertible at the option of the holders at any time into shares of common stock of Pandora (“Pandora Common Stock”) at an initial conversion price of \$10.50 per share of Pandora Common Stock and an initial conversion rate of 95.2381 shares of Pandora Common Stock per share of Series A Preferred Stock, subject to certain customary anti-dilution adjustments. Holders of the Series A Preferred Stock are entitled to a cumulative dividend at the rate of 6.0% per annum, payable quarterly in arrears, if and when declared. Any conversion of Series A Preferred Stock may be settled by Pandora, at its option, in shares of Pandora Common Stock, cash or any combination thereof. However, unless and until Pandora’s stockholders have approved the issuance of greater than 19.99% of the outstanding Pandora Common Stock, the Series A Preferred Stock may not be converted into more than 19.99% of Pandora’s outstanding Pandora Common Stock as of June 9, 2017.

The investment includes a mandatory redemption feature on any date from and after September 22, 2022 and therefore the financial instrument has been treated as a debt security. As the investment includes a conversion option, SIRIUS XM has elected to account for this investment under the fair value option. Any gains (losses) associated with the

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change in fair value will be recognized in realized and unrealized gains (losses) on financial instruments, net in the consolidated statements of operations. During the years ended December 31, 2018 and 2017, the Company recognized a \$28 million unrealized gain and a \$17 million unrealized loss, including transaction costs, respectively, on the investment in Pandora.

Pursuant to an Investment Agreement with Pandora, SIRIUS XM has appointed three of its senior executives or members of its Board of Directors to Pandora's Board of Directors, one of whom serves as the Chairman of Pandora's Board of Directors.

On February 1, 2019, SIRIUS XM acquired Pandora in an all-stock transaction valued at \$2.9 billion. In connection with the acquisition, each outstanding share of Pandora common stock, par value \$0.0001 per share, was converted into the right to receive 1.44 shares of SIRIUS XM common stock, par value \$0.001 per share. Pandora's Series A Preferred Stock was cancelled upon completion of the acquisition. This issuance of SIRIUS XM Common Stock in conjunction with the acquisition reduced our economic ownership in SIRIUS XM to approximately 67% as of February 1, 2019. The financial statements of Pandora for the year ended December 31, 2018 are not available and the initial accounting for the acquisition of Pandora has not been completed.

Unrealized Holding Gains and Losses recorded in Accumulated other comprehensive earnings (loss)

There were no unrealized holding gains or losses related to investments in debt and equity securities at December 31, 2018 or 2017.

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

Liberty has various investments accounted for using the equity method. The following table includes the Company's carrying amount and percentage ownership and market value (Level 1) of the more significant investments in affiliates at December 31, 2018, and the carrying amount at December 31, 2017:

	Percentage ownership	December 31, 2018		December 31, 2017
		Fair Value (Level 1)	Carrying amount	Carrying amount
dollar amounts in millions				
Liberty SiriusXM Group				
SIRIUS XM Canada	70%	\$ NA	\$ 613	672
Other			16	—
Total Liberty SiriusXM Group			<u>629</u>	<u>672</u>
Braves Group				
Other	NA	NA	<u>92</u>	<u>145</u>
Total Braves Group			<u>92</u>	<u>145</u>
Formula One Group				
Live Nation (a)	33%	\$ 3,430	743	756
Other	various	NA	<u>177</u>	<u>177</u>
Total Formula One Group			<u>920</u>	<u>933</u>
Consolidated Liberty			<u>\$ 1,641</u>	<u>1,750</u>

(a) See note 10 for details regarding the number and value of shares pledged as collateral pursuant to the Live Nation Margin Loan as of December 31, 2018.

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

	<u>Years ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	amounts in millions		
Liberty SiriusXM Group			
SIRIUS XM Canada.....	\$ (1)	29	13
Other	<u>(10)</u>	<u>—</u>	<u>—</u>
Total Liberty SiriusXM Group	<u>(11)</u>	<u>29</u>	<u>13</u>
 Braves Group			
Other (a)	12	78	9
Total Braves Group	<u>12</u>	<u>78</u>	<u>9</u>
 Formula One Group			
Live Nation	3	(18)	(12)
Other	<u>14</u>	<u>15</u>	<u>4</u>
Total Formula One Group	<u>17</u>	<u>(3)</u>	<u>(8)</u>
Consolidated Liberty	<u>\$ 18</u>	<u>104</u>	<u>14</u>

(a) During the year ended December 31, 2017, an equity method affiliate of Braves Holdings sold a controlling interest in a subsidiary, resulting in Braves Holdings recording its portion of the gain of \$69 million.

SIRIUS XM Canada

On May 25, 2017, SIRIUS XM completed a recapitalization of Sirius XM Canada Holdings, Inc. (“SIRIUS XM Canada”), which is now a privately held corporation.

As of December 31, 2018, SIRIUS XM held a 70% equity interest and 33% voting interest in SIRIUS XM Canada, with the remainder of SIRIUS XM Canada’s voting and equity interests held by two shareholders. SIRIUS XM Canada is accounted for as an equity method investment as SIRIUS XM does not have the ability to direct the most significant activities that impact SIRIUS XM Canada’s economic performance. The total consideration from SIRIUS XM to SIRIUS XM Canada, excluding transaction costs, during the year ended December 31, 2017 was \$309 million, which included \$130 million in cash and SIRIUS XM issued 35 million shares of its common stock with an aggregate value of \$179 million to the holders of the shares of SIRIUS XM Canada acquired in the transaction.

SIRIUS XM also made a contribution in the form of a loan to SIRIUS XM Canada in the aggregate amount of \$131 million on May 25, 2017. The loan is denominated in Canadian dollars and is considered a long-term investment with any unrealized gains or losses reported within Accumulated other comprehensive (loss) income. Such loan has a term of fifteen years, bears interest at a rate of 7.62% per annum and includes customary covenants and events of default, including an event of default relating to SIRIUS XM Canada’s failure to maintain specified leverage ratios. In addition, the terms of the loan require SIRIUS XM Canada to prepay a portion of the outstanding principal amount of the loan within sixty days of the end of each fiscal year in an amount equal to any cash on hand in excess of C\$10 million at the last day of the financial year if all target dividends have been paid in full.

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SIRIUS XM also entered into a Services Agreement and an Advisory Services Agreement with SIRIUS XM Canada. Each agreement has a thirty year term. Pursuant to the Services Agreement, SIRIUS XM Canada will pay SIRIUS XM 25% of its gross revenue on a monthly basis through December 31, 2021 and 30% of its gross revenue on a monthly basis thereafter. Pursuant to the Advisory Services Agreement, SIRIUS XM Canada will pay SIRIUS XM 5% of its gross revenue on a monthly basis. These agreements supersede and replace the existing agreements between SIRIUS XM Canada and its predecessors and SIRIUS XM.

SIRIUS XM has approximately \$11 million and \$10 million in related party current assets as of December 31, 2018 and 2017, respectively. As of December 31, 2018 and 2017, the related party current asset balance included amounts due under the Service Agreement and Advisory Services Agreement and certain amounts due related to transactions outside of the scope of the new services arrangements. At December 31, 2018 and 2017, SIRIUS XM has approximately \$9 million and \$10 million in related party liabilities, respectively, related to the legacy agreements with SIRIUS XM Canada which are recorded in current and noncurrent other liabilities in the Company's consolidated balance sheets. SIRIUS XM recorded approximately \$97 million, \$87 million and \$46 million in revenue for the years ended December 31, 2018, 2017 and 2016, respectively, associated with these various agreements in the Other revenue line in the consolidated statements of operations. SIRIUS XM Canada declared and paid dividends to SIRIUS XM of \$2 million, \$4 million and \$8 million during the years ended December 31, 2018, 2017 and 2016, respectively. These dividends were first recorded as a reduction to SIRIUS XM's investment balance in Sirius XM Canada to the extent a balance existed and then as Other income for the remaining portion.

(9) Goodwill and Other Intangible Assets

Goodwill

Changes in the carrying amount of goodwill are as follows:

	<u>SIRIUS XM</u>	<u>Formula 1</u>	<u>Other</u>	<u>Total</u>
		<u>amounts in millions</u>		
Balance at January 1, 2017	\$ 14,165	—	180	14,345
Acquisitions (a) (b)	<u>82</u>	<u>3,956</u>	<u>—</u>	<u>4,038</u>
Balance at December 31, 2017	14,247	3,956	180	18,383
Acquisitions	<u>3</u>	<u>—</u>	<u>—</u>	<u>3</u>
Balance at December 31, 2018	<u>\$ 14,250</u>	<u>3,956</u>	<u>180</u>	<u>18,386</u>

(a) On April 18, 2017, SIRIUS XM acquired Automatic Labs Inc., a connected vehicle device and mobile application company, for an aggregate purchase price of approximately \$108 million, net of cash and restricted cash acquired. The excess purchase price over identifiable net assets of \$82 million was recorded to goodwill.

(b) See note 5 for details regarding the Formula 1 acquisition.

Other Intangible Assets Not Subject to Amortization

Other intangible assets not subject to amortization, not separately disclosed, are tradenames (\$931 million) at December 31, 2018 and 2017 and franchise rights owned by Braves Holdings (\$143 million) as of December 31, 2018 and 2017. We identified these assets as indefinite life intangible assets after considering the expected use of the assets, the regulatory and economic environment within which they are used and the effects of obsolescence on their use. SIRIUS XM's Federal Communications Commission ("FCC") licenses are currently scheduled to expire in 2021, 2022 and 2028. Prior to expiration, SIRIUS XM is required to apply for a renewal of its FCC licenses. The renewal and extension

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of its licenses is reasonably certain at minimal cost, which is expensed as incurred. Each of the FCC licenses authorizes SIRIUS XM to use the broadcast spectrum, which is a renewable, reusable resource that does not deplete or exhaust over time.

Intangible Assets Subject to Amortization

Intangible assets subject to amortization are comprised of the following:

	December 31, 2018			December 31, 2017		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
			amounts in millions			
FIA Agreement	\$ 3,630	(346)	3,284	3,630	(157)	3,473
Customer relationships	2,684	(795)	1,889	2,684	(501)	2,183
Licensing agreements	351	(182)	169	330	(138)	192
Other	1,012	(639)	373	879	(535)	344
Total	<u>\$ 7,677</u>	<u>(1,962)</u>	<u>5,715</u>	<u>7,523</u>	<u>(1,331)</u>	<u>6,192</u>

The FIA Agreement is amortized over 35 years, customer relationships are amortized over 10-15 years and licensing agreements are amortized over 15 years. Amortization expense was \$654 million, \$594 million and \$168 million for the years ended December 31, 2018, 2017 and 2016, respectively. Based on its amortizable intangible assets as of December 31, 2018, Liberty expects that amortization expense will be as follows for the next five years (amounts in millions):

2019	\$ 669
2020	\$ 640
2021	\$ 477
2022	\$ 416
2023	\$ 388

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(10) Debt

Debt is summarized as follows:

	Outstanding Principal December 31, 2018	Carrying value	
		December 31, 2018	December 31, 2017
Liberty SiriusXM Group			
Corporate level notes and loans:			
2.125% Exchangeable Senior Debentures due 2048 (1)	\$ 400	372	—
Margin loans	600	600	750
Subsidiary notes and loans:			
SIRIUS XM 3.875% Senior Notes due 2022	1,000	994	992
SIRIUS XM 4.625% Senior Notes due 2023	500	497	497
SIRIUS XM 6% Senior Notes due 2024	1,500	1,490	1,488
SIRIUS XM 5.375% Senior Notes due 2025	1,000	992	991
SIRIUS XM 5.375% Senior Notes due 2026	1,000	991	990
SIRIUS XM 5.0% Senior Notes due 2027	1,500	1,487	1,486
SIRIUS XM Senior Secured Revolving Credit Facility	439	439	300
SIRIUS XM leases	5	5	11
Deferred financing costs		(9)	(9)
Total Liberty SiriusXM Group	<u>7,944</u>	<u>7,858</u>	<u>7,496</u>
Braves Group			
Subsidiary notes and loans:			
Notes and loans	494	494	667
Deferred financing costs		(3)	(5)
Total Braves Group	<u>494</u>	<u>491</u>	<u>662</u>
Formula One Group			
Corporate level notes and loans:			
1.375% Cash Convertible Notes due 2023 (1)	1,000	1,062	1,146
1% Cash Convertible Notes due 2023 (1)	450	463	505
2.25% Exchangeable Senior Debentures due 2046 (1)	213	209	464
2.25% Exchangeable Senior Debentures due 2048 (1)	385	381	—
Live Nation Margin Loan	—	—	350
Other	33	33	35
Subsidiary notes and loans:			
Senior Loan Facility	2,902	2,910	3,314
Deferred financing costs		(19)	(18)
Total Formula One Group	<u>4,983</u>	<u>5,039</u>	<u>5,796</u>
Total debt	<u>\$ 13,421</u>	13,388	13,954
Less debt classified as current		(17)	(768)
Total long-term debt		<u>\$ 13,371</u>	<u>13,186</u>

(1) Measured at fair value

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1.375% Cash Convertible Senior Notes due 2023

On October 17, 2013 Liberty issued \$1 billion aggregate principal amount of 1.375% Cash Convertible Senior Notes due 2023 (“Convertible Notes”). The Convertible Notes will mature on October 15, 2023 unless earlier repurchased by us or converted. Interest on the Convertible Notes is payable semi-annually in arrears on April 15 and October 15 of each year at a rate of 1.375% per annum. All conversion of the Convertible Notes will be settled solely in cash, and not through the delivery of any securities. Prior to the Recapitalization, the conversion rate for the Convertible Notes was 21.0859 shares of Series A Liberty Media Corporation common stock per \$1,000 principal amount of Convertible Notes and an adjusted conversion price of \$47.43 per share of Series A Liberty Media Corporation common stock.

As a result of the Recapitalization, as discussed in note 2, the Convertible Notes are convertible into cash based on the Securities Basket. The supplemental indenture entered into on April 15, 2016 in connection with the Recapitalization amends the conversion, adjustment and other provisions of the indenture to give effect to the Recapitalization and provides that the conversion consideration due upon conversion of any Convertible Note shall be determined as if references in the indenture to one share of Series A Liberty Media Corporation common stock were instead a reference to the Securities Basket, initially consisting of 0.10 of a share of Series A Liberty Braves common stock, 1.0 share of Series A Liberty SiriusXM common stock and 0.25 of a share of Series A Liberty Formula One common stock. The Series A Liberty Braves common stock component of the Securities Basket was adjusted to 0.1087 pursuant to anti-dilution adjustments arising out of the distribution of subscription rights to purchase shares of Series C Liberty Braves common stock made to all holders of Liberty Braves common stock.

Holders of the Convertible Notes may convert their notes at their option at any time prior to the close of business on the second business day immediately preceding the maturity date of the notes under certain circumstances. Liberty has elected to account for this instrument using the fair value option. Accordingly, changes in the fair value of this instrument are recognized as unrealized gains (losses) in the statements of operations. As of December 31, 2018, the Convertible Notes are classified as a long term liability in the consolidated balance sheets, as the conversion conditions have not been met as of such date.

Additionally, contemporaneously with the issuance of the Convertible Notes, Liberty entered into the Bond Hedge Transaction. The Bond Hedge Transaction is expected to offset potential cash payments Liberty would be required to make in excess of the principal amount of the Convertible Notes, upon conversion of the notes in the event that the volume-weighted average price per share of the Series A Liberty Media Corporation common stock, as measured under the cash convertible note hedge transactions on each trading day of the relevant cash settlement averaging period or other relevant valuation period, was greater than the strike price of Series A Liberty Media Corporation common stock, which corresponded to the conversion price of the Convertible Notes. In connection with the Recapitalization and the entry into the supplemental indenture on April 15, 2016, Liberty entered into amendments to the Bond Hedge Transaction with each of the counterparties to reflect the adjustments resulting from the Recapitalization. As of the effective date of the Recapitalization, the Bond Hedge Transaction covered, in the aggregate, 5,271,475 shares of Series A Liberty Formula One common stock, 21,085,900 shares of Series A Liberty SiriusXM common stock and 2,108,590 shares of Series A Liberty Braves common stock, subject to anti-dilution adjustments pertaining to the Convertible Notes, which was equal to the aggregate number of shares comprising the Securities Basket underlying the Convertible Notes at that time. The aggregate number of shares of Series A Liberty Braves common stock relating to the Bond Hedge Transaction was increased to 2,292,037, pursuant to anti-dilution adjustments arising out of the rights distribution (note 2). As of December 31, 2018, the basket price of the securities underlying the Bond Hedge Transaction was \$46.94 per share. The bond hedge expires on October 15, 2023 and is included in other assets as of December 31, 2018 and 2017 in the accompanying consolidated balance sheets, with changes in the fair value recorded as unrealized gains (losses) on financial instruments, in the accompanying consolidated statements of operations.

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Concurrently with the Convertible Notes and Bond Hedge Transaction, Liberty also entered into separate privately negotiated warrant transactions under which Liberty sold warrants relating to the same number of shares of common stock as underlie the Bond Hedge Transaction, subject to anti-dilution adjustments (“Warrant Transactions”). The first expiration date of the warrants is January 16, 2024 and expire over a period covering 81 days thereafter. Liberty may elect to settle its delivery obligation under the warrant transactions with cash. In connection with the Recapitalization, Liberty entered into amendments to the Warrant Transactions with each of the option counterparties to reflect the adjustments to the Warrant Transactions resulting from the Recapitalization (“Amended Warrant Transactions”). As of the effective date of the Recapitalization, the Amended Warrant Transactions covered, in the aggregate, 5,271,475 shares of Series A Liberty Formula One common stock, 21,085,900 shares of Series A Liberty SiriusXM common stock and 2,108,590 shares of Series A Liberty Braves common stock, subject to anti-dilution adjustments. The aggregate number of shares of Series A Liberty Braves common stock relating to the Amended Warrant Transactions was increased to 2,292,037 pursuant to anti-dilution adjustments arising out of the rights distribution. The strike price of the warrants was adjusted, as a result of the Recapitalization and the rights offering, to \$61.16 per share. As of December 31, 2018, the basket price of the securities underlying the Amended Warrant Transactions was \$46.94 per share. The Amended Warrant Transactions may have a dilutive effect with respect to the shares comprising the Securities Basket underlying the warrants to the extent that the settlement price exceeds the strike price of the warrants, and the warrants are settled in shares comprising such Securities Basket.

1% Cash Convertible Notes due 2023

In connection with the Second Closing on January 23, 2017, Liberty issued \$450 million convertible cash notes at an interest rate of 1% per annum, which are convertible, under certain circumstances, into cash based on the trading prices of the underlying shares of Series C Liberty Formula One common stock and mature on January 30, 2023 (the “1% Convertible Notes”). The initial conversion rate for the notes will be 27.1091 shares of Series C Liberty Formula One common stock per \$1,000 principal amount of notes, equivalent to an initial conversion price of approximately \$36.89 per share of Series C Liberty Formula One common stock. The conversion of the 1% Convertible Notes will be settled solely in cash, and not through the delivery of any securities. As discussed in note 5, Liberty used a portion of the net proceeds of the 1% Convertible Notes to fund an increase to the cash consideration payable to the selling shareholders of Formula 1 by approximately \$400 million.

2.25% Exchangeable Senior Debentures due 2046

On August 17, 2016, Liberty closed a private offering of approximately \$445 million aggregate principal amount of its 2.25% exchangeable senior debentures due 2046 (the “2.25% Exchangeable Senior Debentures due 2046”), and shares of the Company’s Time Warner common stock were the reference shares attributable to the debentures. On June 14, 2018, AT&T acquired Time Warner in a stock-and-cash transaction. In accordance with the terms of the indenture governing the 2.25% Exchangeable Senior Debentures due 2046, the cash portion of the acquisition consideration was paid on June 22, 2018 as an extraordinary additional distribution to holders of debentures, and the stock portion of the acquisition consideration became reference shares attributable to the debentures. Also pursuant to the indenture, the original principal amount of the 2.25% Exchangeable Senior Debentures due 2046 was reduced by an amount equal to the extraordinary additional distribution of \$229 million, calculated as \$514.1295 per \$1,000 original principal amount of debentures. Additionally, any amount of excess regular quarterly cash dividends paid on the AT&T reference shares will be distributed by the Company to holders of the debentures as an additional distribution.

Upon an exchange of debentures, Liberty, at its option, may deliver AT&T common stock, cash or a combination of AT&T common stock and cash. The number of shares of AT&T common stock attributable to a debenture represents an initial exchange price of approximately \$35.35 per share. A total of approximately 6.11 million shares of AT&T common stock are attributable to the debentures. Interest is payable quarterly on March 31, June 30, September 30 and December 31 of each year, commencing December 31, 2016. The debentures may be redeemed by Liberty, in whole or in part, on or

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after October 5, 2021. Holders of the debentures also have the right to require Liberty to purchase their debentures on October 5, 2021. The redemption and purchase price will generally equal 100% of the adjusted principal amount of the debentures plus accrued and unpaid interest.

The debentures, as well as the associated cash proceeds, were attributed to the Formula One Group. Liberty used the net proceeds of the offering for the acquisition of an investment in Formula 1 during September 2016, as further described in note 5. Liberty has elected to account for the debentures using the fair value option. Accordingly, changes in the fair value of these instruments are recognized as unrealized gains (losses) in the accompanying consolidated statements of operations.

2.125% Exchangeable Senior Debentures due 2048

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

2.25% Exchangeable Senior Debentures due 2048

In December 2018, Liberty closed a private offering of approximately \$385 million aggregate principal amount of its 2.25% exchangeable senior debentures due 2048 (the “2.25% Exchangeable Senior Debentures due 2048”). Upon an exchange of debentures, Liberty, at its option, may deliver Live Nation common stock, cash or a combination of Live Nation common stock and cash. The number of shares of Live Nation common stock attributable to a debenture represents an initial exchange price of approximately \$66.28 per share. A total of approximately 5.8 million shares of Live Nation common stock are attributable to the debentures. Interest is payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2019. The debentures may be redeemed by Liberty, in whole or in part, on or after December 1, 2021. Holders of the debentures also have the right to require Liberty to purchase their debentures on December 1, 2021. The redemption and purchase price will generally equal 100% of the adjusted principal amount of the debentures plus accrued and unpaid interest. The debentures, as well as the associated cash proceeds, were attributed to the Formula One Group. Liberty used a portion of the net proceeds of the 2.25% Exchangeable Senior Debentures due 2048 to repay all amounts outstanding under the Live Nation Margin Loan. Liberty has elected to account for the debentures using the fair value option. Accordingly, changes in the fair value of these instruments are recognized as unrealized gains (losses) in the accompanying consolidated statements of operations.

Margin Loans

\$1.35 Billion Margin Loan due 2020

On April 30, 2013, Liberty Siri MarginCo, LLC, a wholly-owned subsidiary of Liberty, entered into a margin loan agreement. Shares of common stock of certain of the Company’s equity affiliates and investments in debt and equity

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securities were pledged as collateral pursuant to this agreement. During October 2014, Liberty refinanced this margin loan arrangement for a similar financial instrument with a \$250 million term loan and a \$750 million undrawn line of credit. Interest on the term loan was payable on the first business day of each calendar quarter, and interest was payable on the revolving line of credit on the last day of the interest period applicable to the borrowing of which such loan is a part.

During October 2015, Liberty amended this margin loan arrangement for a similar financial instrument with a \$250 million term loan and a \$1 billion undrawn line of credit. As of December 31, 2015, shares of SIRIUS XM and Live Nation were pledged as collateral pursuant to this agreement. The term loan and any drawn portion of the revolver carried an interest rate of LIBOR plus an applicable spread between 1.75% and 2.25% (based on the value of collateral) with the undrawn portion carrying a fee of 0.75%. Other terms of the agreement were substantially similar to the previous arrangement.

During October 2016, Liberty amended this margin loan arrangement for a similar financial instrument with a \$250 million term loan and a \$500 million undrawn line of credit, which was scheduled to mature during October 2018. The term loan and any drawn portion of the revolver carried an interest rate of LIBOR plus 1.75% with the undrawn portion carrying a fee of 0.75%. Other terms of the agreement were substantially similar to the previous arrangement, except shares of Live Nation common stock were no longer pledged as collateral. Borrowings outstanding under this margin loan bore interest at a rate of 3.24% per annum at December 31, 2017. As of December 31, 2017, the Company had fully drawn against the revolving line of credit and this margin loan was classified as current in the accompanying consolidated balance sheet.

During March 2018, Liberty amended this margin loan agreement for a similar financial instrument with a \$250 million term loan, \$500 million revolving line of credit and a \$600 million delayed draw term loan, which is scheduled to mature during March 2020. The new term loan and any drawn portion of the revolver carries an interest rate of LIBOR plus 2.05% with the undrawn portion carrying a fee of 0.75%. Other terms of the agreement were substantially similar to the previous arrangement. Borrowings outstanding under this margin loan bore interest at a rate of 4.83% per annum at December 31, 2018. As of December 31, 2018, availability under the \$1.35 billion margin loan due 2020 was \$750 million. 1,000 million shares of SIRIUS XM common stock held by Liberty with a value of \$5,710 million were pledged as collateral to the \$1.35 billion margin loan due 2020 as of December 31, 2018. The margin loan contains various affirmative and negative covenants that restrict the activities of the borrower. The margin loan does not include any financial covenants.

Live Nation Margin Loan

On November 8, 2016, LMC LYV, LLC, a wholly-owned subsidiary of Liberty, entered into a margin loan agreement with an available borrowing capacity of \$500 million with various financial institutions. This margin loan had a two year term, bore interest at a rate of LIBOR plus 2.25% and contained an undrawn commitment fee of 0.75% per annum. On January 20, 2017, LMC LYV, LLC drew \$350 million under the margin loan, and the proceeds were used for the Second Closing, as discussed in notes 2 and 5. On December 12, 2017, the margin loan agreement was amended, extending the maturity date to December 12, 2019, and decreasing the interest rate to LIBOR plus 1.90% and the undrawn commitment fee to 0.60% per annum. On December 10, 2018, the margin loan agreement was amended, increasing the borrowing capacity to \$600 million, extending the maturity date to December 10, 2020, decreasing the interest rate to LIBOR plus 1.80% and increasing the undrawn commitment fee to either 0.75% or 0.85% per annum (based on the undrawn amount). Interest on the margin loan is payable on the last business day of each calendar quarter. During December 2018, Liberty paid all amounts outstanding under the Live Nation Margin Loan. As of December 31, 2018, availability under the Live Nation Margin Loan was \$600 million. 53.7 million shares of the Company's Live Nation common stock with a value of \$2,647 million were pledged as collateral to the loan as of December 31, 2018. The margin loan contains various affirmative and negative covenants that restrict the activities of the borrower. The loan agreement does not include any financial covenants.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

SIRIUS XM Senior Notes and Senior Secured Revolving Credit Facility

SIRIUS XM 4.625% Senior Notes Due 2023

In May 2013, SIRIUS XM issued \$500 million of Senior Notes due 2023 which bear interest at an annual rate of 4.625%. Interest on the notes is payable semi-annually in arrears on May 15 and November 15 of each year. Substantially all of SIRIUS XM's domestic wholly-owned subsidiaries guarantee SIRIUS XM's obligations under the notes.

SIRIUS XM 3.875% Senior Notes Due 2022 and 5.00% Senior Notes Due 2027

In July 2017, SIRIUS XM issued \$1.0 billion aggregate principal amount of 3.875% Senior Notes due 2022 (the "3.875% Notes") and \$1.5 billion aggregate principal amount of 5.00% Senior Notes due 2027 (the "5.00% Notes"). For both series of notes, interest is payable semi-annually in arrears on February 1 and August 1, commencing on February 1, 2018. The 3.875% Notes will mature on August 1, 2022 and the 5.00% Notes will mature on August 1, 2027. Substantially all of SIRIUS XM's domestic wholly-owned subsidiaries guarantee SIRIUS XM's obligations under the notes.

SIRIUS XM 6% Senior Notes due 2024

In May 2014, SIRIUS XM issued \$1.5 billion aggregate principal amount of 6% Senior Notes due 2024 (the "6% Notes"). Interest is payable semi-annually in arrears on January 15 and July 15 of each year at a rate of 6% per annum. The 6% Notes will mature on July 15, 2024. Substantially all of SIRIUS XM's domestic wholly-owned subsidiaries guarantee SIRIUS XM's obligations under the notes.

SIRIUS XM 5.375% Senior Notes due 2025

In March 2015, SIRIUS XM issued \$1.0 billion principal amount of new senior notes due 2025 which bear interest at an annual rate 5.375% ("SIRIUS XM 5.375% Senior Notes due 2025"). The SIRIUS XM 5.375% Senior Notes due 2025 are recorded net of the remaining unamortized discount. Substantially all of SIRIUS XM's domestic wholly-owned subsidiaries guarantee SIRIUS XM's obligations under the notes.

SIRIUS XM 5.375% Senior Notes due 2026

In May 2016, SIRIUS XM issued \$1.0 billion principal amount of new senior notes due July 2026 which bear interest at an annual rate 5.375% ("SIRIUS XM 5.375% Senior Notes due 2026"). The SIRIUS XM 5.375% Senior Notes due 2026 are recorded net of the remaining unamortized discount. Substantially all of SIRIUS XM's domestic wholly-owned subsidiaries guarantee SIRIUS XM's obligations under the notes.

SIRIUS XM Senior Secured Revolving Credit Facility

SIRIUS XM entered into a Senior Secured Revolving Credit Facility (the "Credit Facility") with a syndicate of financial institutions with a total borrowing capacity of \$1,750 million which matures in June 2023. The Credit Facility is guaranteed by certain of SIRIUS XM's material domestic subsidiaries and is secured by a lien on substantially all of SIRIUS XM's assets and the assets of its material domestic subsidiaries. The proceeds of loans under the Credit Facility are used for working capital and other general corporate purposes, including financing acquisitions, share repurchases and dividends. Interest on borrowings is payable on a monthly basis and accrues at a rate based on LIBOR plus an applicable rate. Borrowings outstanding under the Credit Facility as of December 31, 2018 bore interest at a rate of 4.67% per annum. SIRIUS XM is required to pay a variable fee on the average daily unused portion of the Credit Facility which was 0.25%

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

as of December 31, 2018 and is payable on a quarterly basis. The Credit Facility contains customary covenants, including a maintenance covenant. As of December 31, 2018, availability under the Credit Facility was \$1,311 million.

Braves Holdings Notes and Loans

Braves Holdings' debt is summarized as follows:

	Carrying value		As of December 31, 2018		Maturity Date
	December 31, 2018	December 31, 2017	Borrowing Capacity	Weighted avg interest rate	
	amounts in millions				
Operating credit facilities	\$ 17	98	185	3.39%	various
Ballpark funding					
Term loan	52	55	NA	3.97%	August 2021
Senior secured note	195	200	NA	3.77%	September 2041
Floating rate notes	70	75	NA	4.10%	September 2029
Mixed-use credit facilities and loans	160	200	176	4.43%	various
Spring training credit facility	—	39	40	NA	December 2022
Total Braves Holdings	<u>\$ 494</u>	<u>667</u>			

In 2014, Braves Holdings, through a wholly-owned subsidiary, purchased 82 acres of land for the purpose of constructing a Major League Baseball facility and development of a mixed-use complex adjacent to the ballpark. The total cost of the ballpark was approximately \$722 million, of which approximately \$392 million was funded by a combination of Cobb County, the Cumberland Improvement District and Cobb-Marietta Coliseum and Exhibit Hall Authority (the "Authority") and approximately \$330 million was funded by Braves Holdings. Funding for ballpark initiatives by Braves Holdings came from cash on hand and various debt instruments, as detailed above.

Bank Loans

Formula 1 had a first lien term loan denominated in Euros totaling \$42 million, which was repaid on June 30, 2017. On August 3, 2017, Formula 1 increased the amount outstanding under a first lien term loan denominated in U.S. Dollars (the "Senior Loan Facility") from \$3.1 billion to \$3.3 billion and extended its maturity to February 2024. In addition, on August 3, 2017, the revolving credit facility under the Senior Loan Facility was increased from \$75 million to \$500 million. As part of a refinancing of the Senior Loan Facility in March 2017, \$628 million of the Senior Loan Facility was considered repaid and then borrowed due to a change in the mix of counterparties in the Senior Loan Facility. As part of the refinancing in March 2017, the interest rate on the Senior Loan Facility was reduced from LIBOR plus 3.75% per annum to LIBOR plus 3.25% per annum, with a LIBOR floor on the U.S. Dollar denominated debt of 1%. In September 2017, the interest rate on the Senior Loan Facility was reduced to LIBOR plus 3.0% per annum.

On January 31, 2018, Formula 1 refinanced the Senior Loan Facility. As part of the refinancing, Formula 1 repaid \$400 million of the Senior Loan Facility, reducing the amount outstanding to \$2.9 billion. The repayment was funded through borrowings of \$250 million under the revolving credit facility and \$150 million of cash on hand. The interest rate on the Senior Loan Facility was reduced to LIBOR plus 2.5% per annum. Formula 1 repaid all outstanding borrowings under the revolving credit facility during the year ended December 31, 2018. The interest rate on the Senior Loan Facility was approximately 4.74% as of December 31, 2018. The Senior Loan Facility is secured by share pledges, bank accounts

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

and floating charges over Formula 1's primary operating companies with certain cross guarantees. Additionally, as of December 31, 2018, Formula 1 has interest rate swaps on \$2.5 billion of the \$2.9 billion Senior Loan Facility in order to manage its interest rate risk.

Formula 1 also had a second lien facility, which had \$1 billion outstanding at the time of the acquisition of Formula 1 by Liberty. In May 2017, Liberty issued 12.9 million shares of Series C Liberty Formula One common stock and used the net proceeds of approximately \$388 million to repay a portion of the second lien facility. Formula 1 fully repaid the second lien facility during the year ended December 31, 2017.

Delta Topco Limited Exchangeable Redeemable Loan Notes

As discussed in note 5, in connection with the Second Closing on January 23, 2017, Delta Topco issued the Exchangeable Notes upon the conversion of certain outstanding Delta Topco loan notes. The Exchangeable Notes bore interest at 2% per annum and were exchangeable into cash or newly issued shares of Series C Liberty Formula One common stock. Interest was payable by either, at the discretion of Delta Topco, (i) issuing payment-in-kind notes or (ii) cash. In September 2017, \$323 million aggregate principal amount of Exchangeable Notes were exchanged for 14.5 million shares of Series C Liberty Formula One common stock. In November 2017, the remaining \$27 million aggregate principal amount of Exchangeable Notes were exchanged for 1.2 million shares of Series C Liberty Formula One common stock.

The Exchangeable Notes were attributed to the Formula One Group. The debt host component of the Exchangeable Notes was recorded as debt, at fair value (level 2), with the related discount amortized using the effective interest rate method, while the embedded conversion option was recorded in additional paid-in capital. Upon settlement, the Company recorded a true-up to additional paid-in capital for the amount and type (shares of Series C Liberty Formula One common stock) of settlement.

Debt Covenants

The SIRIUS XM Credit Facility contains certain financial covenants related to SIRIUS XM's leverage ratio. Braves Holdings' term loan contains certain financial covenants related to Braves Holdings' debt service coverage ratio, fixed charge ratio and capital expenditures. Additionally, SIRIUS XM's Credit Facility, the Braves Holdings term loan, Formula 1 debt and other borrowings contain certain non-financial covenants. As of December 31, 2018, the Company, SIRIUS XM, Formula 1 and Braves Holdings were in compliance with all debt covenants.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

Fair Value of Debt

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

	December 31, 2018
SIRIUS XM 3.875% Senior Notes due 2022.	\$ 948
SIRIUS XM 4.625% Senior Notes due 2023.	\$ 476
SIRIUS XM 6% Senior Notes due 2024	\$ 1,504
SIRIUS XM 5.375% Senior Notes due 2025.	\$ 956
SIRIUS XM 5.375% Senior Notes due 2026.	\$ 941
SIRIUS XM 5.0% Senior Notes due 2027.	\$ 1,363

Due to the variable rate nature of the Credit Facility, margin loans and other debt, the Company believes that the carrying amount approximates fair value at December 31, 2018.

Five Year Maturities

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

2019	\$ 24
2020	\$ 703
2021	\$ 65
2022	\$ 1,018
2023	\$ 2,407

(11) Income Taxes

On December 22, 2017, the U.S. government enacted the Tax Act. The Tax Act made broad and complex changes to the U.S. tax code, including, but not limited to, (1) reducing the U.S. federal corporate tax rate from 35 percent to 21 percent; (2) bonus depreciation that allows for full expensing of qualified property; (3) creating a new limitation on deductible interest expense; (4) eliminating the corporate alternative minimum tax ("AMT") and changing how existing AMT credits can be realized; (5) changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017; (6) limitations on the deductibility of certain executive compensation; and (7) requiring a one-time transition tax on certain unrepatriated earnings of foreign subsidiaries that is payable over eight years. The SEC issued guidance on accounting for the tax effects of the Tax Act. The Company reflected the income tax effects of those aspects of the Tax Act for which the accounting was known as of December 31, 2017 and made immaterial revisions to such amounts during the allowed one year measurement period. As of December 31, 2018, the Company has completed its analysis of the tax effects of the Tax Act.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

Income tax benefit (expense) consists of:

	<u>Years ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	amounts in millions		
Current:			
Federal	\$ (14)	38	(39)
State and local	13	(30)	(29)
Foreign	(8)	(9)	—
	<u>(9)</u>	<u>(1)</u>	<u>(68)</u>
Deferred:			
Federal	(228)	578	(388)
State and local	(2)	(21)	(39)
Foreign	63	507	—
	<u>(167)</u>	<u>1,064</u>	<u>(427)</u>
Income tax benefit (expense)	<u>\$ (176)</u>	<u>1,063</u>	<u>(495)</u>

Income tax benefit (expense) differs from the amounts computed by applying the U.S. federal income tax rate of 21% for the year ended December 31, 2018 and 35% for both of the years ended December 31, 2017 and 2016 as a result of the following:

	<u>Years ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	amounts in millions		
Computed expected tax benefit (expense)	\$ (219)	(289)	(497)
State and local income taxes, net of federal income taxes	18	(37)	(46)
Foreign income taxes, net of federal income taxes	22	88	—
Dividends received deductions	(2)	38	11
Taxable dividends not recognized for book purposes	(25)	(45)	(11)
Federal tax credits	30	22	67
Change in valuation allowance affecting tax expense	(62)	212	(1)
Change in tax rate due to Tax Act	(8)	929	—
Settlements with tax authorities	43	253	—
Deductible stock-based compensation	38	40	1
Income tax reserves	—	(22)	—
Non-deductible / Non-taxable interest	—	(60)	—
Write-off of tax attributes	—	(42)	—
Other, net	(11)	(24)	(19)
Income tax benefit (expense)	<u>\$ (176)</u>	<u>1,063</u>	<u>(495)</u>

For the year ended December 31, 2018, the significant reconciling items, as noted in the table above, are deductible stock-based compensation, benefits related to federal tax credits and the resolution of historical matters with various tax authorities, partially offset by changes in the valuation allowance and taxable dividends not recognized for book purposes.

For the year ended December 31, 2017, the significant reconciling items, as noted in the table above, are a net tax benefit for the effect of the changes in the U.S. federal corporate tax rate from 35% to 21% on deferred taxes, a net tax

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

benefit for the resolution of historical matters with various tax authorities and a net tax benefit for the effects of a new U.K. tax law that changed the Company's judgment with respect to the future realization of U.K. tax losses.

For the year ended December 31, 2016 the significant reconciling item, as noted in the table above, is state income taxes offset with federal income tax credits claimed by SIRIUS XM related to research and development activities.

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

	<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>amounts in millions</u>	
Deferred tax assets:		
Tax loss and credit carryforwards	\$ 1,355	1,017
Accrued stock compensation	97	88
Other accrued liabilities	—	175
Deferred revenue	514	502
Discount on debt	—	26
Other future deductible amounts	22	22
Deferred tax assets	<u>1,988</u>	<u>1,830</u>
Valuation allowance	(174)	(112)
Net deferred tax assets	<u>1,814</u>	<u>1,718</u>
Deferred tax liabilities:		
Investments	26	110
Fixed assets	359	326
Intangible assets	2,690	2,760
Discount on debt	76	—
Other future taxable amounts	314	—
Deferred tax liabilities	<u>3,465</u>	<u>3,196</u>
Net deferred tax liabilities	<u>\$ 1,651</u>	<u>1,478</u>

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

During the year ended December 31, 2018, there was a \$62 million increase in the Company's valuation allowance that affected tax expense.

At December 31, 2018, the Company had a deferred tax asset of \$1,355 million for federal, state and foreign net operating losses ("NOLs"), interest expense carryforwards and tax credit carryforwards. Of this amount, \$952 million is recorded at the SIRIUS XM level. If not utilized to reduce income tax liabilities at SIRIUS XM in future periods, these loss carryforwards and tax credits will expire on various dates through 2038. The Company has \$243 million of foreign NOLS that may be carried forward indefinitely and \$4 million of foreign NOLs that will expire on various dates starting in 2035. In addition, the Company has \$153 million of loss and credit carryforwards with no expiration. The remaining \$3 million of carryforwards expire at certain future dates. These carryforwards are expected to be utilized in future periods, except for \$174 million of tax loss and credit carryforwards which, based on current projections, may expire unused in the future and are subject to a valuation allowance.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

A reconciliation of unrecognized tax benefits is as follows:

	December 31,		
	2018	2017	2016
	amounts in millions		
Balance at beginning of year	\$ 365	304	254
Reductions for tax positions of prior years	(27)	(1)	(1)
Increase in tax positions for current year	15	16	51
Increase in tax positions from prior years	65	37	—
Settlements with tax authorities	(31)	(423)	—
Increase in tax positions from acquisition	—	432	—
Balance at end of year	<u>\$ 387</u>	<u>365</u>	<u>304</u>

As of December 31, 2018, the Company had recorded tax reserves of \$387 million related to unrecognized tax benefits for uncertain tax positions. If such tax benefits were to be recognized for financial statement purposes, approximately \$257 million dollars would be reflected in the Company's tax expense and affect its effective tax rate. We do not currently anticipate that our existing reserves related to uncertain tax positions as of December 31, 2018 will significantly increase or decrease during the twelve-month period ending December 31, 2019; however, various events could cause our current expectations to change in the future. The Company's estimate of its unrecognized tax benefits related to uncertain tax positions requires a high degree of judgment.

As of December 31, 2018, the Company's tax years prior to 2015 are closed for federal income tax purposes, and the IRS has completed its examination of the Company's 2015 and 2016 tax years. The Company's tax loss carryforwards from its 2014 tax year are still subject to adjustment. The Company's 2017 and 2018 tax years are being examined currently as part of the IRS's Compliance Assurance Process program. Various states are currently examining the Company's prior years state income tax returns. SIRIUS XM, which does not consolidate with Liberty for income tax purposes, has certain state income tax audits pending. We do not expect the ultimate disposition of these audits to have a material adverse effect on our financial position or results of operations.

As of December 31, 2018, the Company had less than \$1 million dollars in accrued interest and penalties recorded related to uncertain tax positions.

(12) Stockholders' Equity

Preferred Stock

Liberty's preferred stock is issuable, from time to time, with such designations, preferences and relative participating, optional or other rights, qualifications, limitations or restrictions thereof, as shall be stated and expressed in a resolution or resolutions providing for the issue of such preferred stock adopted by Liberty's board of directors. As of December 31, 2018, no shares of preferred stock were issued.

Common Stock

As discussed in note 2, on April 15, 2016, the Company completed the Recapitalization of its common stock into three new tracking stock groups, one designated as the Liberty SiriusXM common stock, one designated as the Liberty Braves common stock and one designated as the Liberty Media common stock. As further discussed in note 2, the Liberty Media common stock was renamed Liberty Formula One common stock on January 24, 2017 shortly after the Second

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Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

Closing. The operating results prior to the Recapitalization are attributed to Liberty stockholders in the aggregate, and the operating results subsequent to the Recapitalization are attributed to the respective tracking stock groups.

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

Series A Liberty SiriusXM, Liberty Braves and Liberty Formula One common stock have one vote per share, Series B Liberty SiriusXM, Liberty Braves and Liberty Formula One common stock have ten votes per share and Series C Liberty SiriusXM, Liberty Braves and Liberty Formula One common stock have no votes per share except as otherwise required by Delaware law. Each share of Series B common stock is exchangeable at the option of the holder for one share of Series A common stock of the same group. All series of our common stock participate on an equal basis with respect to dividends and distributions.

Purchases of Common Stock

There were no repurchases of Liberty common stock made pursuant to the Company's authorized repurchase program during the years ended December 31, 2016 and 2017.

During the year ended December 31, 2018, the Company repurchased 10.8 million shares of Series C Liberty SiriusXM common stock for aggregate cash consideration of \$466 million under the authorized repurchase program. All of the foregoing shares obtained have been retired and returned to the status of authorized and available for issuance. There were no repurchases of Series A Liberty SiriusXM common stock, Liberty Braves common stock or Liberty Formula One common stock and no repurchases of Series C Liberty Braves common stock or Liberty Formula One common stock during the year ended December 31, 2018.

Dividends Declared by Subsidiary

On October 26, 2016, SIRIUS XM'S board of directors declared the first quarterly dividend on SIRIUS XM common stock in the amount of \$0.01 per share of common stock to stockholders of record on November 9, 2016. The dividend was paid in cash on November 30, 2016 in the amount of \$48 million, of which Liberty received \$32 million.

During the year ended December 31, 2017, SIRIUS XM declared a cash dividend each quarter, and paid in cash an aggregate amount of \$190 million, of which Liberty received \$130 million.

During the year ended December 31, 2018, SIRIUS XM declared a cash dividend each quarter, and paid in cash an aggregate amount of \$201 million, of which Liberty received \$143 million. SIRIUS XM's board of directors expects to declare regular quarterly dividends, in an aggregate annual amount of \$0.0484 per share of common stock. On January 29, 2019, SIRIUS XM's board of directors declared a quarterly dividend on its common stock in the amount of \$0.0121 per share of common stock, payable on February 28, 2019 to stockholders of record at the close of business on February 11, 2019.

(13) Related Party Transactions with Officers and Directors

Chief Executive Officer Compensation Arrangement

In December 2014, the Compensation Committee (the "Committee") of Liberty approved a compensation arrangement, including term options as discussed in note 14, for its President and Chief Executive Officer (the "CEO").

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

Beginning in 2015, the CEO receives annual grants of options to purchase shares of Series C Liberty SiriusXM common stock, Series C Liberty Braves common stock and Series C Liberty Formula One common stock with a term of seven years (the "Annual Options") and RSUs with respect to Series C Liberty SiriusXM common stock, Series C Liberty Braves common stock and Series C Liberty Formula One common stock (the "Annual RSUs" and together with the Annual Options, the "Annual Awards"). The CEO may elect the portions of his Annual Awards that he desires to be issued in the form of Annual RSUs and Annual Options. Grants of Annual Awards will be allocated between Liberty and Qurate Retail. The aggregate target amount to be allocated between Liberty and Qurate Retail will be \$16 million with respect to calendar year 2015, \$17 million with respect to calendar year 2016, \$18 million with respect to calendar year 2017, \$19 million with respect to calendar year 2018 and \$20 million with respect to calendar year 2019. In addition, Liberty and Qurate Retail's compensation committees may grant additional awards each year up to a maximum of 50% of the target award for the relevant year.

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

Chairman's Employment Agreement

On December 12, 2008, the Committee determined to modify its employment arrangements with its Chairman of the Board, to permit the Chairman to begin receiving payments in 2009 in satisfaction of Liberty's obligations to him under two deferred compensation plans and a salary continuation plan. Under one of the deferred compensation plans (the "8% Plan"), compensation has been deferred by the Chairman since January 1, 1993 and accrues interest at the rate of 8% per annum compounded annually from the applicable date of deferral. The amount owed to the Chairman under the 8% Plan aggregated approximately \$2.4 million at December 31, 2008. Under the second plan (the "13% Plan"), compensation was deferred by the Chairman from 1982 until December 31, 1992 and accrues interest at the rate of 13% per annum compounded annually from the applicable date of deferral. The amount owed to the Chairman under the 13% Plan aggregated approximately \$20 million at December 31, 2008. Both deferred compensation plans had provided for payment of the amounts owed to him in 240 monthly installments beginning upon termination of his employment. Under his salary

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Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

continuation plan, the Chairman would have been entitled to receive \$15,000 (increased at the rate of 12% per annum compounded annually from January 1, 1998 to the date of the first payment, (the “Base Amount”) per month for 240 months beginning upon termination of his employment. The amount owed to the Chairman under the salary continuation plan aggregated approximately \$39 million at December 31, 2008. There is no further accrual of interest under the salary continuation plan once payments have begun.

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

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

(14) Stock-Based Compensation

Liberty—Incentive Plans

Pursuant to the Liberty Media Corporation 2017 Omnibus Incentive Plan (the “2017 Plan”), the company may grant Awards to purchase shares of Series A, Series B and Series C Liberty Media Corporation common stock. The 2017 Plan provides for Awards to be made in respect of a maximum of 50.0 million shares of Liberty Media Corporation common stock. Awards generally vest over 1-5 years and have a term of 7-10 years. Liberty issues new shares upon exercise of equity awards. The Company measures the cost of employee services received in exchange for an equity classified Award (such as stock options and restricted stock) based on the grant-date fair value (“GDFV”) of the Award, and recognizes that cost over the period during which the employee is required to provide service (usually the vesting period of the Award).

In connection with the Recapitalization during 2016, all outstanding Awards with respect to Liberty Media Corporation common stock (“Liberty Awards”) were adjusted pursuant to the anti-dilution provisions of the incentive plans under which the equity awards were granted, such that a holder of a Liberty Award received new corresponding equity awards relating to shares of one or more series of Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Formula One common stock (collectively, the “Adjusted Liberty Awards”).

All of the pre-Recapitalization value of the Liberty Awards was allocated among the Adjusted Liberty Awards.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

Liberty—Grants of stock options

Awards granted in 2018, 2017 and 2016 are summarized as follows:

	Years ended December 31,					
	2018		2017		2016	
	Options granted (000's)	Weighted average GDFV	Options granted (000's)	Weighted average GDFV	Options granted (000's)	Weighted average GDFV
Series C Liberty Media Corporation common stock, Liberty employees and directors (1)	NA	NA	NA	NA	10	\$ 8.33
Series C Liberty Media Corporation common stock, Liberty CEO (2)	NA	NA	NA	NA	775	\$ 8.91
Series C Liberty SiriusXM common stock, Liberty employees and directors (1)	33	\$ 11.09	263	\$ 10.39	415	\$ 7.50
Series C Liberty SiriusXM common stock, Liberty CEO (3)	633	\$ 11.56	920	\$ 8.50	NA	NA
Series C Liberty Formula One common stock, Liberty employees and directors (1)	21	\$ 8.99	153	\$ 9.42	101	\$ 4.89
Series C Liberty Formula One common stock, Liberty CEO (3)	139	\$ 8.80	171	\$ 8.96	NA	NA
Series C Liberty Formula One common stock, Formula 1 employees (4)	1,888	\$ 8.64	2,015	\$ 8.16	NA	NA
Series C Liberty Braves common stock, Liberty employees and directors (1)	5	\$ 7.14	35	\$ 6.14	41	\$ 3.79
Series C Liberty Braves common stock, Liberty CEO (3)	46	\$ 6.44	149	\$ 6.02	NA	NA

- (1) Mainly vests between three and five years for employees and in one year for directors.
- (2) Grant mainly cliff vested in December 2016 and was made in connection with the CEO's employment agreement.
- (3) Grants in 2017 mainly cliff vested in December 2017. Grants in 2018 cliff vested in December 2018 and were made in connection with the CEO's employment agreement.
- (4) Vest monthly over one year.

In addition to the stock option grants to the Liberty CEO, and in connection with his employment agreement, Liberty granted performance-based restricted stock units ("RSUs"). During the years ended December 31, 2018 and 2017, Liberty granted 86 thousand and 50 thousand RSUs, respectively, of Series C Liberty Formula One common stock. Such RSUs had a GDFV of \$31.99 per share and \$33.92 per share, respectively. During the year ended December 31, 2018, Liberty granted 12 thousand RSUs of Series C Liberty Braves common stock with a GDFV of \$23.34 per share. During the year ended December 31, 2016, Liberty granted 39 thousand RSUs of Series C Liberty Media Corporation common stock. Such RSUs had a GDFV of \$37.76 per share. The 2018, 2017 and 2016 performance-based RSUs cliff vested in one year, subject to the satisfaction of certain performance objectives and based on an amount determined by the compensation committee. Performance objectives, which are subjective, are considered in determining the timing and amount of the compensation expense recognized. As the satisfaction of the performance objectives becomes probable, the Company records compensation expense. The value of the grant is remeasured at each reporting period.

The Company did not grant any options to purchase Series A or Series B of Liberty SiriusXM, Liberty Braves or Liberty Formula One common stock during the year ended December 31, 2018.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

The Company has calculated the GDFV for all of its equity classified awards using the Black-Scholes Model. The Company estimates the expected term of the Awards based on historical exercise and forfeiture data. For grants made in 2018, 2017 and 2016, the range of expected terms was 3.5 to 6.3 years. The volatility used in the calculation for Awards is based on the historical volatility of Liberty’s stocks and the implied volatility of publicly traded Liberty options. The Company uses a zero dividend rate and the risk-free rate for Treasury Bonds with a term similar to that of the subject options.

The following table presents the volatilities used by the Company in the Black-Scholes Model for the 2018, 2017 and 2016 grants.

	<u>Volatility</u>
<i>2018 grants</i>	
Liberty options	23.5 % - 26.0 %
<i>2017 grants</i>	
Liberty options	22.6 % - 29.8 %
<i>2016 grants</i>	
Liberty options	22.6 % - 26.8 %

Liberty—Outstanding Awards

The following tables present the number and weighted average exercise price (“WAEP”) of Awards to purchase Liberty common stock granted to certain officers, employees and directors of the Company, as well as the weighted average remaining life and aggregate intrinsic value of the Awards.

Liberty SiriusXM

	<u>Series A</u>				
	<u>Liberty Awards (000's)</u>	<u>WAEP</u>	<u>Weighted average remaining life</u>		
Outstanding at January 1, 2018	1,626	\$ 19.78			
Granted	—	\$ —			
Exercised	(223)	\$ 19.43			
Forfeited/Cancelled	—	\$ —			
Outstanding at December 31, 2018	<u>1,403</u>	\$ 19.84	1.0 year	\$	24
Exercisable at December 31, 2018	<u>1,399</u>	\$ 19.81	1.0 year	\$	24

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

	Series C		Weighted average remaining life	Aggregate intrinsic value (in millions)
	Liberty Awards (000's)	WAEP		
Outstanding at January 1, 2018.....	11,328	\$ 27.66		
Granted.....	666	\$ 42.34		
Exercised.....	(497)	\$ 19.81		
Forfeited/Cancelled.....	(2)	\$ 38.77		
Outstanding at December 31, 2018.....	<u>11,495</u>	\$ 28.85	3.3 years	\$ 98
Exercisable at December 31, 2018.....	<u>8,039</u>	\$ 28.25	3.1 years	\$ 74

Liberty Formula One

	Series A		Weighted average remaining life	Aggregate intrinsic value (in millions)
	Liberty Awards (000's)	WAEP		
Outstanding at January 1, 2018.....	400	\$ 11.69		
Granted.....	—	\$ —		
Exercised.....	(40)	\$ 11.50		
Forfeited/Cancelled.....	—	\$ —		
Outstanding at December 31, 2018.....	<u>360</u>	\$ 11.71	1.0 year	\$ 6
Exercisable at December 31, 2018.....	<u>360</u>	\$ 11.70	1.0 year	\$ 6

	Series C		Weighted average remaining life	Aggregate intrinsic value (in millions)
	Liberty Awards (000's)	WAEP		
Outstanding at January 1, 2018.....	4,760	\$ 24.59		
Granted.....	2,048	\$ 31.55		
Exercised.....	(123)	\$ 13.83		
Forfeited/Cancelled.....	(1)	\$ 34.84		
Outstanding at December 31, 2018.....	<u>6,684</u>	\$ 26.92	4.7 years	\$ 35
Exercisable at December 31, 2018.....	<u>4,911</u>	\$ 27.58	4.6 years	\$ 24

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Notes to Consolidated Financial Statements (Continued)

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Liberty Braves

	Series A		Weighted average remaining life	Aggregate intrinsic value (in millions)
	Liberty Awards (000's)	WAEP		
Outstanding at January 1, 2018	179	\$ 11.43		
Granted	—	\$ —		
Exercised	(2)	\$ 11.00		
Forfeited/Cancelled	—	\$ —		
Outstanding at December 31, 2018	<u>177</u>	\$ 11.44	1.0 year	\$ 2
Exercisable at December 31, 2018	<u>177</u>	\$ 11.42	1.0 year	\$ 2

	Series C		Weighted average remaining life	Aggregate intrinsic value (in millions)
	Liberty Awards (000's)	WAEP		
Outstanding at January 1, 2018	1,231	\$ 16.27		
Granted	51	\$ 23.54		
Exercised	(6)	\$ 11.97		
Forfeited/Cancelled	—	\$ —		
Outstanding at December 31, 2018	<u>1,276</u>	\$ 16.58	3.2 years	\$ 11
Exercisable at December 31, 2018	<u>926</u>	\$ 16.33	3.0 years	\$ 8

There were no outstanding Series B options to purchase shares of Series B Liberty SiriusXM common stock, Liberty Formula One common stock or Liberty Braves common stock during 2018.

As of December 31, 2018, the total unrecognized compensation cost related to unvested Liberty Awards was approximately \$22 million. Such amount will be recognized in the Company's consolidated statements of operations over a weighted average period of approximately 1.3 years.

As of December 31, 2018, 12.9 million, 7.0 million and 1.5 million shares of Series A and Series C Liberty SiriusXM, Liberty Formula One and Liberty Braves common stock, respectively, were reserved for issuance under exercise privileges of outstanding stock Awards.

Liberty—Exercises

The aggregate intrinsic value of all options exercised during the years ended December 31, 2018, 2017 and 2016 was \$22 million, \$31 million and \$24 million, respectively.

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Notes to Consolidated Financial Statements (Continued)

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Liberty—Restricted Stock

The Company had approximately 218 thousand, 211 thousand and 46 thousand unvested restricted shares of Liberty SiriusXM, Liberty Formula One, and Liberty Braves common stock, respectively, held by certain directors, officers and employees of the Company as of December 31, 2018. These Series A and Series C unvested restricted shares of Liberty SiriusXM common stock, Liberty Formula One common stock and Liberty Braves common stock had a weighted average GDFV of \$26.74, \$28.79, and \$20.16 per share, respectively.

The aggregate fair value of all restricted shares of Liberty common stock that vested during the years ended December 31, 2018, 2017 and 2016 was \$9 million, \$85 million and \$7 million, respectively.

SIRIUS XM—Stock-based Compensation

During the years ended December 31, 2018, 2017 and 2016, SIRIUS XM granted various types of stock awards to its employees and members of its board of directors. Stock-based awards are generally subject to a graded vesting requirement, which is generally three to four years from the grant date. Stock options generally expire ten years from the date of grant. Restricted stock units include performance-based restricted stock units (“PRSUs”), the vesting of which are subject to the achievement of performance goals and the employee’s continued employment and generally cliff vest on the third anniversary of the grant date. SIRIUS XM calculates the grant-date fair value for all of its equity classified awards and any subsequent remeasurement of its liability classified awards using the Black-Scholes Model. The weighted average volatility applied to the fair value determination of SIRIUS XM’s option grants during 2018, 2017 and 2016 was 23%, 24% and 22%, respectively. During the year ended December 31, 2018, SIRIUS XM granted approximately 31.7 million stock options with a weighted-average exercise price of \$6.59 per share and a grant date fair value of \$1.45 per share. As of December 31, 2018, SIRIUS XM has approximately 243.4 million options outstanding of which approximately 143.8 million are exercisable, each with a weighted-average exercise price per share of \$4.22 and \$3.60, respectively. The aggregate intrinsic value of these outstanding and exercisable options was \$392 million and \$303 million, respectively. During the year ended December 31, 2018, SIRIUS XM granted approximately 17.5 million RSUs and PRSUs with a grant date fair value of \$6.40 per share. The stock-based compensation related to SIRIUS XM stock options and restricted stock awards was \$133 million, \$124 million and \$109 million for the years ended December 31, 2018, 2017, and 2016, respectively. As of December 31, 2018, the total unrecognized compensation cost related to unvested SIRIUS XM stock options was \$254 million. The SIRIUS XM unrecognized compensation cost will be recognized in the Company’s consolidated statements of operations over a weighted average period of approximately 1.8 years.

(15) Employee Benefit Plans

Liberty is the sponsor of the Liberty Media 401(k) Savings Plan (the “Liberty 401(k) Plan”), which provides its employees and the employees of certain of its subsidiaries an opportunity for ownership in the Company and creates a retirement fund. The Liberty 401(k) Plan provides for employees to make contributions to a trust for investment in Liberty common stock, as well as several mutual funds. The Company and its subsidiaries make matching contributions to the Liberty 401(k) Plan based on a percentage of the amount contributed by employees. In addition, certain of the Company’s subsidiaries have similar employee benefit plans. Employer cash contributions to all plans aggregated \$20 million, \$17 million and \$13 million for each of the years ended December 31, 2018, 2017 and 2016, respectively.

(16) Other Comprehensive Earnings (Loss)

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

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Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

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

	<u>Unrealized holding gains (losses) on securities</u>	<u>Foreign currency translation adjustment</u>	<u>Other</u>	<u>AOCI</u>
	<u>amounts in millions</u>			
Balance at January 1, 2016	\$ (10)	(23)	(18)	(51)
Other comprehensive earnings (loss) attributable to Liberty stockholders	<u>1</u>	<u>1</u>	<u>(13)</u>	<u>(11)</u>
Balance at December 31, 2016	(9)	(22)	(31)	(62)
Other comprehensive earnings (loss) attributable to Liberty stockholders	<u>(3)</u>	<u>16</u>	<u>14</u>	<u>27</u>
Balance at December 31, 2017	(12)	(6)	(17)	(35)
Other comprehensive earnings (loss) attributable to Liberty stockholders	<u>(3)</u>	<u>(24)</u>	<u>22</u>	<u>(5)</u>
Cumulative adjustment for change in accounting principle	<u>—</u>	<u>—</u>	<u>2</u>	<u>2</u>
Balance at December 31, 2018	<u>\$ (15)</u>	<u>(30)</u>	<u>7</u>	<u>(38)</u>

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

	<u>Before-tax amount</u>	<u>Tax (expense) benefit</u>	<u>Net-of-tax amount</u>
	<u>amounts in millions</u>		
<i>Year ended December 31, 2018:</i>			
Unrealized holding gains (losses) arising during period	\$ (4)	1	(3)
Credit risk on fair value debt instruments gains (losses)	41	(9)	32
Foreign currency translation adjustments	<u>(56)</u>	<u>12</u>	<u>(44)</u>
Other comprehensive earnings	<u>\$ (19)</u>	<u>4</u>	<u>(15)</u>
<i>Year ended December 31, 2017:</i>			
Unrealized holding gains (losses) arising during period	\$ (5)	2	(3)
Foreign currency translation adjustments	<u>60</u>	<u>(22)</u>	<u>38</u>
Other comprehensive earnings	<u>\$ 55</u>	<u>(20)</u>	<u>35</u>
<i>Year ended December 31, 2016:</i>			
Foreign currency translation adjustments	<u>\$ (16)</u>	<u>6</u>	<u>(10)</u>
Other comprehensive earnings	<u>\$ (16)</u>	<u>6</u>	<u>(10)</u>

(17) Commitments and Contingencies

Guarantees

In connection with agreements for the sale of assets by the Company or its subsidiaries, the Company may retain liabilities that relate to events occurring prior to its sale, such as tax, environmental, litigation and employment matters. The Company generally indemnifies the purchaser in the event that a third party asserts a claim against the purchaser that relates to a liability retained by the Company. These types of indemnification obligations may extend for a number of years. The Company is unable to estimate the maximum potential liability for these types of indemnification obligations as the sale agreements may not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, the Company has not

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

made any significant indemnification payments under such agreements and no amount has been accrued in the accompanying consolidated financial statements with respect to these indemnification guarantees.

Employment Contracts

The Atlanta Braves and certain of their players and coaches have entered into long-term employment contracts whereby such individuals' compensation is guaranteed. Amounts due under guaranteed contracts as of December 31, 2018 aggregated \$165 million, which is payable as follows: \$93 million in 2019, \$36 million in 2020, \$34 million in 2021, \$2 million in 2022, less than one million in 2023 and none thereafter. In addition to the foregoing amounts, certain players and coaches may earn incentive compensation under the terms of their employment contracts.

Leases

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

Rental expense under such agreements amounted to \$64 million, \$58 million and \$52 million for the years ended December 31, 2018, 2017 and 2016, respectively.

A summary of future minimum lease payments under cancelable and noncancelable operating leases, as of December 31, 2018 follows (amounts in millions):

Years ending December 31:	
2019	\$ 54
2020	\$ 59
2021	\$ 53
2022	\$ 48
2023	\$ 40
Thereafter.....	\$ 179

It is expected that in the normal course of business, leases that expire generally will be renewed or replaced by leases on other properties; thus, it is anticipated that future lease commitments will not be less than the amount shown for 2018.

Braves Holdings provided funding for the new stadium and the land during the initial construction period, until the initial reimbursement by the Authority in September 2015, at which time the land was conveyed to the Authority. Braves Holdings was deemed the owner (for accounting purposes) of the stadium during the construction period and costs were classified as construction in progress ("CIP"), within the Property and equipment, net line item. Costs of the project were captured in CIP along with a corresponding financing obligation, reported in other liabilities, for amounts funded by the Authority. At the end of the construction period in March 2017, the Company performed an analysis and determined that due to Braves Holdings' continuing involvement with the property as a result of the purchase option at the end of the lease term, the stadium did not qualify for sale-leaseback accounting treatment. Accordingly, Braves Holdings applied the financing method of accounting whereby Braves Holdings began making license payments and amortizing the financing obligation to the Authority using the effective interest rate method over a 30 year term. The stadium was reclassified from CIP and placed into service on March 31, 2017. Also at this time, Braves Holdings began depreciating the stadium over a 45 year estimated useful life.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

Programming, music royalties and other contractual arrangements

SIRIUS XM has entered into various programming agreements under which SIRIUS XM's obligations include fixed payments, advertising commitments and revenue sharing arrangements. In addition, SIRIUS XM has entered into certain music royalty arrangements that include fixed payments. Amounts due under programming and music royalty agreements are payable as follows: \$430 million in 2019, \$335 million in 2020, \$218 million in 2021, \$79 million in 2022 and \$38 million in 2023. Future revenue sharing costs are dependent upon many factors and are difficult to estimate; therefore, they are not included in the amounts above. In addition, SIRIUS XM has entered into agreements related to certain satellite and transmission costs, sales and marketing costs and in-orbit performance payments to the manufacturer of its satellites. Amounts due under these agreements are payable as follows: \$146 million in 2019, \$69 million in 2020, \$20 million in 2021, \$13 million in 2022 and \$10 million in 2023.

Litigation

The Company has contingent liabilities related to legal and tax proceedings and other matters arising in the ordinary course of business. We record a liability when we believe that it is both probable that a liability will be incurred and the amount of loss can be reasonably estimated. We evaluate developments in legal matters that could affect the amount of the liability accrual and make adjustments as appropriate. Significant judgment is required to determine both probability and the estimated amount of a loss or potential loss. We may be unable to reasonably estimate the reasonably possible loss or range of loss for a particular legal contingency for various reasons, including, among others, because: (i) the damages sought are indeterminate; (ii) the proceedings are in the relative early stages; (iii) there is uncertainty as to the outcome of pending proceedings (including motions and appeals); (iv) there is uncertainty as to the likelihood of settlement and the outcome of any negotiations with respect thereto; (v) there remain significant factual issues to be determined or resolved; (vi) the relevant law is unsettled; or (vii) the proceedings involve novel or untested legal theories. In such instances, there may be considerable uncertainty regarding the ultimate resolution of such matters, including a possible eventual loss, if any. In the opinion of management, it is expected that amounts, if any, which may be required to satisfy such contingencies will not be material in relation to the accompanying consolidated financial statements.

In connection with a commercial transaction that closed during 2002 among Liberty, Vivendi Universal S.A. ("Vivendi") and the former USA Holdings, Inc., Liberty brought suit against Vivendi and Universal Studios, Inc. in the United States District Court for the Southern District of New York, alleging, among other things, breach of contract and fraud by Vivendi. On June 25, 2012, a jury awarded Liberty damages in the amount of €765 million, plus prejudgment interest, in connection with a finding of breach of contract and fraud by the defendants. On January 17, 2013, the court entered judgment in favor of Liberty in the amount of approximately €945 million, including prejudgment interest. The parties negotiated a stay of the execution of the judgment during the pendency of the appeal. Vivendi filed notice of its appeal of the judgment to the United States Court of Appeals for the Second Circuit. During the first quarter of 2016, Liberty entered into a settlement with Vivendi which resulted in a \$775 million payment to settle all claims related to the dispute described above. Following the payment of a contingency fee to our legal counsel, as well as amounts payable to Liberty Global plc, an additional plaintiff in the action, Liberty recognized a net pre-tax gain on the legal settlement of approximately \$511 million. The recovery received in connection with the settlement is attributed to the Formula One Group. This settlement resulted in a dismissal of all appeals and mutual releases of the parties.

During the fourth quarters of 2017 and 2016, SIRIUS XM recorded \$45 million and \$46 million, respectively, related to music royalty legal settlements and reserves. The expenses are included in the Revenue share and royalties line item in the accompanying consolidated financial statements for the years ended December 31, 2017 and 2016, respectively, but have been excluded from Adjusted OIBDA for the corresponding periods as these expense were not incurred as a part of SIRIUS XM's normal operations for the periods and do not relate to the on-going performance of the business.

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On March 13, 2017, Thomas Buchanan, individually and on behalf of all others similarly situated, filed a class action complaint against SIRIUS XM in the United States District Court for the Northern District of Texas, Dallas Division. The plaintiff in this action alleges that SIRIUS XM violated the Telephone Consumer Protection Act of 1991 (the “TCPA”) by, among other things, making telephone solicitations to persons on the National Do-Not-Call registry, a database established to allow consumers to exclude themselves from telemarketing calls unless they consent to receive the calls in a signed, written agreement, and making calls to consumers in violation of SIRIUS XM’s internal Do-Not-Call registry. The plaintiff is seeking various forms of relief, including statutory damages of \$500 for each violation of the TCPA or, in the alternative, treble damages of up to \$1,500 for each knowing and willful violation of the TCPA and a permanent injunction prohibiting SIRIUS XM from making, or having made, any calls to land lines that are listed on the National Do-Not-Call registry or SIRIUS XM’s internal Do-Not-Call registry. The plaintiff has filed a motion seeking class certification, and that motion is pending. SIRIUS XM believes it has substantial defenses to the claims asserted in this action, and intends to defend this action vigorously.

On June 7, 2018, SIRIUS XM entered into an agreement with SoundExchange, Inc. (“Sound Exchange”), the organization that collects and distributes sound recording royalties pursuant to SIRIUS XM’s statutory license, to settle the cases titled SoundExchange, Inc. v. Sirius XM Radio, Inc., No.13-cv-1290-RJL (D.D.C.), and SoundExchange, Inc. v. Sirius XM Radio, Inc., No.17-cv-02666-RJL (D.D.C.). A description of these actions is contained in our prior public filings. In connection with the settlement, SIRIUS XM made a one-time lump sum payment of \$150 million to SoundExchange on July 6, 2018. SIRIUS XM accrued for a portion of this liability in prior years and recorded a \$69 million charge for the remaining liability during the second quarter of 2018. This expense is included in the Revenue share and royalties line item in the accompanying consolidated financial statements for the year ended December 31, 2018, but has been excluded from Adjusted OIBDA for the corresponding periods as this expense was not incurred as a part of SIRIUS XM’s normal operations and does not relate to the on-going performance of the business. The settlement resolved all outstanding claims, including ongoing audits, under SIRIUS XM’s statutory license for sound recordings for the period January 1, 2007 through December 31, 2017.

(18) Information About Liberty’s Operating Segments

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

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

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

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The Company has identified the following subsidiaries as its reportable segments:

- SIRIUS XM is a consolidated subsidiary that provides a subscription based satellite radio service. SIRIUS XM transmits music, sports, entertainment, comedy, talk, news, traffic and weather channels, as well as infotainment services, in the United States on a subscription fee basis through its two proprietary satellite radio systems. SIRIUS XM also transmits a larger set of music and other channels and video programming through its streaming service. SIRIUS XM’s streaming service is available online and through applications for mobile devices, home devices and other consumer electronic equipment. SIRIUS XM also provides connected vehicle services. SIRIUS XM’s connected vehicle services are designed to enhance the safety, security and driving experience for vehicle operators while providing marketing and operational benefits to automakers and their dealers.
- Formula 1 is a global motorsports business that holds exclusive commercial rights with respect to the World Championship, an annual, approximately nine-month long, motor race-based competition in which teams compete for the Constructors’ Championship and drivers compete for the Drivers’ Championship. The World Championship takes place on various circuits with a varying number of events taking place in different countries around the world each season. Formula 1 is responsible for the commercial exploitation and development of the World Championship. The Company acquired a controlling interest in Formula 1 on January 23, 2017, at which time it began consolidating the results of the Formula 1 business.

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

Performance Measures

	Years ended December 31,					
	2018		2017		2016	
	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA
	amounts in millions					
Liberty SiriusXM Group						
SIRIUS XM	\$ 5,771	2,230	5,425	2,109	5,014	1,853
Corporate and other	—	(16)	—	(15)	—	(15)
Total Liberty SiriusXM Group	<u>5,771</u>	<u>2,214</u>	<u>5,425</u>	<u>2,094</u>	<u>5,014</u>	<u>1,838</u>
Braves Group						
Corporate and other	442	88	386	2	262	(20)
Total Braves Group	<u>442</u>	<u>88</u>	<u>386</u>	<u>2</u>	<u>262</u>	<u>(20)</u>
Formula One Group						
Formula 1	1,827	400	1,783	438	—	—
Corporate and other	—	(25)	—	(41)	—	(45)
Total Formula One Group	<u>1,827</u>	<u>375</u>	<u>1,783</u>	<u>397</u>	<u>—</u>	<u>(45)</u>
Total	<u>\$ 8,040</u>	<u>2,677</u>	<u>7,594</u>	<u>2,493</u>	<u>5,276</u>	<u>1,773</u>

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

Other Information

	December 31, 2018			December 31, 2017		
	Total assets	Investments in affiliates	Capital expenditures	Total assets	Investments in affiliates	Capital expenditures
	amounts in millions					
Liberty SiriusXM Group						
SIRIUS XM	\$ 27,812	629	356	27,837	672	288
Corporate and other	480	—	—	693	—	—
Total Liberty SiriusXM Group	<u>28,292</u>	<u>629</u>	<u>356</u>	<u>28,530</u>	<u>672</u>	<u>288</u>
Braves Group						
Corporate and other	1,805	92	33	1,866	145	219
Total Braves Group	<u>1,805</u>	<u>92</u>	<u>33</u>	<u>1,866</u>	<u>145</u>	<u>219</u>
Formula One Group						
Formula 1	8,958	—	12	9,461	—	8
Corporate and other	1,999	920	2	2,341	933	2
Total Formula One Group	<u>10,957</u>	<u>920</u>	<u>14</u>	<u>11,802</u>	<u>933</u>	<u>10</u>
Elimination (1)	(226)	—	—	(202)	—	—
Consolidated Liberty	<u>\$ 40,828</u>	<u>1,641</u>	<u>403</u>	<u>41,996</u>	<u>1,750</u>	<u>517</u>

(1) This is primarily the intergroup interest in the Braves Group held by the Formula One Group, as discussed in note 2. The intergroup interest attributable to the Formula One Group is presented as an asset and the intergroup interest attributable to the Braves Group is presented as a liability in the attributed financial statements and the offsetting amounts between tracking stock groups are eliminated in consolidation.

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

	Years ended December 31,		
	2018	2017	2016
	amounts in millions		
Consolidated segment Adjusted OIBDA	\$ 2,677	2,493	1,773
Legal settlement (note 17)	(69)	(45)	465
Stock-based compensation	(192)	(230)	(150)
Depreciation and amortization	(905)	(824)	(354)
Operating income (loss)	<u>1,511</u>	<u>1,394</u>	<u>1,734</u>
Interest expense	(606)	(591)	(362)
Share of earnings (losses) of affiliates, net	18	104	14
Realized and unrealized gains (losses) on financial instruments, net	40	(88)	37
Other, net	78	8	(4)
Earnings (loss) from continuing operations before income taxes	<u>\$ 1,041</u>	<u>827</u>	<u>1,419</u>

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

Revenue by Geographic Area

Revenue by geographic area based on the country of domicile is as follows:

	Years ended December 31,		
	2018	2017	2016
	amounts in millions		
United States	\$ 6,209	5,724	5,230
United Kingdom	1,831	1,783	—
Other	—	87	46
	<u>\$ 8,040</u>	<u>7,594</u>	<u>5,276</u>

Long-lived Assets by Geographic Area

	December 31,	
	2018	2017
	amounts in millions	
United States	\$ 2,457	2,529
United Kingdom	12	12
	<u>\$ 2,469</u>	<u>2,541</u>

(19) Quarterly Financial Information (Unaudited)

	1st	2nd	3rd	4th
	Quarter	Quarter	Quarter	Quarter
	amounts in millions, except per share amounts			
<i>2018:</i>				
Revenue	\$ 1,517	2,199	2,315	2,009
Operating income (loss)	\$ 227	374	531	379
Net earnings (loss)	\$ 213	255	366	31
Net earnings (loss) attributable to Liberty stockholders:				
Liberty SiriusXM common stock	\$ 200	165	185	126
Liberty Braves common stock	\$ (52)	(2)	41	18
Liberty Formula One common stock	\$ (17)	9	42	(184)
Basic net earnings (loss) attributable to Liberty stockholders per common share:				
Liberty SiriusXM common stock	\$ 0.60	0.50	0.56	0.39
Liberty Braves common stock	\$ (1.02)	(0.04)	0.80	0.35
Liberty Formula One common stock	\$ (0.07)	0.04	0.18	(0.80)
Diluted net earnings (loss) attributable to Liberty stockholders per common share:				
Liberty SiriusXM common stock	\$ 0.59	0.49	0.55	0.38
Liberty Braves common stock	\$ (1.02)	(0.04)	0.80	(0.07)
Liberty Formula One common stock	\$ (0.07)	0.04	0.18	(0.80)

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2018, 2017 and 2016

	<u>1st</u> <u>Quarter</u>	<u>2nd</u> <u>Quarter</u>	<u>3rd</u> <u>Quarter</u>	<u>4th</u> <u>Quarter</u>
	amounts in millions, except per share amounts			
<i>2017:</i>				
Revenue	\$ 1,395	2,140	2,065	1,994
Operating income (loss)	\$ 259	422	382	331
Net earnings (loss)	\$ 44	156	261	1,429
Net earnings (loss) attributable to Liberty stockholders:				
Liberty SiriusXM common stock	\$ 124	123	183	694
Liberty Braves common stock	\$ (49)	(2)	22	4
Liberty Formula One common stock	\$ (96)	(27)	(37)	415
Basic net earnings (loss) attributable to Liberty stockholders per common share:				
Liberty SiriusXM common stock	\$ 0.37	0.37	0.54	2.07
Liberty Braves common stock	\$ (1.00)	(0.04)	0.45	0.08
Liberty Formula One common stock	\$ (0.55)	(0.13)	(0.17)	1.80
Diluted net earnings (loss) attributable to Liberty stockholders per common share:				
Liberty SiriusXM common stock	\$ 0.37	0.36	0.54	2.04
Liberty Braves common stock	\$ (1.00)	(0.04)	0.45	0.07
Liberty Formula One common stock	\$ (0.55)	(0.13)	(0.17)	1.79

Unaudited Attributed Financial Information for Tracking Stock Groups

During November 2015, Liberty Media Corporation's ("Liberty") board of directors authorized management to pursue a reclassification of the Company's common stock into three new tracking stock groups, one to be designated as the Liberty Braves tracking stock, one to be designated as the Liberty Media tracking stock and one to be designated as the Liberty SiriusXM tracking stock (the "Recapitalization"), and to cause to be distributed subscription rights related to the Liberty Braves tracking stock following the creation of the new tracking stocks. The Recapitalization was completed on April 15, 2016 and the newly issued shares commenced trading or quotation in the regular way on the Nasdaq Global Select Market or the OTC Markets, as applicable, on Monday, April 18, 2016. Shortly following the completion of the second closing of the acquisition of Formula 1 on January 23, 2017, the Liberty Media Group was renamed the Liberty Formula One Group. Historical information of the Liberty Media Group and Liberty Media common stock is referred to herein as the Formula One Group and Liberty Formula One common stock, respectively.

The following tables present our assets and liabilities as of December 31, 2018 and December 31, 2017 and revenue, expenses and cash flows for the years ended December 31, 2018, 2017, and 2016. The tables further present our assets, liabilities, revenue, expenses and cash flows that are attributed to the Liberty SiriusXM Group, Braves Group and the Formula One Group, respectively. The financial information should be read in conjunction with our consolidated financial statements for the year ended December 31, 2018 included in this Annual Report.

The attributed financial information presented herein has been prepared assuming this attribution had been completed as of January 1, 2014. However, this attribution of historical financial information does not purport to be what actual results and balances would have been if such attribution had actually occurred and been in place during these periods. Therefore, the attributed net earnings (losses) presented in the unaudited attributed financial information are not the same as the net earnings (losses) reflected in the Liberty consolidated financial statements included in this Annual Report. The net earnings (losses) attributed to the Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Formula One common stock for purposes of those financial statements only relates to the period after the Recapitalization.

Notwithstanding the following attribution of assets, liabilities, revenue, expenses and cash flows to the Liberty SiriusXM Group, Braves Group and the Formula One Group, our tracking stock capital 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 SiriusXM common stock, Liberty Braves common stock and Liberty Formula One 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 SiriusXM common stock, Liberty Braves common stock and Liberty Formula One common stock does not affect the rights of our creditors.

SUMMARY ATTRIBUTED FINANCIAL DATA

Liberty SiriusXM Group

Summary Balance Sheet Data:

	December 31, 2018	December 31, 2017
	amounts in millions	
Cash and cash equivalents	\$ 91	615
Investments in affiliates, accounted for using the equity method	\$ 629	672
Intangible assets not subject to amortization	\$ 23,781	23,778
Intangible assets subject to amortization, net	\$ 942	972
Total assets.	\$ 28,292	28,530
Deferred revenue.	\$ 1,932	1,882
Long-term debt, including current portion	\$ 7,858	7,496
Deferred tax liabilities.	\$ 1,673	1,447
Attributed net assets	\$ 10,599	10,861
Noncontrolling interest	\$ 5,108	5,615

Summary Statement of Operations Data:

	Years ended December 31,		
	2018	2017	2016
	amounts in millions		
Revenue	\$ 5,771	5,425	5,014
Cost of subscriber services (1)	\$ (2,308)	(2,102)	(1,994)
Subscriber acquisition costs	\$ (470)	(499)	(513)
Other operating expenses (1)	\$ (123)	(113)	(82)
Selling, general and administrative expense (1)	\$ (881)	(812)	(761)
Operating income (loss)	\$ 1,620	1,547	1,352
Interest expense	\$ (388)	(356)	(342)
Income tax (expense) benefit	\$ (241)	466	(341)
Net earnings (loss) attributable to noncontrolling interests	\$ 328	535	244
Earnings (loss) attributable to Liberty stockholders	\$ 676	1,124	413

(1) Includes stock-based compensation expense as follows:

	Years ended December 31,		
	2018	2017	2016
	amounts in millions		
Cost of subscriber services	\$ 37	36	30
Other operating expenses	17	16	13
Selling, general and administrative expense	102	98	85
	<u>\$ 156</u>	<u>150</u>	<u>128</u>

Braves Group

Summary Balance Sheet Data:

	December 31, 2018	December 31, 2017
	amounts in millions	
Cash and cash equivalents	\$ 107	132
Property and equipment, net.	\$ 1,041	1,099
Investments in affiliates, accounted for using the equity method	\$ 92	145
Intangible assets not subject to amortization.	\$ 323	323
Intangible assets subject to amortization, net	\$ 37	49
Total assets.	\$ 1,805	1,866
Deferred revenue.	\$ 54	51
Long-term debt, including current portion	\$ 491	662
Deferred tax liabilities.	\$ 69	62
Attributed net assets	\$ 446	413

Summary Statement of Operations Data:

	Years ended December 31,		
	2018	2017	2016
	amounts in millions		
Revenue	\$ 442	386	262
Selling, general and administrative expense (1)	\$ (118)	(151)	(67)
Operating income (loss)	\$ 1	(113)	(61)
Share of earnings (losses) of affiliates, net	\$ 12	78	9
Income tax (expense) benefit	\$ 15	36	17
Earnings (loss) attributable to Liberty stockholders	\$ 5	(25)	(62)

(1) Includes stock-based compensation of \$11 million, \$48 million, and \$9 million for the years ended December 31, 2018, 2017 and 2016, respectively.

Formula One Group

Summary Balance Sheet Data:

	December 31, 2018	December 31, 2017
	amounts in millions	
Cash and cash equivalents	\$ 160	282
Investments in debt and equity securities	\$ 303	526
Investments in affiliates, accounted for using the equity method	\$ 920	933
Intangible assets not subject to amortization	\$ 3,956	3,956
Intangible assets subject to amortization, net	\$ 4,736	5,171
Total assets.	\$ 10,957	11,802
Long-term debt, including current portion	\$ 5,039	5,796
Attributed net assets	\$ 5,550	5,669

Summary Statement of Operations Data:

	Years ended December 31,		
	2018	2017	2016
	amounts in millions		
Revenue	\$ 1,827	1,783	—
Cost of Formula 1 revenue	\$ 1,273	1,219	—
Selling, general and administrative expense (1)	\$ (204)	(199)	(58)
Legal settlement	\$ —	—	511
Operating income (loss)	\$ (110)	(40)	443
Interest expense	\$ (192)	(220)	(19)
Share of earnings (losses) of affiliates, net	\$ 17	(3)	(8)
Realized and unrealized gains (losses) on financial instruments, net . .	\$ 43	(72)	36
Income tax (expense) benefit	\$ 50	561	(171)
Earnings (loss) attributable to Liberty stockholders	\$ (150)	255	329

(1) Includes stock-based compensation of \$25 million, \$32 million, and \$13 million for the years ended December 31, 2018, 2017, and 2016, respectively.

BALANCE SHEET INFORMATION
December 31, 2018
(unaudited)

	<u>Attributed (note 1)</u>				<u>Consolidated Liberty</u>
	<u>Liberty SiriusXM Group</u>	<u>Braves Group</u>	<u>Formula One Group</u>	<u>Inter-Group Eliminations</u>	
	amounts in millions				
<i>Assets</i>					
Current assets:					
Cash and cash equivalents	\$ 91	107	160	—	358
Trade and other receivables, net	233	21	110	—	364
Other current assets	191	129	40	—	360
Total current assets	<u>515</u>	<u>257</u>	<u>310</u>	<u>—</u>	<u>1,082</u>
Intergroup interest in the Braves Group (note 1)	—	—	226	(226)	—
Investments in debt and equity securities (note 1)	967	8	303	—	1,278
Investments in affiliates, accounted for using the equity method (note 1)	629	92	920	—	1,641
Property and equipment, at cost	2,450	1,137	178	—	3,765
Accumulated depreciation	<u>(1,112)</u>	<u>(96)</u>	<u>(88)</u>	<u>—</u>	<u>(1,296)</u>
	<u>1,338</u>	<u>1,041</u>	<u>90</u>	<u>—</u>	<u>2,469</u>
Intangible assets not subject to amortization					
Goodwill	14,250	180	3,956	—	18,386
FCC licenses	8,600	—	—	—	8,600
Other	931	143	—	—	1,074
	<u>23,781</u>	<u>323</u>	<u>3,956</u>	<u>—</u>	<u>28,060</u>
Intangible assets subject to amortization, net	942	37	4,736	—	5,715
Other assets	120	47	416	—	583
Total assets	<u>\$ 28,292</u>	<u>1,805</u>	<u>10,957</u>	<u>(226)</u>	<u>40,828</u>
<i>Liabilities and Equity</i>					
Current liabilities:					
Intergroup payable (receivable) (note 4)	\$ (4)	(21)	25	—	—
Accounts payable and accrued liabilities	854	29	233	—	1,116
Current portion of debt (note 1)	3	14	—	—	17
Deferred revenue	1,932	54	93	—	2,079
Other current liabilities	15	8	9	—	32
Total current liabilities	<u>2,800</u>	<u>84</u>	<u>360</u>	<u>—</u>	<u>3,244</u>
Long-term debt (note 1)	7,855	477	5,039	—	13,371
Deferred income tax liabilities (note 3)	1,673	69	(91)	—	1,651
Redeemable intergroup interest (note 1)	—	226	—	(226)	—
Other liabilities	257	511	96	—	864
Total liabilities	<u>12,585</u>	<u>1,367</u>	<u>5,404</u>	<u>(226)</u>	<u>19,130</u>
Equity / Attributed net assets	10,599	446	5,550	—	16,595
Noncontrolling interests in equity of subsidiaries	5,108	(8)	3	—	5,103
Total liabilities and equity	<u>\$ 28,292</u>	<u>1,805</u>	<u>10,957</u>	<u>(226)</u>	<u>40,828</u>

BALANCE SHEET INFORMATION
December 31, 2017
(unaudited)

	Attributed (note 1)				Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	Inter-Group Eliminations	
	amounts in millions				
<i>Assets</i>					
Current assets:					
Cash and cash equivalents	\$ 615	132	282	—	1,029
Trade and other receivables, net	242	32	84	—	358
Other current assets	207	56	93	—	356
Total current assets	<u>1,064</u>	<u>220</u>	<u>459</u>	<u>—</u>	<u>1,743</u>
Intergroup interest in the Braves Group (note 1)	—	—	202	(202)	—
Investments in debt and equity securities (note 1)	580	8	526	—	1,114
Investments in affiliates, accounted for using the equity method (note 1)	672	145	933	—	1,750
Property and equipment, at cost	2,274	1,150	172	—	3,596
Accumulated depreciation	(927)	(51)	(77)	—	(1,055)
	<u>1,347</u>	<u>1,099</u>	<u>95</u>	<u>—</u>	<u>2,541</u>
Intangible assets not subject to amortization					
Goodwill	14,247	180	3,956	—	18,383
FCC licenses	8,600	—	—	—	8,600
Other	931	143	—	—	1,074
	<u>23,778</u>	<u>323</u>	<u>3,956</u>	<u>—</u>	<u>28,057</u>
Intangible assets subject to amortization, net	972	49	5,171	—	6,192
Other assets	117	22	460	—	599
Total assets	<u>\$ 28,530</u>	<u>1,866</u>	<u>11,802</u>	<u>(202)</u>	<u>41,996</u>
<i>Liabilities and Equity</i>					
Current liabilities:					
Intergroup payable (receivable) (note 4)	\$ 9	(39)	30	—	—
Accounts payable and accrued liabilities	934	58	258	—	1,250
Current portion of debt (note 1)	755	13	—	—	768
Deferred revenue	1,882	51	8	—	1,941
Other current liabilities	3	8	9	—	20
Total current liabilities	<u>3,583</u>	<u>91</u>	<u>305</u>	<u>—</u>	<u>3,979</u>
Long-term debt (note 1)	6,741	649	5,796	—	13,186
Deferred income tax liabilities (note 3)	1,447	62	(31)	—	1,478
Redeemable intergroup interest (note 1)	—	202	—	(202)	—
Other liabilities	283	435	61	—	779
Total liabilities	<u>12,054</u>	<u>1,439</u>	<u>6,131</u>	<u>(202)</u>	<u>19,422</u>
Equity / Attributed net assets	10,861	413	5,669	—	16,943
Noncontrolling interests in equity of subsidiaries	5,615	14	2	—	5,631
Total liabilities and equity	<u>\$ 28,530</u>	<u>1,866</u>	<u>11,802</u>	<u>(202)</u>	<u>41,996</u>

STATEMENT OF OPERATIONS INFORMATION
December 31, 2018
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	
	amounts in millions			
Revenue:				
Subscriber revenue	\$ 4,594	—	—	4,594
Formula 1 revenue	—	—	1,827	1,827
Other revenue	1,177	442	—	1,619
Total revenue	<u>5,771</u>	<u>442</u>	<u>1,827</u>	<u>8,040</u>
Operating costs and expenses, including stock-based compensation (note 2):				
Cost of subscriber services (exclusive of depreciation shown separately below):				
Revenue share and royalties	1,394	—	—	1,394
Programming and content	406	—	—	406
Customer service and billing	382	—	—	382
Other	126	—	—	126
Cost of Formula 1 revenue	—	—	1,273	1,273
Subscriber acquisition costs	470	—	—	470
Other operating expenses	123	247	—	370
Selling, general and administrative	881	118	204	1,203
Depreciation and amortization	369	76	460	905
	<u>4,151</u>	<u>441</u>	<u>1,937</u>	<u>6,529</u>
Operating income (loss)	1,620	1	(110)	1,511
Other income (expense):				
Interest expense	(388)	(26)	(192)	(606)
Share of earnings (losses) of affiliates, net	(11)	12	17	18
Unrealized gain/(loss) on inter-group interest	—	(24)	24	—
Realized and unrealized gains (losses) on financial instruments, net	(1)	(2)	43	40
Other, net	25	35	18	78
	<u>(375)</u>	<u>(5)</u>	<u>(90)</u>	<u>(470)</u>
Earnings (loss) before income taxes	1,245	(4)	(200)	1,041
Income tax (expense) benefit (note 3)	(241)	15	50	(176)
Net earnings (loss)	<u>1,004</u>	<u>11</u>	<u>(150)</u>	<u>865</u>
Less net earnings (loss) attributable to the noncontrolling interests	328	6	—	334
Net earnings (loss) attributable to Liberty stockholders	<u>\$ 676</u>	<u>5</u>	<u>(150)</u>	<u>531</u>

STATEMENT OF OPERATIONS INFORMATION
December 31, 2017
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	
	amounts in millions			
Revenue:				
Subscriber revenue	\$ 4,473	—	—	4,473
Formula 1 revenue	—	—	1,783	1,783
Other revenue	952	386	—	1,338
Total revenue	<u>5,425</u>	<u>386</u>	<u>1,783</u>	<u>7,594</u>
Operating costs and expenses, including stock-based compensation (note 2):				
Cost of subscriber services (exclusive of depreciation shown separately below):				
Revenue share and royalties	1,210	—	—	1,210
Programming and content	388	—	—	388
Customer service and billing	385	—	—	385
Other	119	—	—	119
Cost of Formula 1 revenue	—	—	1,219	1,219
Subscriber acquisition costs	499	—	—	499
Other operating expenses	113	281	—	394
Selling, general and administrative	812	151	199	1,162
Depreciation and amortization	352	67	405	824
	<u>3,878</u>	<u>499</u>	<u>1,823</u>	<u>6,200</u>
Operating income (loss)	1,547	(113)	(40)	1,394
Other income (expense):				
Interest expense	(356)	(15)	(220)	(591)
Share of earnings (losses) of affiliates, net	29	78	(3)	104
Unrealized gain/(loss) on inter-group interest	—	(15)	15	—
Realized and unrealized gains (losses) on financial instruments, net	(16)	—	(72)	(88)
Other, net	(11)	3	16	8
	<u>(354)</u>	<u>51</u>	<u>(264)</u>	<u>(567)</u>
Earnings (loss) before income taxes	1,193	(62)	(304)	827
Income tax (expense) benefit (note 3)	466	36	561	1,063
Net earnings (loss)	<u>1,659</u>	<u>(26)</u>	<u>257</u>	<u>1,890</u>
Less net earnings (loss) attributable to the noncontrolling interests	535	(1)	2	536
Net earnings (loss) attributable to Liberty stockholders	<u>\$ 1,124</u>	<u>(25)</u>	<u>255</u>	<u>1,354</u>

STATEMENT OF OPERATIONS INFORMATION
December 31, 2016
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	
	amounts in millions			
Revenue:				
Subscriber revenue	\$ 4,194	—	—	4,194
Other revenue	820	262	—	1,082
Total revenue	<u>5,014</u>	<u>262</u>	<u>—</u>	<u>5,276</u>
Operating costs and expenses, including stock-based compensation (note 2):				
Cost of subscriber services (exclusive of depreciation shown separately below):				
Revenue share and royalties	1,109	—	—	1,109
Programming and content	354	—	—	354
Customer service and billing	387	—	—	387
Other	144	—	—	144
Subscriber acquisition costs	513	—	—	513
Other operating expenses	82	224	—	306
Selling, general and administrative	761	67	58	886
Legal settlement, net	—	—	(511)	(511)
Depreciation and amortization	312	32	10	354
	<u>3,662</u>	<u>323</u>	<u>(443)</u>	<u>3,542</u>
Operating income (loss)	1,352	(61)	443	1,734
Other income (expense):				
Interest expense	(342)	(1)	(19)	(362)
Share of earnings (losses) of affiliates, net	13	9	(8)	14
Unrealized gain/(loss) on inter-group interest	—	(27)	27	—
Realized and unrealized gains (losses) on financial instruments, net	—	1	36	37
Other, net	(25)	—	21	(4)
	<u>(354)</u>	<u>(18)</u>	<u>57</u>	<u>(315)</u>
Earnings (loss) before income taxes	998	(79)	500	1,419
Income tax (expense) benefit (note 3)	(341)	17	(171)	(495)
Net earnings (loss)	<u>657</u>	<u>(62)</u>	<u>329</u>	<u>924</u>
Less net earnings (loss) attributable to the noncontrolling interests	244	—	—	244
Net earnings (loss) attributable to Liberty stockholders	<u>\$ 413</u>	<u>(62)</u>	<u>329</u>	<u>680</u>

STATEMENT OF CASH FLOWS INFORMATION
December 31, 2018
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	
	amounts in millions			
Cash flows from operating activities:				
Net earnings (loss)	\$ 1,004	11	(150)	865
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	369	76	460	905
Stock-based compensation	156	11	25	192
Share of (earnings) loss of affiliates, net	11	(12)	(17)	(18)
Unrealized (gains) losses on intergroup interest, net	—	24	(24)	—
Realized and unrealized (gains) losses on financial instruments, net	1	2	(43)	(40)
Noncash interest expense	(8)	5	2	(1)
Losses (gains) on dilution of investment in affiliate	—	—	1	1
Loss on early extinguishment of debt	—	—	1	1
Deferred income tax expense (benefit)	231	(1)	(63)	167
Intergroup tax allocation	22	(14)	(8)	—
Intergroup tax (payments) receipts	(20)	35	(15)	—
Other charges (credits), net	2	(20)	1	(17)
Changes in operating assets and liabilities				
Current and other assets	(4)	8	(35)	(31)
Payables and other liabilities	21	(22)	133	132
Net cash provided (used) by operating activities	<u>1,785</u>	<u>103</u>	<u>268</u>	<u>2,156</u>
Cash flows from investing activities:				
Cash proceeds from dispositions of investments	—	155	244	399
Investments in equity method affiliates and debt and equity securities	(405)	—	(9)	(414)
Repayment of loans and other cash receipts from equity method affiliates and debt and equity securities	14	—	—	14
Capital expended for property and equipment	(356)	(33)	(14)	(403)
Other investing activities, net	(9)	37	6	34
Net cash provided (used) by investing activities	<u>(756)</u>	<u>159</u>	<u>227</u>	<u>(370)</u>
Cash flows from financing activities:				
Borrowings of debt	2,795	123	699	3,617
Repayments of debt	(2,431)	(317)	(1,309)	(4,057)
Series C Liberty SiriusXM stock repurchases	(466)	—	—	(466)
Subsidiary shares repurchased by subsidiary	(1,314)	—	—	(1,314)
Cash dividends paid by subsidiary	(59)	—	—	(59)
Taxes paid in lieu of shares issued for stock-based compensation	(127)	—	(3)	(130)
Other financing activities, net	50	(18)	(3)	29
Net cash provided (used) by financing activities	<u>(1,552)</u>	<u>(212)</u>	<u>(616)</u>	<u>(2,380)</u>
Effect of foreign exchange rates on cash, cash equivalents and restricted cash	—	—	(1)	(1)
Net increase (decrease) in cash, cash equivalents and restricted cash	(523)	50	(122)	(595)
Cash, cash equivalents and restricted cash at beginning of period	625	140	282	1,047
Cash, cash equivalents and restricted cash at end of period	<u>\$ 102</u>	<u>190</u>	<u>160</u>	<u>452</u>

STATEMENT OF CASH FLOWS INFORMATION
December 31, 2017
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	
	amounts in millions			
Cash flows from operating activities:				
Net earnings (loss)	\$ 1,659	(26)	257	1,890
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	352	67	405	824
Stock-based compensation	150	48	32	230
Share of (earnings) loss of affiliates, net	(29)	(78)	3	(104)
Unrealized (gains) losses on intergroup interest, net	—	15	(15)	—
Realized and unrealized (gains) losses on financial instruments, net	16	—	72	88
Noncash interest expense	7	3	6	16
Losses (gains) on dilution of investment in affiliate	—	—	(3)	(3)
Loss on early extinguishment of debt	35	5	8	48
Deferred income tax expense (benefit)	(492)	2	(574)	(1,064)
Intergroup tax allocation	(6)	(39)	45	—
Intergroup tax (payments) receipts	4	15	(19)	—
Other charges (credits), net	(4)	18	(10)	4
Changes in operating assets and liabilities				
Current and other assets	30	(57)	77	50
Payables and other liabilities	127	(15)	(359)	(247)
Net cash provided (used) by operating activities	<u>1,849</u>	<u>(42)</u>	<u>(75)</u>	<u>1,732</u>
Cash flows from investing activities:				
Cash proceeds from dispositions of investments	—	5	16	21
Net cash paid for the acquisition of Formula 1	—	—	(1,647)	(1,647)
Investments in equity method affiliates and debt and equity securities	(851)	(2)	(9)	(862)
Capital expended for property and equipment	(288)	(219)	(10)	(517)
Other investing activities, net	(115)	(5)	(12)	(132)
Net cash provided (used) by investing activities	<u>(1,254)</u>	<u>(221)</u>	<u>(1,662)</u>	<u>(3,137)</u>
Cash flows from financing activities:				
Borrowings of debt	4,553	544	1,600	6,697
Repayments of debt	(3,216)	(218)	(1,673)	(5,107)
Proceeds from issuance of Series C Liberty Formula One common stock	—	—	1,938	1,938
Subsidiary shares repurchased by subsidiary	(1,409)	—	—	(1,409)
Cash dividends paid by subsidiary	(60)	—	—	(60)
Taxes paid in lieu of shares issued for stock-based compensation	(100)	(30)	(5)	(135)
Other financing activities, net	(35)	—	(13)	(48)
Net cash provided (used) by financing activities	<u>(267)</u>	<u>296</u>	<u>1,847</u>	<u>1,876</u>
Effect of foreign exchange rates on cash, cash equivalents and restricted cash	—	—	4	4
Net increase (decrease) in cash, cash equivalents and restricted cash	328	33	114	475
Cash, cash equivalents and restricted cash at beginning of period	297	107	168	572
Cash, cash equivalents and restricted cash at end of period	<u>\$ 625</u>	<u>140</u>	<u>282</u>	<u>1,047</u>

STATEMENT OF CASH FLOWS INFORMATION
December 31, 2016
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	
	amounts in millions			
Cash flows from operating activities:				
Net earnings (loss)	\$ 657	(62)	329	924
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	312	32	10	354
Stock-based compensation	128	9	13	150
Share of (earnings) loss of affiliates, net	(13)	(9)	8	(14)
Unrealized (gains) losses on intergroup interest, net	—	27	(27)	—
Realized and unrealized (gains) losses on financial instruments, net	—	(1)	(36)	(37)
Noncash interest expense	6	5	—	11
Loss on early extinguishment of debt	24	—	—	24
Deferred income tax expense (benefit)	332	1	94	427
Intergroup tax allocation	(13)	(19)	32	—
Intergroup tax (payments) receipts	7	7	(14)	—
Other charges (credits), net	21	11	(2)	30
Changes in operating assets and liabilities				
Current and other assets	59	(17)	(17)	25
Payables and other liabilities	184	105	(12)	277
Net cash provided (used) by operating activities	<u>1,704</u>	<u>89</u>	<u>378</u>	<u>2,171</u>
Cash flows from investing activities:				
Cash proceeds from dispositions of investments	—	—	62	62
Investments in equity method affiliates and debt and equity securities	—	(20)	(764)	(784)
Repayment of loans and other cash receipts from equity method affiliates and debt and equity securities	—	—	48	48
Capital expended for property and equipment	(206)	(360)	(2)	(568)
Purchases of short term investments and other marketable securities	—	—	(258)	(258)
Sales of short term investments and other marketable securities	—	—	273	273
Other investing activities, net	(4)	(33)	—	(37)
Net cash provided (used) by investing activities	<u>(210)</u>	<u>(413)</u>	<u>(641)</u>	<u>(1,264)</u>
Cash flows from financing activities:				
Borrowings of debt	1,847	460	438	2,745
Repayments of debt	(1,471)	(276)	(2)	(1,749)
Intergroup (payments) receipts	58	16	(74)	—
Subsidiary shares repurchased by subsidiary	(1,674)	—	—	(1,674)
Braves Rights Offering	—	203	—	203
Cash dividends paid by subsidiary	(16)	—	—	(16)
Taxes paid in lieu of shares issued for stock-based compensation	(47)	—	(11)	(58)
Other financing activities, net	(16)	15	4	3
Net cash provided (used) by financing activities	<u>(1,319)</u>	<u>418</u>	<u>355</u>	<u>(546)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	175	94	92	361
Cash, cash equivalents and restricted cash at beginning of period	122	13	76	211
Cash, cash equivalents and restricted cash at end of period	<u>\$ 297</u>	<u>107</u>	<u>168</u>	<u>572</u>

Notes to Attributed Financial Information (Continued)
(unaudited)

- (1) As discussed above and in note 2 the accompanying consolidated financial statements, on April 15, 2016 Liberty completed a recapitalization of Liberty Media Corporation's ("Liberty" or the "Company") common stock into three new tracking stock groups, one designated as the Liberty Braves common stock, one designated as the Liberty Media common stock and one designated as the Liberty SiriusXM common stock (the "Recapitalization"). Upon completion of the Second Closing of the acquisition of Formula 1 on January 23, 2017, as discussed below, the Liberty Media Group was renamed the Liberty Formula One Group (the "Formula One Group").

A 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 Liberty SiriusXM Group, Braves Group and Formula One Group have separate collections of businesses, assets and liabilities attributed to them, no group is a separate legal entity and therefore cannot own assets, issue securities or enter into legally binding agreements. Therefore, the Liberty SiriusXM Group, Braves Group and Formula One Group do not represent separate legal entities, but rather represent those businesses, assets and liabilities that have been attributed to each respective group. Holders of tracking stock have no direct claim to the group's stock or assets and therefore, do not own, by virtue of their ownership of a Liberty tracking stock, any equity or voting interest in a company, such as Sirius XM Holdings Inc. ("SIRIUS XM"), Formula 1 or Live Nation Entertainment, Inc. ("Live Nation"), in which Liberty holds an interest and that is attributed to a Liberty tracking stock group, such as the Liberty SiriusXM Group or the Formula One Group. Holders of tracking stock are also 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 Liberty SiriusXM Group is comprised of our consolidated subsidiary, SIRIUS XM, corporate cash, investments in debt securities, Liberty's 2.125% Exchangeable Senior Debentures and a margin loan obligation incurred by a wholly-owned special purpose subsidiary of Liberty. On February 1, 2019, SIRIUS XM acquired Pandora Media, Inc. ("Pandora"). See note 7 to the accompanying consolidated financial statements for information related to SIRIUS XM's acquisition of Pandora. As of December 31, 2018, the Liberty SiriusXM Group has cash and cash equivalents of approximately \$91 million, which includes \$54 million of subsidiary cash.

The Braves Group is comprised of our consolidated subsidiary, Braves Holdings, LLC ("Braves Holdings"), which indirectly owns the Atlanta Braves Major League Baseball Club ("ANLBC") and certain assets and liabilities associated with ANLBC's stadium and mixed use development project (the "Development Project") and cash. As of December 31, 2018, the Braves Group has cash and cash equivalents of approximately \$107 million, which includes \$40 million of subsidiary cash. Additionally, as discussed below, the Formula One Group retains an intergroup interest in the Braves Group. See note 2 to the accompanying consolidated financial statements for information regarding the Series C Liberty Braves common stock rights offering.

The Formula One Group is comprised of all of the businesses, assets and liabilities of Liberty other than those specifically attributed to the Liberty SiriusXM Group or the Braves Group, including, as of December 31, 2018, Liberty's interests in Formula 1 and Live Nation, an intergroup interest in the Braves Group as well as Liberty's 1.375% Cash Convertible Notes due 2023 and related financial instruments, Liberty's 1% Cash Convertible Notes due 2023, Liberty's 2.25% Exchangeable Senior Debentures due 2046 and Liberty's 2.25% Exchangeable Senior Debentures due 2048. On September 7, 2016 Liberty, through its indirect wholly owned subsidiary Liberty GR Cayman Acquisition Company, entered into two definitive stock purchase agreements relating to the acquisition of Delta Topco Limited ("Delta Topco"), the parent company of Formula 1, a global motorsports business. The transactions contemplated by the first purchase agreement were completed on September 7, 2016 and provided for the acquisition of slightly less than a 20% minority stake in Formula 1 on an undiluted basis. On October 27, 2016, under the terms of the first purchase agreement, Liberty acquired an additional incremental equity interest of Delta Topco, maintaining Liberty's investment in Delta Topco on an undiluted basis and increasing slightly to 19.1% on a fully diluted basis. Liberty's interest in Delta Topco and by extension Formula 1 is attributed to the Formula One Group. Liberty acquired 100% of the fully diluted equity interests of Delta Topco, other than a nominal number of shares held by certain Formula 1 teams, in a closing under the second purchase agreement (and following the unwind of the first purchase agreement) on January 23, 2017 (the "Second Closing"). Liberty's acquired interest in Formula 1, along with existing Formula 1 cash and debt (which is non-recourse to Liberty), was attributed to the Formula One Group upon completion

Notes to Attributed Financial Information (Continued)
(unaudited)

of the Second Closing. As of December 31, 2018, the Formula One Group has cash and cash equivalents of approximately \$160 million, which includes \$30 million of subsidiary cash.

As part of the Recapitalization, the Formula One Group initially held a 20% intergroup interest in the Braves Group. As a result of the rights offering, the number of notional shares underlying the intergroup interest was adjusted to 9,084,940, representing a 15.1% intergroup interest in the Braves Group as of December 31, 2018. The intergroup interest is a quasi-equity interest which is not represented by outstanding shares of common stock; rather, the Formula One Group has an attributed value in the Braves Group which is generally stated in terms of a number of shares of stock issuable to the Formula One Group with respect to its interest in the Braves Group. Each reporting period, the notional shares representing the intergroup interest are marked to fair value. The change in fair value is recorded in the Unrealized gain (loss) on intergroup interest line item in the unaudited attributed consolidated statements of operations. The Formula One Group's intergroup interest is reflected in the Investment in intergroup interest line item, and the Braves Group liability for the intergroup interest is reflected in the Redeemable intergroup interest line item in the unaudited attributed consolidated balance sheets. Both accounts are presented as noncurrent, as there are currently no plans for the settlement of the intergroup interest. Appropriate eliminating entries are recorded in the Company's consolidated financial statements.

As the notional shares underlying the intergroup interest are not represented by outstanding shares of common stock, such shares have not been officially designated Series A, B or C Liberty Braves common stock. However, Liberty has assumed that the notional shares (if and when issued) would be comprised of Series C Liberty Braves common stock in order to not dilute voting percentages. Therefore, the market price of Series C Liberty Braves common stock is used for the quarterly mark-to-market adjustment through the unaudited attributed consolidated statements of operations.

The intergroup interest will remain outstanding until the redemption of the outstanding interest, at the discretion of the Company's board of directors, through transfer of securities, cash and/or other assets from the Braves Group to the Formula One Group.

For information relating to investments in available for sale securities and other cost investments, investments in affiliates accounted for using the equity method and debt, see notes 7, 8 and 10, respectively, of the accompanying consolidated financial statements.

- (2) Cash compensation expense for our corporate employees is allocated among the Liberty SiriusXM Group, Braves Group and the Formula One Group based on the estimated percentage of time spent providing services for each group. On an annual basis estimated time spent will be determined through an interview process and a review of personnel duties unless transactions significantly change the composition of companies and investments in either respective group which would require a timelier reevaluation of estimated time spent. 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. Following the Recapitalization, stock compensation related to each tracking stock is calculated based on actual awards outstanding.

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.

- (3) We have accounted for income taxes for the Liberty SiriusXM Group, the Braves Group and the Formula One 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 respective groups.

Notes to Attributed Financial Information (Continued)
(unaudited)

Liberty SiriusXM Group

Income tax benefit (expense) consists of:

	Years ended December 31,		
	2018	2017	2016
	amounts in millions		
Current:			
Federal	\$ (22)	4	12
State and local	12	(30)	(21)
Foreign	—	—	—
	<u>(10)</u>	<u>(26)</u>	<u>(9)</u>
Deferred:			
Federal	(235)	511	(302)
State and local	4	(19)	(30)
Foreign	—	—	—
	<u>(231)</u>	<u>492</u>	<u>(332)</u>
Income tax benefit (expense)	<u>\$ (241)</u>	<u>466</u>	<u>(341)</u>

Income tax benefit (expense) differs from the amounts computed by applying the U.S. federal income tax rate of 21% for the year ended December 31, 2018 and 35% for both of the years ended December 31, 2017 and 2016 as a result of the following:

	Years ended December 31,		
	2018	2017	2016
	amounts in millions		
Computed expected tax benefit (expense)	\$ (262)	(418)	(349)
State and local income taxes, net of federal income taxes . .	22	(40)	(37)
Foreign income taxes, net of federal income taxes	(1)	—	—
Dividends received deductions	(3)	36	9
Taxable dividends not recognized for book purposes	(25)	(45)	(11)
Federal tax credits	27	22	67
Change in valuation allowance affecting tax expense	(14)	(4)	1
Change in tax rate due to Tax Act	(8)	888	—
Deductible stock-based compensation	37	35	(7)
Other, net	(14)	(8)	(14)
Income tax benefit (expense)	<u>\$ (241)</u>	<u>466</u>	<u>(341)</u>

Notes to Attributed Financial Information (Continued)
(unaudited)

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

	December 31,	
	2018	2017
	amounts in millions	
Deferred tax assets:		
Tax loss and credit carryforwards	\$ 951	689
Accrued stock compensation	84	78
Other accrued liabilities	—	52
Deferred revenue	523	500
Other future deductible amounts	10	10
Deferred tax assets	<u>1,568</u>	<u>1,329</u>
Valuation allowance	(67)	(53)
Net deferred tax assets	<u>1,501</u>	<u>1,276</u>
Deferred tax liabilities:		
Investments	22	23
Fixed assets	226	198
Intangible assets	2,484	2,494
Discount on debt	17	8
Other future taxable amounts	425	—
Deferred tax liabilities	<u>3,174</u>	<u>2,723</u>
Net deferred tax liabilities	<u>\$ 1,673</u>	<u>1,447</u>

Braves Group

Income tax benefit (expense) consists of:

	Years ended December 31,		
	2018	2017	2016
	amounts in millions		
Current:			
Federal	\$ 14	36	18
State and local	—	2	—
Foreign	—	—	—
	<u>14</u>	<u>38</u>	<u>18</u>
Deferred:			
Federal	9	3	(1)
State and local	(8)	(5)	—
Foreign	—	—	—
	<u>1</u>	<u>(2)</u>	<u>(1)</u>
Income tax benefit (expense)	<u>\$ 15</u>	<u>36</u>	<u>17</u>

Notes to Attributed Financial Information (Continued)
(unaudited)

Income tax benefit (expense) differs from the amounts computed by applying the U.S. federal income tax rate of 21% for the year ended December 31, 2018 and 35% for both of the years ended December 31, 2017 and 2016 as a result of the following:

	Years ended December 31,		
	2018	2017	2016
	amounts in millions		
Computed expected tax benefit (expense)	\$ 1	22	27
State and local income taxes, net of federal income taxes . . .	(4)	3	2
Federal tax credits	3	—	—
Change in valuation allowance affecting tax expense	5	(6)	(2)
Change in tax rate due to Tax Act	11	25	—
Other, net	(1)	(8)	(10)
Income tax benefit (expense)	\$ 15	36	17

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

	December 31,	
	2018	2017
	amounts in millions	
Deferred tax assets:		
Tax loss and credit carryforwards	\$ 3	8
Accrued stock compensation	2	2
Other accrued liabilities	102	114
Other future deductible amounts	12	13
Deferred tax assets	119	137
Valuation allowance	(3)	(8)
Net deferred tax assets	116	129
Deferred tax liabilities:		
Investments	7	19
Fixed assets	131	126
Intangible assets	38	46
Other future taxable amounts	9	—
Deferred tax liabilities	185	191
Net deferred tax liabilities	\$ 69	62

Notes to Attributed Financial Information (Continued)
(unaudited)

Liberty Formula One Group

Income tax benefit (expense) consists of:

	Years ended December 31,		
	2018	2017	2016
	amounts in millions		
Current:			
Federal	\$ (6)	(2)	(69)
State and local	1	(2)	(8)
Foreign	(8)	(9)	—
	<u>(13)</u>	<u>(13)</u>	<u>(77)</u>
Deferred:			
Federal	(2)	64	(85)
State and local	2	3	(9)
Foreign	63	507	—
	<u>63</u>	<u>574</u>	<u>(94)</u>
Income tax benefit (expense)	<u>\$ 50</u>	<u>561</u>	<u>(171)</u>

Income tax benefit (expense) differs from the amounts computed by applying the U.S. federal income tax rate of 21% for the year ended December 31, 2018 and 35% for both of the years ended December 31, 2017 and 2016 as a result of the following:

	Years ended December 31,		
	2018	2017	2016
	amounts in millions		
Computed expected tax benefit (expense)	\$ 42	107	(175)
State and local income taxes, net of federal income taxes . . .	—	—	(11)
Foreign income taxes, net of federal income taxes	23	88	—
Dividends received deductions	1	2	2
Change in valuation allowance affecting tax expense	(53)	222	—
Change in tax rate due to Tax Act	(11)	16	—
Settlements with tax authorities	43	253	—
Deductible stock-based compensation	1	5	8
Income tax reserves	—	(22)	—
Non-deductible / Non-taxable interest	—	(60)	—
Write-off of tax attributes	—	(42)	—
Other, net	4	(8)	5
Income tax benefit (expense)	<u>\$ 50</u>	<u>561</u>	<u>(171)</u>

Notes to Attributed Financial Information (Continued)
(unaudited)

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

	December 31,	
	2018	2017
	amounts in millions	
Deferred tax assets:		
Tax loss and credit carryforwards	\$ 401	320
Accrued stock compensation	11	8
Other accrued liabilities	9	9
Deferred revenue	—	2
Discount on debt	—	34
Other future deductible amounts	3	1
Deferred tax assets	424	374
Valuation allowance	(104)	(51)
Net deferred tax assets	320	323
Deferred tax liabilities:		
Investments	—	68
Fixed assets	2	2
Intangible Assets	168	220
Discount on debt	59	—
Other	—	2
Deferred tax liabilities	229	292
Net deferred tax (assets) liabilities	\$ (91)	(31)

- (4) There was an intergroup arrangement regarding AT&T Inc. (“AT&T”) shares held by the Formula One Group that were pledged as collateral pursuant to a loan at the Braves Group. Following the Recapitalization, the Company’s board of directors approved an amount payable by the Braves Group to pay the Formula One Group in order to reflect the credit support provided by the assets of the Formula One Group used as collateral for the credit facility obligations of the Braves Group. The amount of this obligation was determined and paid quarterly in arrears, based on the average share price of AT&T (previously Time Warner, Inc.) common stock each period. This inter-group arrangement was recorded through the Intergroup payable (receivable) line item in the consolidated attributed balance sheets and through the Interest expense line item in the consolidated attributed statements of operations and eliminated in consolidation. There were no AT&T shares pledged as collateral as of December 31, 2018.

The intergroup balances as December 31, 2018 and December 31, 2017 also include the impact of the timing of certain tax benefits. Per the tracking stock tax sharing policies, consolidated income taxes arising from the Liberty SiriusXM Group in periods prior to the Recapitalization were not subject to tax sharing and were allocated to the Formula One Group. As such, the balance of the Intergroup tax payable between the Liberty SiriusXM Group and the Formula One Group was zero at the effective date of the Recapitalization and is accounted for going forward beginning on such date.

- (5) The Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Formula One common stock have voting and conversion rights under our restated charter. Following is a summary of those rights. Holders of Series A common stock of each group will be entitled to one vote per share, and holders of Series B common stock of each group will be entitled to ten votes per share. Holders of Series C common stock of each group 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 will 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 SiriusXM common stock, Series A and Series B Liberty Braves common stock, or the approval of the holders of only Series A and Series B Liberty Formula One common stock.

Notes to Attributed Financial Information (Continued)
(unaudited)

At the option of the holder, each share of Series B common stock of each group will be convertible into one share of Series A common stock of the same group. At the discretion of our board, the common stock related to one group may be converted into common stock of the same series that is related to another other group.

CORPORATE DATA

BOARD OF DIRECTORS

John C. Malone

Chairman of the Board
Liberty Media Corporation

Robert R. Bennett

Managing Director
Hilltop Investments LLC

Brian M. Deevy

Retired Head of Communications,
Media & Entertainment Group
RBC Capital Markets

M. Ian G. Gilchrist

Director and President
Trine Acquisition Corp.

Gregory B. Maffei

President and Chief Executive Officer
Liberty Media Corporation

Evan D. Malone, Ph.D.

President
NextFab Studio, LLC

David E. Rapley

Retired President and
Chief Executive Officer
Rapley Consulting, Inc.

Larry E. Romrell

Retired Executive Vice President
Tele-Communications, Inc.

Andrea L. Wong

Former President, International
Production
Sony Pictures Television
Former President, International
Sony Pictures Entertainment

EXECUTIVE COMMITTEE

Robert R. Bennett

Gregory B. Maffei

John C. Malone

COMPENSATION COMMITTEE

M. Ian G. Gilchrist (Chairman)

David E. Rapley

Andrea L. Wong

AUDIT COMMITTEE

Brian M. Deevy (Chairman)

M. Ian G. Gilchrist

Larry E. Romrell

NOMINATING & CORPORATE GOVERNANCE COMMITTEE

David E. Rapley (Chairman)

M. Ian G. Gilchrist

Larry E. Romrell

Andrea L. Wong

SENIOR OFFICERS

John C. Malone

Chairman of the Board

Gregory B. Maffei

President and Chief Executive Officer

Richard N. Baer

Chief Legal Officer

Mark D. Carleton

Chief Financial Officer

Albert E. Rosenthaler

Chief Corporate Development Officer

CORPORATE SECRETARY

Pamela L. Coe

CORPORATE HEADQUARTERS

12300 Liberty Boulevard
Englewood, CO 80112
(720) 875-5400

STOCK INFORMATION

Series A and C Liberty Braves Common Stock (BATRA/K), Series A and C Liberty Formula One Common Stock (FWONA/K), and Series A, B and C Liberty SiriusXM Common Stock (LSXMA/B/K) trade on the NASDAQ Global Select Market.

Series B Liberty Braves Common Stock (BATRB) and Series B Liberty Formula One Common Stock (FWONB) are quoted on the OTC Markets.

CUSIP NUMBERS

BATRA – 531229 706

BATRB – 531229 805

BATRK – 531229 888

FWONA – 531229 870

FWONB – 531229 862

FWONK – 531229 854

LSXMA – 531229 409

LSXMB – 531229 508

LSXMK – 531229 607

TRANSFER AGENT

**Liberty Media Corporation
Shareholder Services**

c/o Broadridge Corporate Issuer Solutions
P.O. Box 1342
Brentwood, NY 11717
Phone: (888) 789-8415
Toll Free: (303) 562-9273
<https://shareholder.broadridge.com/lmc>

INVESTOR RELATIONS

Courtnee Chun

investor@libertymedia.com
(877) 772-1518

ON THE INTERNET

Visit the Liberty Media Corporation website at
www.libertymedia.com

FINANCIAL STATEMENTS

Liberty Media Corporation financial statements are filed with the Securities and Exchange Commission. Copies of these financial statements can be obtained from the Transfer Agent or through the Liberty Media Corporation website.



Annual REPORT Proxy STATEMENT

ELECTRONIC DELIVERY



We encourage Liberty stockholders to voluntarily elect to receive future proxy and annual report materials electronically.

- If you are a registered stockholder, please visit www.proxyvote.com for simple instructions.
- Beneficial shareowners can elect to receive future proxy and annual report materials electronically as well as vote their shares online at www.proxyvote.com.

> Faster > Economical > Cleaner > Convenient

SCAN THE QR CODE



to vote using your mobile device, sign up for e-delivery or download annual meeting materials.

2019 ANNUAL MEETING OF STOCKHOLDERS



Thursday, May 30, 2019



8:00 a.m. Local Time



Corporate Offices of Liberty Media Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112

OUR ENVIRONMENT

Liberty believes in working to keep our environment cleaner and healthier. We are proud to have our headquarters overlooking the Colorado Rockies. Every day, Liberty takes steps to preserve the natural beauty of the surroundings that we are privileged to enjoy.

Liberty's initiative in reducing its carbon footprint by promoting electronic delivery of shareholder materials has had a positive effect on the environment. Based upon 2018 statistics, voluntary receipt of e-delivery resulted in the following environmental savings:



Using approximately 62.1 fewer tons of wood, or 372.6 fewer trees



Using approximately 438 million fewer BTUs, or the equivalent of the amount of energy used by 521 refrigerators



Using approximately 309,100 fewer pounds of greenhouse gases, including carbon dioxide, or the equivalent of 28.1 automobiles running for 1 calendar year



Saving approximately 390,000 gallons of water, or the equivalent of approximately 280.8 clothes washers operated/year



Saving approximately 21,140 pounds of solid waste



Reducing hazardous air pollutants by approximately 26.8 pounds

Environmental impact estimates calculated using the Environmental Paper Network Paper Calculator. For more information visit www.papercalculator.org.

