



2019



2019 ANNUAL REPORT 2020 PROXY STATEMENT



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LETTER TO SHAREHOLDERS

STOCK PERFORMANCE

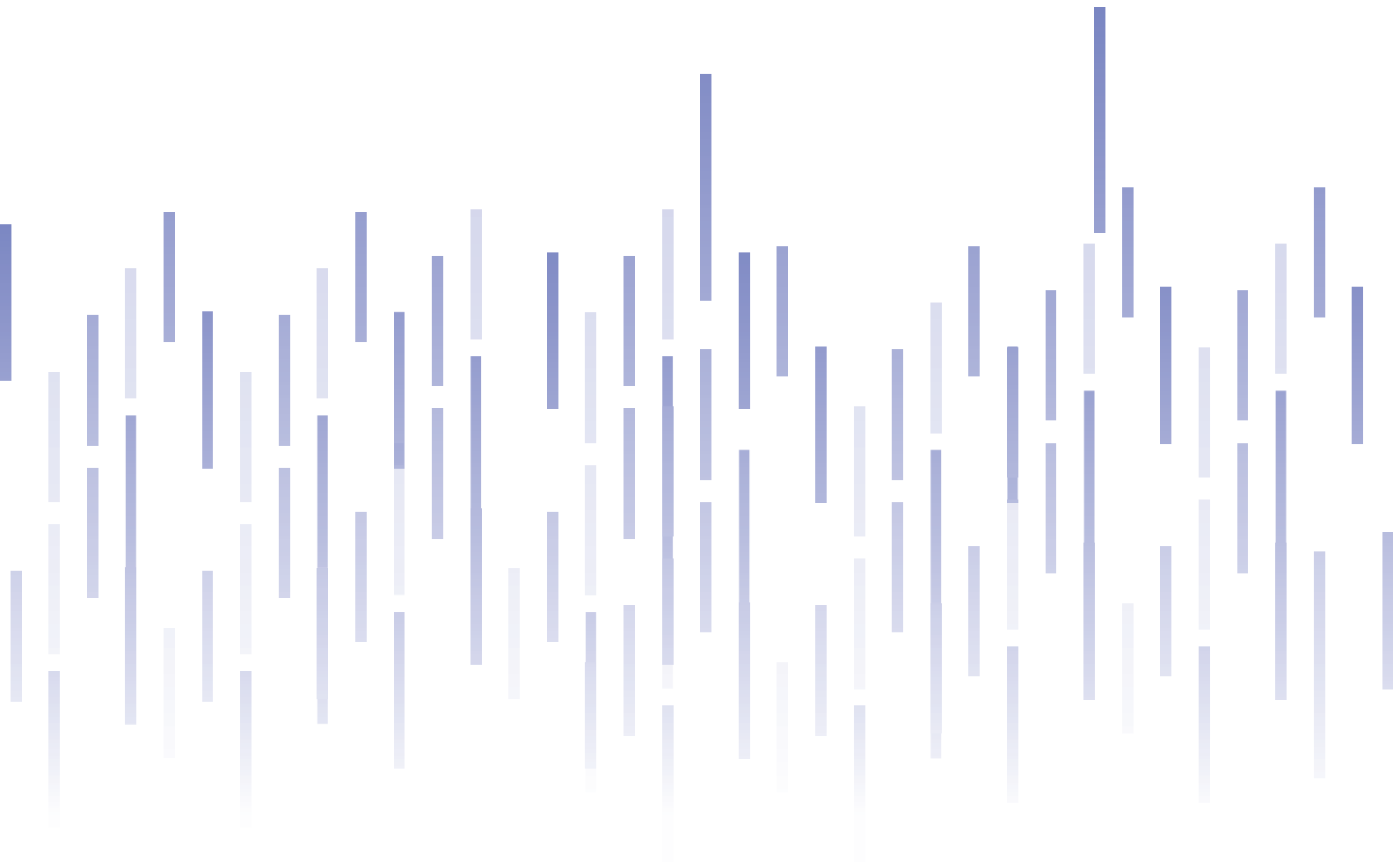
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FINANCIAL INFORMATION

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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 future financial performance, our business, product and marketing plans, strategies and initiatives; new service offerings; renewal of licenses and authorizations; 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 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;
- general economic and business conditions and industry trends (including due to the novel coronavirus outbreak);
- 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;
- consumer spending levels, including the availability and amount of individual consumer debt;
- rapid technological changes;
- impairments of third-party intellectual property rights;
- our indebtedness and its impact on the ability of our subsidiaries to react to changes in the economy or our industry;
- our businesses’ ability to protect the security of personal information about our businesses’ customers;
- 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

April 2020

Dear Fellow Shareholders,

We write this today in a world facing unprecedented challenges. First and foremost, we hope all of you are staying safe and healthy. Times like these remind us of what really matters. We are grateful for the management teams of our businesses, all of whom have risen to the occasion and set an example with their leadership. We are thankful that we have been able to be nimble in switching to remote work and appreciate the dedication of our Liberty employees and employees at the various portfolio companies through this difficult time. And in today's volatile markets, we're grateful for our diverse portfolio and long-term perspective.

In this environment, we are reminded of the importance of investing in structurally sound businesses with longevity. As investors focused on the long term, we want to take this opportunity to look beyond the market volatility and reiterate our conviction in the portfolio we have built. But first, let's briefly review the successes of 2019.

2019 REVIEW

2019 was a fantastic year for Liberty Media. All of our companies performed well, demonstrating the value of the power of live and differentiated content we have so often emphasized.

- **SiriusXM** completed the acquisition of Pandora and made significant progress on its integration. The team achieved outstanding financial and subscriber results at SiriusXM, including the tenth consecutive year of one million or more self-pay net adds. The Pandora business became a positive contributor to EBITDA in 2019, and the combination has contributed to new and exciting strategic programming initiatives that include creative agreements with megastars and popular entertainment brands.
- **Formula 1** financial results and fan engagement statistics clearly showed the benefits of the foundational investments we have made since the acquisition. The sport took a major step forward with the approval of the new technical, sporting and financial regulations. We look forward to the benefits the new regulations will bring both on and off the track, including more balanced competition and a sustainable business environment for the teams.
- **Live Nation** continued to turn their flywheel, delivering their ninth consecutive year of growth. During the year, Live Nation promoted 40,000 shows in 42 countries. 38 new venues were added to the portfolio and average spend per fan grew by \$2.50. Festivals had an especially strong year and Ticketmaster established itself as a leader in digital ticketing, deploying Presence in over 700 venues.

- **Atlanta Braves** won their second straight National League East division title and had the most Silver Slugger Awards of any team in the 2019 season. Baseball revenue and tickets sold grew for the year, an unusual feat for the years following the opening season at a new ballpark. At the Battery, we started the second phase of construction and are excited to welcome new tenants in the coming years.

2020 IN PERSPECTIVE—ADDRESSING THE CORONAVIRUS PANDEMIC WITH CONVICTION IN LONG TERM BUSINESS MODELS

2019 was a great year for Liberty Media; unfortunately as we write this today, we are looking at a different world. The onset of the coronavirus pandemic is something none of us would have predicted, and its duration remains unknown. Despite a temperamental market backdrop, we are confident in the strength of the business models of each of our portfolio companies. We oversee a diverse portfolio of businesses with solid financial profiles that are structured to withstand bouts of volatility. That being said, this year will be difficult. Formula 1, Live Nation and the Braves have delayed the start of their live event schedules. We could find ourselves in a scenario where these businesses don't have meaningful revenue for some period of time. We are preparing ourselves to weather whatever storm may come, but these businesses are structurally sound and will survive.

Understandably, the uncertainty of today's environment has created a heightened focus on the liquidity picture at each of our businesses. We have always looked for investments with attractive cash flow profiles. Hindsight is always 20/20, but that focus in prior years has benefitted us greatly in the volatile market we are seeing today. We are using this opportunity to fortify the balance sheets of our companies where necessary. We must prepare ourselves for situations where few or even no large scale live events can be held, and some of our operating businesses may need covenant relief. That being said, we assure you we are examining all possible scenarios and will be proactive in working with our relationship banks.

Let's examine the positions of each of our companies.

Liberty SiriusXM Group: The SiriusXM business is resilient by nature: a stable, subscription business with a unique position in the car and differentiated content both created internally and procured under long term contracts. With the added reach of Pandora, the company now has a much more substantial presence on various platforms outside the car. On the liquidity side, SiriusXM is well-capitalized, generates ample free cash flow, has no near-term debt maturities, and has substantial undrawn capacity on its existing revolving credit facility.

LETTER TO SHAREHOLDERS

At the tracker level, Liberty SiriusXM is in a solid position. The exchangeable senior debentures mature in 2048 and 2049, with put/call dates in 2023 and 2024, and the margin loan had \$1 billion undrawn capacity as of year-end. Only 1.1 billion shares of our stake in SiriusXM are pledged to the margin loan and underlying the exchangeable bonds, leaving us with the flexibility 2.1 billion unencumbered shares offers.

Formula One Group: We know it has been said before, but F1 is a truly singular asset. Not only is it an iconic brand, celebrating its 70th anniversary with a global fan base of over 500 million, but it also has an extremely attractive financial profile with contracted revenue streams, a cost base that is predominantly variable, and minimal required capex. The 2020 season at Formula 1 will look different than we had anticipated, but we are confident the sport will bounce back stronger than ever. Furthermore, an unusual 2020 season will not tarnish the future of the business, and Chase and team are focused on sustaining the health of the entire F1 ecosystem through this time. For example, on the team front, we have delayed the implementation of the Technical Regulations to 2022, planning for a shortened 2020 season and quick turnaround to 2021 that will be more manageable for the teams. In the meantime, we continue to keep the F1 community engaged through virtual events featuring F1 drivers, eSports professionals, and other celebrities and athletes.

Similarly to F1, Live Nation will see an impact in 2020. Shows have been delayed and this year's financial results will be affected. However, we do not believe the current situation reflects an existential change in fan behavior. Artists will still want to perform in concerts and fans will still have an appetite for shows.

At the Formula One Group level, we took a step to reduce exposure to market volatility and paid down the outstanding balance of our

Live Nation margin loan in March. F1 itself has cash and a \$500 million credit facility, of which we drew \$475 million subsequent to year end. We are mindful of the 8.25x covenant threshold at the F1 operating company and will work with the small syndicate of relationship banks under our credit facility should that covenant become an issue. As a reminder, the F1 debt is non-recourse to Liberty Media Corp. Recall that there are also various unencumbered public equities at the tracker, including additional Live Nation shares and a portion of the Braves Group intergroup interest. We are prepared to examine alternatives, including whether to margin or otherwise monetize some of these assets, if the F1 season does not get underway.

Braves Group: The Atlanta Braves is a storied franchise dating back to 1871 (when the team was called the Boston Red Stockings) with a winning history and fan base that sprawls over most of the Southeastern US. The franchise also benefits from a new best-in-class ballpark, surrounding real estate development and spring training facility with a baseball academy that have set the standard for sports teams across the country. While we eagerly await the next time we'll hear the crack of the bat at Truist Park, we are comforted knowing the team is well-positioned to pull through this period of uncertainty. MLB and the Players Association reached an agreement that will reduce salary expense in the event of further game cancellations, while guaranteeing service time for certain players. In addition, in partnership with the MLB, the Braves created a \$1+ million special disaster relief fund to help ballpark staff affected by the delay of the 2020 season.

The Braves have covenants that will need to be addressed in their operating company debt, which is non-recourse to Liberty Media Corp. We continue to evaluate the liquidity situation as the season develops.

LETTER TO SHAREHOLDERS

LOOKING AHEAD

These are uncertain times and 2020 will be a challenging year, but we remain optimistic about opportunities ahead. We have historically taken advantage of market volatility for the benefit of our shareholders. Recall when we made our first investment in SiriusXM back in 2009. We agreed to invest up to \$530 million in SiriusXM debt, with actual total cash investment coming in at under \$400 million, and received preferred stock convertible into 40% of the common equity. The initial investment was repaid in under six months, and our stake in the company is worth over \$15 billion as of this writing.

We will keep an eye on disruptions and think market dislocations can lead to opportunity. And, as always, we will continue to focus on creating shareholder value through identifying attractive investments, engineering creative deal structures, working with management teams to define long-term strategies, and maintaining a forward-looking perspective.

We look forward to seeing many of you at this year's annual investor meeting, which will take place (hopefully in person) on Thursday, November 19th 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

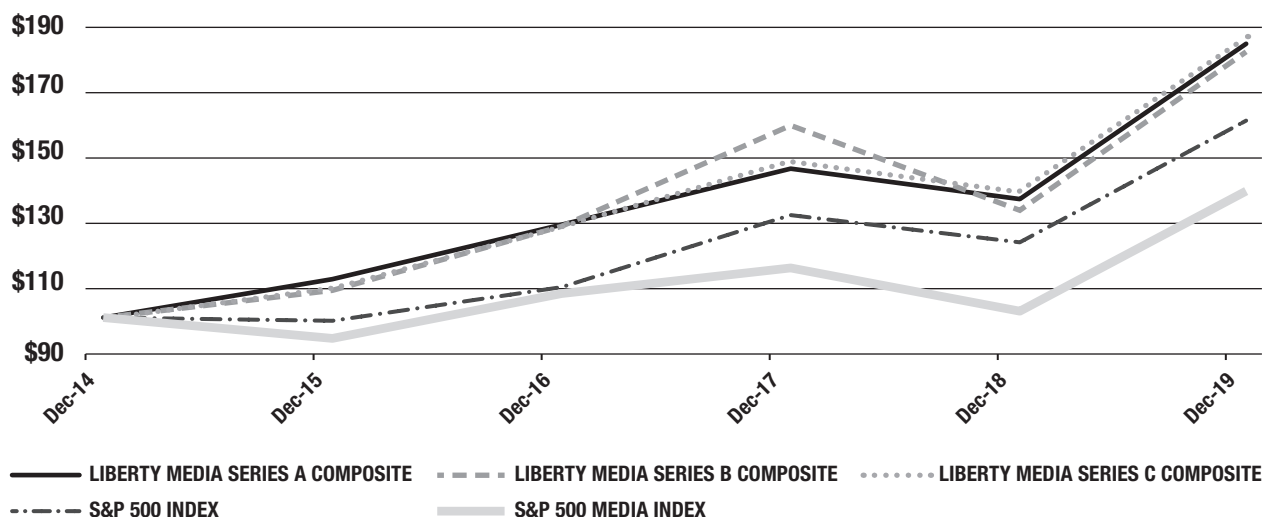


John C. Malone
Chairman of the Board

STOCK PERFORMANCE

The following graph compares the percentage change in the cumulative total stockholder return on the composite Liberty Media Series A, Series B and Series C common stock (and its successor issuances) from December 31, 2014 through December 31, 2019 to the S&P 500 Index and the S&P 500 Media Index. On April 15, 2016 our former Series A, Series B and Series C common stock was recapitalized into common stock of three tracking stock groups: the Liberty SiriusXM Group (Nasdaq: LSXMA, LSXMB, LSXMK), the Formula One Group (Nasdaq: FWONA, FWONK) (formerly known as the Liberty Media Group (Nasdaq: LMCA, LMCK)) and the Braves Group (Nasdaq: BATRA, BATRK). This chart includes the impact of (i) the aforementioned recapitalization of Liberty Media's common stock into three tracking stock groups and (ii) the Braves Group rights offering.

LIBERTY MEDIA COMMON STOCK COMPOSITE VS. S&P 500 AND S&P 500 MEDIA INDICES 12/31/14 TO 12/31/19



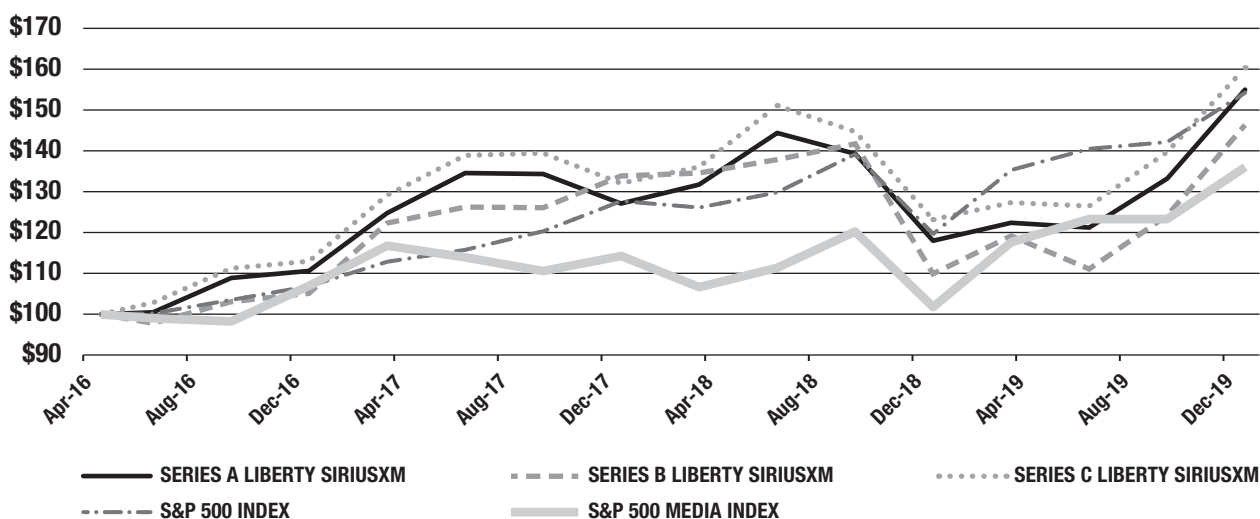
	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18	12/31/19
LIBERTY MEDIA SERIES A COMPOSITE	\$100.00	\$111.28	\$126.94	\$143.15	\$134.09	\$178.73
LIBERTY MEDIA SERIES B COMPOSITE	\$100.00	\$108.02	\$126.52	\$155.46	\$130.86	\$176.57
LIBERTY MEDIA SERIES C COMPOSITE	\$100.00	\$108.71	\$126.11	\$145.20	\$136.20	\$180.91
S&P 500 INDEX	\$100.00	\$99.27	\$108.74	\$129.86	\$121.76	\$156.92
S&P 500 MEDIA INDEX	\$100.00	\$94.28	\$107.17	\$114.49	\$102.03	\$136.33

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 an investment in 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, 2019 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 12/31/19

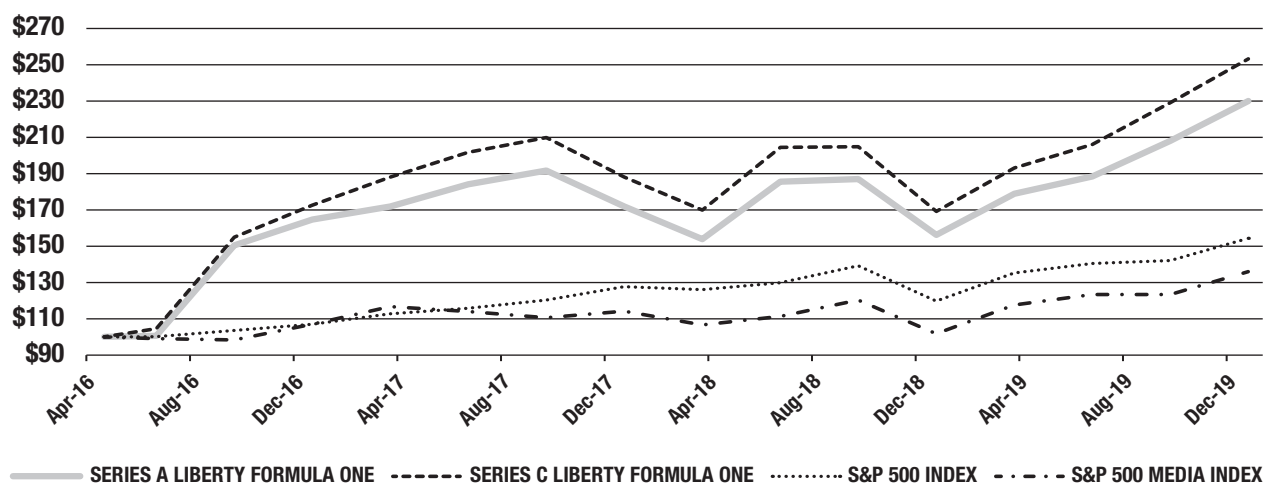


Note: Trading data for all Series B shares is limited as they are thinly traded.

STOCK PERFORMANCE

The following graph compares the percentage change in the cumulative total stockholder return on an investment in 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, 2019 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 12/31/19

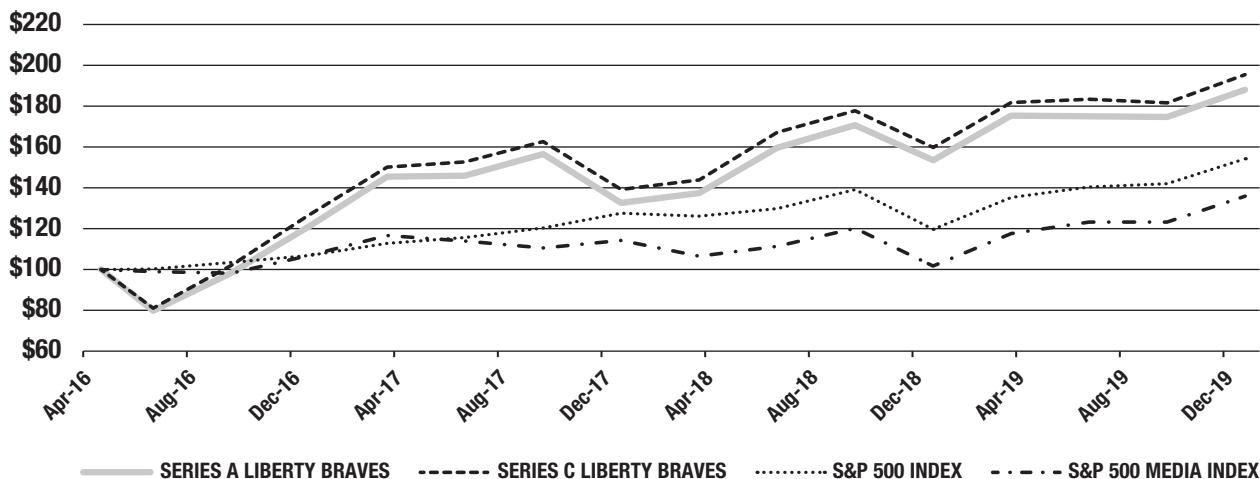


	4/18/16	12/31/16	12/31/17	12/31/18	12/31/19
SERIES A LIBERTY FORMULA ONE	\$100.00	\$164.74	\$171.94	\$156.17	\$230.06
SERIES C LIBERTY FORMULA ONE	\$100.00	\$172.62	\$188.21	\$169.15	\$253.25
S&P 500 INDEX	\$100.00	\$106.90	\$127.66	\$119.70	\$154.26
S&P 500 MEDIA INDEX	\$100.00	\$106.92	\$114.22	\$101.79	\$136.02

STOCK PERFORMANCE

The following graph compares the percentage change in the cumulative total stockholder return on an investment in 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, 2019 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 12/31/19



	4/18/16	12/31/16	12/31/17	12/31/18	12/31/19
SERIES A LIBERTY BRAVES	\$100.00	\$121.06	\$132.72	\$153.50	\$188.06
SERIES C LIBERTY BRAVES	\$100.00	\$126.70	\$139.22	\$159.73	\$195.44
S&P 500 INDEX	\$100.00	\$106.90	\$127.66	\$119.70	\$154.26
S&P 500 MEDIA INDEX	\$100.00	\$106.92	\$114.22	\$101.79	\$136.02

INVESTMENT SUMMARY

(Based on publicly available information as of January 31, 2020) Libertymedia.com/asset-list.aspx

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: WarnerMedia, 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%
Ideiasnet (BOVESPA: IDNT3)	A Brazil-based company that develops projects and acquires stakes in companies in technology, media and telecommunications.	3.9	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 SiriusXM Group	Includes Liberty Media Corporation's interest in SiriusXM.	1.1	<1% ⁽⁴⁾
Liberty Technology Venture Capital, LLC	Investment fund focused on Israeli technology companies.	N/A	80%

INVESTMENT SUMMARY

FORMULA ONE GROUP			
ENTITY	DESCRIPTION OF OPERATING BUSINESS	ATTRIBUTED SHARE COUNT ⁽¹⁾ (in millions)	ATTRIBUTED OWNERSHIP ⁽²⁾
Live Nation Entertainment, Inc. (NYSE: LYV)	Largest live entertainment company in the world, consisting of three segments: concerts, sponsorship and advertising and ticketing.	69.6	33%
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%

LIBERTY SIRIUSXM GROUP			
ENTITY	DESCRIPTION OF OPERATING BUSINESS	ATTRIBUTED SHARE COUNT ⁽¹⁾ (in millions)	ATTRIBUTED OWNERSHIP ⁽²⁾
iHeartMedia, Inc. (NASDAQ: IHRT)	American audio company with over 850 live broadcast stations and a leading streaming broadcast radio platform.	7.0	5% ⁽⁵⁾
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	72%

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

5) Ownership includes both iHeartMedia Class B common stock and warrants.



LIBERTY MEDIA CORPORATION

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

April 13, 2020

Dear Stockholder:

You are cordially invited to attend the 2020 annual meeting of stockholders of Liberty Media Corporation (**Liberty Media**) to be held at 8:15 a.m., Mountain time, on May 21, 2020. Due to concerns about the coronavirus, this year the annual meeting will be held via the Internet and will be a completely virtual meeting of stockholders. You may attend the meeting, submit questions and vote your shares electronically during the meeting via the Internet by visiting www.virtualshareholdermeeting.com/LMC2020. To enter the annual meeting, you will need the 16-digit control number that is printed in the box marked by the arrow on your proxy card. We recommend logging in at least fifteen minutes before the meeting to ensure that you are logged in when the meeting starts. Online check-in will start shortly before the meeting on May 21, 2020.

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 16, 2020.

LIBERTY MEDIA CORPORATION

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

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

to be Held on May 21, 2020

NOTICE IS HEREBY GIVEN of the annual meeting of stockholders of Liberty Media Corporation (**Liberty Media**) to be held at 8:15 a.m., Mountain time, on May 21, 2020. Due to concerns about the coronavirus (**COVID-19**), this year the annual meeting will be held via the Internet and will be a completely virtual meeting of stockholders. You may attend the meeting, submit questions and vote your shares electronically during the meeting via the Internet by visiting www.virtualshareholdermeeting.com/LMC2020. To enter the annual meeting, you will need the 16-digit control number that is printed in the box marked by the arrow on your proxy card. We recommend logging in at least fifteen minutes before the meeting to ensure that you are logged in when the meeting starts. Online check-in will start shortly before the meeting on May 21, 2020. At the annual meeting, you will be asked to consider and vote on the following proposals:

1. A proposal (which we refer to as the **election of directors proposal**) to elect Evan D. Malone, David E. Rapley and Larry E. Romrell to continue serving as Class I members of our board until the 2023 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, 2020.

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 March 31, 2020, 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. If you have any questions with respect to accessing this list, please contact Liberty Media Investor Relations at (877) 772-1518. 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 electronically during the annual meeting via the Internet 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 21, 2020: our Notice of Annual Meeting of Stockholders, Proxy Statement, and 2019 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,



Michael E. Hurelbrink
Assistant Vice President and Secretary

Englewood, Colorado

April 13, 2020

WHETHER OR NOT YOU PLAN TO ATTEND 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

2020 ANNUAL MEETING OF STOCKHOLDERS

WHEN

8:15 a.m., Mountain time, on May 21, 2020

WHERE

The annual meeting can be accessed virtually via the Internet by visiting www.virtualshareholdermeeting.com/LMC2020

RECORD DATE

5:00 p.m., New York City time, on March 31, 2020

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 Evan D. Malone, David E. Rapley and Larry E. Romrell to continue serving as Class I members of our board until the 2023 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, 2020.
- 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	17
Auditors ratification proposal	✓ FOR	22

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 2020 Annual Meeting of Stockholders to be held at 8:15 a.m., Mountain time, on May 21, 2020, or at any adjournment or postponement of the annual meeting. Due to concerns about COVID-19, this year the annual meeting will be held via the Internet and will be a completely virtual meeting of stockholders. You may attend the meeting, submit questions and vote your shares electronically during the meeting via the Internet by visiting www.virtualshareholdermeeting.com/LMC2020. 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 8:15 a.m., Mountain time, on May 21, 2020. Due to concerns about COVID-19, this year the annual meeting will be held via the Internet and will be a completely virtual meeting of stockholders. You may attend the meeting, submit questions and vote your shares electronically during the meeting via the Internet by visiting www.virtualshareholdermeeting.com/LMC2020. To enter the annual meeting, you will need the 16-digit control number that is printed in the box marked by the arrow on your proxy card. We recommend logging in at least fifteen minutes before the meeting to ensure that you are logged in when the meeting starts. Online check-in will start shortly before the meeting on May 21, 2020.

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 Evan D. Malone, David E. Rapley and Larry E. Romrell to continue serving as Class I members of our board until the 2023 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, 2020.

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. Virtual attendance at the annual meeting also constitutes presence in person for purposes of quorum at the meeting. 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 March 31, 2020 (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.

Virtual attendance at the annual meeting also constitutes presence in person for purposes of each required vote.

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, 101,421,424 shares of LSXMA, 9,808,232 shares of LSXMB, 10,312,675 shares of BATRA, 981,824 shares of BATRB, 25,834,426 shares of FWONA and 2,448,141 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, 1,066 and 59 record holders of LSXMA and LSXMB, respectively, 1,782 and 36 record holders of BATRA and BATRB, respectively, and 746 and 54 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 via the Internet at the annual meeting or prior to 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.

Holders of record may vote their shares electronically during the meeting via the Internet by visiting www.virtualshareholdermeeting.com/LMC2020. To enter the annual meeting, holders will need the 16-digit control number that is printed in the box marked by the arrow on their proxy card. We recommend logging in at least fifteen minutes before the meeting to ensure that they are logged in when the meeting starts. Online check-in will start shortly before the meeting on May 21, 2020.

Instructions for voting prior to the annual meeting by using the telephone or the Internet are printed on the proxy voting instructions attached to the proxy card. In order to vote prior to the annual meeting 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 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 without specific instructions from 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 attending the annual meeting online and voting via the Internet 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 20, 2020 for shares held directly.

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 (outside the United States (303) 562-9273).

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 1, 2020 and, in the case of percentage ownership information, is based upon (1) 101,421,424 LSXMA shares, (2) 9,808,232 LSXMB shares, (3) 203,061,774 LSXMK shares, (4) 10,312,675 BATRA shares, (5) 981,824 BATRB shares, (6) 39,898,713 BATRK shares, (7) 25,834,426 FWONA shares, (8) 2,448,141 FWONB shares and (9) 203,371,301 FWONK shares, in each case, outstanding on February 29, 2020. 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⁾	1.2	47.9
	LSXMB	9,455,341 ⁽¹⁾	96.4	
	LSXMK	15,299,289 ⁽¹⁾	7.5	
	BATRA	116,771 ⁽¹⁾	1.1	
	BATRB	945,532 ⁽¹⁾	96.3	
	BATRK	2,989,140 ⁽¹⁾	7.5	
	FWONA	291,930 ⁽¹⁾	1.1	
	FWONB	2,363,834 ⁽¹⁾	96.6	
	FWONK	4,612,731 ⁽¹⁾	2.3	
Berkshire Hathaway, Inc. 3555 Farnam Street Omaha, NE 68131	LSXMA	14,860,360 ⁽²⁾	14.7	5.5
	LSXMB	—	—	
	LSXMK	31,090,985 ⁽²⁾	15.3	
	BATRA	—	—	
	BATRB	—	—	
	BATRK	—	—	
	FWONA	—	—	
	FWONB	—	—	
	FWONK	—	—	
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	LSXMA	6,196,797 ⁽³⁾	6.1	2.7
	LSXMB	—	—	
	LSXMK	10,430,711 ⁽³⁾	5.1	
	BATRA	697,514 ⁽³⁾	6.8	
	BATRB	—	—	
	BATRK	2,528,779 ⁽³⁾	6.3	
	FWONA	1,089,171 ⁽³⁾	4.2	
	FWONB	—	—	
	FWONK	12,408,726 ⁽³⁾	6.1	

Name and Address of Beneficial Owner	Title of Series	Amount and Nature of Beneficial Ownership	Percent of Series (%)	Voting Power (%)
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	LSXMA	8,221,313 ⁽⁴⁾	8.1	*
	LSXMB	—	—	
	LSXMK	14,245,890 ⁽⁴⁾	7.0	
	BATRA	499,515 ⁽⁵⁾	4.8	
	BATRB	—	—	
	BATRK	1,992,019 ⁽⁴⁾	5.0	
	FWONA	2,429,896 ⁽⁴⁾	9.4	
	FWONB	—	—	
	FWONK	17,440,845 ⁽⁴⁾	8.6	
Park West Asset Management LLC 900 Larkspur Landing Circle Suite 165 Larkspur, CA 94939	LSXMA	—	—	*
	LSXMB	—	—	
	LSXMK	—	—	
	BATRA	677,414 ⁽⁶⁾	6.6	
	BATRB	—	—	
	BATRK	2,796,566 ⁽⁶⁾	7.0	
	FWONA	—	—	
	FWONB	—	—	
	FWONK	—	—	
GAMCO Investors, Inc. One Corporate Center Rye, NY 10580	LSXMA	709,862 ⁽⁷⁾	*	1.0
	LSXMB	—	—	
	LSXMK	648,906 ⁽⁷⁾	*	
	BATRA	2,126,553 ⁽⁸⁾	20.6	
	BATRB	—	—	
	BATRK	1,660,079 ⁽⁷⁾	4.2	
	FWONA	96,380 ⁽⁷⁾	*	
	FWONB	—	—	
	FWONK	160,685 ⁽⁷⁾	*	
Ancient Art, L.P. 500 West 5 th Street Suite 1110 Austin, TX 78701	LSXMA	—	—	1.0
	LSXMB	—	—	
	LSXMK	—	—	
	BATRA	—	—	
	BATRB	—	—	
	BATRK	—	—	
	FWONA	2,593,428 ⁽⁹⁾	10.0	
	FWONB	—	—	
	FWONK	604,000 ⁽⁹⁾	*	

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 (%)
Southeastern Asset Management, Inc. 6410 Poplar Avenue, Suite 900 Memphis, TN 38119	LSXMA	—	—	*
	LSXMB	—	—	
	LSXMK	—	—	
	BATRA	—	—	
	BATRB	—	—	
	BATRK	—	—	
	FWONA	2,343,015 ⁽¹⁰⁾	9.1	
	FWONB	—	—	
	FWONK	976,096 ⁽¹⁰⁾	*	
UBS AG Group Bahnhofstrasse 45 Zurich, Switzerland	LSXMA	274,774 ⁽¹¹⁾	*	*
	LSXMB	—	—	
	LSXMK	588,310 ⁽¹¹⁾	*	
	BATRA	1,140,100 ⁽¹¹⁾	11.1	
	BATRB	—	—	
	BATRK	33,161 ⁽¹¹⁾	*	
	FWONA	4,766 ⁽¹¹⁾	*	
	FWONB	—	—	
	FWONK	523,935 ⁽¹¹⁾	6.8	

* 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, 2020, 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

- (3) Based on (i) Schedule 13G, filed February 10, 2020, by BlackRock, Inc. (**BlackRock**), a parent holding company, with respect to its ownership of shares of LSXMK, (ii) Schedule 13G, filed February 7, 2020, by BlackRock, with respect to its ownership of shares of FWONK, (iii) three separate filings, each an Amendment No. 3 to Schedule 13G filed February 5, 2020 by BlackRock, with respect to its ownership of shares of LSXMA, BATRA and BATRK, respectively, and (iii) Form 13F, filed February 13, 2020, by BlackRock with respect to its ownership of shares of FWONA, 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	5,636,919	—	6,196,797	—
LSXMK	9,271,441	—	10,430,711	—
BATRA	674,887	—	697,514	—
BATRK	2,466,187	—	2,528,779	—
FWONA	1,023,075	—	1,089,171	—
FWONK	11,297,761	—	12,408,726	—

- (4) Based on (i) four separate filings with respect to LSXMA, LSXMK, FWONA and FWONK, each an Amendment No. 3 to Schedule 13G filed February 12, 2020 by The Vanguard Group (**Vanguard**) and (ii) with respect to BATRK, a Schedule 13G filed February 11, 2020 by Vanguard, which state that Vanguard, with respect to its ownership of shares of each of LSXMA, LSXMK, BATRK, 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	59,887	17,045	8,148,666	72,647
LSXMK	116,856	65,613	14,075,599	170,291
BATRK	75,616	2,600	1,918,596	73,423
FWONA	16,072	—	2,413,824	16,072
FWONK	138,244	48,647	17,274,601	166,244

- (5) Based on Form 13F, filed February 14, 2020, 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 as follows:

	Title of Series	Sole Voting Power	Shared Voting Power	Sole Investment Discretion	Shared Investment Discretion
Vanguard	BATRA	—	—	478,027	—
Vanguard and Trust Co	BATRA	19,795	—	—	19,795
Vanguard and Australia	BATRA	—	1,693	—	1,693

- (6) Based on (i) Amendment No. 4 to Schedule 13G, filed February 14, 2020, jointly by Park West Asset Management LLC (**PWAM**), Park West Investors Master Fund, Limited (**PWIMF**) 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 677,414 shares and PWIMF has shared voting power and shared dispositive power over 614,950 shares and (ii) Form 13F, filed February 14, 2020, by PWAM, which states that PWAM has sole investment discretion and sole voting power over 2,796,566 BATRK shares.

- (7) Based on Form 13F, filed February 14, 2020, by GAMCO Investors, Inc. (**GBL**), which reports that GBL has sole investment discretion over 709,862 LSXMA shares and sole voting power over 674,605 LSXMA shares, sole investment discretion over 648,906 LSXMK shares and sole voting power over 593,804 LSXMK shares, sole investment discretion over 1,660,079 BATRK shares and sole voting power over 1,480,252 BATRK shares, sole investment discretion over 96,380 FWONA shares and sole voting power over 92,125 FWONA shares, and sole investment discretion over 160,685 FWONK shares and sole voting power over 146,458 FWONK shares.

- (8) Based on Amendment No. 14 to Schedule 13D, filed on April 2, 2020, jointly by Gabelli Funds, LLC (**Gabelli Funds**), GAMCO Asset Management Inc. (**GAMCO**), MJG Associates, Inc. (**MJG**), Gabelli & Company Investment Advisers, Inc. (**GCIA**), 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.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

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	304,400	—	304,400	—
GAMCO	BATRA	1,654,830	—	1,724,537	—
MJG	BATRA	2,006	—	2,006	—
GCIA	BATRA	5,200	—	5,200	—
Mario J. Gabelli	BATRA	50,000	—	50,000	—
AC	BATRA	410	—	410	—
GGCP	BATRA	30,000	—	30,000	—
Foundation	BATRA	10,000	—	10,000	—

- (9) Based on Form 13F, filed February 14, 2020, by Ancient Art, L.P. (**Ancient**), which states that Ancient has sole investment discretion and sole voting power over 2,593,428 FWONA shares and sole investment discretion and sole voting power over 604,000 FWONK shares.
- (10) Based on (i) Amendment No. 1 to Schedule 13G, filed February 14, 2020, 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, 2020 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 9,434 shares, and Southeastern and Longleaf's shared dispositive power and sole voting power over 966,662 shares.
- (11) Based on (i) Amendment No. 2 to Schedule 13G, filed February 12, 2020, 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 its subsidiaries and affiliates, UBS Americas has sole voting power over 1,082,242 shares and shared dispositive power over 1,140,100 shares, and (ii) Form 13F, filed February 14, 2020, 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:

	Title of Series	Sole Voting Power	Shared Voting Power	Sole Investment Discretion	Shared Investment Discretion
UBS Americas	LSXMA	32,952	—	28,741	12,662
	LSXMK	62,340	—	53,148	23,903
	BATRK	—	—	—	—
	FWONA	—	—	—	—
	FWONK	59,501	—	60,810	14,837
UBS Americas and UBS Group	LSXMA	—	—	—	16,088
	LSXMK	—	—	—	31,538
	BATRK	—	—	—	—
	FWONA	—	—	—	4,766
	FWONK	—	—	—	37,696
UBS Americas and UBS AM Trust	LSXMA	27,297	—	—	27,297
	LSXMK	14,971	—	—	14,971
	BATRK	—	—	—	—
	FWONA	—	—	—	—
	FWONK	17,940	—	—	17,940
UBS Americas and UBS AG	LSXMA	98,908	—	125,959	328
	LSXMK	187,011	—	234,416	453
	BATRK	12,900	—	20,695	—
	FWONA	—	—	—	—
	FWONK	241,448	—	289,225	506

	Title of Series	Sole Voting Power	Shared Voting Power	Sole Investment Discretion	Shared Investment Discretion
UBS Americas and UBS UK	LSXMA	40,090	720	1,722	61,977
	LSXMK	169,027	1,263	3,783	217,181
	BATRK	10,366	—	2,383	10,083
	FWONA	—	—	—	—
	FWONK	48,100	1,689	2,560	100,361
UBS Americas and UBS Life	LSXMA	—	—	—	—
	LSXMK	8,917	—	—	8,917
	BATRK	—	—	—	—
	FWONA	—	—	—	—
	FWONK	—	—	—	—

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, BTRB, BTRK, 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 29, 2020 and, in the case of percentage ownership information, is based upon (1) 101,421,424 LSXMA shares, (2) 9,808,232 LSXMB shares, (3) 203,061,774 LSXMK shares, (4) 10,312,675 BATRA shares, (5) 981,824 BTRB shares, (6) 39,898,713 BTRK shares, (7) 25,834,426 FWONA shares, (8) 2,448,141 FWONB shares and (9) 203,371,301 FWONK shares, in each case, outstanding on that date. The security ownership information with respect to SIRI is given as of February 29, 2020, and, in the case of percentage ownership information, is based on 4,413,944,475 SIRI shares outstanding on January 31, 2020. The percentage voting power with respect to our company is presented in the table below on an aggregate basis for all LSXMA, LSXMB, BATRA, BTRB, FWONA and FWONB shares.

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 29, 2020 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, BTRB 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, BTRB 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 29, 2020. 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⁾	1.2	47.9
	LSXMB	9,455 ⁽¹⁾⁽⁴⁾⁽⁵⁾	96.4	
	LSXMK	15,299 ⁽¹⁾⁽³⁾⁽⁵⁾⁽⁶⁾	7.5	
	BATRA	117 ⁽¹⁾⁽²⁾⁽³⁾	1.1	
	BTRB	946 ⁽¹⁾⁽⁴⁾⁽⁵⁾	96.3	
	BTRK	2,989 ⁽¹⁾⁽³⁾⁽⁵⁾⁽⁶⁾	7.5	
	FWONA	292 ⁽¹⁾⁽²⁾⁽³⁾	1.1	
	FWONB	2,364 ⁽¹⁾⁽⁴⁾⁽⁵⁾	96.6	
	FWONK	4,613 ⁽¹⁾⁽³⁾⁽⁵⁾⁽⁶⁾	2.3	
	SIRI	267 ⁽³⁾	*	*
Gregory B. Maffei President, Chief Executive Officer and Director	LSXMA	1,813 ⁽⁸⁾⁽⁹⁾⁽¹⁰⁾	1.8	1.1
	LSXMB	37	*	
	LSXMK	10,189 ⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹⁰⁾	4.9	
	BATRA	181 ⁽⁸⁾⁽⁹⁾	1.8	
	BTRB	4	*	
	BTRK	1,319 ⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾	3.3	
	FWONA	401 ⁽⁸⁾⁽⁹⁾	1.6	
	FWONB	9	*	
	FWONK	2,561 ⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾	1.3	
	SIRI	518	*	*

Name	Title of Series	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Series (%)	Voting Power (%)
Robert R. Bennett Director	LSXMA	760 ⁽¹¹⁾	*	*
	LSXMB	—	—	—
	LSXMK	1,532 ⁽¹¹⁾	*	*
	BATRA	76 ⁽¹¹⁾	*	*
	BATRB	—	—	—
	BATRK	268 ⁽¹¹⁾	*	*
	FWONA	190 ⁽¹¹⁾	*	*
	FWONB	—	—	—
	FWONK	384 ⁽¹¹⁾	*	*
	SIRI	—	—	—
Brian M. Deevy Director	LSXMA	10 ⁽¹²⁾	*	*
	LSXMB	—	—	—
	LSXMK	21 ⁽⁷⁾⁽¹²⁾	*	*
	BATRA	1 ⁽¹²⁾	*	*
	BATRB	—	—	—
	BATRK	3 ⁽⁷⁾⁽¹²⁾	*	*
	FWONA	3 ⁽¹²⁾	*	*
	FWONB	—	—	—
	FWONK	9 ⁽⁷⁾⁽¹²⁾	*	*
	SIRI	—	—	—
M. Ian G. Gilchrist Director	LSXMA	1	*	*
	LSXMB	—	—	—
	LSXMK	25 ⁽⁷⁾	*	*
	BATRA	**	*	*
	BATRB	—	—	—
	BATRK	4 ⁽⁷⁾	*	*
	FWONA	**	*	*
	FWONB	—	—	—
	FWONK	14 ⁽⁷⁾	*	*
	SIRI	—	—	—
Evan D. Malone Director	LSXMA	11	*	*
	LSXMB	—	—	—
	LSXMK	60 ⁽⁷⁾	*	*
	BATRA	1	*	*
	BATRB	—	—	—
	BATRK	8 ⁽⁷⁾	*	*
	FWONA	3	*	*
	FWONB	—	—	—
	FWONK	20 ⁽⁷⁾	*	*
	SIRI	279	*	*

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 (%)
David E. Rapley Director	LSXMA	4	*	*
	LSXMB	—	—	—
	LSXMK	26 ⁽⁷⁾	*	—
	BATRA	—	—	—
	BATRB	—	—	—
	BATRK	3 ⁽⁷⁾	*	—
	FWONA	1	*	—
	FWONB	—	—	—
	FWONK	11 ⁽⁷⁾	*	—
	SIRI	—	—	—
Larry E. Romrell Director	LSXMA	20	*	*
	LSXMB	**	*	—
	LSXMK	64 ⁽⁷⁾	*	—
	BATRA	2	*	—
	BATRB	**	*	—
	BATRK	8 ⁽⁷⁾	*	—
	FWONA	5	*	—
	FWONB	**	*	—
	FWONK	24 ⁽⁷⁾	*	—
	SIRI	—	—	—
Andrea L. Wong Director	LSXMA	4	*	*
	LSXMB	—	—	—
	LSXMK	37 ⁽⁷⁾	*	—
	BATRA	—	—	—
	BATRB	—	—	—
	BATRK	3 ⁽⁷⁾	*	—
	FWONA	**	*	—
	FWONB	—	—	—
	FWONK	12 ⁽⁷⁾	*	—
	SIRI	—	—	—
Brian J. Wendling Chief Accounting Officer and Principal Financial Officer	LSXMA	28	*	*
	LSXMB	—	—	—
	LSXMK	118 ⁽⁷⁾	*	—
	BATRA	3	*	—
	BATRB	—	—	—
	BATRK	21 ⁽⁷⁾	*	—
	FWONA	7	*	—
	FWONB	—	—	—
	FWONK	33 ⁽⁷⁾	*	—
	SIRI	—	—	—

Name	Title of Series	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Series (%)	Voting Power (%)
Albert E. Rosenthaler Chief Corporate Development Officer	LSXMA	67	*	*
	LSXMB	—	—	—
	LSXMK	284 ⁽⁶⁾⁽⁷⁾	*	—
	BATRA	7	*	—
	BATRB	—	—	—
	BATRK	55 ⁽⁶⁾⁽⁷⁾	*	—
	FWONA	17	*	—
	FWONB	—	—	—
	FWONK	89 ⁽⁶⁾⁽⁷⁾	*	—
	SIRI	—	—	—
Renee L. Wilm Chief Legal Officer	LSXMA	—	—	—
	LSXMB	—	—	—
	LSXMK	—	—	—
	BATRA	—	—	—
	BATRB	—	—	—
	BATRK	—	—	—
	FWONA	—	—	—
	FWONB	—	—	—
	FWONK	—	—	—
	SIRI	—	—	—
Mark D. Carleton Senior Advisor and Former Chief Financial Officer	LSXMA	—	—	*
	LSXMB	—	—	—
	LSXMK	223	*	—
	BATRA	5	*	—
	BATRB	—	—	—
	BATRK	36	*	—
	FWONA	—	—	—
	FWONB	—	—	—
	FWONK	55	*	—
	SIRI	205	*	*
Richard N. Baer Former Chief Legal Officer and Chief Administrative Officer	LSXMA	—	—	—
	LSXMB	—	—	—
	LSXMK	—	—	—
	BATRA	—	—	—
	BATRB	—	—	—
	BATRK	—	—	—
	FWONA	—	—	—
	FWONB	—	—	—
	FWONK	—	—	—
	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 (%)
All directors and executive officers as a group (12 persons)	LSXMA	3,885 ⁽¹⁾⁽²⁾⁽³⁾⁽⁸⁾⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾⁽¹²⁾	3.8	49.4
	LSXMB	9,492 ⁽¹⁾⁽⁴⁾⁽⁵⁾	96.8	
	LSXMK	27,654 ⁽¹⁾⁽³⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾⁽¹²⁾	13.2	
	BATRA	388 ⁽¹⁾⁽²⁾⁽³⁾⁽⁸⁾⁽⁹⁾⁽¹¹⁾⁽¹²⁾	3.8	
	BATRB	949 ⁽¹⁾⁽⁴⁾⁽⁵⁾	96.7	
	BATRK	4,683 ⁽¹⁾⁽³⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹¹⁾⁽¹²⁾	11.5	
	FWONA	920 ⁽¹⁾⁽²⁾⁽³⁾⁽⁸⁾⁽⁹⁾⁽¹¹⁾⁽¹²⁾	3.6	
	FWONB	2,373 ⁽¹⁾⁽⁴⁾⁽⁵⁾	96.9	
	FWONK	7,771 ⁽¹⁾⁽³⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹¹⁾⁽¹²⁾	3.8	
	SIRI	1,269 ⁽³⁾	*	*

* Less than one percent

** Less than 1,000 shares

- (1) Includes 101,778 LSXMA shares, 230,564 LSXMB shares, 729,057 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 in a revocable trust with respect to which Mr. Malone and Mr. Malone's wife, Mrs. Leslie Malone, are trustees. Mrs. Malone has the right to revoke such trust at any time.
- (2) Includes (i) 250,000 LSXMA shares, 25,000 BATRA shares and 62,500 FWONA shares held by The Malone Family Land Preservation Foundation and (ii) 203,043 LSXMA shares, 20,304 BATRA 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, 4,425,780 LSXMK shares, 61,290 BATRA shares, 1,095,786 BATRK shares, 153,226 FWONA shares, 1,125,186 FWONK shares and 267,141 SIRI shares pledged to Fidelity Brokerage Services, LLC (**Fidelity**); 2,221,475 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, 542,848 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	129	11	21
Gregory B. Maffei	38,683	3,811	9,541
Albert E. Rosenthaler	7,129	706	1,754
Total	<u>45,941</u>	<u>4,528</u>	<u>11,316</u>

- (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 29, 2020.

	LSXMK	BATRK	FWONK
Mark D. Carleton	215,745	21,448	43,591
Brian M. Deevy	14,188	1,837	7,133
M. Ian G. Gilchrist	24,907	3,683	12,932
Gregory B. Maffei	6,515,976	649,815	1,655,233
Evan D. Malone	35,302	4,423	13,580
David E. Rapley	17,651	2,211	6,789
Larry E. Romrell	35,302	4,423	13,580
Andrea L. Wong	23,302	3,229	8,548
Brian J. Wendling	85,736	8,710	21,764
Albert E. Rosenthaler	136,271	26,479	43,398
Total	<u>7,104,380</u>	<u>726,258</u>	<u>1,826,548</u>

- (8) Includes 305,768 LSXMA shares, 595,757 LSXMK shares, 30,576 BATRA shares, 29,043 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 759,969 LSXMA shares and 285,232 LSXMK shares held by a grantor retained annuity trust.
- (11) Includes 21,585 LSXMA shares, 43,170 LSXMK shares, 2,158 BATRA shares, 7,568 BATRK shares and 5,396 FWONA shares owned by Hilltop Investments, LLC, and 735,491 LSXMA shares, 1,482,231 LSXMK shares, 73,549 BATRA shares, 259,522 BATRK shares, 183,872 FWONA shares and 382,774 FWONK shares held by Hilltop Investments III, LLC, both of which are jointly owned by Mr. Bennett and his wife, Mrs. Deborah Bennett.
- (12) 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.

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 I directors, whose term will expire at the 2020 annual meeting, are Evan D. Malone, David E. Rapley and Larry E. Romrell. These directors are nominated for election to our board to continue serving as Class I directors, and we have been informed that Messrs. Malone, Rapley and Romrell are each willing to continue serving as a director of our company. The term of the Class I directors who are elected at the annual meeting will expire at the annual meeting of our stockholders in the year 2023. 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. Our class III directors, whose term will expire at the annual meeting of stockholders in the year 2022, are John C. Malone, Robert R. Bennett and M. Ian G. Gilchrist.

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

Evan D. Malone

- Age: 49
- 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, Inc. (formerly named Liberty Interactive Corporation, **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: 78
- 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 Liberty Global plc (**LGP**) since June 2013, having previously served as a director of Liberty Global, Inc. (**LGI**), LGP's predecessor, from June 2005 to June 2013 and as a director of Liberty Media International, Inc. (**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: 80
- 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 Tele-Communications, Inc. (**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 Holdings, Inc. (**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: 65
- 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. He has served as the director of the Daniels Fund since 2003, and has been a director of the U.S. Olympic and Paralympic Foundation since 2016.

- *Other Public Company Directorships:* Mr. Deevy served as a director of Ascent Capital Group, Inc. (**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:* 59
- 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 Corporation (**Liberty Broadband**) since June 2014 and GCI Liberty, Inc. (**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 Entertainment, Inc. (**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 Communications, Inc. (**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:* 53
- 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 Pacific Properties, Inc. since August 2017 and as a director of Oaktree Acquisition Corp.

since July 2019. Ms. Wong served as a director of Social Capital Hedosophia Holdings Corp. from September 2017 to October 2019 and as a director of Hudson's Bay Company from September 2014 to March 2020.

- *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.

Directors Whose Term Expires in 2022

John C. Malone

- *Age:* 79
- 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, 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 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 LGP since June 2013, having previously served as Chairman of the Board of LGI, LGP's predecessor, from June 2005 to June 2013 and as Chairman of the Board of LGI's predecessor, 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 since November 2014, (v) a director of Liberty Latin America Ltd. since December 2017 and (vi) Chairman of the Board of GCI Liberty since March 2018. Previously, he served as (i) Chairman of the Board of Liberty Expedia Holdings, Inc. (**Liberty Expedia**) from November 2016 to July 2019, (ii) a director of Lions Gate Entertainment Corp. from March 2015 to September 2018, (iii) a director of Charter from May 2013 to July 2018, (iv) a director of Expedia, Inc. from December 2012 to December 2017, having previously served as a director from August 2005 to November 2012, (v) the Chairman of the Board of Liberty TripAdvisor from August 2014 to June 2015, (vi) a director of Sirius XM from April 2009 to May 2013, (vii) a director of Ascent from January 2010 to September 2012, (viii) a director of Live Nation from January 2010 to February 2011, (ix) Chairman of the Board of DIRECTV and its predecessors from February 2008 to June 2010 and (x) 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:* 62
- 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 (formerly known as Liberty Media Corporation) 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:* 70
- 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.

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, Rapley and Romrell as a Class I 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, 2020.

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, 2020.

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 2019 and 2018 and fees billed for other services rendered by KPMG LLP.

	2019 ⁽¹⁾	2018 ⁽¹⁾
Audit fees	\$3,082,100	3,107,000
Audit related fees ⁽²⁾	—	72,000
Audit and audit related fees	3,082,100	3,179,000
Tax fees ⁽³⁾	783,500	441,000
All other fees	—	5,000
Total fees	<u>\$3,865,600</u>	<u>3,625,000</u>

(1) Such fees with respect to 2019 and 2018 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 \$4,134,000 in 2019 and \$2,567,500 in 2018) 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 our Chief Accounting Officer and Principal Financial Officer, 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 2019 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
Albert E. Rosenthaler Age: 60	Mr. Rosenthaler has served as Chief Corporate Development Officer of our company, Qurate Retail, Liberty TripAdvisor and Liberty Broadband since October 2016 and GCI Liberty since March 2018. He previously served as Chief Corporate Development Officer of Liberty Expedia from October 2016 to July 2019 and 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.
Brian J. Wendling Age: 47	Mr. Wendling has served as Chief Accounting Officer and Principal Financial Officer of our company, Qurate Retail, Liberty Broadband and GCI Liberty since January 2020 and July 2019, respectively. He previously served as Senior Vice President and Controller of each of our company, Qurate Retail and Liberty Broadband from January 2016 to December 2019 and GCI Liberty from March 2018 to December 2019. In addition, Mr. Wendling has served as a Senior Vice President and Chief Financial Officer of Liberty TripAdvisor since January 2016, and he previously served as Vice President and Controller of Liberty TripAdvisor from August 2014 to December 2015. He previously served as Senior Vice President of Liberty Expedia from March 2016 to July 2019, and Vice President and Controller of Liberty Media (including its predecessor) from November 2011 to December 2015, Qurate Retail from November 2011 to December 2015 and Liberty Broadband from October 2014 to December 2015. Prior thereto, Mr. Wendling held various positions with Liberty Media and Qurate Retail and their predecessors since 1999.
Renee L. Wilm Age: 46	Ms. Wilm has served as Chief Legal Officer of our company, Qurate Retail, Liberty TripAdvisor, Liberty Broadband and GCI Liberty since September 2019. Previously, Ms. Wilm was a Senior Partner with the law firm Baker Botts L.L.P., where she represented our company, Qurate Retail, Liberty TripAdvisor, Liberty Broadband and GCI Liberty and their predecessors for over twenty years, specializing in mergers and acquisitions, complex capital structures and shareholder arrangements, as well as securities offerings and matters of corporate governance and securities law compliance. At Baker Botts, Ms. Wilm was a member of the Executive Committee, the East Coast Corporate Department Chair and Partner-in-Charge of the New York office.

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.

DELINQUENT SECTION 16(a) REPORTS

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.

Based solely on a review of the copies of the Forms 3, 4 and 5 and amendments to those forms filed with the SEC and written representations made to us by our executive officers and directors, we believe that, during the year ended December 31, 2019, 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 two transactions by GAMCO Investors, Inc. et. al, that was filed on an untimely basis and an amendment to a Form 4 reporting three transactions by Brian J. Wendling 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 Accounting Officer, Principal 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 2019 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.

Board Criteria. 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. To be nominated to serve as a director, a nominee need not meet any specific minimum criteria. As described in our corporate governance guidelines, director candidates are identified and nominated based on broad criteria, with the objective of identifying and retaining directors that can effectively develop the company’s strategy and oversee management’s execution of that strategy. In the director candidate

identification and nomination process, our board seeks a breadth of experience from a variety of industries and from professional disciplines, along with a diversity of gender, ethnicity, age and other characteristics. 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, relevant skill sets and diversity of gender, ethnicity, age and other characteristics;
- 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.

Director Candidate Identification Process. 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.

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, Rapley and Romrell, 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 applicable requirements of the Public Company Accounting Oversight Board (the **PCAOB**) and the SEC, 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 PCAOB 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, 2019 (the **2019 Form 10-K**), which was filed on February 26, 2020 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 2019, there were six meetings of our full board of directors, no meetings of our executive committee, eight 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 2019 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 2019, the independent directors of our company, then serving, met at four 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.

HEDGING DISCLOSURE

We do not have any practices or policies regarding the ability of our employees (including officers) or directors, or any of their designees, to purchase financial instruments (including prepaid variable forward contracts, equity swaps, collars, and exchange funds), or otherwise engage in transactions, that hedge or offset, or are designed to hedge or offset, any decrease in the market value of our equity securities.

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;
- Brian J. Wendling, our Chief Accounting Officer and Principal Financial Officer;
- Albert E. Rosenthaler, our Chief Corporate Development Officer;
- Renee L. Wilm, our Chief Legal Officer;
- Richard N. Baer, our former Chief Legal Officer and Chief Administrative Officer; and
- Mark D. Carleton, our Senior Advisor and former Chief Financial Officer.

Mr. Carleton served as our Chief Financial Officer until July 1, 2019, on which date he became Senior Advisor of our company, and Mr. Wendling, who has been Senior Vice President and Controller of our company since January 2016, was promoted to Principal Financial Officer of our company. Effective September 23, 2019, our former Chief Legal Officer and Chief Administrative Officer, Richard N. Baer resigned and Ms. Wilm assumed the role of Chief Legal Officer of our company. Effective January 1, 2020, Mr. Wendling was appointed Chief Accounting Officer in addition to Principal Financial Officer of our company.

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 or expected 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, GCI Liberty (sometimes referred to collectively as the **Service Companies**) and Liberty Expedia. 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 2019, 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. In 2019, Qurate Retail did not reimburse us for time spent by Mr. Maffei on Qurate Retail matters (other than for \$950,000, Qurate Retail's portion of Mr. Maffei's one-time cash commitment bonus to which he became entitled in connection with his new employment agreement and that was paid directly to Mr. Maffei by our company, and which is not reflected in the "Summary Compensation Table" below). Rather, Qurate Retail paid Mr. Maffei directly pursuant to his employment agreement with Qurate Retail. The 2019 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 2019, 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, performance-based bonuses 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, 2019, the weighted average percentage of each such named executive officer's time that was allocated to our company was: Mr. Malone—75%; Mr. Wendling—81%; Mr. Rosenthaler—78%; Ms. Wilm—90%; Mr. Baer—67%; and Mr. Carleton—75%. In December 2019, we entered into an amendment to the Qurate Retail Services Agreement, as well as amendments to the services agreements with the other Service Companies (as discussed further below), in connection with our compensation committee approving a new five-year employment agreement with Mr. Maffei (the **2019 Maffei Employment Agreement**). Under the amended services agreements, beginning in 2020, each Service Company will establish, and pay or grant directly to Mr. Maffei, their allocable portion of his annual performance-based cash bonus, his annual equity-based awards and his upfront awards, and will reimburse us for their allocable portion of the other components of Mr. Maffei's compensation. For Mr. Maffei's 2020 compensation, Qurate's allocated portion of Mr. Maffei's compensation is 19%. For a description of the terms of the 2019 Maffei Employment Agreement, please see "[—Changes for 2020—2019 Maffei Employment Agreement.](#)"

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 or paid us a monthly management fee, the amount of which is subject to a quarterly review. For the year ended December 31, 2019, Liberty TripAdvisor, Liberty Broadband, Liberty Expedia and GCI Liberty accrued aggregate management fees of \$3.5 million, \$4.4 million, \$2.2 million and \$9.7 million, respectively, payable to our company under the relevant services agreement. The services agreement with Liberty Expedia was terminated in July 2019 in connection with its sale to Expedia Group, Inc.

In December 2019, each of the Service Companies' services agreements were amended in connection with the 2019 Maffei Employment Agreement. Under the amended services agreements, beginning in 2020, our company is responsible for paying or providing annual base salary, the initial commitment bonus, perquisites and other employee benefits, severance benefits and certain reimbursements directly to Mr. Maffei, and a portion of these expenses will be allocated to, and reimbursed by Liberty TripAdvisor, Liberty Broadband and GCI Liberty. In December 2019, each of Liberty TripAdvisor, Liberty Broadband and GCI Liberty accrued a reimbursement obligation to our company for their respective allocable portions of Mr. Maffei's \$5 million one-time cash commitment bonus to which he became entitled in connection with the 2019 Maffei Employment Agreement. Liberty TripAdvisor's, Liberty Broadband's and GCI Liberty's allocable portions of Mr. Maffei's 2020 compensation are 5%, 18% and 14%, respectively, and they each reimbursed our company \$250,000, \$900,000 and \$700,000, respectively, for Mr. Maffei's cash commitment bonus. The one-time commitment bonus included in the "Summary Compensation Table" below reflects the portion of the commitment bonus allocable to Liberty Media and does not reflect the portion of the commitment bonus allocable to Liberty TripAdvisor, Liberty Broadband and GCI Liberty. Under the amended services agreements, beginning in 2020, each of Liberty TripAdvisor, Liberty Broadband and GCI Liberty will

establish, and pay or grant directly to Mr. Maffei, that company's allocable portion of his annual performance-based cash bonus, his annual equity-based awards and his upfront awards, and each Service Company will reimburse Liberty Media for its allocable portion of the other components of Mr. Maffei's compensation, as described in more detail below in "—Executive Compensation Arrangements—Gregory B. Maffei."

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, performance-based 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 Mr. Maffei as to all elements of the compensation packages of Messrs. Wendling, Rosenthaler, Baer and Carleton and Ms. Wilm. To make these recommendations, Mr. Maffei 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 **2014 Maffei Employment Agreement**), which established his compensation for the term of the agreement. See "—Executive Compensation Arrangements—Gregory B. Maffei" below. Prior to entering into the 2014 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 December 2019, our compensation committee approved the 2019 Maffei Employment Agreement and granted equity awards in connection with the execution of the 2019 Maffei Employment Agreement. See "—Changes for 2020—2019 Maffei Employment Agreement" below. Prior to entering into the 2019 Maffei Employment Agreement, our compensation committee reviewed information from Mercer with respect to chief executive officer compensation packages at the companies described above (media, telecommunications, e-commerce and entertainment companies) and discussed with Mercer alternative equity award structures.

In May 2016, our compensation committee approved a four-year employment agreement with Mr. Baer (the **2016 Baer Employment Agreement**), which established his compensation for the term of the agreement. See "—Executive Compensation Arrangements—Richard N. Baer" below. Prior to approving 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. In June 2019, after considering the recommendation of Mr. Maffei with respect to Mr. Baer's compensation package, our compensation committee approved a new compensation arrangement for Mr. Baer that established his compensation for a four-year employment term as Chief Legal Officer and Chief Administrative Officer of our company beginning July 1, 2019 (the **2019 Baer Employment Agreement**).

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 2019 Executive Compensation

For 2019, 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 stock options and performance-based RSUs;
- perquisites and other limited personal benefits;
- deferred compensation arrangements; and
- a one-time cash commitment bonus paid to Mr. Maffei in connection with him entering into the 2019 Maffei Employment Agreement.

Base Salary

Our compensation committee believes base salary should be a relatively smaller portion of each named executive officer's overall compensation package, allowing for a greater portion to be performance based, 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 2018, the 2019 base salaries of Messrs. Wendling, Rosenthaler, Baer and Carleton were increased by 2%, reflecting a cost-of-living adjustment. Mr. Baer's salary was further increased by 57%, effective July 1, 2019, as a result of the 2019 Baer Employment Agreement. Mr. Wendling's salary was further increased by 25% effective July 1, 2019 in light of his promotion to our Principal Financial Officer, and at the same time, Mr. Carleton's salary was decreased by 50% in light of his change in responsibilities from our Chief Financial Officer to a Senior Advisor. Our compensation committee determined Ms. Wilm's 2019 base salary after considering the scope of her responsibilities as our Chief Legal Officer and the deep knowledge of our company that she gained by representing us as our (and our predecessors') outside counsel for more than 20 years. For 2019, Mr. Maffei received the 5% base salary increase prescribed by the 2014 Maffei Employment Agreement. Mr. Malone received no increase under the terms of his employment agreement.

2019 Performance-based Bonuses

For 2019, our compensation committee adopted an annual, performance-based bonus program for each of Messrs. Maffei, Baer, Rosenthaler and Carleton. As a result of Mr. Baer's voluntarily termination in September 2019, Mr. Baer was not eligible and did not receive a performance-based bonus. While Mr. Carleton's tenure as our Chief Financial Officer ended on July 1, 2019, he remained an employee of our company through December 31, 2019 and was eligible to earn a cash bonus under the performance-based bonus program based on the aggregate annual base salary he received during 2019. Upon Mr. Wendling's mid-year promotion and Ms. Wilm's mid-year hire, they each became eligible to receive a performance-based bonus based generally on the same bonus program criteria as the other named executive officers. The 2019 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**).

In order for Messrs. Maffei, Rosenthaler, Baer and Carleton to be eligible to receive a bonus under our 2019 bonus program, a minimum corporate performance needed to be 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, 2019 was required to exceed \$500 million (the **Bonus Threshold**). If the Bonus Threshold was met, their notional bonus pool would be funded with 0.54% of the amount by which such combined Adjusted OIBDA exceeded \$500 million (the **Cash Bonus Pool**). If the Cash Bonus Pool was insufficient to cover the aggregate maximum bonus amount, their respective maximum bonus amounts would be reduced pro rata, for all purposes under the program. The bonuses of Mr. Wendling and Ms. Wilm were not subject to the Cash Bonus Pool funding criteria given their respective mid-year promotion and mid-year hire.

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, 2019, filed on February 4, 2020. 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, 2019, filed on February 27, 2020.

Messrs. Maffei, Rosenthaler, Baer and Carleton were 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 \$8,758,485, \$1,393,631, \$2,141,048 and \$1,045,223 for Messrs. Maffei, Rosenthaler, Baer, and Carleton, respectively (the **LMC Funding Pool Maximum Performance Bonus**). Qurate Retail also established maximum performance-based bonuses of \$5,838,990, \$929,087, \$485,993 and \$696,815 for each of Messrs. Maffei, Rosenthaler, Baer and Carleton, respectively.

The LMC Funding Pool Maximum Performance Bonus for bonuses paid by our company was set at seven and one half times base salary for Mr. Maffei, which exceeded the terms of the 2014 Maffei Employment Agreement, and was set at three times base salary for each of Messrs. Rosenthaler, Baer and Carleton. Our compensation committee increased the LMC Funding Pool Maximum Performance Bonus to account for the fact that their time allocated to Liberty TripAdvisor, Liberty Broadband and GCI Liberty under the services agreements is, and under the services agreement with Liberty Expedia was, charged to our company in the determination of their respective LMC individual bonuses by our compensation committee.

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 of five times base pay for Mr. Maffei and two times base pay for Mr. Baer, which had been Mr. Baer's contractual limit under the 2016 Baer Employment Agreement. It was determined that the maximum bonus opportunity would be up to 148% of base pay for Mr. Wendling, up to 200% of base pay for Messrs. Rosenthaler and Carleton, and up to 150% of base pay for Ms. Wilm. These limits will be referred to as the **LMC Maximum Performance Bonus**. The bonus maximums were established by the compensation committee in March 2019 for Messrs. Maffei, Rosenthaler, Baer and Carleton, and the limits for Mr. Wendling and Ms. Wilm were determined by Mr. Maffei at the time of Mr. Wendling's promotion and Ms. Wilm's hire, respectively, and reviewed by the compensation committee at the end of the year in connection with determining the performance-based bonus payouts. In addition, the maximum bonus opportunities in dollars for Messrs. Carleton and Wendling were pro-rated based on their change in responsibilities and base pay during the year, while the maximum bonus opportunity for Ms. Wilm was pro-rated based on her hire date. Mr. Baer became ineligible to receive a bonus in connection with his mid-year resignation.

Subject to the achievement of the Bonus Threshold, with respect to Messrs. Maffei, Rosenthaler, Baer and Carleton (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 or her 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 or her professional time and duties.

Also, subject to the achievement of the Bonus Threshold, with respect to Messrs. Maffei, Rosenthaler, Baer and Carleton (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 or her 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 2019, 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 2019, 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 \$3,229.8 million using the formula described above, exceeding the Bonus Threshold by approximately \$2,729.8 million, thereby creating a notional Cash Bonus Pool of approximately \$14.74 million, which exceeded the amount necessary to cover the aggregate LMC Funding Pool Maximum Performance Bonus of Messrs. Maffei, Rosenthaler, Baer and Carleton and therefore enabling each of them to receive a bonus under the performance-based program up to their respective 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, the following performance objectives related to our company which had been assigned to each participant for 2019 were considered:

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
Brian J. Wendling	<ul style="list-style-type: none"> • Ensure timely and accurate internal and external financial reports • Continued development and training of accounting, reporting and internal audit staff • Assist other executives in accounting and financial related due diligence on potential acquisition targets • Assist treasury and management on evaluation of capital structures and capital allocation
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

Individual	Performance Objectives
Renee L. Wilm	<ul style="list-style-type: none"> Oversee enhanced risk management and compliance efforts Negotiate executive employment arrangements Provide support to legal departments of subsidiaries and controlled companies Provide legal support to treasury and management on evaluation of capital structures and capital allocation Manage succession planning at our company
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 Facilitate, along with other members of senior management team, sound approach to governance and compliance Provide support to legal departments of subsidiaries and controlled companies
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 Support the accounting department to maintain timely and accurate internal and external financial reports

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 or her LMC Maximum Individual Bonus:

Name	LMC Maximum Individual Bonus	Percentage Payable	Aggregate Dollar Amount
Gregory B. Maffei	\$5,815,634	84.38%	\$4,907,232
Brian J. Wendling	\$ 322,204	81.25%	\$ 261,790
Albert E. Rosenthaler	\$ 869,625	81.25%	\$ 706,571
Renee L. Wilm	\$ 220,302	87.50%	\$ 192,765
Richard N. Baer	\$ 769,170	0%	\$ 0
Mark D. Carleton	\$ 627,134	62.50%	\$ 420,892

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 2019 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 2019 and are set forth in the table below. Also set forth in the table below are the corresponding actual financial measures achieved for 2019, 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)		
	2019 Forecast	2019 Actual	Actual/Forecast
Revenue ⁽¹⁾	\$14,189.4	\$14,340.4	1.1%
Adjusted OIBDA ⁽¹⁾	\$ 3,229.8	\$ 3,289.1	1.8%
Free Cash Flow ⁽¹⁾⁽²⁾	\$ 2,153.2	\$ 2,300.1	6.8%

(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, 2018, which was the percentage used for approving the 2019 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	17.5% of a possible 25%
Adjusted OIBDA	50% of a possible 50%
Free Cash Flow	20% of a possible 25%

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

Name	LMC Maximum Corporate Bonus	Percentage Payable	Aggregate Dollar Amount
Gregory B. Maffei	\$4,030,725	87.5%	\$3,526,884
Brian J. Wendling	\$ 228,828	87.5%	\$ 200,225
Albert E. Rosenthaler	\$ 641,360	87.5%	\$ 561,190
Renee L. Wilm	\$ 140,812	87.5%	\$ 123,211
Richard N. Baer	\$ 658,195	0%	\$ 0
Mark D. Carleton	\$ 481,020	87.5%	\$ 420,892

Aggregate Results. The following table presents information concerning the aggregate 2019 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	\$4,907,232	\$3,526,884	\$8,434,116
Brian J. Wendling	\$ 261,790	\$ 200,225	\$ 462,015
Albert E. Rosenthaler	\$ 706,571	\$ 561,190	\$1,267,761
Renee L. Wilm	\$ 192,765	\$ 123,211	\$ 315,975
Richard N. Baer	\$ 0	\$ 0	\$ 0
Mark D. Carleton	\$ 391,958	\$ 420,892	\$ 812,851

Our compensation committee then noted that, when combined with the total 2019 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	\$9,439,212
Brian J. Wendling	\$ 523,423
Albert E. Rosenthaler	\$1,467,050
Renee L. Wilm	\$ 337,394
Richard N. Baer	\$ 0
Mark D. Carleton	\$ 943,503

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

2019 Maffei Employment Agreement Cash Commitment Bonus

In connection with entering into the 2019 Maffei Employment Agreement, in December 2019, Mr. Maffei was paid by our company a one-time cash commitment bonus of \$5 million, of which \$2.2 million (or 44%) was allocated to our company and 56% of which was allocated across the Service Companies and reimbursed to us, as described in more detail above under "—Service Agreements". The "Summary Compensation Table" below reflects only the portion

of this one-time commitment bonus that was allocated to our company and does not reflect the portions allocated across the other Service Companies.

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. 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 or GCI Liberty. 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 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.

Maffei Performance-based Equity Awards. In December 2014, we entered into the 2014 Maffei Employment Agreement which provided 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 provided under the 2014 Maffei Employment Agreement.

The 2014 Maffei Employment Agreement provided that Mr. Maffei was entitled to receive from our company and Qurate Retail in 2019 a combined target value equity award of \$20 million and contemplated that the equity awards would be structured to qualify as performance-based compensation under Section 162(m) of the Code. The 2014 Maffei Employment Agreement contemplated that the \$20 million equity award would be divided between our company and Qurate Retail according to relative market capitalization. However, in 2019, the \$20 million of equity awards was granted across all the companies by our compensation committee and the compensation committees of Qurate Retail, Liberty TripAdvisor, Liberty Broadband and GCI Liberty based on two factors, each weighted 50%: (i) the relative market capitalization of each series of common stock of each company and (ii) the percentage allocation of time for all Liberty Media employees across all companies. The goal of this structure was to align the interests of Mr. Maffei with those of the stockholders of each company and to incentivize Mr. Maffei toward the completion of each company's strategic initiatives. Mr. Maffei was also eligible to receive above-target equity awards from our company and Qurate Retail equaling in the aggregate \$10 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 2014 Maffei Employment Agreement also set forth provisions for determining and establishing any performance criteria for equity awards.

In 2019, 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 2014 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 19% of the total award value of \$20 million in FWONK awards, 22% of the total award value of \$20 million in LSXMK, and 6% of the total award value of \$20 million in BATRK awards.

As a result, our compensation committee granted to Mr. Maffei 396,283 LSXMK time-vested options (the **Maffei LSXMK options**), 205,149 FWONK time-vested options (the **Maffei FWONK options**), 38,168 BATRK performance-based RSUs (the **2019 Maffei BATRK RSUs**) and 59,505 FWONK performance-based RSUs (the **2019 Maffei FWONK RSUs**), and collectively with the 2019 Maffei BATRK RSUs, the **2019 Maffei RSUs**). The Maffei LSXMK

options and Maffei FWONK options had a grant date of March 6, 2019, had a term of seven years, and had a base price of \$40.53 and \$33.94, respectively, which was the closing price of LSXMK and FWONK on the grant date. In addition, the stock options vested in full on December 31, 2019, and were subject to other applicable terms and conditions for option grants as set forth in the 2014 Maffei Employment Agreement. Our compensation committee also granted to Mr. Maffei the 2019 Maffei RSUs on March 6, 2019, which vest only upon attainment of the performance objectives described below.

Our compensation committee adopted an annual, performance-based program for payment of the 2019 Maffei RSUs. None of the 2019 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, 2019 was required to exceed \$500 million (the **Maffei RSU Threshold**). If the Maffei RSU Threshold was met, the notional pool for payment of the 2019 Maffei RSUs would be funded with 0.22% 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 2019 Maffei RSUs or \$4.425 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 2019 Executive Compensation—2019 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 2019 Adjusted OIBDA results, our compensation committee determined and certified that the maximum 2019 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 2019 performance and noted his efforts in supporting Formula 1 strategic initiatives and extending the SiriusXM franchise, including oversight of the Pandora acquisition. After considering Mr. Maffei’s performance in these areas, our compensation committee determined to vest 100% of the previously issued 2019 Maffei RSUs.

Our compensation committee decided not to award Mr. Maffei above-target awards for his performance in 2019. For more information regarding the target equity awards, see the “Grants of Plan-Based Awards” table below; “—Executive Compensation—Compensation Discussion and Analysis—Elements of 2019 Executive Compensation—Equity Incentive Compensation—Maffei Performance-based Equity Awards” in Qurate Retail’s Definitive Proxy Statement on Schedule 14A filed April 13, 2020; “—Executive Compensation—Compensation Discussion and Analysis—Compensation Overview—Equity Incentive Compensation” in Liberty TripAdvisor’s Definitive Proxy Statement on Schedule 14A filed April 13, 2020; “—Executive Compensation—Compensation Discussion and Analysis—Compensation Overview—Equity Incentive Compensation” in Liberty Broadband’s Definitive Proxy Statement on Schedule 14A filed April 10, 2020; and “—Executive Compensation—Compensation Discussion and Analysis—Compensation Overview—Equity Incentive Compensation” in GCI Liberty’s Definitive Proxy Statement on Schedule 14A filed April 10, 2020.

Other 2019 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 2014 Maffei Employment Agreement. See “—Executive Compensation Arrangements—Gregory B. Maffei” below. Also, our compensation committee granted to each of Messrs. Rosenthaler and Carleton in March 2015 and to Mr. Wendling in May 2015 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. 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. In November 2019, Ms. Wilm received a multiyear stock option grant that equaled the value of her annual grants that were expected to be granted to her for the period from September 23, 2019 through September 22, 2023. See “Outstanding Equity Awards at Fiscal Year-End” below.

Additionally, in connection with entering into the 2019 Maffei Employment Agreement, Mr. Maffei was promised an upfront equity award, of which \$39.6 million of the aggregate grant value was allocated to our company, to be granted in two tranches in December 2019 and December 2020 (the **New Maffei Term Equity**). In December 2019, Mr. Maffei received a grant of options representing the 2019 tranche of his New Maffei Term Equity (the **2019 New Maffei Term Options**), which included options to purchase 927,334 shares of LSXMK, 313,342 shares of BATRK and 588,954 shares of FWONK, which vest on December 31, 2023. Similar to the rationale pertaining to the multi-year awards historically granted to the named executive officers, the New Maffei Term Equity is intended to encourage Mr. Maffei to remain with the company over the long-term and expected to more fully align Mr. Maffei's interests with those of the other stockholders. See “—Executive Compensation Arrangements—Gregory B. Maffei” for a description of the New Maffei Term Equity and performance equity awards provided under the 2019 Maffei Employment Agreement.

2019 PFO Restricted Stock Unit Grant. In August 2019, Mr. Wendling received a grant of 1,067 LSXMK, 387 BATRK and 948 FWONK restricted stock units (the **2019 PFO RSUs**) in recognition of his assumption of the principal financial officer role and responsibilities at our company. One half of the 2019 PFO RSUs vested on December 10, 2019 and the remaining one half vest on December 10, 2020.

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. Wendling, Rosenthaler, Baer and Carleton in March 2019 and a pro-rated grant of annual performance RSUs to Ms. Wilm in November 2019. Our compensation committee granted to Messrs. Wendling, Rosenthaler, Baer and Carleton, 3,286, 7,501, 10,045 and 7,501 LSXMK performance-based RSUs, respectively, 1,171, 2,672, 3,578 and 2,672 BATRK performance-based RSUs, respectively, and 3,650, 8,331, 11,157 and 8,331 FWONK performance-based RSUs, respectively, on March 6, 2019 and 1,510 LSXMK performance-based RSUs, 609 BATRK performance-based RSUs and 1,369 FWONK performance-based RSUs to Ms. Wilm on November 13, 2019 (collectively, the **2019 Chief RSUs**). The 2019 Chief RSUs would vest only upon attainment of the performance objectives described below. However, in September 2019, Mr. Baer resigned from our company, and vesting of 75% of Mr. Baer's 2019 Chief RSUs was accelerated upon his departure.

Our compensation committee reviewed the financial performance of our company along with the personal performance of Messrs. Wendling, Rosenthaler and Carleton and Ms. Wilm. Our compensation committee also considered the recommendations from Mr. Maffei, who recommended that our committee vest 100% of the 2019 Chief RSUs previously granted to each of Messrs. Wendling, Rosenthaler and Carleton and Ms. Wilm 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 approved vesting of all of the 2019 Chief RSUs previously granted to Messrs. Wendling, Rosenthaler and Carleton and Ms. Wilm.

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, payment of legal expenses pertaining to his employment arrangement;
- 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 Ms. Wilm, relocation expenses;
- a deferred compensation plan; 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 is 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. During 2019, Mr. Maffei was entitled to 30 additional hours per year of personal flight time if he reimbursed 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. Pursuant to the 2019 Maffei Employment Agreement and a December 13, 2019 letter agreement between us and Mr. Maffei, Mr. Maffei became entitled to 120 hours of annual aircraft usage, subject to payment by Mr. Maffei of tax on the Standard Industry Fare Level (**SIFL**) value, plus 50 additional hours, subject to Mr. Maffei's payment for the cost of such usage. If Mr. Maffei's employment is terminated due to disability, for good reason or without cause, Mr. Maffei would be entitled to continued use of the company's aircraft for 12 months after termination of his employment. Mr. Maffei incurs taxable income, calculated in accordance with the 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. 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 the aggregate incremental cost to the company of the executives' personal flights by using a method that takes into account all operating costs related to such flights, including:

- landing and parking expenses;
- crew travel expenses;
- supplies and catering;
- aircraft fuel and oil expenses per hour of flight;
- aircraft maintenance and upkeep;
- 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, and purchase or lease costs of aircraft.

Pursuant to our aircraft time sharing agreements with Qurate Retail, Liberty TripAdvisor, Liberty Broadband 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 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 was responsible for reimbursing us for costs associated with his personal use of our corporate aircraft 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 salary and up to 100% of their cash performance bonus 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 2017, 2018 and 2019, the rate was 6.5%, 6.25% and 7.0%, 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 2020

2019 Maffei Employment Agreement. In December 2019, we entered into the 2019 Maffei Employment Agreement pursuant to which Mr. Maffei has agreed to serve as our Chief Executive Officer and President for a five year period beginning January 1, 2020 and ending December 31, 2024, with an annual base salary of \$3 million (with no contracted increase and allocated across our company and the Service Companies) and a one-time cash commitment bonus of \$5 million (allocated across our company and the Service Companies), an annual target cash performance bonus equal to \$17 million (which bonus will be split among, and paid directly by, our company and each of the Service Companies, with payment subject to the achievement of one or more performance metrics as determined by the applicable company's compensation committee). The 2019 Maffei Employment Agreement also provides Mr. Maffei with the opportunity to earn annual performance-based equity awards during the employment term. As mentioned above, Mr. Maffei received the 2019 New Maffei Term Options in connection with the approval of the 2019 Maffei Employment Agreement. For a description of the terms of this agreement and the related equity awards, please see “—Executive Compensation Arrangements—Gregory B. Maffei”.

When structuring the 2019 Maffei Employment Agreement, our compensation committee considered a number of factors including the amount and structure of CEO compensation packages provided by companies in our industry, companies of comparable size and complexity, and companies that may compete with our company for executive talent. The compensation committee also considered the strategic direction and goals of our company and considered how best to incent achievement of those objectives. To further align Mr. Maffei's interests with those of the other stockholders, the compensation committee structured a significant portion of the equity as performance-based equity with meaningful payout metrics determined annually. See “—Executive Compensation Arrangements—Gregory B. Maffei” for a description of the New Maffei Term Equity and performance equity awards provided under the 2019 Maffei Employment Agreement. This structure should provide flexibility to the compensation committee to incent achievement of strategic objectives that may change or evolve over the term of the agreement.

Deductibility of Executive Compensation

In developing the 2019 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 have 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 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.

Recoupment Provisions

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 in March 2016 that generally require our executive officers to own shares of our company's stock equal to at least three times 50% of the total base salary paid by Liberty Media to such executive officer. Our company's executive officers have a similar stock ownership requirement at Qurate Retail. Our executive officers generally have five years from the date of the policy, or five years from the date of their appointment to an executive officer role, to comply with these guidelines.

SUMMARY COMPENSATION TABLE

Name and Principal Position (as of 12/31/19)	Year	Salary (\$) ⁽¹⁾	Bonus (\$) ⁽²⁾	Stock Awards (\$) ⁽³⁾	Option Awards (\$) ⁽⁴⁾	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) ⁽⁵⁾	All Other Compensation (\$) ⁽⁶⁾⁽⁷⁾⁽⁸⁾	Total (\$)
John C. Malone Chairman of the Board	2019	2,925	—	—	—	—	205,494	1,240,689 ⁽⁹⁾	1,449,108
	2018	2,925	—	—	—	—	215,628	920,790 ⁽⁹⁾	1,139,343
	2017	1,677	—	—	—	—	224,672	570,733 ⁽⁹⁾	797,082
Gregory B. Maffei President and Chief Executive Officer	2019	1,167,798	2,200,000	3,564,833	27,800,742	8,434,116	380,320	497,261 ⁽¹⁰⁾⁽¹¹⁾	44,045,070
	2018	1,112,188	—	3,024,616	8,830,019	6,372,841	397,703	416,179 ⁽¹⁰⁾⁽¹¹⁾	20,153,546
	2017	1,059,227	—	1,711,501	10,247,980	6,066,373	401,887	325,295 ⁽¹⁰⁾⁽¹¹⁾	19,812,263
Brian J. Wendling⁽¹²⁾ Principal Financial Officer	2019	362,842	—	381,415	—	462,015	48,294	32,373 ⁽¹³⁾	1,286,939
	2018	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2017	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Albert E. Rosenthaler Chief Corporate Development Officer	2019	724,688	—	660,864	—	1,267,761	—	27,709	2,681,022
	2018	664,935	—	850,633	—	1,104,658	—	29,494 ⁽¹¹⁾⁽¹⁴⁾	2,649,720
	2017	553,666	—	885,819	561,640	953,229	—	19,673	2,974,027
Renee L. Wilm⁽¹⁵⁾ Chief Legal Officer	2019	242,308	—	146,653	2,155,738	315,975	—	53,828 ⁽¹⁶⁾	2,914,502
	2018	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2017	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Richard N. Baer⁽¹⁷⁾ Former Chief Legal Officer and Chief Administrative Officer	2019	567,872	—	885,010	—	—	—	22,444	1,475,326
	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
Mark D. Carleton⁽¹⁸⁾ Senior Advisor and Former Chief Financial Officer	2019	522,611	—	660,864	—	812,851	380,113	27,040 ⁽¹⁴⁾	2,403,479
	2018	683,153	—	850,633	—	1,071,183	331,289	33,677 ⁽¹¹⁾	2,969,935
	2017	669,758	—	885,819	—	1,016,186	304,384	33,227 ⁽¹¹⁾	2,909,374

- Represents only that portion of each named executive officer's salary (other than Mr. Maffei's) that was allocated to our company with respect to the years ended December 31, 2019, 2018 and 2017 under the Qurate Retail Services Agreement. For a description of the allocation of compensation between our company and Qurate Retail and Liberty Media's services agreement with each of Qurate Retail, Liberty TripAdvisor, Liberty Broadband, Liberty Expedia and GCI Liberty, see "—Compensation Discussion and Analysis—Services Agreements."
- Represents only that portion of Mr. Maffei's cash commitment bonus allocated to our company under the amended services agreements in connection with the 2019 Maffei Employment Agreement. For a description of the allocation of Mr. Maffei's compensation among the Service Companies, see "—Compensation Discussion and Analysis—Services Agreements."
- Reflects the grant date fair value of the RSUs granted to our named executive officers during 2019, 2018 and 2017. The table reflects the grant date fair value of the performance-based RSUs granted to each of Messrs. Maffei, Rosenthaler, Baer and Carleton in 2017, the performance-based RSUs granted to Messrs. Maffei, Rosenthaler, Baer and Carleton in 2018 and the 2019 Maffei RSUs, the 2019 Chief RSUs and the 2019 PFO RSUs. A maximum payout equal to 1.5 times the target number of 2019 Maffei RSUs or \$4.425 million of grant value was established. The maximum payout set for each of Messrs. Rosenthaler, Baer and Carleton was \$1.274 million, \$1.706 million and \$1.274 million, respectively, of grant value of 2019 Chief RSUs. Maximum payout values were not established for Mr. Wendling or Ms. Wilm given their respective mid-year promotion and hire. 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, 2019 (which are included in our 2019 Form 10-K).
- The grant date fair value of Mr. Maffei's 2019, 2018 and 2017 stock option awards, including the 2019 New Maffei Term Options, Mr. Rosenthaler's 2017 stock option award and Ms. Wilm's 2019 multi-year 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, 2019 (which are included in the 2019 Form 10-K).
- Reflects the above-market earnings credited during 2019, 2018 and 2017 to the deferred compensation accounts of each applicable named executive officer. See "—Compensation Discussion and Analysis—Elements of 2019 Executive Compensation—Deferred Compensation," "—Executive Compensation Arrangements—John C. Malone," and "—Nonqualified Deferred Compensation Plans" below.

- (6) 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 (\$)		
	2019	2018	2017
John C. Malone	4,635	4,635	2,657
Gregory B. Maffei	4,069	4,217	3,432
Brian J. Wendling	1,200	n/a	n/a
Albert E. Rosenthaler	5,869	3,579	3,040
Renee L. Wilm	414	n/a	n/a
Richard N. Baer	3,684	5,267	3,988
Mark D. Carleton	3,540	3,677	3,677

- (7) 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.
- (8) 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 2019, 2018 and 2017:

Name	Amounts (\$)		
	2019	2018	2017
John C. Malone	21,000	20,625	11,610
Gregory B. Maffei	23,240	23,650	18,900
Brian J. Wendling	22,680	n/a	n/a
Albert E. Rosenthaler	21,840	20,075	16,633
Renee L. Wilm	—	n/a	n/a
Richard N. Baer	18,760	19,250	14,310
Mark D. Carleton	21,000	20,625	20,250

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

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

	Amounts (\$)		
	2019	2018	2017
Reimbursement for personal legal, accounting and tax services	45,000	45,000	64,064
Compensation related to personal use of corporate aircraft ^(a)	550,242	204,974	165,655
Tax payments made on behalf of Mr. Malone	617,152	642,598	324,073

- (a) Calculated based on aggregate incremental cost of such usage to our company. Also includes miscellaneous personal expenses, such as courier charges.

- (10) Includes legal expenses paid on behalf of Mr. Maffei when negotiating the 2019 Maffei Employment Agreement and the following amounts which were allocated to our company under the Qurate Retail Services Agreement:

	Amounts (\$)		
	2019	2018	2017
Compensation related to personal use of corporate aircraft ^(a)	456,172	373,028	298,535

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

- (11) We own an apartment in New York City which is primarily used for business purposes. Messrs. Maffei, Rosenthaler and Carleton occasionally used this apartment for personal reasons during the years indicated above. From time to time, we reimbursed Mr. Carleton for his use of private housing while on New York City business trips prior to 2019, and we also pay the cost of miscellaneous shipping and catering expenses for Mr. Maffei.
- (12) Mr. Wendling was promoted to the Principal Financial Officer role at our company in July 2019, and the Chief Accounting Officer role at our company in January 2020, and is a named executive officer of our company for the first time. His compensation for 2018 and 2017 has been omitted in reliance upon the SEC's interpretive guidance.
- (13) Includes miscellaneous travel expenses and a gift, with 81% of such gift's cost being allocable to us pursuant to the Qurate Retail Services Agreement.
- (14) Includes \$2,500 in charitable contributions in 2019 and \$5,000 in charitable contributions in 2018 made on behalf of Messrs. Carleton and Rosenthaler, respectively, pursuant to our political action committee matching contribution program.
- (15) Ms. Wilm assumed the role of Chief Legal Officer of our company, effective September 23, 2019.
- (16) Includes \$53,414 in relocation expenses in 2019 paid on behalf of Ms. Wilm.
- (17) Mr. Baer resigned as Chief Legal Officer and Chief Administrative Officer of our company, effective September 23, 2019.
- (18) Mr. Carleton became a Senior Advisor of our company and was no longer Chief Financial Officer of our company, effective July 1, 2019.

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 \$104,982 for use of the aircraft by our company and Qurate Retail during the year ended December 31, 2019. 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 compensation arrangement with Mr. Maffei. The arrangement provided 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 provided 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 2014 Maffei Employment Agreement executed on December 29, 2014.

The arrangement provided that, in the event Mr. Maffei was terminated for cause (as defined in the 2014 Maffei Employment Agreement) he would be entitled to only his accrued base salary and any amounts due under applicable law. If Mr. Maffei was terminated by Liberty Media without cause or if Mr. Maffei terminated his employment for good reason (as defined in the 2014 Maffei Employment Agreement), he was 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 terminated his employment without good reason (as defined in the Maffei Employment Agreement), he would have been entitled to the Standard Entitlements and a payment of the Pro Rated Amount under the 2014 Maffei Employment Agreement. Lastly, in the case of Mr. Maffei's death or disability, he would have been 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 2014 Maffei Employment Agreement also contained 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. All of the Term Options had vested as of December 24, 2019. The Term Options have a term of seven years.

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 had been terminated for cause prior to December 31, 2019 (without a prior change in control occurring), then all vested Term Options would have expired on the 90th day following such termination. In all other events of termination or if Mr. Maffei had not been terminated prior to December 31, 2019, all vested Term Options will expire at the end of the term.

Annual Awards

Pursuant to the 2014 Maffei Employment Agreement, Mr. Maffei received 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 could elect the portions of his Annual Award that he desired 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 2019 Executive Compensation—Equity Incentive Compensation—Maffei Performance-based Equity Awards." Pursuant to the 2014 Maffei Employment Agreement, Mr. Maffei received 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, were 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 was 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, pursuant to the 2014 Maffei Employment Agreement, his unvested Annual Awards (including any dividend equivalents related to any unvested Annual RSUs) would 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 remained employed through the end of the relevant grant year but his termination occurred prior to the date as of which any performance criteria had been determined to have been met or not with respect to the Annual RSUs relating to such grant year, such Annual RSUs would remain outstanding until such determination date and would vest 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) would terminate at the expiration of the original term. If Mr. Maffei was terminated by our company for cause (without a prior change in control) prior to December 31, 2019, all vested Annual Options would terminate at the close of business on the 90th day following the termination. In all other events of termination or Mr. Maffei had not been terminated prior to December 31, 2019, all vested Annual Options would 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 is 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. During 2019, Mr. Maffei was entitled to 30 additional hours per year of personal flight time if he reimbursed 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. Pursuant to the 2019 Maffei Employment Agreement and a December 13, 2019 letter agreement between us and Mr. Maffei, Mr. Maffei became entitled to 120 hours of annual aircraft usage, subject to payment by Mr. Maffei of tax on the SIFL value, plus 50 additional hours, subject to Mr. Maffei's payment for the cost of such usage. If Mr. Maffei's employment is terminated due to disability, for good reason or without cause, Mr. Maffei would be entitled to continued use of the company's aircraft for 12 months after termination of his employment. Mr. Maffei incurs taxable income, calculated in accordance with the SIFL value, 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. Pursuant to our aircraft time sharing agreements with Qurate Retail, Liberty TripAdvisor, Liberty Broadband and GCI Liberty, 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 GCI Liberty 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.

December 2019 Employment Arrangement

Effective December 13, 2019, our compensation committee approved a new compensation arrangement with Mr. Maffei. The arrangement covers the terms of Mr. Maffei's employment during a five year employment term

beginning January 1, 2020 and ending December 31, 2024, with an annual base salary of \$3 million (with no contracted increase) and a one-time cash commitment bonus of \$5 million, an annual target cash performance bonus equal to \$17 million (with payment subject to the achievement of one or more performance metrics as determined by the applicable company's compensation committee), upfront equity awards and annual equity awards. Mr. Maffei's compensation arrangement was memorialized in the 2019 Maffei Employment Agreement, dated as of December 13, 2019.

The arrangement provides that, in the event Mr. Maffei is terminated for cause (as defined in the 2019 Maffei Employment Agreement), he will be entitled to only his accrued base salary, any unpaid expense reimbursements and any amounts due under applicable law, and he will forfeit any unvested portion of his Upfront Awards. If Mr. Maffei is terminated by Liberty Media without cause or if Mr. Maffei terminates his employment for good reason (as defined in the 2019 Maffei Employment Agreement), subject to the execution of releases by our company and Mr. Maffei in a form to be mutually agreed, he is entitled to (i) his accrued base salary, any accrued but unpaid bonus for the prior completed year, any unpaid expense reimbursements and any amounts due under applicable law (the **2019 Standard Entitlements**), (ii) a severance payment of two times his base salary during the year of his termination to be paid in equal installments over 24 months, (iii) fully vested shares with an aggregate grant date fair value of \$35 million consisting of shares of the applicable series of common stock from Liberty Media, Qurate Retail, GCI Liberty, Liberty TripAdvisor and Liberty Broadband, (iv) full vesting of his Upfront Awards (as defined below) (including the grant and full vesting of the 2020 tranche of the Upfront Awards if the termination occurs before they have been granted) and full vesting of the annual equity awards for the year in which the termination occurs (including the grant and full vesting of such annual equity awards if the termination occurs before they have been granted), (v) a lump sum cash payment of two times the average annual cash performance bonus paid for the two calendar years ending prior to the termination, but in no event less than two times his target annual cash performance bonus of \$17 million, with (subject to certain exceptions) up to 25% of such amount payable in shares of the applicable series of common stock from Liberty Media, Qurate Retail, GCI Liberty, Liberty TripAdvisor and Liberty Broadband, (vi) a lump sum cash payment equal to the greater of (x) \$17 million and (y) the annual cash performance bonus otherwise payable for the year of termination, in each case, prorated based on the number of days that have elapsed within the year of termination (including the date of termination), with (subject to certain exceptions) up to 25% of such amount payable in shares of the applicable series of common stock from Liberty Media, Qurate Retail, GCI Liberty, Liberty TripAdvisor and Liberty Broadband, and (vii) continued use for 12 months after such termination of the Services (collectively referred to as the **Severance Benefits**). If Mr. Maffei terminates his employment without good reason (as defined in the 2019 Maffei Employment Agreement), he will be entitled to the 2019 Standard Entitlements, pro rata vesting of the Upfront Awards (based on the number of days that have elapsed during the four-year vesting period), pro rata vesting of his annual equity awards for the year of termination (based on the elapsed number of days in the calendar year of termination) and a pro rata portion of \$17 million (based on the elapsed number of days in the calendar year of termination), with (subject to certain exceptions) up to 25% of such amount payable in shares of LSXMK, BTRK and FWONK and/or the common stock of other Service Companies. Any Performance RSUs for the year of termination that are unvested on the date of termination will remain outstanding until the performance criteria is determined and will vest pro rata (based upon the elapsed number of days in the calendar year of termination) to the extent determined by our compensation committee (at a level not less than 100% of the target award). Lastly, in the case of Mr. Maffei's death or disability, he will be entitled to the Severance Benefits. The 2019 Maffei Employment Agreement also contained other customary terms and conditions.

Maffei Term Equity Awards

In connection with the execution of the 2019 Maffei Employment Agreement, Mr. Maffei is entitled to receive term equity awards with an aggregate grant date fair value of \$90 million (the **Upfront Awards**) to be granted in two equal tranches. The first tranche consists of time-vested stock options from each of Liberty Media, Qurate Retail, Liberty Broadband and GCI Liberty and time-vested restricted stock units from Liberty TripAdvisor (collectively, the **2019 term awards**) that vest, in each case, on December 31, 2023 (except Liberty TripAdvisor's award of time-vested restricted stock units, which vests on December 15, 2023), subject to Mr. Maffei's continued employment, except as described below. Liberty Media's portion of the 2019 term awards, granted in December 2019, has an aggregate grant date fair value of \$19,800,000 and consists of stock options to purchase 927,334 LSXMK shares, 313,342 BTRK shares and 588,954 FWONK shares, with exercise prices of \$47.11, \$29.10 and \$43.85, respectively.

The second tranche of the Upfront Awards will be granted on or before December 15, 2020, subject to Mr. Maffei's continued employment on such date or the earlier occurrence of a termination of employment due to death, disability, by the issuing company without cause or by Mr. Maffei for good reason, and will consist of time-vested stock

options from each of Liberty Media, Qurate Retail, Liberty Broadband and GCI Liberty and time-vested restricted stock units from Liberty TripAdvisor (collectively, the **2020 term awards**). The 2020 term awards will vest, in each case, on December 31, 2024, subject to Mr. Maffei's continued employment (except Liberty TripAdvisor's award of time-vested restricted stock units, which vests on the fourth anniversary of its grant date), except as described below. The portion of the 2020 term awards to be granted by Liberty Media is expected to consist of stock options to purchase shares of LSXMK, BTRK and FWONK.

Annual Awards

The aggregate grant date fair value of Mr. Maffei's annual equity awards will be \$17.5 million for each year during the term of the 2019 Maffei Employment Agreement and will be comprised of awards of time-vested stock options (the **Annual Option Awards**), performance-based restricted stock units (**Performance RSUs**) or a combination of award types, at Mr. Maffei's election, allocable across Liberty Media and each of the Service Companies (collectively, the **annual equity awards**). Vesting of any Performance RSUs will be subject to the achievement of one or more performance metrics to be approved by our compensation committee and the compensation committee of the applicable Service Company with respect to its respective allocable portion of the Performance RSUs. At Liberty Media, Mr. Maffei's annual equity awards will be issued with respect to LSXMK, BTRK and FWONK.

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 provided for a four year employment term beginning January 1, 2017 and ending December 31, 2020 during which Mr. Baer would continue to serve as Chief Legal Officer of our company, Qurate Retail, GCI Liberty, Liberty Broadband and Liberty TripAdvisor. The 2016 Baer Employment Agreement memorialized Mr. Baer's 2016 annual base salary of \$901,500 and provided 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 remained 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.

In June 2019, after considering the recommendation of Mr. Maffei with respect to Mr. Baer's compensation package, our compensation committee approved a new compensation arrangement for Mr. Baer that established his compensation for a four-year employment term as Chief Legal Officer and Chief Administrative Officer of our company beginning July 1, 2019. Mr. Baer resigned from our company in September 2019 and, other than receiving an increased base salary of \$1.5 million from July 1, 2019 through his departure date, the terms of his new compensation arrangement became inapplicable upon his resignation. In connection with his resignation, Mr. Baer received his 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.

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 were equal to the closing price of LSXMK, BTRK and FWONK on June 1, 2016, the grant date for these options. The 2016 Term Options were forfeited upon Mr. Baer's departure from our company.

Annual Performance-Based Awards

Beginning in 2017, Mr. Baer was 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 was \$1.875 million. The compensation committee

established performance metrics with respect to each grant of Performance RSUs that determined, in the compensation committee's sole discretion, the extent to which such grant will vest. In September 2019, Mr. Baer resigned from our company, and vesting of 75% of Mr. Baer's 2019 Chief RSUs was accelerated upon his departure.

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**).

As of December 31, 2019, 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 2019 the rate was 7.0%.

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, 2019, 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, 2019, which consisted of employees located in the U.S., the Dominican Republic 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 2019, 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 2019. 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 2019, 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	\$44,045,070
Median Employee Total Annual Compensation	\$ 93,055
Ratio of Chief Executive Officer to Median Employee Total Annual Compensation	473:1

In connection with the execution of the 2019 Maffei Employment Agreement, Mr. Maffei received the 2019 New Maffei Term Options. Liberty Media's portion of the 2019 New Maffei Term Options, granted in December 2019, had an aggregate grant date fair value of \$20,030,446. Given that this grant was made outside of our normal, annual compensation practices, we have also included a ratio that eliminates from the total compensation the grant date fair value of Liberty Media's portion of the 2019 New Maffei Term Options:

Chief Executive Officer Total Annual Compensation (without 2019 New Maffei Term Options)	\$24,014,624
Median Employee Total Annual Compensation	\$ 93,055
Ratio of Chief Executive Officer to Median Employee Total Annual Compensation	258:1

GRANTS OF PLAN-BASED AWARDS

The following table contains information regarding plan-based incentive awards granted during the year ended December 31, 2019 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												
	03/06/2019 ⁽⁵⁾		—	—	9,846,359	—	—	—	—	—	—	—
LSXMK	03/06/2019		—	—	—	—	—	—	—	396,283 ⁽⁶⁾	40.53	4,440,949
LSXMK	03/06/2019		—	—	—	—	—	—	—	94,913 ⁽⁷⁾	40.53	1,063,643
BATRK	03/06/2019		—	—	—	—	—	—	—	6,908 ⁽⁷⁾	27.73	52,629
BATRK	03/06/2019 ⁽⁸⁾		—	—	—	—	38,168	—	—	—	—	1,058,399
BATRK	03/06/2019		—	—	—	—	—	—	1,842 ⁽⁹⁾	—	—	51,079
FWONK	03/06/2019		—	—	—	—	—	—	—	205,149 ⁽⁶⁾	33.94	2,009,365
FWONK	03/06/2019		—	—	—	—	—	—	—	20,798 ⁽⁷⁾	33.94	203,709
FWONK	03/06/2019 ⁽⁸⁾		—	—	—	—	59,505	—	—	—	—	2,019,600
FWONK	03/06/2019		—	—	—	—	—	—	12,839 ⁽⁹⁾	—	—	435,756
LSXMK	12/15/2019	12/14/2019 ⁽¹⁰⁾	—	—	—	—	—	—	—	927,334 ⁽¹¹⁾	47.11	10,428,687
BATRK	12/15/2019	12/14/2019 ⁽¹⁰⁾	—	—	—	—	—	—	—	313,342 ⁽¹¹⁾	29.10	2,303,023
FWONK	12/15/2019	12/14/2019 ⁽¹⁰⁾	—	—	—	—	—	—	—	588,954 ⁽¹¹⁾	43.85	7,298,736
Brian J. Wendling												
	03/06/2019 ⁽⁵⁾		—	—	551,032	—	—	—	—	—	—	—
LSXMK	03/06/2019 ⁽⁸⁾		—	—	—	—	3,286	—	—	—	—	133,182
BATRK	03/06/2019 ⁽⁸⁾		—	—	—	—	1,171	—	—	—	—	32,472
FWONK	03/06/2019 ⁽⁸⁾		—	—	—	—	3,650	—	—	—	—	123,881
LSXMK	08/15/2019	08/13/2019 ⁽¹²⁾	—	—	—	—	—	—	1,067 ⁽¹³⁾	—	—	42,733
BATRK	08/15/2019	08/13/2019 ⁽¹²⁾	—	—	—	—	—	—	387 ⁽¹³⁾	—	—	10,762
FWONK	08/15/2019	08/13/2019 ⁽¹²⁾	—	—	—	—	—	—	948 ⁽¹³⁾	—	—	38,385
Albert E. Rosenthaler												
	03/06/2019 ⁽⁵⁾		—	—	1,510,985	—	—	—	—	—	—	—
LSXMK	03/06/2019 ⁽⁸⁾		—	—	—	—	7,501	—	—	—	—	304,016
BATRK	03/06/2019 ⁽⁸⁾		—	—	—	—	2,672	—	—	—	—	74,095
FWONK	03/06/2019 ⁽⁸⁾		—	—	—	—	8,331	—	—	—	—	282,754
Renee L. Wilm												
	09/22/2019 ⁽⁵⁾		—	—	361,114	—	—	—	—	—	—	—
LSXMK	11/13/2019	10/31/2019 ⁽¹⁴⁾	—	—	—	—	—	—	—	88,939 ⁽¹⁵⁾	46.98	1,000,454
LSXMK	11/13/2019	10/31/2019 ⁽⁸⁾	—	—	—	—	1,510	—	—	—	—	70,940
BATRK	11/13/2019	10/31/2019 ⁽¹⁴⁾	—	—	—	—	—	—	—	34,709 ⁽¹⁵⁾	27.73	243,845
BATRK	11/13/2019	10/31/2019 ⁽⁸⁾	—	—	—	—	609	—	—	—	—	16,888
FWONK	11/13/2019	10/31/2019 ⁽¹⁴⁾	—	—	—	—	—	—	—	74,859 ⁽¹⁵⁾	42.97	911,439
FWONK	11/13/2019	10/31/2019 ⁽⁸⁾	—	—	—	—	1,369	—	—	—	—	58,826
Richard N. Baer												
	03/06/2019 ⁽⁵⁾		—	—	1,427,365	—	—	—	—	—	—	—
LSXMK	03/06/2019 ⁽⁸⁾		—	—	—	—	10,045	—	—	—	—	407,124
BATRK	03/06/2019 ⁽⁸⁾		—	—	—	—	3,578	—	—	—	—	99,218
FWONK	03/06/2019 ⁽⁸⁾		—	—	—	—	11,157	—	—	—	—	378,669
Mark D. Carleton												
	03/06/2019 ⁽⁵⁾		—	—	1,108,153	—	—	—	—	—	—	—
LSXMK	03/06/2019 ⁽⁸⁾		—	—	—	—	7,501	—	—	—	—	304,016
BATRK	03/06/2019 ⁽⁸⁾		—	—	—	—	2,672	—	—	—	—	74,095
FWONK	03/06/2019 ⁽⁸⁾		—	—	—	—	8,331	—	—	—	—	282,754

(1) Our 2019 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 2019

performance-based bonus program. For the actual bonuses paid by our company see the amounts included for 2019 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, with respect to Messrs. Maffei, Rosenthaler, Baer and Carleton only, that the Bonus Threshold was met and that the Cash Bonus Pool was fully funded in order to permit his maximum bonus amount to have been payable. For more information on this performance bonus program, see “—Compensation Discussion and Analysis—Elements of 2019 Executive Compensation—2019 Performance-based Bonuses.”
- (3) The terms of the 2019 Maffei RSUs and the 2019 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) with respect to Mr. Maffei only, maximum achievement of the Maffei RSU 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 2019 or, in the case of Ms. Wilm, October 2019. For the actual 2019 Maffei RSUs and 2019 Chief RSUs that vested see “—Compensation Discussion and Analysis—Elements of 2019 Executive Compensation—Equity Incentive Compensation—Maffei Performance-based Equity Awards” and “—Compensation Discussion and Analysis—Elements of 2019 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 2019 Maffei RSUs—equal to 1.5 times the target number of 2019 Maffei RSUs or \$4.425 million of grant value and (ii) certain of the 2019 Chief RSUs—equal to \$1.706 million for Mr. Baer and \$1.274 million for each of Messrs. Rosenthaler and Carleton of grant value of the 2019 Chief RSUs. Maximum payout values were not established for Mr. Wendling or Ms. Wilm given their respective mid-year promotion and hire. 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 2020, and would vest immediately after grant. For more information on the target equity award, see “—Compensation Discussion and Analysis—Elements of 2019 Executive Compensation—Equity Incentive Compensation—Maffei Performance-based Equity Awards” and “—Compensation Discussion and Analysis—Elements of 2019 Executive Compensation—Equity Incentive Compensation—Annual Performance Awards” above.
- (5) Reflects the date on which our compensation committee established the terms of the 2019 performance-based bonus program, and in the case of Ms. Wilm, established her participation in the 2019 performance-based bonus program, as described under “—Compensation Discussion and Analysis—Elements of 2019 Executive Compensation—2019 Performance-based Bonuses.”
- (6) Vested in full on December 31, 2019.
- (7) Vested in full on March 6, 2019.
- (8) Reflects the date on which our compensation committee established the terms of the 2019 Maffei RSUs and the 2019 Chief RSUs as described under “—Compensation Discussion and Analysis—Elements of 2019 Executive Compensation—Equity Incentive Compensation—Maffei Performance-based Equity Awards” and “—Compensation Discussion and Analysis—Elements of 2019 Executive Compensation—Equity Incentive Compensation—Annual Performance Awards” above.
- (9) Vested in full on March 11, 2019.
- (10) Reflects the date on which our compensation committee established the terms of the 2019 New Maffei Term Options.
- (11) Vests in full on December 31, 2023.
- (12) Reflects the date on which our compensation committee established the terms of the 2019 PFO RSUs.
- (13) Vested 50% on December 10, 2019 and vests 50% on December 10, 2020.
- (14) Reflects the date on which our compensation committee established the terms of Ms. Wilm’s 2019 multi-year stock option award, as described under “—Compensation Discussion and Analysis—Elements of 2019 Executive Compensation—Equity Incentive Compensation.”
- (15) Vests 50% on September 23, 2022 and 50% on September 23, 2023.

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, 2019 and held by the named executive officers (with the exception of John C. Malone and Richard N. Baer, who had no outstanding equity awards as of December 31, 2019).

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>									
LSXMK	3,337,193	—	—	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	897,694	—	—	36.78	05/11/2024	—	—	—	—
LSXMK	22,465	—	—	36.78	05/11/2024	—	—	—	—
LSXMK	632,752	—	—	42.50	03/05/2025	—	—	—	—
LSXMK	94,913	—	—	40.53	03/06/2026	—	—	—	—
LSXMK	396,283	—	—	40.53	03/06/2026	—	—	—	—
LSXMK	—	927,334 ⁽¹⁾	—	47.11	12/15/2026	—	—	—	—
BATRK	333,910	—	—	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	133,594	—	—	23.51	03/30/2024	—	—	—	—
BATRK	15,283	—	—	23.51	03/30/2024	—	—	—	—
BATRK	46,052	—	—	23.34	03/05/2025	—	—	—	—
BATRK	6,908	—	—	27.73	03/06/2026	—	—	—	—
BATRK	—	313,342 ⁽¹⁾	—	29.10	12/15/2026	—	—	—	—
FWONK	834,316	—	—	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	—	—	—	—
FWONK	20,798	—	—	33.94	03/06/2026	—	—	—	—
FWONK	205,149	—	—	33.94	03/06/2026	—	—	—	—
FWONK	—	588,954 ⁽¹⁾	—	43.85	12/15/2026	—	—	—	—
<i>RSU Awards</i>									
BATRK	—	—	—	—	—	—	—	38,168 ⁽²⁾	1,127,483
FWONK	—	—	—	—	—	—	—	59,505 ⁽²⁾	2,735,445
Brian J. Wendling									
<i>Option Awards</i>									
LSXMK	45,818	—	—	30.51	05/12/2022	—	—	—	—
LSXMK	39,918	39,920 ⁽³⁾	—	30.51	05/12/2023	—	—	—	—
BATRK	4,655	—	—	17.62	05/12/2022	—	—	—	—
BATRK	4,055	4,056 ⁽³⁾	—	17.62	05/12/2023	—	—	—	—
FWONK	11,631	—	—	17.61	05/12/2022	—	—	—	—
FWONK	10,133	10,134 ⁽³⁾	—	17.61	05/12/2023	—	—	—	—
<i>RSU Awards</i>									
LSXMK	—	—	—	—	—	—	—	3,286 ⁽²⁾	158,188
LSXMK	—	—	—	—	—	534 ⁽⁴⁾	25,707	—	—
BATRK	—	—	—	—	—	—	—	1,171 ⁽²⁾	34,591
BATRK	—	—	—	—	—	194 ⁽⁴⁾	5,731	—	—
FWONK	—	—	—	—	—	—	—	3,650 ⁽²⁾	167,791
FWONK	—	—	—	—	—	474 ⁽⁴⁾	21,790	—	—

EXECUTIVE COMPENSATION

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 Unearned 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 (\$)
Albert E. Rosenthaler									
<i>Option Awards</i>									
LSXMK	96,887	96,887 ⁽³⁾	—	32.63	03/04/2023	—	—	—	—
LSXMK	39,384	—	—	39.21	03/20/2024	—	—	—	—
BATRK	11,816	—	—	18.84	03/04/2022	—	—	—	—
BATRK	9,632	9,632 ⁽³⁾	—	18.84	03/04/2023	—	—	—	—
BATRK	5,031	—	—	22.96	03/20/2024	—	—	—	—
FWONK	24,067	24,067 ⁽³⁾	—	18.83	03/04/2023	—	—	—	—
FWONK	19,331	—	—	33.85	03/20/2024	—	—	—	—
<i>RSU Awards</i>									
LSXMK	—	—	—	—	—	—	—	7,501 ⁽²⁾	361,098
BATRK	—	—	—	—	—	—	—	2,672 ⁽²⁾	78,931
FWONK	—	—	—	—	—	—	—	8,331 ⁽²⁾	382,976
Renee L. Wilm									
<i>Option Awards</i>									
LSXMK	—	88,939 ⁽⁵⁾	—	46.98	11/13/2026	—	—	—	—
BATRK	—	34,709 ⁽⁵⁾	—	27.73	11/13/2026	—	—	—	—
FWONK	—	74,859 ⁽⁵⁾	—	42.97	11/13/2026	—	—	—	—
<i>RSU Awards</i>									
LSXMK	—	—	—	—	—	—	—	1,510 ⁽²⁾	72,691
BATRK	—	—	—	—	—	—	—	609 ⁽²⁾	17,990
FWONK	—	—	—	—	—	—	—	1,369 ⁽²⁾	62,933
Mark D. Carleton									
<i>Option Awards</i>									
LSXMK	118,858	—	—	32.63	03/04/2022	—	—	—	—
LSXMK	96,887	96,887 ⁽³⁾	—	32.63	03/04/2023	—	—	—	—
BATRK	11,816	—	—	18.84	03/04/2022	—	—	—	—
BATRK	9,632	9,632 ⁽³⁾	—	18.84	03/04/2023	—	—	—	—
FWONK	19,524	—	—	18.83	03/04/2022	—	—	—	—
FWONK	24,067	24,067 ⁽³⁾	—	18.83	03/04/2023	—	—	—	—
<i>RSU Awards</i>									
LSXMK	—	—	—	—	—	—	—	7,501 ⁽²⁾	361,098
BATRK	—	—	—	—	—	—	—	2,672 ⁽²⁾	78,931
FWONK	—	—	—	—	—	—	—	8,331 ⁽²⁾	382,976

(1) Vests in full on December 31, 2023.

(2) Represents the target number of 2019 Maffei RSUs that Mr. Maffei could earn and the target number of 2019 Chief RSUs that each of Messrs. Wendling, Rosenthaler and Carleton and Ms. Wilm could earn based on performance in 2019.

(3) Vests on December 31, 2020.

(4) Vests on December 10, 2020.

(5) Vests 50% on September 23, 2022 and 50% on September 23, 2023.

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 and Ms. Wilm, who had no exercises of vested options or vesting of RSUs), in each case, during the year ended December 31, 2019.

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	1,165,787	33,213,272	—	—
LSXMK	2,374,526	67,935,189	—	—
BATRA	116,599	1,961,195	—	—
BATRK	237,549	4,012,203	14,121	392,294
FWONA	291,362	9,029,308	—	—
FWONK	593,545	20,127,111	98,429	3,326,172
Brian J. Wendling				
LSXMA	—	—	—	—
LSXMK	26,439	609,419	5,895	242,527
BATRA	3,262	58,683	—	—
BATRK	6,646	120,492	986	27,533
FWONA	—	—	—	—
FWONK	—	—	4,421	155,196
Albert E. Rosenthaler				
LSXMA	—	—	—	—
LSXMK	118,858	1,848,633	12,239	496,047
BATRA	3,328	55,977	—	—
BATRK	6,780	115,124	1,810	50,191
FWONA	—	—	—	—
FWONK	—	—	9,010	305,799
Richard N. Baer				
LSXMA	—	—	—	—
LSXMK	—	—	23,925	982,337
BATRA	—	—	—	—
BATRK	—	—	5,108	141,591
FWONA	—	—	—	—
FWONK	—	—	20,434	752,692
Mark D. Carleton				
LSXMA	—	—	—	—
LSXMK	39,000	849,810	12,239	496,047
BATRA	7,327	122,654	—	—
BATRK	14,927	253,162	1,810	50,191
FWONA	18,309	512,469	—	—
FWONK	—	—	9,010	305,799

(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, 2019. Messrs. Maffei, Wendling 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 2019, Messrs. Rosenthaler and Baer and Ms. Wilm did not participate in any deferred compensation arrangements.

Name	Executive contributions in 2019 (\$)	Registrant contributions in 2019 (\$)	Aggregate earnings in 2019 (\$) ⁽¹⁾	Aggregate withdrawals/distributions (\$)	Aggregate balance at 12/31/19 (\$) ⁽¹⁾⁽²⁾
John C. Malone	—	—	2,151,679	3,082,818	16,658,231
Gregory B. Maffei	—	—	657,800	—	7,724,588
Brian J. Wendling	563,146	—	102,193	—	1,977,053
Albert E. Rosenthaler	—	—	—	—	—
Renee L. Wilm	—	—	—	—	—
Richard N. Baer	—	—	—	—	—
Mark D. Carleton	1,142,157	—	749,692	—	11,088,331

- (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 2019:

Name	Amount (\$)
John C. Malone	205,494
Gregory B. Maffei	380,320
Brian J. Wendling	48,294
Albert E. Rosenthaler	—
Renee L. Wilm	—
Richard N. Baer	—
Mark D. Carleton	380,113

- (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 (\$)	
	2018	2017
John C. Malone	215,628	224,672
Gregory B. Maffei	397,703	401,887
Brian J. Wendling	n/a	n/a
Albert E. Rosenthaler	—	—
Renee L. Wilm	n/a	n/a
Richard N. Baer	—	—
Mark D. Carleton	331,289	304,384

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

The following table sets forth the potential payments to our named executive officers, other than Mr. Baer, if their employment with Liberty Media had terminated or a change in control had occurred, in each case, as of December 31, 2019, 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 following discussion does not give effect to the provisions of the 2019 Maffei Employment Agreement that are not applicable until January 1, 2020.

The amounts provided in the tables are based on the closing market prices on December 31, 2019 for our LSXMK common stock, which was \$48.14, our BTRK common stock, which was \$29.54, and our FWONK common stock, which was \$45.97. 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. The value of the RSUs shown in the table is based on the applicable closing market price and the number of unvested RSUs.

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 and Maffei 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 minimis 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 or her 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 or her employment with our company for any reason, each named executive officer (other than Mr. Malone) would typically only have a right to the equity grants that vested prior to his or her termination date. However, if Mr. Maffei had voluntarily terminated his employment for any reason as of December 31, 2019, his 2019 Maffei RSUs would have remained outstanding until any performance criteria had been determined to have been met or not and would have vested to the extent determined by the compensation committee. Additionally, vesting of 75% of Mr. Baer’s 2019 Chief RSUs was accelerated following his departure from our company in September 2019, and the value realized upon such vesting is reflected in “—Option Exercises and Stock Vested” above. Beginning in 2020, Mr. Maffei may also become entitled to certain other severance benefits in connection with a voluntary resignation of his employment from our company without good reason. See “—Executive Compensation Arrangements—Gregory B. Maffei—December 2019 Employment Arrangement” above. Mr. Wendling, Mr. Rosenthaler, Ms. Wilm and Mr. Carleton are not entitled to any severance payments or other benefits upon a voluntary termination of their employment. The foregoing discussion assumes that the named executive officers voluntarily terminated his or her 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 had been terminated for cause as of December 31, 2019, his 2019 Maffei RSUs would have remained outstanding until any performance criteria had been determined to have been met or not and would have vested 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 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, 2019, Mr. Maffei’s unvested equity awards consisted of the 2019 New Maffei Term Options and the 2019 Maffei RSUs. The 2019 New Maffei Term Options would have been forfeited upon a termination of his employment without cause or for good reason as of December 31, 2019. If Mr. Maffei’s employment had been terminated without cause or he had terminated it for good reason as of December 31, 2019, his 2019 Maffei RSUs would have remained outstanding until any performance criteria had been determined to have been met or not and would have 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, 2019, Mr. Wendling’s only unvested equity awards were a portion of the multi-year stock option awards granted to him on May 12, 2015, a portion of the 2019 PFO RSUs and his 2019 Chief RSUs, and Mr. Rosenthaler’s and Mr. Carleton’s only unvested equity awards were a portion of the multi-year stock option awards granted to them on March 4, 2015 and their 2019 Chief RSUs. Ms. Wilm’s only unvested equity awards as of December 31, 2019 were her 2019 multi-year stock option award and her 2019 Chief RSUs. Mr. Wendling’s unvested 2019 PFO RSUs would have been forfeited upon a termination of employment without cause. The multi-year stock option awards granted to Mr. Wendling in May 2015, Messrs. Rosenthaler and Carleton in March 2015 and to Ms. Wilm in November 2019 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 2019 Chief RSUs held by these officers would have remained outstanding until any performance criteria had been determined to have been met or not and would have vested to the extent determined by the compensation committee if these officers had been terminated without cause as of December 31, 2019. 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 as of December 31, 2019, the existing incentive plans and applicable award agreements would have provided for vesting in full of any outstanding options and the lapse of restrictions on any RSU awards, except that if Mr. Maffei’s employment had been terminated due to death on December 31, 2019, his 2019 Maffei RSUs would have remained 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 and Mr. Maffei 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 had been terminated due to disability as of December 31, 2019, which is defined in the existing incentive plans or applicable award agreements, such plans or agreements would have provided for vesting in full of any outstanding options and the lapse of restrictions on any RSU awards, except that if Mr. Maffei's employment had been terminated due to disability on December 31, 2019, his 2019 Maffei RSUs would have remained outstanding until any performance criteria had been determined to have been met or not and would have become vested to the extent determined by the compensation committee. Each of Mr. Malone and Mr. Maffei 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 (other than the 2019 New Maffei Term 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. For purposes of the tabular presentation below, we have assumed that our named executive officers' existing unvested equity awards (other than the 2019 New Maffei Term Options) 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⁾	17,844,323	17,844,323	17,844,323	17,844,323	17,844,323	17,844,323
1993 Deferred Compensation Arrangement ⁽³⁾	2,189,288	2,189,288	2,189,288	1,552,530	2,189,288	2,189,288
1982 Deferred Compensation Arrangement ⁽³⁾	25,812,974	25,812,974	25,812,974	15,105,701	25,812,974	25,812,974
Options	—	—	—	—	—	—
RSUs	—	—	—	—	—	—
Total	45,866,085	45,846,585	45,866,085	34,502,554	45,866,085	45,866,085
Gregory B. Maffei						
Severance	11,750,000 ⁽⁴⁾	—	31,001,697 ⁽⁵⁾	31,001,697 ⁽⁵⁾	31,001,697 ⁽⁵⁾	—
Deferred Compensation	7,724,588 ⁽⁶⁾	7,724,588 ⁽⁶⁾	7,724,588 ⁽⁶⁾	7,724,588 ⁽⁶⁾	7,724,588 ⁽⁶⁾	7,724,588 ⁽⁷⁾
Options	150,780,538 ⁽⁸⁾	150,780,538 ⁽⁸⁾	150,780,538 ⁽⁹⁾	153,122,145 ⁽¹⁰⁾	153,122,145 ⁽¹⁰⁾	150,780,538 ⁽¹¹⁾
RSUs	3,862,928 ⁽⁸⁾	3,862,928 ⁽⁸⁾	3,862,928 ⁽⁹⁾	3,862,928 ⁽¹⁰⁾	3,862,928 ⁽¹⁰⁾	3,862,928 ⁽¹¹⁾
Perquisites ⁽¹²⁾	—	—	545,356	—	545,356	—
Total	174,118,054	162,368,054	193,915,107	195,711,358	196,256,714	162,368,054
Brian J. Wendling						
Deferred Compensation	1,977,053 ⁽⁶⁾	1,977,053 ⁽⁶⁾	1,977,053 ⁽⁶⁾	1,977,053 ⁽⁶⁾	1,977,053 ⁽⁶⁾	1,977,053 ⁽⁷⁾
Options	2,232,576 ⁽⁸⁾	— ⁽¹³⁾	3,272,113 ⁽¹⁴⁾	3,272,113 ⁽¹⁰⁾	3,272,113 ⁽¹⁰⁾	3,272,113 ⁽¹⁰⁾
RSUs	— ⁽⁸⁾	— ⁽¹³⁾	360,570 ⁽¹⁴⁾	413,797 ⁽¹⁰⁾	413,797 ⁽¹⁰⁾	413,797 ⁽¹⁰⁾
Total	4,209,629	1,977,053	5,609,736	5,662,963	5,662,963	5,662,963
Albert E. Rosenthaler						
Options	3,004,484 ⁽⁸⁾	— ⁽¹³⁾	5,263,442 ⁽¹⁴⁾	5,263,442 ⁽¹⁰⁾	5,263,442 ⁽¹⁰⁾	5,263,442 ⁽¹⁰⁾
RSUs	— ⁽⁸⁾	— ⁽¹³⁾	823,005 ⁽¹⁴⁾	823,005 ⁽¹⁰⁾	823,005 ⁽¹⁰⁾	823,005 ⁽¹⁰⁾
Total	3,004,484	—	6,086,447	6,086,447	6,086,447	6,086,447
Renee L. Wilm						
Options	— ⁽⁸⁾	— ⁽¹³⁾	134,379 ⁽¹⁴⁾	390,570 ⁽¹⁰⁾	390,570 ⁽¹⁰⁾	390,570 ⁽¹⁰⁾
RSUs	— ⁽⁸⁾	— ⁽¹³⁾	153,614 ⁽¹⁴⁾	153,614 ⁽¹⁰⁾	153,614 ⁽¹⁰⁾	153,614 ⁽¹⁰⁾
Total	—	—	287,993	544,184	544,184	544,184
Mark D. Carleton						
Deferred Compensation	11,088,331 ⁽⁶⁾	11,088,331 ⁽⁶⁾	11,088,331 ⁽⁶⁾	11,088,331 ⁽⁶⁾	11,088,331 ⁽⁶⁾	11,088,331 ⁽⁷⁾
Options	4,758,758 ⁽⁸⁾	— ⁽¹³⁾	7,017,716 ⁽¹⁴⁾	7,017,716 ⁽¹⁰⁾	7,017,716 ⁽¹⁰⁾	7,017,716 ⁽¹⁰⁾
RSUs	— ⁽⁸⁾	— ⁽¹³⁾	823,005 ⁽¹⁴⁾	823,005 ⁽¹⁰⁾	823,005 ⁽¹⁰⁾	823,005 ⁽¹⁰⁾
Total	15,847,089	11,088,331	18,929,053	18,929,053	18,929,053	18,929,053

- (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, 2019, 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 amended Qurate Retail 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, 2019. 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, 2019. 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, 2019, 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 2014 Maffei Employment Agreement) as of December 31, 2019, 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, 2019 by Liberty Media without cause or by Mr. Maffei for good reason (as defined in the 2014 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, 2019, he would have been entitled to receive a payment of 1.5 times his 2019 base salary payable in 18 equal monthly installments. Mr. Maffei would have also been 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 have been 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 Messrs. Maffei, Wendling or Carleton upon a termination of employment. However, Messrs. Maffei, Wendling and 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 Messrs. Maffei, Wendling and 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, 2019. Also, if Mr. Maffei’s employment had been terminated without good reason or for cause as of December 31, 2019, he would have forfeited his 2019 New Maffei Term Options and his 2019 Maffei RSUs would have remained outstanding until any performance criteria had been determined to have been met or not and would have vested to the extent determined by the compensation committee. For a description of the 2019 Maffei RSUs that vested see “—Compensation Discussion and Analysis—Elements of 2019 Executive Compensation—Equity Incentive Compensation—Maffei Performance-based Equity Awards” above. Each of Messrs. Wendling, Rosenthaler and Carleton and Ms. Wilm would have forfeited his or her 2019 Chief RSUs, and Mr. Wendling would have forfeited his 2019 PFO RSUs, if his or her employment had been terminated without good reason as of December 31, 2019. For more information, see the “Outstanding Equity Awards at Fiscal Year-End” table, “—Executive Compensation Arrangements—Gregory B. Maffei”.
- (9) Based on the number of vested options held by Mr. Maffei at December 31, 2019. If Mr. Maffei’s employment had been terminated by our company without cause or by him for good reason as of December 31, 2019, he would have forfeited the 2019 New Maffei Term Options and his 2019 Maffei RSUs would have remained 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. For a description of the 2019 Maffei RSUs that vested see “—Compensation Discussion and Analysis—Elements of 2019 Executive Compensation—Equity Incentive Compensation—Maffei Performance-based Equity Awards” above.
- (10) Based on the number of options, whether unvested or vested but not yet exercised, and unvested RSUs held by the named executive officer as of December 31, 2019. Also, if Mr. Maffei’s employment terminated due to death or disability as of December 31, 2019, his 2019 Maffei RSUs would have remained outstanding until any performance criteria had been determined to have been met or not and would have vested to the extent determined by the compensation committee. For a description of the 2019 Maffei RSUs that vested see “—Compensation Discussion and Analysis—Elements of 2019 Executive Compensation—Equity Incentive Compensation—Maffei Performance-based Equity Awards” above. Upon a change in control, we have assumed for purposes of the tabular presentation above that the other named executive officers’ 2019 Chief RSUs, the 2019 PFO RSUs and the multi-year stock option awards granted to Mr. Wendling in May 2015, Messrs. Rosenthaler and Carleton in March 2015 and to Ms. Wilm in November 2019 would have vested in full. For more information, see the “Outstanding Equity Awards at Fiscal Year-End” table above.
- (11) Based on the number of vested options and unvested RSUs held by Mr. Maffei as of December 31, 2019. Upon a change in control, we have assumed for purposes of the tabular presentation above that Mr. Maffei’s 2019 Maffei RSUs would have vested in full. For more information, see the “Outstanding Equity Awards at Fiscal Year-End” table above.
- (12) 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, 2019, 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 \$545,356 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, 19% of such perquisite expense would have been allocable to Qurate Retail.
- (13) If the named executive officer was terminated for “cause” as of December 31, 2019, all of his or her outstanding option and RSU grants would have been forfeited.
- (14) Based on (i) the number of vested options held by such named executive officer at December 31, 2019, (ii) the number of unvested options held by each named executive officer at December 31, 2019 that would have vested pursuant to the forward-vesting provisions in such named executive officer’s award agreements if he or she were terminated without cause as of December 31, 2019 and (iii) the number of 2019 Chief RSUs held by Messrs. Wendling, Rosenthaler and Carleton and Ms. Wilm which would have remained outstanding until any performance criteria had been determined to have been met or not and would have vested to the extent determined by the compensation committee. The unvested 2019 PFO RSUs would have been forfeited. See “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 2020 of \$227,000 (which, in 2019, was \$222,500) (which we refer to as the **director fee**), of which \$108,000 (\$106,000 in 2019) 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 2020 and 2019, each director was permitted to elect to receive \$119,000 and \$116,500, 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 2020 were issued in December 2019. See “—Director RSU Grants” and “—Director Option Grants” below for information on the incentive awards granted in 2019.

Fees for service on our audit committee, compensation committee and nominating and corporate governance committee are the same for 2019 and 2020, 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 2019, 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 2019:

Name	LSXMK	BATRK	FWONK
Robert R. Bennett	1,524	242	1,039
Brian M. Deevy	762	121	520
David E. Rapley	762	121	520
Andrea L. Wong	—	242	1,039

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 2019:

Name	# of LSXMK Options	Exercise Price (\$)	# of BATRK Options	Exercise Price (\$)	# of FWONK Options	Exercise Price (\$)
Brian M. Deevy	3,042	47.29	490	28.72	1,909	44.80
M. Ian G. Gilchrist	6,083	47.29	980	28.72	3,818	44.80
Evan D. Malone	6,083	47.29	980	28.72	3,818	44.80
David E. Rapley	3,042	47.29	490	28.72	1,909	44.80
Larry E. Romrell	6,083	47.29	980	28.72	3,818	44.80
Andrea L. Wong	6,083	47.29	—	—	—	—

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 2017, 2018 and 2019, the rate was 6.5%, 6.25% and 7.0% 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	116,000 ⁽⁴⁾	125,567	—	26,160	21,908 ⁽⁶⁾	289,635
Brian M. Deevy	146,000	62,806	62,067	—	21,908 ⁽⁶⁾	292,781
M. Ian G. Gilchrist	166,000	—	124,122	—	21,908 ⁽⁶⁾	312,030
Evan D. Malone	106,000	—	124,122	—	—	230,122
David E. Rapley	136,000 ⁽⁴⁾	62,806	62,067	15,421	21,908 ⁽⁶⁾	298,202
Larry E. Romrell	146,000	—	124,122	—	21,908 ⁽⁶⁾	292,030
Andrea L. Wong	126,000 ⁽⁴⁾	53,497	68,677	25,121	16,928 ⁽⁶⁾	290,223

(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 2019.

(2) As of December 31, 2019, 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 (#)							
LSXMK	—	17,230	30,990	41,385	20,693	41,385	29,385
BATRK	—	2,327	4,663	5,403	2,701	5,403	3,229
FWONK	—	9,042	16,750	17,398	8,698	17,398	8,548
RSUs (#)							
LSXMK	1,524	762	—	—	762	—	—
BATRK	242	121	—	—	121	—	242
FWONK	1,039	520	—	—	520	—	1,039

(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, 2019 (which are included in the 2019 Form 10-K).

(4) Includes the following amounts earned and deferred under the director deferred compensation plan:

Name	2019 Deferred Compensation (\$)	2019 Above Market Earnings on Accrued Interest (\$)
Robert R. Bennett	113,179	26,160
David E. Rapley	133,179	15,421
Andrea L. Wong	124,326	25,121

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

(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	21,908
Brian M. Deevy	21,908
M. Ian G. Gilchrist	21,908
David E. Rapley	21,908
Larry E. Romrell	21,908
Andrea L. Wong	16,928

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information as of December 31, 2019 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	5,642	\$31.00	
LSXMB	—	—	
LSXMK	7,336,299	\$30.64	
BATRA	—	—	
BATRB	—	—	
BATRK	802,737	\$18.40	
FWONA	—	—	
FWONB	—	—	
FWONK	3,439,784	\$26.43	
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			38,694,791 ⁽²⁾
LSXMA	—	—	
LSXMB	—	—	
LSXMK	2,371,797	\$44.20	
BATRA	—	—	
BATRB	—	—	
BATRK	449,143	\$28.10	
FWONA	—	—	
FWONB	—	—	
FWONK	4,821,733	\$34.57	
Liberty Media Corporation Transitional Stock Adjustment Plan, as amended			— ⁽³⁾
LSXMA	16,503	\$19.75	
LSXMB	—	—	
LSXMK	22,700	\$19.38	
BATRA	1,638	\$11.89	
BATRB	—	—	
BATRK	4,811	\$11.35	
FWONA	1,025	\$12.63	
FWONB	—	—	
FWONK	—	—	
<i>Equity compensation plans not approved by security holders: None.</i>			
Total			
LSXMA	22,145		
LSXMB	—		
LSXMK	9,817,003		
BATRA	1,638		
BATRB	—		
BATRK	1,266,953		
FWONA	1,025		
FWONB	—		
FWONK	8,284,328		
			38,694,791

- (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 2020 which will take place on May 21, 2020. Based solely on the date of our 2020 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 17, 2020 in order to be eligible for inclusion in our proxy materials for the annual meeting of stockholders for the calendar year 2021 (the **2021 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 19, 2021 and not later than March 22, 2021 to be considered for presentation at the 2021 annual meeting. We currently anticipate that the 2021 annual meeting will be held during the second quarter of 2021. If the 2021 annual meeting takes place more than 30 days before or 30 days after May 21, 2021 (the anniversary of the 2020 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 2021 annual meeting is communicated to stockholders or public disclosure of the date of the 2021 annual meeting is made, whichever occurs first, in order to be considered for presentation at the 2021 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 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 2019 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 2019 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 Formula One common stock trade or are quoted under the symbols 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 and Series A and Series C Liberty Formula One common stock trade on the Nasdaq Global Select Stock Market, and Series B Liberty Braves common stock and Series B Liberty Formula One common stock are quoted on the OTC Markets. 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, 2019 and 2018. 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>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
<i>2019</i>		
First quarter	\$ 41.04	38.75
Second quarter	\$ 39.93	35.71
Third quarter	\$ 42.00	39.57
Fourth quarter	\$ 48.75	41.83

	Braves Group Series B (BATRB)	
	High	Low
<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
<i>2019</i>		
First quarter (1)	\$ 27.00	24.09
Second quarter	\$ 31.80	26.45
Third quarter	\$ 37.45	27.09
Fourth quarter	\$ 31.50	30.00

(1) The Series B common shares trade infrequently. During the first quarter of 2019, no trades occurred, as such the high and low prices shown for this period related to the fourth quarter of 2018.

	Formula One Group Series B (FWONB)	
	High	Low
<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
<i>2019</i>		
First quarter	\$ 31.00	29.60
Second quarter	\$ 36.41	36.00
Third quarter	\$ 39.00	34.90
Fourth quarter	\$ 43.00	38.50

Holdings

The number of record holders as of January 31, 2020 were as follows:

	<u>Series A</u>	<u>Series B</u>	<u>Series C</u>
Liberty SiriusXM common stock	1,090	61	1,149
Liberty Braves common stock	1,782	38	803
Liberty Formula One common stock	761	56	979

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 2020 Annual Meeting of Stockholders.

Purchases of Equity Securities by the Issuer

Share Repurchase Programs

In August 2015, our board of directors authorized \$1 billion of Liberty Media Corporation common stock repurchases, which could be used to repurchase any of the Series A and Series C of each of Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Formula One common stock. In November 2019, our board of directors authorized an additional \$1 billion of Series A and Series C shares of each of Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Formula One common stock repurchases. In addition, shares of Liberty Sirius XM common stock may be repurchased with funds attributed to the Formula One Group (such repurchased shares, the “Intergroup Shares”). Any Intergroup Shares so repurchased will be cancelled, and an intergroup interest will be created. See note 2 to the accompanying consolidated financial statements for information related to the Formula One Group’s intergroup interest in the Liberty SiriusXM Group.

A summary of the repurchase activity for the three months ended December 31, 2019 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, 2019	419,898	\$ 42.90	419,898	\$ 419 million
November 1 - 30, 2019 . . .	73,437	\$ 45.13	73,437	\$ 1,416 million
December 1 - 31, 2019 . . .	986,570	\$ 47.62	986,570	\$ 1,369 million
Total	<u>1,479,905</u>		<u>1,479,905</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, 2019.

During the three months ended December 31, 2019, 2,370 shares of Series A and 4,729 shares of Series C Liberty Formula One common stock, 9,453 shares of Series A and 18,878 shares of Series C Liberty SiriusXM common stock, and 963 shares of Series A and 1,904 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,				
	2019	2018	2017	2016	2015
	amounts in millions				
<i>Summary Balance Sheet Data:</i>					
Cash	\$ 1,222	358	1,029	562	201
Investment in affiliates, accounted for using the equity method	\$ 1,625	1,641	1,750	1,117	1,115
Intangible assets not subject to amortization (1)	\$ 29,944	28,060	28,057	24,018	24,018
Intangible assets subject to amortization, net (1)	\$ 5,940	5,715	6,192	1,072	1,097
Total assets (1)	\$ 44,189	40,828	41,996	31,377	29,798
Current portion of deferred revenue	\$ 2,113	2,079	1,941	1,877	1,797
Long-term debt, including current portion (1)	\$ 15,476	13,388	13,954	8,018	6,881
Deferred tax liabilities, net	\$ 1,913	1,651	1,478	2,025	1,667
Stockholders' equity (1)	\$ 16,295	16,595	16,943	11,756	10,933
Noncontrolling interest	\$ 5,630	5,103	5,631	5,960	7,198

	Years ended December 31,				
	2019	2018	2017	2016	2015
	amounts in millions, except per share amounts				
<i>Summary Statement of Operations Data:</i>					
Revenue (1)	\$ 10,292	8,040	7,594	5,276	4,795
Operating income (loss)	\$ 1,470	1,511	1,394	1,734	954
Interest expense (1)	\$ (657)	(606)	(591)	(362)	(328)
Share of earnings (loss) of affiliates, net	\$ 6	18	104	14	(40)
Realized and unrealized gains (losses) on financial instruments, net	\$ (315)	40	(88)	37	(140)
Net earnings (loss) attributable to the noncontrolling interests	\$ 241	334	536	244	184
Net earnings (loss) from continuing operations attributable to Liberty Media Corporation stockholders (2)					
Liberty Media Corporation common stock	\$ NA	NA	NA	377	64
Liberty SiriusXM common stock	494	676	1,124	297	NA
Liberty Braves common stock	(77)	5	(25)	(30)	NA
Liberty Formula One common stock	(311)	(150)	255	36	NA
	<u>\$ 106</u>	<u>531</u>	<u>1,354</u>	<u>680</u>	<u>64</u>
Basic earnings (loss) from continuing operations attributable to Liberty Media Corporation stockholders per common share (2):					
Series A, B and C Liberty Media Corporation common stock	\$ NA	NA	NA	1.13	0.19
Series A, B and C Liberty SiriusXM common stock	1.55	2.04	3.35	0.89	NA
Series A, B and C Liberty Braves common stock	(1.51)	0.10	(0.51)	(0.65)	NA
Series A, B and C Liberty Formula One common stock	(1.35)	(0.65)	1.23	0.43	NA
Diluted earnings (loss) from continuing operations attributable to Liberty Media Corporation stockholders per common share (2):					
Series A, B and C Liberty Media Corporation common stock	\$ NA	NA	NA	1.12	0.19
Series A, B and C Liberty SiriusXM common stock	1.53	2.01	3.31	0.88	NA
Series A, B and C Liberty Braves common stock	(1.51)	0.10	(0.51)	(0.65)	NA
Series A, B and C Liberty Formula One common stock	(1.35)	(0.65)	1.21	0.42	NA

(1) On February 1, 2019, Sirius XM Holdings purchased all of the outstanding shares of Pandora Media, Inc. for \$2.4 billion.

On January 23, 2017, Liberty acquired a controlling interest in Delta Topco Limited (“Delta Topco”), the parent company of Formula 1.

See note 5 to the accompanying consolidated financial statements for additional information related to the acquisitions of Pandora and Formula 1.

- (2) During November 2015, Liberty’s board of directors authorized management to pursue a reclassification of the Company’s common stock into three new tracking stock groups, one to be designated as the Liberty Braves 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’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 Liberty’s acquisition of a controlling interest in Delta Topco, 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.

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 Holdings”). Sirius XM Holdings operates two complementary audio entertainment businesses, Sirius XM and Pandora. Sirius XM features 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 and through the internet via applications for mobile devices, home devices and other consumer electronic equipment. Sirius XM also provides connected vehicle services and a suite of in-vehicle data services. The Pandora business operates a music, comedy and podcast streaming discovery platform. Pandora is available as an ad-supported radio service, a radio subscription service, called Pandora Plus, and an on-demand subscription service, called Pandora Premium.

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 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. 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”). See note 5 to the accompanying consolidated financial statements for additional information related to the acquisition. Liberty’s 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, 2019 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.

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 Holdings, 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 Holdings, corporate cash, Liberty’s 2.125% Exchangeable Senior Debentures due 2048, Liberty’s 2.75% Exchangeable Senior Debentures due 2049 and a margin loan obligation incurred by a wholly-owned special purpose subsidiary of Liberty. As of December 31, 2019, the Liberty SiriusXM Group has cash and cash equivalents of approximately \$493 million, which includes \$106 million of subsidiary cash.

Sirius XM Holdings is the only operating subsidiary attributed to the Liberty SiriusXM Group. In the event Sirius XM Holdings 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 Holdings acquired Pandora Media, Inc., which continues to operate as Pandora Media, LLC (“Pandora”). See note 5 to the accompanying consolidated financial statements for more information regarding the acquisition of Pandora. Additionally, as discussed below, the Formula One Group retains an intergroup interest in the Liberty SiriusXM Group.

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, 2019, the Braves Group has cash and cash equivalents of approximately \$142 million, which includes \$59 million of subsidiary cash. Additionally, as discussed below, the Formula One Group retains an intergroup interest in the Braves Group.

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, 2019, 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, cash, 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 \$268 million as of December 31, 2019. The Formula One Group also has an intergroup interest in the Liberty SiriusXM Group of approximately 0.2%, valued at \$24 million as of December 31, 2019. As of December 31, 2019, the Formula One Group had cash and cash equivalents of approximately \$587 million, which includes \$402 million of subsidiary cash.

Strategies and Challenges of Business Units

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

- the acquisition 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 Holdings 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
- improving the on-track competitive balance of the World Championship and the long term financial stability of the participating Teams; and
- improving the environmental sustainability of Formula One and its related activities, targeting a net zero carbon footprint by 2030 and sustainable race events by 2025.

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,		
	2019	2018	2017
	amounts in millions		
Revenue			
Liberty SiriusXM Group			
Sirius XM Holdings.....	\$ 7,794	5,771	5,425
Total Liberty SiriusXM Group.....	<u>7,794</u>	<u>5,771</u>	<u>5,425</u>
Braves Group			
Corporate and other.....	476	442	386
Total Braves Group.....	<u>476</u>	<u>442</u>	<u>386</u>
Formula One Group			
Formula 1.....	2,022	1,827	1,783
Total Formula One Group.....	<u>2,022</u>	<u>1,827</u>	<u>1,783</u>
Consolidated Liberty.....	<u>\$ 10,292</u>	<u>8,040</u>	<u>7,594</u>
Operating Income (Loss)			
Liberty SiriusXM Group			
Sirius XM Holdings.....	\$ 1,578	1,659	1,588
Corporate and other.....	(34)	(39)	(41)
Total Liberty SiriusXM Group.....	<u>1,544</u>	<u>1,620</u>	<u>1,547</u>
Braves Group			
Corporate and other.....	(39)	1	(113)
Total Braves Group.....	<u>(39)</u>	<u>1</u>	<u>(113)</u>
Formula One Group			
Formula 1.....	17	(68)	17
Corporate and other.....	(52)	(42)	(57)
Total Formula One Group.....	<u>(35)</u>	<u>(110)</u>	<u>(40)</u>
Consolidated Liberty.....	<u>\$ 1,470</u>	<u>1,511</u>	<u>1,394</u>
Adjusted OIBDA			
Liberty SiriusXM Group			
Sirius XM Holdings.....	\$ 2,453	2,233	2,109
Corporate and other.....	(17)	(16)	(15)
Total Liberty SiriusXM Group.....	<u>2,436</u>	<u>2,217</u>	<u>2,094</u>
Braves Group			
Corporate and other.....	49	88	2
Total Braves Group.....	<u>49</u>	<u>88</u>	<u>2</u>
Formula One Group			
Formula 1.....	482	400	438
Corporate and other.....	(36)	(25)	(41)
Total Formula One Group.....	<u>446</u>	<u>375</u>	<u>397</u>
Consolidated Liberty.....	<u>\$ 2,931</u>	<u>2,680</u>	<u>2,493</u>

Revenue. Our consolidated revenue increased \$2,252 million and \$446 million for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The 2019 increase was driven by revenue growth at Sirius XM Holdings (primarily as a result of the Pandora acquisition), Formula 1 and Braves Holdings of \$2,023 million, \$195 million and \$34 million, respectively. The 2018 increase was driven by revenue growth at Sirius XM Holdings, Braves Holdings and Formula 1 of \$346 million, \$56 million and \$44 million, respectively. See “Results of Operations—Businesses” below for a more complete discussion of the results of operations of Sirius XM Holdings, Formula 1 and Braves Holdings.

Operating income. Our consolidated operating income decreased \$41 million and increased \$117 million for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The 2019 decrease was driven by \$81 million and \$40 million decreases in Sirius XM Holdings and Braves Holdings operating results, respectively, partially offset by a \$85 million improvement in Formula 1’s operating results. The 2019 increase in corporate and other operating losses for Formula One Group was driven by increases in personnel related costs. Operating losses decreased \$114 million and operating income increased \$71 million for Braves Holdings and Sirius XM Holdings, respectively, and operating losses increased \$85 million for Formula 1 during 2018 as compared to the prior year. The 2018 decrease in corporate and other operating losses for Formula One Group was driven by costs related to the acquisition of Formula 1 recognized during the year ended December 31, 2017. See “Results of Operations—Businesses” below for a more complete discussion of the results of operations of Sirius XM Holdings, 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 \$291 million, \$192 million and \$230 million of stock compensation expense for the years ended December 31, 2019, 2018 and 2017, respectively. The increase in stock compensation expense in 2019 as compared to the prior year is primarily due to increases of \$96 million, \$5 million and \$3 million at Sirius XM Holdings, Braves Holdings and Formula 1, 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 Holdings.

As of December 31, 2019, the total unrecognized compensation cost related to unvested Sirius XM Holdings stock options and restricted stock units was \$415 million. The Sirius XM Holdings unrecognized compensation cost will be recognized in the Company’s consolidated statements of operations over a weighted average period of approximately 2.4 years.

As of December 31, 2019, the total unrecognized compensation cost related to unvested Liberty equity awards was approximately \$34 million. Such amount will be recognized in our consolidated statements of operations over a weighted average period of approximately 2.1 years.

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

Adjusted OIBDA. To provide investors with additional information regarding our financial results, we also disclose Adjusted OIBDA, which is a non-GAAP financial measure. We define Adjusted OIBDA as operating income (loss) plus depreciation and amortization, stock-based compensation, separately reported litigation settlements, restructuring, acquisition and other related costs 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 by identifying those items that are not directly a reflection of each business’ performance or indicative of ongoing business trends. In addition, this measure allows us to view operating results, perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. 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 generally accepted accounting principles (“GAAP”). The following table provides a reconciliation of Operating income (loss) to Adjusted OIBDA:

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Operating income (loss)	\$ 1,470	1,511	1,394
Depreciation and amortization	1,061	905	824
Stock-based compensation	291	192	230
Litigation settlement	25	69	45
Acquisition and other related costs	84	3	—
Adjusted OIBDA	<u>\$ 2,931</u>	<u>2,680</u>	<u>2,493</u>

During the year ended December 31, 2019, Sirius XM Holdings recorded a \$25 million litigation settlement for Do-Not-Call litigation. This charge is included in the selling, general and administrative expense line item in the accompanying consolidated financial statements for the year ended December 31, 2019. During the second quarter of 2018 and during the fourth quarter of 2017, Sirius XM Holdings recorded \$69 million and \$45 million, respectively, related to music royalty litigation settlements. As separately reported in note 17 of the accompanying consolidated financial statements, the \$69 million and \$45 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 and 2017, respectively. The aforementioned litigation settlements have been excluded from Adjusted OIBDA for the corresponding periods as these expenses were not incurred as a part of Sirius XM Holdings’ normal operations for the periods, and these lump sum amounts do not relate to the on-going performance of the business.

Consolidated Adjusted OIBDA increased \$251 million and \$187 million for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The increase in Adjusted OIBDA in 2019 as compared to the prior year was primarily due to increases of \$220 million and \$82 million in Sirius XM Holdings and Formula 1 Adjusted OIBDA, respectively, partially offset by a \$40 million decrease in Braves Holdings Adjusted OIBDA. The increase in Adjusted OIBDA in 2018 as compared to the prior year was primarily due to increases of \$124 million and \$87 million in Sirius XM Holdings and Braves Holdings Adjusted OIBDA, respectively, partially offset by a \$38 million decrease in Formula 1 Adjusted OIBDA. See “Results of Operations—Businesses” below for a more complete discussion of the results of operations of Sirius XM Holdings, 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>2019</u>	<u>2018</u>	<u>2017</u>
	amounts in millions		
<i>Interest expense</i>			
Liberty SiriusXM Group	\$ (435)	(388)	(356)
Braves Group	(27)	(26)	(15)
Formula One Group	<u>(195)</u>	<u>(192)</u>	<u>(220)</u>
Consolidated Liberty	<u>\$ (657)</u>	<u>(606)</u>	<u>(591)</u>
<i>Share of earnings (losses) of affiliates</i>			
Liberty SiriusXM Group	\$ (24)	(11)	29
Braves Group	18	12	78
Formula One Group	<u>12</u>	<u>17</u>	<u>(3)</u>
Consolidated Liberty	<u>\$ 6</u>	<u>18</u>	<u>104</u>
<i>Realized and unrealized gains (losses) on financial instruments, net</i>			
Liberty SiriusXM Group	\$ (41)	(1)	(16)
Braves Group	(4)	(2)	—
Formula One Group	<u>(270)</u>	<u>43</u>	<u>(72)</u>
Consolidated Liberty	<u>\$ (315)</u>	<u>40</u>	<u>(88)</u>
<i>Other, net</i>			
Liberty SiriusXM Group	\$ (38)	25	(11)
Braves Group	2	35	3
Formula One Group	<u>45</u>	<u>18</u>	<u>16</u>
Consolidated Liberty	<u>\$ 9</u>	<u>78</u>	<u>8</u>
	<u>\$ (957)</u>	<u>(470)</u>	<u>(567)</u>

Interest expense. Consolidated interest expense increased \$51 million and \$15 million for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The increase for 2019 as compared to the prior year was primarily due to an increase in interest expense for the Liberty SiriusXM Group due to an increase in the average amount of corporate and subsidiary debt outstanding. 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 for Liberty SiriusXM Group and a decrease in the capitalization of interest related to construction of the stadium and mixed-use facilities as compared to 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.

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

	<u>Years ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
	amounts in millions		
Liberty SiriusXM Group			
Sirius XM Canada	\$ (3)	(1)	29
Other	(21)	(10)	—
Total Liberty SiriusXM Group	<u>(24)</u>	<u>(11)</u>	<u>29</u>
Braves Group			
Other	18	12	78
Total Braves Group	<u>18</u>	<u>12</u>	<u>78</u>
Formula One Group			
Live Nation	4	3	(18)
Other	8	14	15
Total Formula One Group	<u>12</u>	<u>17</u>	<u>(3)</u>
	<u>\$ 6</u>	<u>18</u>	<u>104</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>2019</u>	<u>2018</u>	<u>2017</u>
	amounts in millions		
Debt and equity securities	\$ 110	2	(36)
Debt measured at fair value	(584)	130	(126)
Change in fair value of bond hedges	215	(94)	72
Other derivatives	(56)	2	2
	<u>\$ (315)</u>	<u>40</u>	<u>(88)</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.

The unrealized losses on other derivatives for the year ended December 31, 2019 are primarily due to changes in the fair value of Formula 1's interest rate swaps.

Other, net. The decrease in 2019 was primarily due to a \$56 million increase in losses on extinguishment of debt and a \$28 million decrease in gains on transactions, partially offset by a \$8 million increase in gains on dilution of our investment in Live Nation and a \$5 million increase in foreign exchange gains. 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.

Income taxes. Our effective tax rate for the years ended December 31, 2019, 2018 and 2017 was an expense of 32%, expense of 17% and benefit of 129%, respectively. Our effective tax rate for all three years was impacted for the following reasons:

- During 2019, our effective tax rate was higher than the 21% U.S. federal tax rate due to additional tax expense related to increases in the Company's valuation allowance, changes in the Company's effective state tax rate and the effect of state income taxes, partially offset by tax benefits related to deductible stock based compensation, earnings in foreign jurisdictions taxed at rates lower than the 21% U.S. federal tax rate and federal income tax credits.
- During 2018, our effective tax rate was lower than the 21% U.S. federal tax rate 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.

Net earnings. We had net earnings of \$347 million, \$865 million and \$1,890 million for the years ended December 31, 2019, 2018 and 2017, 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, 2019, 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, 2019, Liberty's cash and cash equivalents were as follows:

	Cash and Cash Equivalents	
	amounts in millions	
Liberty SiriusXM Group		
Sirius XM Holdings	\$	106
Corporate and other		387
Total Liberty SiriusXM Group	\$	<u>493</u>
Braves Group		
Corporate and other	\$	142
Total Braves Group	\$	<u>142</u>
Formula One Group		
Formula 1	\$	402
Corporate and other		185
Total Formula One Group	\$	<u>587</u>

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 Holdings which has significant cash flows provided by operating activities, although due to Sirius XM Holdings 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 a restricted payment ("RP") test imposed by the first lien term loan and the revolving credit facility at Formula 1 is not met. Pursuant to the RP test, Liberty does not have access to Formula 1's cash when Formula 1's leverage ratio (defined as net debt divided by covenant earnings before interest, tax, depreciation and amortization for the trailing twelve months) exceeds a certain threshold. The RP test has been met as of December 31, 2019. However, Formula 1 has not made any distributions to Liberty. If distributions are made in the future, the RP test, pro forma for such distributions, would have to be met. As of December 31, 2019, Liberty had \$1,000 million available under Liberty's margin loan secured by shares of Sirius XM Holdings and \$470 million available under Liberty's margin loan secured by shares of Live Nation. 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:

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Cash Flow Information			
Liberty SiriusXM Group cash provided (used) by operating activities.	\$ 1,944	1,785	1,849
Braves Group cash provided (used) by operating activities.	75	103	(42)
Formula One Group cash provided (used) by operating activities	294	268	(75)
Net cash provided (used) by operating activities	<u>\$ 2,313</u>	<u>2,156</u>	<u>1,732</u>
Liberty SiriusXM Group cash provided (used) by investing activities.	\$ 384	(756)	(1,254)
Braves Group cash provided (used) by investing activities	(107)	159	(221)
Formula One Group cash provided (used) by investing activities.	37	227	(1,662)
Net cash provided (used) by investing activities	<u>\$ 314</u>	<u>(370)</u>	<u>(3,137)</u>
Liberty SiriusXM Group cash provided (used) by financing activities.	\$ (1,923)	(1,552)	(267)
Braves Group cash provided (used) by financing activities.	54	(212)	296
Formula One Group cash provided (used) by financing activities	96	(616)	1,847
Net cash provided (used) by financing activities	<u>\$ (1,773)</u>	<u>(2,380)</u>	<u>1,876</u>

Liberty's primary uses of cash during the year ended December 31, 2019 (excluding cash used by Sirius XM Holdings, Formula 1 and Braves Holdings) was \$443 million of Series C Liberty SiriusXM common stock repurchases.

These repurchases were primarily funded by borrowings of debt, cash proceeds from the sale of investments and dividends from Sirius XM Holdings.

Sirius XM Holdings' primary uses of cash were the repurchase and retirement of outstanding Sirius XM Holdings common stock, repayment of long-term debt, additions to property and equipment and dividends paid to stockholders. The Sirius XM Holdings uses of cash were funded by cash provided by operating activities, borrowing of debt and cash received from the acquisition of Pandora. During the year ended December 31, 2019, Sirius XM Holdings declared a cash dividend each quarter, and paid in cash an aggregate amount of \$226 million, of which Liberty received \$157 million.

Braves Holdings' primary use of cash was capital expenditures, funded primarily by cash provided by operating activities and net borrowings of debt.

Formula 1's uses of cash were not material during the year ended December 31, 2019.

The projected uses of Liberty cash (excluding Sirius XM Holdings', Formula 1's and Braves Holdings' uses of cash) are primarily the investment in new or existing businesses, debt service, including further repayment of the margin loans 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, borrowing capacity under margin loans and outstanding or new debt instruments. We may be required to make net payments of income tax liabilities to settle items under discussion with tax authorities.

Sirius XM Holdings' uses of cash are expected to be capital expenditures, including the construction of replacement satellites, working capital requirements, repurchases of outstanding Sirius XM Holdings common stock, interest payments, taxes and scheduled maturities of outstanding debt. In addition, Sirius XM Holdings' board of directors expects to declare regular quarterly dividends. On January 30, 2020, Sirius XM Holdings' board of directors declared a quarterly dividend on its common stock in the amount of \$0.01331 per share of common stock, payable on February 28, 2020 to stockholders of record at the close of business on February 12, 2020. Liberty expects Sirius XM Holdings to fund its projected uses of cash with cash on hand, cash provided by operations and borrowings under its existing credit facility.

Formula 1's uses of cash are expected to be debt service payments and operating expenses. 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.

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 Holdings has entered into various programming agreements. Under the terms of these agreements, Sirius XM Holdings' obligations include fixed payments, advertising commitments and revenue sharing arrangements. Sirius XM Holdings' 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 (current and former), coaches and executives whereby such individuals' compensation is guaranteed. Amounts due under guaranteed contracts as of December 31, 2019 aggregated \$352 million. See the table below for more detail. In addition to the foregoing amounts, certain players, coaches and executives 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)	\$ 14,964	67	1,595	6,689	6,613
Interest payments (2)	4,417	640	1,213	924	1,640
Programming and royalty fees (3)	1,859	845	767	150	97
Lease obligations	914	90	179	153	492
Employment agreements	352	112	132	53	55
Other obligations (4)	392	180	93	36	83
Total consolidated	<u>\$ 22,898</u>	<u>1,934</u>	<u>3,979</u>	<u>8,005</u>	<u>8,980</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 do not assume additional borrowings or refinancings of existing debt.
- (2) Amounts (i) are based on our outstanding debt at December 31, 2019, (ii) assume the interest rates on our variable rate debt remain constant at the December 31, 2019 rates and (iii) assume that our existing debt is repaid at maturity.
- (3) Sirius XM Holdings has entered into various programming agreements under which Sirius XM Holdings' 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 Holdings has entered into certain music royalty arrangements that include fixed payments.
- (4) Includes amounts related to Sirius XM Holdings' satellite and transmission, sales and marketing, satellite incentive payments, and other contractual commitments. Sirius XM Holdings satellite and transmission commitments are attributable to agreements with third parties to design, build, launch and insure two satellites, SXM-7 and SXM-8. Sirius XM Holdings has also entered into agreements to operate and maintain satellite telemetry, tracking and control facilities and certain components of its terrestrial repeater networks. Sirius XM Holdings sales and marketing commitments primarily relate to payments to sponsors, retailers, automakers and radio manufacturers pursuant to marketing, sponsorship and distribution agreements to promote the Sirius XM Holdings brand. Boeing Satellite Systems International, Inc., the manufacturers of certain of Sirius XM Holdings' in-orbit satellites, may be entitled to future in-orbit performance payments upon XM-3 and XM-4 meeting their fifteen-year design life, which it expects to occur. Boeing may also be entitled to up 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 Holdings 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, 2019, 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 Holdings	\$ 15,803	8,600	1,262	25,665
Formula 1	3,956	—	—	3,956
Other	180	—	143	323
Consolidated	<u>\$ 19,939</u>	<u>8,600</u>	<u>1,405</u>	<u>29,944</u>

We perform our annual assessment of the recoverability of our goodwill and other nonamortizable intangible assets in the fourth quarter each year, or more frequently if events and circumstances indicate impairment may have occurred. 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 Holdings' 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 Holdings monitors its satellites for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset is not recoverable.

Sirius XM Holdings 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 Holdings operates three in-orbit XM satellites, XM-3, XM-4 and XM-5. Sirius XM Holdings 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. Sirius XM Holdings has entered into agreements for the design, construction and launch of two new satellites, SXM-7 and SXM-8, which it plans to launch into geostationary orbits in 2020 as replacements for XM-3 and XM-4. 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 Holdings' satellites have been designed to last fifteen-years. Sirius XM Holdings' in-orbit satellites may experience component failures which could adversely affect their useful lives. Sirius XM Holdings 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 Holdings 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 Holdings Sirius XM Holdings operates two complementary audio entertainment business, Sirius XM and Pandora.

Sirius XM features music, sports, entertainment, comedy, talk, news, traffic and weather channels, as well as infotainment services, in the United States on a subscription fee basis. The Sirius XM service is distributed through its two proprietary satellite radio systems and through the internet via applications for mobile devices, home devices and other consumer electronic equipment. Satellite radios are primarily distributed through automakers, retailers and its website. The Sirius XM service is also available through a user interface called “360L,” that combines Sirius XM’s satellite and streaming services into a single, cohesive in-vehicle entertainment experience.

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 also derives revenue from advertising on select non-music channels, direct sales of Sirius XM’s satellite radios and accessories, and other ancillary services. As of December 31, 2019, Sirius XM had approximately 35 million subscribers.

In addition to Sirius XM’s audio entertainment businesses, it provides connected vehicle services to several automakers and directly to consumers through aftermarket devices. These services are designed to enhance the safety, security and driving experience of consumers. Sirius XM also offers a suite of data services that includes graphical weather, fuel prices, sports schedules and scores and movie listings, a traffic information service that includes information as to road closings, traffic flow and incident data to consumers with compatible in-vehicle navigation systems, and real-time weather services in vehicles, boats and planes.

Sirius XM also holds a 70% equity interest and 33% voting interest in Sirius XM Canada Holdings Inc. (“Sirius XM Canada”). Sirius XM Canada's subscribers are not included in Sirius XM’s subscriber count or subscriber-based operating metrics.

Pandora operates a music, comedy and podcast streaming discovery platform, offering a personalized experience for each listener wherever and whenever they want to listen, whether through mobile devices, car speakers or connected devices. Pandora enables listeners to create personalized stations and playlists, discover new content, hear artist- and expert-curated playlists, podcasts and select Sirius XM content as well as search and play songs and albums on-demand. Pandora is available as an ad-supported radio service, a radio subscription service, called Pandora Plus, and an on-demand subscription service, called Pandora Premium. As of December 31, 2019, Pandora had approximately 6.2 million subscribers.

The majority of Pandora’s revenue is generated from advertising on its ad-supported radio service. In addition, through AdsWizz Inc. (“AdsWizz”), Pandora provides a comprehensive digital audio advertising technology platform,

which connects audio publishers and advertisers. As of December 31, 2019, Pandora had approximately 63.5 million monthly active users.

Results of Operations - Actual

We acquired a controlling interest in Sirius XM Holdings on January 18, 2013 and applied purchase accounting and consolidated the results of Sirius XM Holdings from that date. The results presented below include the impacts of acquisition accounting adjustments in all periods presented. In addition, the results below include the financial results of Pandora from the date of acquisition by Sirius XM Holdings, February 1, 2019. As of December 31, 2019, there is an approximate 28% noncontrolling interest in Sirius XM Holdings, and the net earnings of Sirius XM Holdings 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 Holdings' actual operating results were as follows:

	<u>Years ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
	amounts in millions		
Sirius XM:			
Subscriber revenue	\$ 5,644	5,264	4,990
Advertising revenue	205	188	160
Equipment revenue	173	155	132
Other revenue	<u>165</u>	<u>164</u>	<u>143</u>
Total Sirius XM revenue	6,187	5,771	5,425
Pandora:			
Subscriber revenue	476	—	—
Advertising revenue	<u>1,131</u>	<u>—</u>	<u>—</u>
Total Pandora revenue	<u>1,607</u>	<u>—</u>	<u>—</u>
Total revenue	7,794	5,771	5,425
Operating expenses (excluding stock-based compensation included below):			
Sirius XM cost of services (excluding litigation settlement)	(2,378)	(2,203)	(2,021)
Pandora cost of services	(1,006)	—	—
Subscriber acquisition costs	(427)	(470)	(499)
Selling, general and administrative expenses (excluding litigation settlement)	(1,299)	(759)	(699)
Other operating expenses	<u>(231)</u>	<u>(106)</u>	<u>(97)</u>
Adjusted OIBDA	2,453	2,233	2,109
Litigation settlement	(25)	(69)	(45)
Stock-based compensation	(229)	(133)	(124)
Acquisition and other related costs	(84)	(3)	—
Depreciation and amortization	<u>(537)</u>	<u>(369)</u>	<u>(352)</u>
Operating income	<u>\$ 1,578</u>	<u>1,659</u>	<u>1,588</u>

Sirius XM Subscriber revenue includes self-pay and paid promotional subscriptions, U.S. Music Royalty Fees and other ancillary fees. Subscriber revenue increased 7% and 5% for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The increases were primarily attributable to higher U.S. Music Royalty Fees due to a higher music royalty rate and higher self-pay subscription revenue as a result of 3% and 5% increases in the daily weighted average number of subscribers during the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The increase for the year ended December 31, 2018 was partially offset by the impact of the adoption of Accounting Standards Codification Topic 606 ("ASC 606"), effective as of January 1, 2018.

Sirius XM Advertising revenue includes the sale of advertising on Sirius XM’s non-music channels. Advertising revenue increased 9% and 18% for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The increases were primarily due to a greater number of advertising spots sold and transmitted as well as increases in rates charged per spot.

Sirius XM Equipment revenue includes revenue and royalties for the sale of satellite radios, components and accessories. Equipment revenue increased 12% and 17% for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The increases were driven by an increase in royalty revenue due to Sirius XM’s transition to a new generation of chipsets.

Sirius XM Other revenue includes service and advisory revenue from Sirius XM Canada, connected vehicle services, and ancillary revenue. Other revenue increased 1% and 15% for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The increase for the year ended December 31, 2019, was driven by higher royalty revenue generated from Sirius XM Canada, partially offset by a decrease in data usage revenue generated from Sirius XM’s connected vehicle services. The increase for the year ended December 31, 2018 was driven by higher revenue generated from connected vehicle services and Sirius XM Canada.

Pandora revenue includes actual results for the period from the acquisition date to December 31, 2019. See “Results of Operations – Pro forma” below for additional information regarding Pandora’s revenue.

Sirius XM Cost of 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 litigation settlements)* includes royalties for transmitting content, including streaming royalties, as well as automaker, content provider and advertising revenue share. Revenue share and royalties increased 8% and 14% during 2019 and 2018, respectively, as compared to the prior year periods. The increase for the year ended December 31, 2019 was driven by overall greater revenue subject to royalties and revenue share. The increase for the year ended December 31, 2018 was driven by an increase in the statutory royalty rate applicable to Sirius XM’s use of post-1972 recordings and overall greater revenue subject to revenue share with the automakers, partially offset by the impact of the adoption of ASC 606, effective as of January 1, 2018.
- *Programming and Content* includes costs to acquire, create, promote and produce content. Programming and content costs increased 10% and 5% during 2019 and 2018, respectively, as compared to the corresponding prior years. The increases for were driven primarily by increased personnel-related costs and higher music licensing 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, bad debt expense and transaction fees. Customer service and billing expense increased 4% and decreased 1% during 2019 and 2018, respectively, as compared to the corresponding prior years. The 2019 increase was driven by increased transaction fees from a larger subscriber base and higher bad debt expense. The 2018 decrease was primarily driven by lower call center costs due to lower agent rates, increased customer self-service 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.
- *Other* includes costs associated with the operation and maintenance of Sirius XM’s terrestrial repeater networks; satellites; satellite telemetry, tracking and control systems; satellite uplink facilities; studios; and delivery of Sirius XM’s Internet streaming 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 13% and 8% during the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior years. The 2019 increase was primarily driven by higher cloud hosting and wireless costs associated with Sirius XM’s streaming services, higher repeater network costs and an increase in Sirius XM’s inventory reserve, partially offset by lower direct sales to satellite radio and

connected vehicle consumers. The 2018 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.

Pandora Cost of services includes revenue share and royalties, programming and content costs, customer service and billing expenses and other ancillary costs. Pandora cost of services was \$1,006 million for the period from the acquisition date to December 31, 2019. See "Results of Operations – Pro forma" below for additional information regarding Pandora's cost of services.

- *Revenue Share and Royalties* include licensing fees paid for streaming music or other content to Pandora subscribers and listeners as well as revenue share paid to third party ad servers. Pandora makes payments to third party ad servers for the period the advertising impressions are delivered or click-through actions occur, and accordingly, Pandora records this as a cost of service in the related period.
- *Programming and Content* includes costs to produce live listener events and promote content.
- *Customer Service and Billing* includes transaction fees on subscription purchases through mobile app stores and bad debt expense.
- *Other* includes costs associated with content streaming, maintaining Pandora's streaming radio and on-demand subscription services and creating and serving advertisements through third party ad servers.

Subscriber acquisition costs are costs associated with Sirius XM's satellite radio and include hardware subsidies paid to radio manufacturers, distributors and automakers, 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 acquiring a subscriber. For the years ended December 31, 2019 and 2018, subscriber acquisition costs decreased 9% and 6%, 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 the volume of satellite radio installations.

Selling, general and administrative (excluding litigation settlement) expense includes costs of marketing, advertising, media and production, including promotional events and sponsorships; cooperative and artist marketing; personnel related costs; facilities costs, finance, legal, human resources and information technology costs. Selling, general and administrative expense increased 71% and 9% for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The increase for the year ended December 31, 2019 was driven by additional expenses associated with the inclusion of Pandora. The increases for both years were due to additional subscriber communications and acquisition campaigns. Additional increases during the year ended December 31, 2018 were driven by retention programs, higher personnel related costs, higher information technology costs and a one-time charge for sales and use taxes.

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, 2019 and 2018, other operating expense increased 118% and 9%, respectively, as compared to the corresponding periods in the prior year. The 2019 increase was driven by additional expenses associated with the inclusion of Pandora. The 2018 increase was driven by the continued development of Sirius XM's streaming product and connected vehicle services.

Litigation settlement for the year ended December 31, 2019 relates to a one-time \$25 million litigation settlement for Do-Not-Call litigation. This charge is included in the selling, general and administrative expense line item in the accompanying consolidated financial statements for the year ended December 31, 2019. During the year ended December 31, 2018, Sirius XM Holdings recorded a \$69 million charge related to the litigation 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 quarter of 2017, Sirius XM Holdings recorded \$45 million related to music royalty litigation settlements. 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 and 2017. The aforementioned

litigation settlements have been excluded from Adjusted OIBDA for the corresponding periods as these expenses were not incurred as a part of Sirius XM Holdings' normal operations and do not relate to the on-going performance of the business.

Stock-based compensation increased 72% and 7% during the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding periods in the prior year. The 2019 increase was driven by an increase in the number of awards granted and the continued vesting of outstanding awards. 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.

Acquisition related costs represent costs associated with the acquisition of Pandora and related reorganization costs.

Depreciation and amortization increased 46% and 5% during the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding periods in the prior year. The 2019 increase was due to increases in amortization expense attributable to intangibles recognized in connection with the Pandora acquisition and higher depreciation expense related to additional assets placed in service. The 2018 increase was 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.

Results of Operations – Pro forma

Although Pandora's results are only included in Sirius XM Holdings' results beginning on February 1, 2019, we believe a discussion of Sirius XM and Pandora's combined results for all periods presented promotes a better understanding of the overall results of the combined businesses. For comparative purposes, we are presenting the pro forma results of Sirius XM Holdings for the years ended December 31, 2019, 2018 and 2017. The pro forma financial information was prepared based on the historical financial information of Sirius XM Holdings (as disclosed above) and Pandora and assuming the acquisition of Pandora took place on January 1, 2017. The pro forma results primarily include adjustments related to amortization of acquired intangible assets, depreciation of property and equipment, acquisition costs and associated tax impacts. The financial information below is presented for illustrative purposes only and does not purport to represent the actual results of operations of Sirius XM Holdings had the business combination occurred on January 1, 2017, or to project the results of operations of Sirius XM Holdings or Liberty for any future periods.

Sirius XM Holdings' pro forma operating results were as follows:

	<u>Years ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
	amounts in millions		
Sirius XM:			
Subscriber revenue	\$ 5,644	5,264	4,990
Advertising revenue	205	188	160
Equipment revenue	173	155	132
Other revenue	<u>172</u>	<u>171</u>	<u>150</u>
Total Sirius XM revenue	6,194	5,778	5,432
Pandora:			
Subscriber revenue	527	478	315
Advertising revenue	<u>1,200</u>	<u>1,092</u>	<u>1,071</u>
Total Pandora revenue	<u>1,727</u>	<u>1,570</u>	<u>1,386</u>
Total revenue	7,921	7,348	6,818
Operating expenses (excluding stock-based compensation included below):			
Sirius XM cost of services (excluding litigation settlement)	(2,378)	(2,203)	(2,021)
Pandora cost of services	(1,104)	(1,082)	(951)
Subscriber acquisition costs	(427)	(470)	(499)
Selling, general and administrative expenses (excluding litigation settlement)	(1,344)	(1,245)	(1,159)
Other operating expenses	<u>(241)</u>	<u>(217)</u>	<u>(182)</u>
Adjusted OIBDA	2,427	2,131	2,006
Litigation settlement	(25)	(69)	(45)
Stock-based compensation	(240)	(244)	(252)
Depreciation and amortization	<u>(552)</u>	<u>(533)</u>	<u>(505)</u>
Operating income	<u>\$ 1,610</u>	<u>1,285</u>	<u>1,204</u>

Please refer to the disclosure above regarding changes in Sirius XM revenue.

Pro forma Pandora subscriber revenue includes fees charged for Pandora Plus and Pandora Premium subscriptions. Pro forma Pandora subscriber revenue increased 10% and 52% during the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding periods in the prior year. The increases were primarily due to increases in the weighted average number of subscribers and an increase in the average price paid per subscriber due to the growth of Pandora Premium.

Pro forma Pandora advertising revenue is generated primarily from audio, display and video advertising. Pro forma Pandora advertising revenue increased 10% and 2% during the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding periods in the prior year. The 2019 increase was due to growth in Pandora's off-platform advertising revenue, increased sell-through percentage, increases in the average price per ad and revenue growth in the AdsWizz business. The 2018 increase was due to increases in the average price per ad and increases in Pandora's off-platform revenue.

Please refer to the disclosure above regarding changes in Sirius XM cost of services.

Pro forma Pandora cost of services includes revenue share and royalties, programming and content costs, customer service and billing expenses and transmission costs. Pro forma Pandora costs of services increased 2% and 14% for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding periods in the prior year.

- *Pro forma revenue share and royalties* include licensing fees paid for streaming music or other content to Pandora's subscribers and listeners as a well as revenue share paid to third party ad servers. Pandora makes payments to third party ad servers for the period the advertising impressions are delivered or click-through actions occur, and accordingly, Pandora records this as a cost of service in the related period. Pro forma revenue share and royalties increased 2% and 12% during the years ended December 31, 2019 and 2018, respectively, as

compared to the corresponding periods in the prior year. The 2019 increase was primarily attributable to higher revenue share driven by growth of Pandora's off platform revenue, partially offset by lower royalty costs resulting from renegotiated agreements with record labels, music and sound recording copyright holders and distributors. The 2018 increase was due to minimum guarantee accruals related to Pandora's direct license agreements with major independent labels, distributors, performing rights organizations and publishers.

- *Pro forma programming and content* includes costs to produce live listener events and promote content. Pro forma programming and content increased 55% and decreased 21% during the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding periods in the prior year. The 2019 increase was primarily due to increases in personnel related and content costs. The 2018 decrease was primarily attributable to lower content costs.
- *Pro forma customer service and billing* includes transaction fees on subscription purchases through mobile app stores and bad debt expense. Pro forma customer service and billing decreased 11% and increased 44% during the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding periods in the prior year. The 2019 decrease was primarily driven by lower bad debt expense due to recoveries and lower transaction fees. The 2018 increase was primarily driven by higher transaction fees and bad debt expense from higher average subscriber balances.
- *Pro forma other* includes costs associated with content streaming, maintaining Pandora's streaming radio and on-demand subscription services and creating and serving advertisements through third party ad servers. Pro forma other costs increased 21% and 4% during the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding periods in the prior year. The increases for both periods were driven by increased web hosting costs. The 2019 increase was also driven by increased personnel related costs.

Please refer to the disclosure above regarding changes in subscriber acquisition costs.

Pro forma selling, general and administrative expenses (excluding litigation settlement) includes costs of marketing, advertising, media and production, including promotional events and sponsorships; cooperative and artist marketing; personnel costs; facilities costs, finance, legal, human resources and information technology costs. For the years ended December 31, 2019 and 2018, pro forma selling, general and administrative expense increased 8% and 7%, respectively, as compared to the corresponding periods in the prior year. The increases for both years were due to additional subscriber communications and acquisition campaigns. The increase for the year ended December 31, 2019 was also driven by higher rent. Additional increases during the year ended December 31, 2018 were driven by retention programs and higher legal and consulting costs.

Pro forma other operating expenses include engineering, design and development costs consisting primarily of compensation and related costs to develop chipsets and new products and services, including streaming and connected vehicle services, research and development for broadcast information systems and costs associated with the incorporation of Sirius XM's radios into new vehicles manufactured by automakers. For the years ended December 31, 2019 and 2018, pro forma other operating expenses increased approximately 11% and 19%, respectively, as compared to the corresponding periods in the prior year. The increases were driven by higher personnel-related costs. The increase for the year ended December 31, 2018 was also driven by the continued development of Sirius XM Holdings' streaming products and connected vehicle services.

Please refer to the disclosure above regarding litigation settlement expenses.

Pro forma stock-based compensation decreased 2% and 3% during the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding periods in the prior year. The 2019 decrease was primarily due to decreases in Pandora's stock-based compensation. The 2018 decrease was partially offset by an increase in Sirius XM's stock-based compensation.

Pro forma depreciation and amortization expense increased 4% and 6% for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding periods in the prior year. The increases were driven by higher depreciation costs related to 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 year ended December 31, 2017, 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,		
	2019 (actual)	2018 (actual)	2017 (pro forma)
	amounts in millions		
Primary Formula 1 revenue	\$ 1,664	1,487	1,483
Other Formula 1 revenue	358	340	301
Total Formula 1 revenue	2,022	1,827	1,784
Operating expenses (excluding stock-based compensation included below):			
Cost of Formula 1 revenue	(1,393)	(1,273)	(1,221)
Selling, general and administrative expenses	(147)	(154)	(125)
Adjusted OIBDA	482	400	438
Stock-based compensation	(19)	(16)	(24)
Depreciation and amortization	(446)	(452)	(451)
Operating income (loss)	\$ 17	(68)	(37)
Number of Events	21	21	20

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).

Primary Formula 1 revenue increased \$177 million and \$4 million during the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding periods in the prior year.

The increase for the year ended December 31, 2019 was primarily driven by an increase in broadcasting revenue due to contractual increases in fees, partially offset by the net adverse impact of weaker foreign currency exchange rates used to translate broadcasting fees that were not denominated in U.S. Dollars. Additionally, advertising and sponsorship revenue increased due to revenue from contracts with new customers. Race promotion revenue decreased due to the financial terms of two race promotion agreements and the net adverse impact of weaker foreign currency exchange rates, partially offset by contractual increases in a number of contracts.

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.

Other Formula 1 revenue is generated from miscellaneous and ancillary sources primarily related to facilitating 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 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 \$18 million and \$39 million during the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding periods in the prior year. The increase in 2019 was due to an increase in digital media revenue, higher Paddock Club attendance, increased revenue from other Event-based activities and higher sales of equipment, parts and maintenance and other services to the competing F2 and F3 teams, partially offset by non-recurring television production revenue recorded in the prior year. The increase in 2018 was primarily attributable to 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.

Cost of Formula 1 revenue consists primarily of team payments. 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 fees payable to the Federation Internationale de l'Automobile, advertising and sponsorship commissions and those incurred in the provision and sale of freight, travel and logistical services, F2 and F3 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.

	Years ended December 31,		
	2019 (actual)	2018 (actual)	2017 (pro forma)
	amounts in millions		
Team payments	\$ (1,012)	(913)	(919)
Other costs of Formula 1 revenue	(381)	(360)	(302)
Cost of Formula 1 revenue.....	<u>\$ (1,393)</u>	<u>(1,273)</u>	<u>(1,221)</u>

Cost of Formula 1 revenue increased approximately \$120 million and \$52 million during the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding periods in the prior year.

Team payments increased \$99 million and decreased \$6 million during the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding periods in the prior year. The increase in team payments during 2019 was attributable to an increase in Primary Formula 1 revenue and the associated impact on the calculation of variable Prize Fund elements, which are calculated with reference to Formula 1's revenue and costs. The 2018 decrease was attributable to a reduction in the variable elements of the Prize Fund.

Other costs of Formula 1 revenue increased \$21 million and \$58 million during the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding periods in the prior year. The 2019 increase was primarily due to costs related to various technical initiatives, the continued further development and delivery of digital and social media products and platforms, increased costs related to the sale of equipment, parts, maintenance and other services to the competing F2 and F3 teams and higher FIA and hospitality costs. The 2018 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.

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 decreased \$7 million and increased \$29 million during the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding periods in the prior year. The 2019 decrease was driven by foreign exchange gains and lower bad debt expense, partially offset by higher personnel and information technology costs. The 2018 increase was primarily driven by higher marketing and research costs and an increase in bad debt expense.

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. Stock-based compensation expense increased \$3 million and decreased \$8 million during the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding periods in the prior year. The 2019 increase in stock-based compensation is primarily due to an increase in the number of awards granted.

Depreciation and amortization includes depreciation of fixed assets and amortization of intangible assets. Depreciation and amortization decreased \$6 million during the year ended December 31, 2019 and was relatively flat during the year ended December 31, 2018, as compared the corresponding periods in the prior year. The 2019 decrease was primarily due to a decrease in amortization expense related to certain 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). 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 Braves Holdings were as follows.

	Year ended December 31,		
	2019	2018	2017
	amounts in millions		
Baseball revenue	\$ 438	404	371
Development revenue	38	38	15
Total revenue	<u>476</u>	<u>442</u>	<u>386</u>
Operating expenses (excluding stock-based compensation included below):			
Other operating expenses	(340)	(265)	(296)
Selling, general and administrative expenses	<u>(82)</u>	<u>(83)</u>	<u>(83)</u>
Adjusted OIBDA	54	94	7
Stock-based compensation	(15)	(10)	(46)
Depreciation and amortization	<u>(71)</u>	<u>(76)</u>	<u>(67)</u>
Operating income (loss)	<u>\$ (32)</u>	<u>8</u>	<u>(106)</u>
Regular season home games	81	81	81
Postseason home games	3	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, retail, suites and premium seat fees), local broadcast rights 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, 2019 and 2018, revenue increased \$34 million and \$56 million, respectively, as compared to the corresponding prior years. Baseball revenue per game increased in 2019 due to increases in ballpark operations revenue, driven by increases in attendance, and revenue from local and national broadcasting rights. In addition, one additional postseason home game contributed to higher baseball revenue in 2019. Baseball revenue per game increased in 2018 due to increases in ballpark operations revenue primarily due to increases in attendance driven by team performance, including revenue from the 2018 MLB postseason. The 2019 decrease in development revenue following the sale of the residential portion of the mixed-use facilities in 2018 was offset by increases in retail tenant rental income and parking revenue during 2019. 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.

Other operating expenses primarily include costs associated with baseball and stadium operations. For the years ended December 31, 2019 and 2018, other operating expenses increased \$75 million and decreased \$31 million, respectively, as compared to the corresponding prior years. The increase in 2019 as compared to 2018 was driven by higher player salaries, increased baseball operations costs driven by the opening of the new spring training facility and higher player development costs, increased obligations under MLB’s revenue sharing plan and increased stadium operating costs driven by concessions. The decrease in 2018 as compared to 2017 was driven by lower player salaries.

Selling, general and administrative expense includes costs of marketing, advertising, finance and related personnel costs. Selling, general and administrative expense decreased \$1 million for the year ended December 31, 2019 as compared to the corresponding prior year due to reduced expenses associated with the residential portion of the mixed-use complex, which was sold in October 2018. Selling, general and administrative expense was flat for the year ended December 31, 2018 as compared to the prior year.

Stock-based compensation increased \$5 million and decreased \$36 million during the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior years. The increase in 2019 as compared to 2018 was driven by an increase in the fair value of the underlying awards. The decrease in 2018 as compared to 2017 was 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.

Depreciation and amortization decreased \$5 million and increased \$9 million during the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior years. The decrease in 2019 as compared to 2018 is primarily due to decreases in depreciation expense related to the new stadium as a result of the adoption of ASC 842 and the sale of the residential portion of the mixed-use complex during October 2018 and decreases in amortization expense related to player contracts. 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.

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, 2019, our debt is comprised of the following amounts:

	Variable rate debt		Fixed rate debt	
	Principal amount	Weighted avg interest rate	Principal amount	Weighted avg interest rate
	dollar amounts in millions			
Liberty SiriusXM Group	\$ 350	4.0%	\$ 8,948	4.6%
Braves Group	\$ 237	3.4%	\$ 322	3.9%
Formula One Group	\$ 962	4.2%	\$ 4,145	3.2%

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, 2019, the fair value of our marketable debt and equity securities was \$353 million. Had the market price of such securities been 10% lower at December 31, 2019, the aggregate value of such securities would have been \$35 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-37.

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, 2019 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-32 for *Management’s Report on Internal Control Over Financial Reporting*.

See page F-33 for *Report of Independent Registered Public Accounting Firm* for their attestation regarding our internal control over financial reporting.

Sirius XM Holdings acquired Pandora in February 2019. Except for the changes in internal controls at Pandora, there has been no change in the Company’s internal control over financial reporting that occurred during the three months ended December 31, 2019 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, 2019, 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, 2019, 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 has issued an audit report on the effectiveness of the Company's internal control over financial reporting. This report appears on page F-33 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, 2019, 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, 2019, 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, 2019 and 2018, 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, 2019, and the related notes (collectively, the consolidated financial statements), and our report dated February 26, 2020 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 26, 2020

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, 2019 and 2018, 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, 2019, 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, 2019 and 2018, and the results of its operations and its cash flows for each of the years in the three year period ended December 31, 2019, 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, 2019, 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 26, 2020 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Changes in Accounting Principles

As discussed in Note 10 to the consolidated financial statements, the Company has changed its method of accounting for leases as of January 1, 2019 due to the adoption of Accounting Standard Codification (ASC) Topic 842, *Leases*. As discussed in Note 3 to the consolidated financial statements, the Company has changed its method of accounting for revenue recognition as of January 1, 2018 due to the adoption of ASC Topic 606, *Revenue from Contracts with Customers*.

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.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Evaluation of the sufficiency of audit evidence over certain subscriber and advertising revenue streams

As disclosed in the consolidated statements of operations, the Company generated \$10,294 million of revenue, of which \$5,644 million was Sirius XM subscriber revenue and \$1,131 million was Pandora (Pandora Media, LLC and subsidiaries, the successor to Pandora Media, Inc. and subsidiaries) advertising revenue, for the year ended December 31, 2019. The Company's accounting for these subscriber and advertising revenue streams involve multiple information technology (IT) systems.

We identified the evaluation of the sufficiency of audit evidence related to these subscriber and advertising revenue streams as a critical audit matter. Evaluating the sufficiency of audit evidence required our subjective judgment regarding, among other things, the nature and extent of the evidence relating to each revenue stream, due principally to the number of IT applications utilized in the revenue recognition process to capture and aggregate the data.

The primary procedures we performed to address this critical audit matter included the following. We used our judgment to determine the nature and extent of audit procedures to be performed regarding these subscriber and advertising revenue streams. We tested certain internal controls over the Sirius XM subscriber revenue and Pandora advertising revenue recognition processes. We involved IT professionals with specialized skills and knowledge, who assisted in testing certain IT applications and controls used by the Company in its revenue recognition processes and testing the interface of relevant revenue data between different IT systems used in the revenue recognition processes.

For each revenue stream within Sirius XM subscriber revenue where procedures were performed, we developed an estimate of subscriber revenue. These estimates were based on a combination of internal data and publicly available external data and the estimates were compared to the Company's recorded amounts. In addition, we evaluated the relevance and reliability of the internal and external data used to develop those estimates. On a sample basis, we tested Pandora advertising revenue by tracing the recorded amounts to underlying documents and to data executed and tracked by third parties. In addition, we evaluated the overall sufficiency of audit evidence obtained over Sirius XM subscriber and Pandora advertising revenue.

Assessment of the initial fair value measurement of certain intangible assets acquired in the Pandora acquisition

As discussed in Note 5 to the consolidated financial statements, Sirius XM Holdings, Inc. (Sirius XM Holdings), a consolidated subsidiary, acquired Pandora in February 2019 for total consideration of \$2,879 million. This acquisition resulted in Sirius XM Holdings recording customer relationships, trademark, and software and technology intangible assets in the consolidated balance sheets. The fair value of these intangible assets was \$1,131 million as of the acquisition date. The determination of the acquisition date fair value of certain of these intangible assets required Sirius XM Holdings to make key assumptions regarding projected revenue and related growth rates; the trademark, software and technology royalty rates; the estimated advertising customer attrition rate; the discount rates; and the remaining useful life of the software and technology intangible asset.

We identified the assessment of the initial fair value measurement of certain intangible assets acquired in the Pandora acquisition as a critical audit matter. Testing the key assumptions, which were used to estimate the

fair values, involved a high degree of auditor judgment. The estimated fair values were also sensitive to changes in these key assumptions.

The primary procedures we performed to address this critical audit matter included the following. We tested certain internal controls over Sirius XM Holdings' acquisition-date valuation process, including controls related to the development of the key assumptions. We performed sensitivity analyses to assess the impact of possible changes to the key assumptions on the acquisition-date fair value of these intangible assets. We evaluated the growth rates used by Sirius XM Holdings to determine projected revenue by comparing them to industry benchmarks and publicly available data, as well as third-party market studies. We assessed the advertising customer attrition rate and the remaining useful life of the software and technology intangible asset based on historical data of Pandora. We involved a valuation professional with specialized skills and knowledge, who assisted in:

- Evaluating the discount rates by comparing them to an independently developed range using publicly available market data for comparable entities;
- Evaluating the royalty rates for trademark, software and technology acquired by comparing them to royalty rates for similar companies;
- Developing an estimated range of fair values of the advertising customer relationships acquired using Sirius XM Holdings' cash flow assumptions and an independently developed range of discount rates, and comparing it to Sirius XM Holdings' fair value estimate; and
- Developing an estimated range of fair values of the trademark, software and technology acquired using Sirius XM Holdings' revenue assumptions and an independently developed range of discount rates and royalty rates, and comparing them to Sirius XM Holdings' fair value estimates.

/s/ KPMG LLP

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

Denver, Colorado
February 26, 2020

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
	<u>amounts in millions</u>	
<i>Assets</i>		
Current assets:		
Cash and cash equivalents	\$ 1,222	358
Trade and other receivables, net	767	364
Other current assets	416	360
Total current assets	<u>2,405</u>	<u>1,082</u>
Investments in affiliates, accounted for using the equity method (note 7)	1,625	1,641
Property and equipment, at cost	3,780	3,765
Accumulated depreciation	<u>(1,518)</u>	<u>(1,296)</u>
	<u>2,262</u>	<u>2,469</u>
Intangible assets not subject to amortization (note 8)		
Goodwill	19,939	18,386
FCC licenses	8,600	8,600
Other	1,405	1,074
	<u>29,944</u>	<u>28,060</u>
Intangible assets subject to amortization, net (note 8)	5,940	5,715
Other assets	2,013	1,861
Total assets	<u>\$ 44,189</u>	<u>40,828</u>
<i>Liabilities and Equity</i>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,621	1,116
Current portion of debt (note 9)	60	17
Deferred revenue	2,113	2,079
Other current liabilities	94	32
Total current liabilities	<u>3,888</u>	<u>3,244</u>
Long-term debt, including \$3,678 million and \$2,487 million measured at fair value, respectively (note 9)	15,416	13,371
Deferred income tax liabilities (note 11)	1,913	1,651
Other liabilities	1,047	864
Total liabilities	<u>\$ 22,264</u>	<u>19,130</u>

(continued)

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets (Continued)

December 31, 2019 and 2018

	2019	2018
	amounts in millions	
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, 2019; issued and outstanding 103,339,016 shares at December 31, 2019 and 102,809,736 shares at December 31, 2018 (note 2)	1	1
Series A Liberty Braves common stock, \$.01 par value. Authorized 200,000,000 shares at December 31, 2019; issued and outstanding 10,312,639 shares at December 31, 2019 and 10,244,591 shares at December 31, 2018 (note 2)	—	—
Series A Liberty Formula One common stock, \$.01 par value. Authorized 500,000,000 shares at December 31, 2019; issued and outstanding 25,834,334 shares at December 31, 2019 and 25,675,346 shares at December 31, 2018 (note 2)	—	—
Series B Liberty SiriusXM common stock, \$.01 par value. Authorized 75,000,000 shares at December 31, 2019; issued and outstanding 9,808,601 shares at December 31, 2019 and 9,821,531 shares at December 31, 2018 (note 2)	—	—
Series B Liberty Braves common stock, \$.01 par value. Authorized 7,500,000 shares at December 31, 2019; issued and outstanding 981,860 shares at December 31, 2019 and December 31, 2018 (note 2)	—	—
Series B Liberty Formula One common stock, \$.01 par value. Authorized 18,750,000 shares at December 31, 2019; issued and outstanding 2,448,233 shares at December 31, 2019 and 2,453,485 shares at December 31, 2018 (note 2)	—	—
Series C Liberty SiriusXM common stock, \$.01 par value. Authorized 2,000,000,000 shares at December 31, 2019; issued and outstanding 203,324,574 shares at December 31, 2019 and 213,130,922 shares at December 31, 2018 (note 2)	2	2
Series C Liberty Braves common stock, \$.01 par value. Authorized 200,000,000 shares at December 31, 2019; issued and outstanding 39,894,784 shares at December 31, 2019 and 39,740,215 shares at December 31, 2018 (note 2)	—	—
Series C Liberty Formula One common stock, \$.01 par value. Authorized 500,000,000 shares at December 31, 2019; issued and outstanding 203,366,419 shares at December 31, 2019 and 202,887,872 shares at December 31, 2018 (note 2)	2	2
Additional paid-in capital	2,575	2,984
Accumulated other comprehensive earnings (loss), net of taxes	(33)	(38)
Retained earnings	13,748	13,644
Total stockholders' equity	16,295	16,595
Noncontrolling interests in equity of subsidiaries	5,630	5,103
Total equity	21,925	21,698
Commitments and contingencies (note 17)		
Total liabilities and equity	\$ 44,189	40,828

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Statements Of Operations

Years ended December 31, 2019, 2018 and 2017

	<u>2019</u>	<u>2018</u>	<u>2017</u>
	amounts in millions		
Revenue:			
Sirius XM Holdings revenue	\$ 7,794	5,771	5,425
Formula 1 revenue	2,022	1,827	1,783
Other revenue	476	442	386
Total revenue	<u>10,292</u>	<u>8,040</u>	<u>7,594</u>
Operating costs and expenses, including stock-based compensation (note 3):			
Cost of services (exclusive of depreciation shown separately below):			
Revenue share and royalties	2,291	1,394	1,210
Programming and content	462	406	388
Customer service and billing	475	382	385
Other	199	126	119
Cost of Formula 1 revenue	1,394	1,273	1,219
Subscriber acquisition costs	427	470	499
Other operating expenses	620	388	409
Selling, general and administrative	1,809	1,182	1,147
Acquisition and other related costs (note 5)	84	3	—
Depreciation and amortization	1,061	905	824
	<u>8,822</u>	<u>6,529</u>	<u>6,200</u>
Operating income (loss)	1,470	1,511	1,394
Other income (expense):			
Interest expense	(657)	(606)	(591)
Share of earnings (losses) of affiliates, net (note 7)	6	18	104
Realized and unrealized gains (losses) on financial instruments, net (note 6)	(315)	40	(88)
Other, net	9	78	8
	<u>(957)</u>	<u>(470)</u>	<u>(567)</u>
Earnings (loss) before income taxes	513	1,041	827
Income tax (expense) benefit (note 11)	(166)	(176)	1,063
Net earnings (loss)	347	865	1,890
Less net earnings (loss) attributable to the noncontrolling interests	241	334	536
Net earnings (loss) attributable to Liberty stockholders	<u>\$ 106</u>	<u>531</u>	<u>1,354</u>
Net earnings (loss) attributable to Liberty stockholders (note 2):			
Liberty SiriusXM common stock	\$ 494	676	1,124
Liberty Braves common stock	(77)	5	(25)
Liberty Formula One common stock	(311)	(150)	255
	<u>\$ 106</u>	<u>531</u>	<u>1,354</u>

(continued)

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Statements Of Operations (Continued)

Years ended December 31, 2019, 2018 and 2017

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Basic net earnings (loss) attributable to Liberty stockholders per common share (notes 2 and 3)			
Series A, B and C Liberty SiriusXM common stock	1.55	2.04	3.35
Series A, B and C Liberty Braves common stock	(1.51)	0.10	(0.51)
Series A, B and C Liberty Formula One common stock	(1.35)	(0.65)	1.23
Diluted net earnings (loss) attributable to Liberty stockholders per common share (notes 2 and 3)			
Series A, B and C Liberty SiriusXM common stock	1.53	2.01	3.31
Series A, B and C Liberty Braves common stock	(1.51)	0.10	(0.51)
Series A, B and C Liberty Formula One common stock	(1.35)	(0.65)	1.21

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Statements Of Comprehensive Earnings (Loss)

Years ended December 31, 2019, 2018 and 2017

	2019	2018	2017
	amounts in millions		
Net earnings (loss)	\$ 347	865	1,890
Other comprehensive earnings (loss), net of taxes:			
Foreign currency translation adjustments	20	(34)	24
Unrealized holding gains (losses) arising during the period	3	(3)	(3)
Credit risk on fair value debt instruments gains (losses)	(13)	32	—
Share of other comprehensive earnings (loss) of equity affiliates	1	(10)	14
Other comprehensive earnings (loss)	11	(15)	35
Comprehensive earnings (loss)	358	850	1,925
Less comprehensive earnings (loss) attributable to the noncontrolling interests	247	324	544
Comprehensive earnings (loss) attributable to Liberty stockholders	\$ 111	526	1,381
Comprehensive earnings (loss) attributable to Liberty stockholders:			
Liberty SiriusXM common stock	\$ 512	663	1,142
Liberty Braves common stock	(74)	2	(28)
Liberty Formula One common stock	(327)	(139)	267
	\$ 111	526	1,381

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Statements Of Cash Flows

Years ended December 31, 2019, 2018 and 2017

	2019	2018	2017
	amounts in millions		
	(see note 4)		
Cash flows from operating activities:			
Net earnings (loss)	\$ 347	865	1,890
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	1,061	905	824
Stock-based compensation	312	192	230
Share of (earnings) loss of affiliates, net	(6)	(18)	(104)
Realized and unrealized (gains) losses on financial instruments, net	315	(40)	88
Noncash interest expense	9	(1)	16
Losses (gains) on dilution of investment in affiliate	(7)	1	(3)
Loss on early extinguishment of debt	57	1	48
Deferred income tax expense (benefit)	120	167	(1,064)
Other charges (credits), net	8	(17)	4
Changes in operating assets and liabilities			
Current and other assets	(3)	(31)	50
Payables and other liabilities	100	132	(247)
Net cash provided (used) by operating activities	2,313	2,156	1,732
Cash flows from investing activities:			
Cash proceeds from dispositions of investments	442	399	21
Cash (paid) received for acquisitions, net of cash acquired	313	(2)	(1,754)
Investments in equity method affiliates and debt and equity securities	(29)	(414)	(862)
Repayment of loans and other cash receipts from equity method affiliates and debt and equity securities	11	14	—
Capital expended for property and equipment, including internal-use software and website development	(510)	(403)	(517)
Sales of short term investments and other marketable securities	73	—	—
Other investing activities, net	14	36	(25)
Net cash provided (used) by investing activities	314	(370)	(3,137)
Cash flows from financing activities:			
Borrowings of debt	6,020	3,617	6,697
Repayments of debt	(4,871)	(4,057)	(5,107)
Proceeds from issuance of Series C Liberty Formula One common stock	—	—	1,938
Series C Liberty SiriusXM common stock repurchases	(443)	(466)	—
Subsidiary shares repurchased by subsidiary	(2,159)	(1,314)	(1,409)
Cash dividends paid by subsidiary	(68)	(59)	(60)
Taxes paid in lieu of shares issued for stock-based compensation	(211)	(130)	(135)
Other financing activities, net	(41)	29	(48)
Net cash provided (used) by financing activities	(1,773)	(2,380)	1,876
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	854	(595)	475
Cash, cash equivalents and restricted cash at beginning of period	452	1,047	572
Cash, cash equivalents and restricted cash at end of period	\$ 1,306	452	1,047

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Consolidated Statement Of Equity
Years ended December 31, 2019, 2018 and 2017

	Stockholders' equity											Total equity						
	Preferred Stock			Common Stock						Additional paid-in capital	Accumulated other comprehensive earnings		Retained earnings	Noncontrolling interest in equity of subsidiaries				
				Liberty Media Corporation Series A	Liberty Media Corporation Series B	Liberty Media Corporation Series C	Liberty SiriusXM Series A	Liberty SiriusXM Series B	Liberty SiriusXM Series C						Liberty Braves Series A	Liberty Braves Series B	Liberty Braves Series C	Liberty Formula One Series A
Series A	Series B	Series C	Series A	Series B	Series C	Series A	Series B	Series C	Series A	Series B	Series C	Series A	Series B	Series C	Series A	Series B	Series C	
Balance at January 1, 2017	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Net earnings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other comprehensive loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Withholding taxes on net share settlements of stock-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Shares issued in private placement transaction	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Shares issued as consideration in acquisition of Formula 1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Initial recognition of conversion option on Delta Topco Exchangeable Notes	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Shares issued in exchange for Delta Topco Exchangeable Notes	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Shares repurchased by subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Shares issued by subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Balance at December 31, 2017	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Net earnings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other comprehensive loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Cumulative adjustment for change in accounting principle (note 3)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Withholding taxes on net share settlements of stock-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Shares repurchased by subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Shares issued by subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Balance at December 31, 2018	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Net earnings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other comprehensive loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Cumulative adjustment for change in accounting principle (note 10)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Withholding taxes on net share settlements of stock-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Issuance of common stock upon exercise of stock options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Series C Liberty SiriusXM stock repurchases	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subsidiary shares issued as consideration in subsidiary acquisition	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Equity component of convertible note	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Shares repurchased by subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Shares issued by subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dividends paid by subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Noncontrolling interest activity of equity affiliates	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Balance at December 31, 2019	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

(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 Holdings”), 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 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 Holdings. Sirius XM Holdings, since the date of our investment, has repurchased approximately 3.0 billion Sirius XM Holdings shares for approximately \$12.8 billion. On February 1, 2019, Sirius XM Holdings issued shares in conjunction with its acquisition of Pandora Media, Inc., which continues to operate as Pandora Media, LLC (“Pandora”). See note 5 for more information regarding the acquisition of Pandora. Liberty continues to maintain a controlling interest in Sirius XM Holdings following the share repurchases and issuances. As of December 31, 2019, we owned approximately 72% of the outstanding equity interest in Sirius XM Holdings.

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 9 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.

During August 2014, Liberty Interactive Corporation (“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

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

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, CommerceHub and Expedia Holdings, prior to their respective acquisitions, operated) as separate publicly traded companies, none of which has (or, in the case of Starz, CommerceHub and Expedia Holdings, 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, in CommerceHub’s case, terminated in August 2018 and in Expedia Holdings case, terminated in July 2019), 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 (prior to termination) 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 (prior to termination) 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 (prior to termination) 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 (prior to termination) and GCI Liberty at Liberty’s corporate headquarters. Under these various agreements, approximately \$46 million, \$30 million and \$24 million of these allocated expenses were reimbursed to Liberty during the years ended December 31, 2019, 2018 and 2017, 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.

In December 2019, Liberty entered into amendments to the Services Agreements with each of Qurate Retail, Liberty TripAdvisor, Liberty Broadband and GCI Liberty in connection with Liberty’s entry into a new employment arrangement with Gregory B. Maffei, its President and Chief Executive Officer. Under the amended Services Agreements, components of his compensation will either be paid directly to him by each of Qurate Retail, Liberty TripAdvisor, Liberty Broadband and GCI Liberty (collectively, the “Service Companies”) or reimbursed to Liberty, in each case, based on allocations among Liberty and the Service Companies set forth in the amended Services Agreements.

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 result

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

primarily from the breach of certain restrictive covenants made by Starz and Liberty Broadband will be responsible for any such taxes and losses related to the Broadband Spin-Off which result primarily from the breach of certain restrictive covenants made by 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 reclassification 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.

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 \$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

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

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 9 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 Holdings 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 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: its subsidiary Sirius XM Holdings, corporate

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Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

cash, Liberty's 2.125% Exchangeable Senior Debentures due 2048, Liberty's 2.75% Exchangeable Senior Debentures due 2049 and a margin loan obligation incurred by a wholly-owned special purpose subsidiary of Liberty. The Formula One Group holds an intergroup interest in the Liberty SiriusXM Group. As of December 31, 2019, the Liberty SiriusXM Group has cash and cash equivalents of approximately \$493 million, which includes \$106 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: 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 cash. The Formula One Group holds an intergroup interest in the Braves Group. As of December 31, 2019, the Braves Group has cash and cash equivalents of approximately \$142 million, which includes \$59 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, which include 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, cash, intergroup interests in the Liberty SiriusXM Group and 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, 2019, the Formula One Group has cash and cash equivalents of approximately \$587 million, which includes \$402 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, 2019. In addition, during the fourth quarter of 2019, the Formula One Group began purchasing shares of Liberty SiriusXM common stock. As of December 31, 2019, the number of notional shares representing the intergroup interest held by the Formula One Group was 493,278, representing a 0.2% intergroup interest in the Liberty SiriusXM Group. The intergroup interests represent quasi-equity interests which are not represented by outstanding shares of common stock; rather, the Formula One Group has attributed interests in the Braves Group and the Liberty SiriusXM Group which are generally stated in terms of a number of shares of Liberty Braves common stock and Liberty Sirius XM common stock, respectively, issuable to the Formula One Group with respect to its interests in the Braves Group and Liberty SiriusXM Group, respectively. The intergroup interests 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 and Liberty SiriusXM common stock, respectively, cash and/or other assets to the Formula One Group. Accordingly, the intergroup interests attributable to the Formula One Group are presented as assets and the intergroup interests attributable to the Braves Group and Liberty SiriusXM Group are presented as liabilities in the attributed financial statements and the offsetting amounts between tracking stock groups are eliminated in consolidation. The intergroup interests will remain outstanding until the cancellation of the outstanding interests, at the discretion of the Company's board of directors, through transfer of securities, cash and/or other assets from the Braves Group or Liberty SiriusXM Group, respectively, to the Formula One Group.

See page F-106 of this Annual Report for unaudited attributed financial information for Liberty's tracking stock groups.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

(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.

Receivables

Receivables are reflected net of an allowance for doubtful accounts and sales returns. Such allowance aggregated \$18 million and \$20 million at December 31, 2019 and 2018, respectively. Activity in the year ended December 31, 2019 included an increase of \$56 million of bad debt charged to expense and \$59 million of write-offs. 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.

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 \$353 million and \$1,195 million as of December 31, 2019 and 2018, 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

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

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.

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, 2019</u>	<u>December 31, 2018</u>
		<u>amounts in millions</u>	
Land	NA	\$ 138	183
Buildings and improvements.	10 - 40 years	783	905
Support equipment.	3 - 20 years	630	553
Satellite system	15 years	1,694	1,679
Construction in progress	NA	535	445
Total property and equipment		<u>\$ 3,780</u>	<u>3,765</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, 2019, 2018 and 2017 was \$271 million, \$251 million and \$230 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 Holdings' satellites and launch vehicles is capitalized. Capitalized interest

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

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, 2019 and 2018 was approximately \$17 million and \$12 million, respectively, which related to the construction of Sirius XM Holdings' satellites.

Intangible Assets

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

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. If the carrying value of a reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to that excess.

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.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

Impairment of Long-lived Assets

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

Noncontrolling Interests

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

Revenue Recognition

Effective January 1, 2018, the Company adopted Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (“ASC 606”), under the modified retrospective transition method. ASC 606 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 and 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. ASC 606 replaced most existing revenue recognition guidance in U.S. generally accepted accounting principles (“GAAP”). 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.

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.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

In accordance with ASC 606, the following table illustrates the impact on our reported results in the consolidated statements of operations assuming we did not adopt ASC 606 on January 1, 2018.

	<u>Year ended December 31, 2018</u>		
	<u>As reported</u>	<u>Impact of ASC 606 in millions</u>	<u>Balances without adoption of ASC 606</u>
Revenue:			
Sirius XM Holdings revenue	\$ 5,771	95	5,866
Other revenue	\$ 442	(2)	440
Costs of subscriber services:			
Revenue share and royalties	\$ 1,394	88	1,482
Subscriber acquisition costs	\$ 470	4	474
Selling, general and administrative	\$ 1,182	(1)	1,181
Income tax (expense) benefit	\$ (176)	(1)	(177)
Net earnings (loss)	\$ 865	1	866

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 Holdings during the year ended December 31, 2019 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 \$154 million and \$184 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 Holdings contracts are one year or less, Sirius XM Holdings 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, 2019, less than ten percent of the Sirius XM Holdings 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 Holdings' 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 \$2,047 million in 2020, \$1,727 million in 2021, \$4,236 million in 2022 through 2027, and \$275 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.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

Below is a summary of the impacts of ASC 606 on Sirius XM Holdings, Formula 1 and Braves Holdings.

Sirius XM Holdings

The following table disaggregates Sirius XM Holdings' revenue by source:

	<u>Years ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
	in millions	
Subscriber	\$ 6,120	5,264
Advertising	1,336	188
Equipment	173	155
Other	165	164
Total Sirius XM Holdings revenue	<u>\$ 7,794</u>	<u>5,771</u>

ASC 606 primarily impacts how Sirius XM Holdings accounts for revenue share payments as well as other immaterial impacts.

Sirius XM Holdings previously recorded revenue share related to paid-trials as Revenue share and royalties expense. Under the ASC 606, SIRUS XM Holdings 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 Holdings.

Activation fees were previously recognized over the expected subscriber life using the straight-line method. Under ASC 606, 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 ASC 606, 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 Holdings 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 revenue. 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 Holdings’ 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 may receive between a three and twelve month subscription to Sirius XM Holdings’ 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 Holdings pays a loyalty fee to the automakers when it receives a certain amount of payments from self-pay customers acquired from that automaker. 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

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Notes to Consolidated Financial Statements (Continued)

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life. Revenue share and loyalty fees paid to an automaker offering a paid trial are accounted for as a reduction of revenue as the payment does not provide a distinct good or service.

Music royalty fee primarily consists of U.S. music royalty fees (“MRF”) collected from subscribers. The related costs Sirius XM Holdings incurs for the right to broadcast music and other programming are recorded as revenue share and royalties expense in the consolidated statements of operations. Fees received from subscribers for the MRF are 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 Holdings’ customers.

Advertising revenue. Sirius XM Holdings recognizes revenue from the sale of advertising as performance obligations are satisfied upon delivery 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 Holdings’ advertising inventory and are reported as a reduction of advertising revenue. Additionally, Sirius XM Holdings pays certain third parties a percentage of advertising revenue. Advertising revenue is recorded gross of such revenue share payments as Sirius XM Holdings controls the advertising service including the ability to establish pricing and Sirius XM Holdings 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 upon shipment, net of discounts and rebates. Shipping and handling costs billed to customers are recorded as revenue. Shipping and handling costs associated with shipping goods to customers are reported as a component of Cost of services.

Other revenue. Other revenue primarily includes revenue recognized from royalties received from Sirius XM Canada.

Sirius XM Holdings 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:

	Years ended December 31,	
	2019	2018
	in millions	
Primary	\$ 1,664	1,487
Other	358	340
Total Formula 1 revenue	\$ 2,022	1,827

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 ASC 606, Formula 1 recorded a contract cost asset and a corresponding commission payable.

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Notes to Consolidated Financial Statements (Continued)

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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.

Braves Holdings

The following table disaggregates Braves Holdings' revenue by source:

	Years ended December 31,	
	2019	2018
	in millions	
Baseball	\$ 438	404
Development	38	38
Total Braves Holdings revenue	\$ 476	442

ASC 606 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 ASC 606, 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. ASC 606 resulted in an immaterial change in revenue recognized during the years ended December 31, 2019 and 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")

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Notes to Consolidated Financial Statements (Continued)

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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 Major League 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.

Cost of Services

Revenue Share

Sirius XM Holdings shares a portion of its subscription revenue earned from self-pay 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.

Royalties

For Sirius XM Holdings' satellite radio business, it pays royalties to the holders of content licenses based on a percentage of its subscription revenue (subject to certain exclusions) through SoundExchange. Sirius XM Holdings pays a statutory rate established by the Copyright Royalty Board ("CRB").

For streaming music and other content, Sirius XM and Pandora pay royalties based on either a per-performance fee based on the number of sound recordings transmitted, a percentage of revenue associated with a service, or a per-subscriber minimum amount. Rates paid by Pandora are primarily stipulated in direct license agreements with major and independent record labels, music publishers and performing rights organizations. Rates paid by Sirius XM are primarily set by the CRB.

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 Holdings 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

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Notes to Consolidated Financial Statements (Continued)

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Automobile regulatory fees, advertising and sponsorship commissions and those incurred in the provision and sale of freight, travel and logistical services, F2 and F3 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 Holdings' OEM 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 Holdings 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.

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>2019</u>	<u>2018</u>	<u>2017</u>
	<u>amounts in millions</u>		
Cost of services:			
Programming and content	\$ 30	28	27
Customer service and billing	4	4	4
Other	9	5	5
Other operating expense	49	17	16
Selling, general and administrative	<u>199</u>	<u>138</u>	<u>178</u>
	<u>\$ 291</u>	<u>192</u>	<u>230</u>

In June 2018, the Financial Accounting Standards Board ("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

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Notes to Consolidated Financial Statements (Continued)

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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 Holdings, 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.

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.

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.

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Notes to Consolidated Financial Statements (Continued)

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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 (“WASO”) shares of common stock. Excluded from diluted EPS for each of the years ended December 31, 2019, 2018 and 2017 are 22 million potentially dilutive shares of Liberty SiriusXM common stock because their inclusion would be antidilutive.

	Years ended December 31,		
	2019	2018	2017
	number of shares in millions		
Basic WASO	319	332	336
Potentially dilutive shares	4	4	4
Diluted WASO (a)	<u>323</u>	<u>336</u>	<u>340</u>

(a) As discussed in note 2, the Formula One Group has an intergroup interest in the Liberty SiriusXM Group. 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 Liberty SiriusXM 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 Liberty SiriusXM 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 SiriusXM common stock. However, Liberty has assumed that the notional shares (if and when issued) would be comprised of Series C Liberty SiriusXM common stock in order to not dilute voting percentages. Therefore, the market price of Series C Liberty SiriusXM 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 Liberty SiriusXM 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 Liberty SiriusXM 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:

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Basic earnings (loss) attributable to Liberty SiriusXM shareholders	\$ 494	676	1,124
Unrealized (gain) loss on the intergroup interest	—	NA	NA
Diluted earnings (loss) attributable to Liberty SiriusXM shareholders	<u>\$ 494</u>	<u>676</u>	<u>1,124</u>

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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, 2019, 2018 and 2017 are 3 million, 2 million and 2 million potentially dilutive shares of Liberty Braves common stock, respectively, because their inclusion would be antidilutive.

	Years ended December 31,		
	2019 (a)	2018	2017 (a)
	number of shares in millions		
Basic WASO	51	51	49
Potentially dilutive shares	10	10	10
Diluted WASO (b)	<u>61</u>	<u>61</u>	<u>59</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, 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:

	Years ended December 31,		
	2019 (a)	2018	2017 (a)
	amounts in millions		
Basic earnings (loss) attributable to Liberty Braves shareholders	\$ (77)	5	(25)
Unrealized (gain) loss on the intergroup interest	<u>42</u>	<u>24</u>	<u>15</u>
Diluted earnings (loss) attributable to Liberty Braves shareholders	<u>\$ (35)</u>	<u>29</u>	<u>(10)</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, 2019, 2018 and 2017

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, 2019, 2018 and 2017 are 6 million, 8 million and 5 million potentially dilutive shares of Liberty Formula One common stock, respectively, because their inclusion would be antidilutive.

	Years ended December 31,		
	2019 (a)	2018 (a)	2017
	number of shares in millions		
Basic WASO	231	231	207
Potentially dilutive shares	<u>2</u>	<u>1</u>	<u>4</u>
Diluted WASO	<u>233</u>	<u>232</u>	<u>211</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 Holdings' 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.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

(4) Supplemental Disclosures to Consolidated Statements of Cash Flows

	<u>Years ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
	amounts in millions		
Cash paid for acquisitions:			
Fair value of assets acquired	\$ 90	—	(484)
Intangibles not subject to amortization	1,884	3	4,039
Intangibles subject to amortization	800	2	5,499
Net liabilities assumed	(772)	(3)	(5,035)
Deferred tax liabilities	102	—	(475)
Fair value of equity consideration	(2,417)	—	(1,790)
Cash paid (received) for acquisitions, net of cash acquired	<u>\$ (313)</u>	<u>2</u>	<u>1,754</u>
Stock repurchased by subsidiary not yet settled	<u>\$ —</u>	<u>—</u>	<u>17</u>
Cash paid for interest, net of amounts capitalized	<u>\$ 585</u>	<u>586</u>	<u>561</u>
Cash paid (received) for income taxes	<u>\$ 40</u>	<u>(26)</u>	<u>56</u>

The following 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:

	<u>Years ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
	amounts in millions		
Cash and cash equivalents	\$ 1,222	358	1,029
Restricted cash included in other current assets	57	70	8
Restricted cash included in other assets	27	24	10
Total cash, cash equivalents and restricted cash at end of period	<u>\$ 1,306</u>	<u>452</u>	<u>1,047</u>

(5) Acquisitions

Sirius XM Holdings acquisition of Pandora

On February 1, 2019, Sirius XM Holdings purchased all of the outstanding shares of Pandora for \$2.4 billion, by converting each outstanding share of Pandora common stock into 1.44 shares of Sirius XM Holdings common stock and by cancelling Sirius XM Holdings' investment in Pandora's preferred stock with a fair value of \$524 million, for total consideration of approximately \$2.9 billion. Net cash acquired by Sirius XM Holdings was \$313 million. Pandora operates an internet-based music discovery platform, offering a personalized experience for listeners.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

The table below shows the value of the consideration paid in connection with the acquisition (in millions, except for exchange ratio and price per share of Sirius XM Holdings common stock):

Pandora common stock outstanding at January 31, 2019	272
Exchange ratio	1.44
Sirius XM Holdings common stock issued	392
Price per share of Sirius XM Holdings common stock as of January 31, 2019	\$ 5.83
Value of Sirius XM Holdings common stock issued to Pandora stockholders pursuant to the transactions	2,285
Value of Sirius XM Holdings replacement equity awards attributable to pre-combination service	70
Sirius XM Holdings' Pandora preferred stock investment cancelled	524
Total consideration	<u>\$ 2,879</u>

The final acquisition price allocation for Pandora is as follows (in millions):

Cash and cash equivalents	\$ 313
Trade and other receivables, net	353
Other current assets	109
Property and equipment	41
Goodwill	1,553
Intangible assets not subject to amortization	331
Intangible assets subject to amortization, net	800
Other assets	213
Accounts payable and accrued liabilities	(324)
Current portion of debt	(151)
Deferred revenue	(37)
Other current liabilities	(28)
Long-term debt (a)	(218)
Other liabilities	(76)
	<u>\$ 2,879</u>

(a) In order to present the assets acquired and liabilities assumed, the conversion feature associated with Pandora's convertible notes for \$62 million has been included within long-term debt in the table above and included within noncontrolling interest in equity of subsidiaries within the consolidated statement of equity. See note 9 for details regarding Pandora's convertible notes.

Goodwill is calculated as the excess of the consideration transferred over the identifiable net assets acquired and represents synergies and economies of scale expected from the combination of services. None of the acquired goodwill is expected to be deductible for tax purposes. Pandora's amortizable intangible assets are comprised of customer relationships and software and technology, with estimated weighted average useful lives of 8 years and 5 years, respectively. The fair value assessed for the majority of the remaining assets acquired and liabilities assumed equaled their carrying value. Additionally, in connection with the acquisition, Sirius XM Holdings acquired gross net operating loss carryforwards of approximately \$1,287 million for federal income tax purposes available to offset future taxable income. The acquired net operating losses are limited by Section 382 of the Internal Revenue Code. Those limitations are not expected to impact our ability to fully utilize those net operating losses within the carryforward period.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

Sirius XM Holdings recognized \$84 million of costs related to the acquisition of Pandora during the year ended December 31, 2019.

The amounts of revenue and net loss of Pandora included in Liberty’s consolidated statement of operations since the date of acquisition were \$1,607 million and \$303 million, respectively, for the year ended December 31, 2019.

The unaudited pro forma revenue and net earnings of Liberty, prepared utilizing the historical financial statements of Pandora, giving effect to acquisition accounting related adjustments made at the time of acquisition, as if the acquisition of Pandora discussed above occurred on January 1, 2018, are as follows:

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Revenue	\$ 10,419	9,617	8,987
Net earnings (loss)	\$ 371	533	1,577
Net earnings (loss) attributable to Liberty stockholders . .	\$ 123	294	1,130

The pro forma results primarily include adjustments related to the amortization of acquired intangible assets, depreciation of property and equipment, acquisition costs, fair value gain or loss on the Pandora investment and associated tax impacts. 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 Pandora had occurred previously and the Company consolidated Pandora during the entirety of the periods presented.

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.

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Notes to Consolidated Financial Statements (Continued)

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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.

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:

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

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, 2019			December 31, 2018		
	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	\$ 992	992	—	231	231	—
Debt and equity securities . . .	\$ 353	242	111	1,195	228	967
Financial instrument assets . .	\$ 498	29	469	280	21	259
Debt	\$ 3,678	—	3,678	2,487	—	2,487

The majority of Liberty's Level 2 financial instruments are debt related instruments and derivative instruments. The Company notes that these assets are not always traded publicly or not considered to be traded on "active markets," as defined in GAAP. The fair values for such instruments are derived from a typical model using observable market data as the significant inputs 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

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Notes to Consolidated Financial Statements (Continued)

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table as Level 2 fair value. Debt and equity securities and financial instrument assets included in the table above are included in the Other assets line item in the consolidated balance sheets.

Realized and Unrealized Gains (Losses) on Financial Instruments

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

	Years ended December 31,		
	2019	2018	2017
Debt and equity securities	\$ 110	2	(36)
Debt measured at fair value (a)	(584)	130	(126)
Change in fair value of bond hedges (b)	215	(94)	72
Other derivatives	(56)	2	2
	\$ (315)	40	(88)

-
- (a) Changes in unrealized gains (losses) on debt measured at fair value, exclusive of changes related to instrument specific credit risk which is presented in other comprehensive income, 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 9 for additional discussion of the convertible notes and the bond hedges.

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

Liberty has various investments accounted for using the equity method. The following table includes the Company's carrying amount and percentage ownership and market value (Level 1) of the more significant investments in affiliates at December 31, 2019, and the carrying amount at December 31, 2018:

	<u>Percentage ownership</u>	<u>December 31, 2019</u>		<u>December 31, 2018</u>
		<u>Fair Value (Level 1)</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
dollar amounts in millions				
Liberty SiriusXM Group				
Sirius XM Canada	70%	\$ NA	\$ 636	613
Other			8	16
Total Liberty SiriusXM Group			<u>644</u>	<u>629</u>
 Braves Group				
Other	NA	NA	99	92
Total Braves Group			<u>99</u>	<u>92</u>
 Formula One Group				
Live Nation (a)	33%	\$ 4,978	746	743
Other	various	NA	136	177
Total Formula One Group			<u>882</u>	<u>920</u>
Consolidated Liberty			<u>\$ 1,625</u>	<u>1,641</u>

(a) See note 9 for details regarding the number and value of shares pledged as collateral pursuant to the Live Nation Margin Loan as of December 31, 2019.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

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

	<u>Years ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
	amounts in millions		
Liberty SiriusXM Group			
Sirius XM Canada	\$ (3)	(1)	29
Other	<u>(21)</u>	<u>(10)</u>	<u>—</u>
Total Liberty SiriusXM Group	<u>(24)</u>	<u>(11)</u>	<u>29</u>
Braves Group			
Other (a)	18	12	78
Total Braves Group	<u>18</u>	<u>12</u>	<u>78</u>
Formula One Group			
Live Nation	4	3	(18)
Other	<u>8</u>	<u>14</u>	<u>15</u>
Total Formula One Group	<u>12</u>	<u>17</u>	<u>(3)</u>
Consolidated Liberty	<u>\$ 6</u>	<u>18</u>	<u>104</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 Holdings completed a recapitalization of Sirius XM Canada Holdings, Inc. (“Sirius XM Canada”), which is now a privately held corporation. As of December 31, 2019, Sirius XM Holdings holds 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 Holdings 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 Holdings 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 Holdings 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 Holdings has a loan to Sirius XM Canada in the aggregate amount of \$131 million as of December 31, 2019. 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.

Sirius XM Holdings 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 currently pays Sirius XM Holdings 25% of its gross revenue on a monthly basis and pursuant to the Advisory Services Agreement, Sirius XM Canada pays Sirius XM Holdings 5% of its gross revenue on a monthly basis.

Sirius XM Holdings had approximately \$22 million and \$11 million in related party current assets as of December 31, 2019 and 2018, respectively. At December 31, 2019 and 2018, Sirius XM Holdings had approximately

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Notes to Consolidated Financial Statements (Continued)

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\$4 million and \$9 million in related party liabilities, respectively, which are recorded in current and noncurrent other liabilities in the Company's consolidated balance sheets. Sirius XM Holdings recorded approximately \$98 million, \$97 million and \$87 million in revenue for the years ended December 31, 2019, 2018 and 2017, respectively, associated with these various agreements. Sirius XM Canada paid dividends to Sirius XM Holdings of \$2 million, \$2 million and \$4 million during the years ended December 31, 2019, 2018 and 2017, respectively.

(8) Goodwill and Other Intangible Assets

Goodwill

Changes in the carrying amount of goodwill are as follows:

	<u>Sirius XM Holdings</u>	<u>Formula 1</u>	<u>Other</u>	<u>Total</u>
	<u>amounts in millions</u>			
Balance at January 1, 2018	\$ 14,247	3,956	180	18,383
Acquisitions	3	—	—	3
Balance at December 31, 2018	14,250	3,956	180	18,386
Acquisitions (a)	1,553	—	—	1,553
Balance at December 31, 2019	<u>\$ 15,803</u>	<u>3,956</u>	<u>180</u>	<u>19,939</u>

(a) See note 5 for details regarding Sirius XM Holdings' acquisition of Pandora.

Other Intangible Assets Not Subject to Amortization

Other intangible assets not subject to amortization, not separately disclosed, are trademarks (\$1,262 million and \$931 million) at December 31, 2019 and 2018 and franchise rights owned by Braves Holdings (\$143 million) as of December 31, 2019 and 2018. 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 Holdings' Federal Communications Commission ("FCC") licenses for its Sirius satellites expire in 2022 and 2025 and the FCC licenses for its XM satellites expire in 2021, 2022 and 2028. Prior to expiration, Sirius XM Holdings is required to apply for a renewal of its FCC licenses. The renewal and extension of its licenses is reasonably certain at minimal cost, which is expensed as incurred. Each of the FCC licenses authorizes Sirius XM Holdings to use the broadcast spectrum, which is a renewable, reusable resource that does not deplete or exhaust over time.

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Intangible Assets Subject to Amortization

Intangible assets subject to amortization are comprised of the following:

	December 31, 2019			December 31, 2018		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
			amounts in millions			
FIA Agreement	\$ 3,630	(543)	3,087	3,630	(346)	3,284
Customer relationships	3,086	(1,123)	1,963	2,684	(795)	1,889
Licensing agreements	316	(185)	131	316	(162)	154
Other	1,636	(877)	759	1,047	(659)	388
Total	\$ 8,668	(2,728)	5,940	7,677	(1,962)	5,715

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 \$790 million, \$654 million and \$594 million for the years ended December 31, 2019, 2018 and 2017, respectively. Based on its amortizable intangible assets as of December 31, 2019, Liberty expects that amortization expense will be as follows for the next five years (amounts in millions):

2020	\$ 790
2021	\$ 738
2022	\$ 584
2023	\$ 523
2024	\$ 405

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

(9) Debt

Debt is summarized as follows:

	Outstanding Principal December 31, 2019	Carrying value	
		December 31, 2019	December 31, 2018
Liberty SiriusXM Group			
Corporate level notes and loans:			
2.125% Exchangeable Senior Debentures due 2048 (1)	\$ 400	423	372
2.75% Exchangeable Senior Debentures due 2049 (1)	604	632	—
Sirius XM Holdings Margin Loan	350	350	600
Subsidiary notes and loans:			
Sirius XM 3.875% Senior Notes due 2022	1,000	995	994
Sirius XM 4.625% Senior Notes due 2023	500	498	497
Sirius XM 6% Senior Notes due 2024	—	—	1,490
Sirius XM 4.625% Senior Notes due 2024	1,500	1,485	—
Sirius XM 5.375% Senior Notes due 2025	1,000	993	992
Sirius XM 5.375% Senior Notes due 2026	1,000	992	991
Sirius XM 5.0% Senior Notes due 2027	1,500	1,488	1,487
Sirius XM 5.50% Senior Notes due 2029	1,250	1,236	—
Pandora 1.75% Convertible Senior Notes due 2020	1	1	—
Pandora 1.75% Convertible Senior Notes due 2023	193	163	—
Sirius XM Senior Secured Revolving Credit Facility	—	—	439
Sirius XM Holdings leases	—	—	5
Deferred financing costs		(11)	(9)
Total Liberty SiriusXM Group	<u>9,298</u>	<u>9,245</u>	<u>7,858</u>
Braves Group			
Subsidiary notes and loans:			
Notes and loans	559	559	494
Deferred financing costs		(5)	(3)
Total Braves Group	<u>559</u>	<u>554</u>	<u>491</u>
Formula One Group			
Corporate level notes and loans:			
1.375% Cash Convertible Notes due 2023 (1)	1,000	1,322	1,062
1% Cash Convertible Notes due 2023 (1)	450	585	463
2.25% Exchangeable Senior Debentures due 2046 (1)	208	257	209
2.25% Exchangeable Senior Debentures due 2048 (1)	385	459	381
Live Nation Margin Loan	130	130	—
Other	32	32	33
Subsidiary notes and loans:			
Senior Loan Facility	2,902	2,907	2,910
Deferred financing costs		(15)	(19)
Total Formula One Group	<u>5,107</u>	<u>5,677</u>	<u>5,039</u>
Total debt	<u>\$ 14,964</u>	<u>15,476</u>	<u>13,388</u>
Less debt classified as current		(60)	(17)
Total long-term debt		<u>\$ 15,416</u>	<u>13,371</u>

(1) Measured at fair value

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

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, 2019, 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, 2019, the basket price of the securities underlying the Bond Hedge Transaction was \$62.51 per share. The bond hedge expires on October 15, 2023 and is included in other assets as of December 31, 2019 and 2018 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.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

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, 2019, the basket price of the securities underlying the Amended Warrant Transactions was \$62.51 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.

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, Inc. (“Time Warner”) common stock were the reference shares attributable to the debentures. On June 14, 2018, AT&T Inc. (“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 after October 5, 2021. Holders of the debentures also have the right to require Liberty to purchase their

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

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. 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 Holdings common stock, Series C Liberty SiriusXM common stock, cash or a combination of Sirius XM Holdings common stock, Series C Liberty SiriusXM common stock and/or cash. The number of shares of Sirius XM Holdings 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 Holdings 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.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

2.75% Exchangeable Senior Debentures due 2049

On November 26, 2019, Liberty closed a private offering of approximately \$604 million aggregate principal amount of its 2.75% exchangeable senior debentures due 2049 (the “2.75% Exchangeable Senior Debentures due 2049”). Upon an exchange of debentures, Liberty, at its option, may deliver Sirius XM Holdings common stock, Series C Liberty SiriusXM common stock, cash or a combination of Sirius XM Holdings common stock, Series C Liberty SiriusXM common stock and/or cash. The number of shares of Sirius XM Holdings common stock attributable to a debenture represents an initial exchange price of approximately \$8.62 per share. A total of approximately 70 million shares of Sirius XM Holdings common stock are attributable to the debentures. Interest is payable quarterly in arrears on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2020. The debentures may be redeemed by Liberty, in whole or in part, on or after December 1, 2024. Holders of the debentures also have the right to require Liberty to purchase their debentures on December 1, 2024. The redemption and purchase price will generally equal 100% of the adjusted principal amount of the debentures plus accrued and unpaid interest to the redemption date, plus any final period distribution. 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.

Margin Loans

Sirius XM Holdings Margin Loan

On April 30, 2013, Liberty Siri MarginCo, LLC (“Siri MarginCo”), 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 securities were pledged as collateral pursuant to this agreement. During October 2014, Siri MarginCo 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 amounts outstanding under the revolving line of credit on the last day of the interest period applicable to the borrowing of which such loan was a part.

During October 2015, Siri MarginCo 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 Holdings 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, Siri MarginCo 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.

During March 2018, Siri MarginCo 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 was scheduled to mature during March 2020. The term loan and any drawn portion of the revolver carried 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. Borrowing 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 margin loan was \$750 million.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

During March 2019, Siri MarginCo amended this margin loan agreement, extending the maturity to March 2021. The \$600 million delayed draw term loan remains available until March 2020. The 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 3.99% per annum at December 31, 2019. As of December 31, 2019, availability under the margin loan was \$1,000 million. 1,000 million shares of Sirius XM Holdings common stock held by Liberty with a value of \$7,150 million were pledged as collateral to the margin loan as of December 31, 2019. 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). On December 10, 2019, the margin loan agreement was amended, extending the maturity date to December 10, 2021. Interest on the margin loan is payable on the last business day of each calendar quarter. Borrowings outstanding under this margin loan bore interest at a rate of 3.74% per annum at December 31, 2019. As of December 31, 2019, availability under the margin loan was \$470 million. 53.7 million shares of the Company's Live Nation common stock with a value of \$3,841 million were pledged as collateral to the loan as of December 31, 2019. 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.

Sirius XM Holdings Senior Notes and Senior Secured Revolving Credit Facility

Sirius XM 4.625% Senior Notes Due 2023

In May 2013, Sirius XM Holdings 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 Holdings' domestic wholly-owned subsidiaries guarantee Sirius XM Holdings' obligations under the notes.

Sirius XM 3.875% Senior Notes Due 2022 and 5.00% Senior Notes Due 2027

In July 2017, Sirius XM Holdings 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 Holdings' domestic wholly-owned subsidiaries guarantee Sirius XM Holdings' obligations under the notes.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

Sirius XM 6% Senior Notes due 2024

In May 2014, Sirius XM Holdings issued \$1.5 billion aggregate principal amount of 6% Senior Notes due 2024 (the “6% Notes”). Interest was payable semi-annually in arrears on January 15 and July 15 of each year at a rate of 6% per annum. In July 2019, Sirius XM redeemed the \$1.5 billion aggregate principal amount of the 6% Notes.

Sirius XM 4.625% Senior Notes due 2024

In July 2019, Sirius XM Holdings issued \$1.5 billion aggregate principal amount of 4.625% Senior Notes due 2024 (the “4.625% Notes”). Interest is payable semi-annually in arrears on January 15 and July 15 of each year at a rate of 4.625% per annum. The 4.625% Notes will mature on July 15, 2024. Substantially all of Sirius XM Holdings’ domestic wholly-owned subsidiaries guarantee Sirius XM Holdings’ obligations under the notes. Sirius XM Holdings used the net proceeds from the offering, together with cash on hand, to redeem all of the 6% Senior Notes.

Sirius XM 5.375% Senior Notes due 2025

In March 2015, Sirius XM Holdings 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”). Interest is payable semi-annually in arrears on April 15 and October 15. The Sirius XM 5.375% Senior Notes due 2025 are recorded net of the remaining unamortized discount. Substantially all of Sirius XM Holdings’ domestic wholly-owned subsidiaries guarantee Sirius XM Holdings’ obligations under the notes.

Sirius XM 5.375% Senior Notes due 2026

In May 2016, Sirius XM Holdings 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”). Interest is payable semi-annually in arrears on January 15 and July 15. The Sirius XM 5.375% Senior Notes due 2026 are recorded net of the remaining unamortized discount. Substantially all of Sirius XM Holdings’ domestic wholly-owned subsidiaries guarantee Sirius XM Holdings’ obligations under the notes.

Sirius XM 5.50% Senior Notes due 2029

In June 2019, Sirius XM Holdings issued \$1.25 billion aggregate principal amount of 5.50% Senior Notes due 2029 (the “5.50% Notes”). Interest is payable semi-annually in arrears on January 1 and July 1 of each year at a rate of 5.50% per annum. The 5.50% Notes will mature on July 1, 2029. Substantially all of Sirius XM Holdings’ domestic wholly-owned subsidiaries guarantee Sirius XM Holdings’ obligations under the notes.

Pandora 1.75% Convertible Senior Notes due 2020

Sirius XM Holdings acquired \$152 million principal amount of the 1.75% Convertible Senior Notes due 2020 as part of the Pandora acquisition. On February 14, 2019, Pandora announced a tender offer to repurchase for cash any and all of its outstanding 1.75% Convertible Senior Notes due 2020 at a price equal to 100% of the aggregate principal amount thereof plus accrued and unpaid interest thereon to, but not including, the repurchase date. On March 18, 2019, Sirius XM Holdings purchased \$151 million principal amount of the 1.75% Convertible Senior Notes due 2020.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

Pandora 1.75% Convertible Senior Notes due 2023

Sirius XM Holdings acquired \$193 million principal amount of the 1.75% Convertible Senior Notes due 2023 as part of the Pandora acquisition. Sirius XM Holdings allocates the principal amount of the 1.75% Convertible Senior Notes due 2023 between the liability and equity components. The value assigned to the debt components of the 1.75% Convertible Senior Notes due 2023 is the estimated fair value as of the issuance date of similar debt without the conversion feature. The difference between the fair value of the debt and this estimated fair value represents the value which has been assigned to the equity component. The equity component is recorded to noncontrolling interest in equity of subsidiaries and is not remeasured as long as it continues to meet the conditions for equity classification. The excess of the principal amount of the 1.75% Convertible Senior Notes due 2023 over the carrying amount of the liability component is recorded as a debt discount, and is being amortized to interest expense using the effective interest method through the December 1, 2023 maturity date.

Sirius XM Holdings Senior Secured Revolving Credit Facility

Sirius XM Holdings 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 Holdings’ material domestic subsidiaries and is secured by a lien on substantially all of Sirius XM Holdings’ 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, 2019 bore interest at a rate of 3.89% per annum. Sirius XM Holdings is required to pay a variable fee on the average daily unused portion of the Credit Facility which was 0.25% as of December 31, 2019 and is payable on a quarterly basis. The Credit Facility contains customary covenants, including a maintenance covenant. As the amount available for future borrowings is reduced by \$1 million related to Pandora letters of credit, availability under the Credit Facility was \$1,749 million as of December 31, 2019.

Braves Holdings Notes and Loans

Braves Holdings’ debt is summarized as follows:

	Carrying value		As of December 31, 2019		Maturity Date
	December 31, 2019	December 31, 2018	Borrowing Capacity	Weighted avg interest rate	
	amounts in millions				
Operating credit facilities	\$ 45	17	185	2.69%	various
Ballpark funding					
Term loan	49	52	NA	3.07%	August 2021
Senior secured note	190	195	NA	3.77%	September 2041
Floating rate notes	65	70	NA	3.80%	September 2029
Mixed-use credit facilities and loans .	180	160	307	4.12%	various
Spring training credit facility	30	—	39	2.82%	December 2022
Total Braves Holdings	<u>\$ 559</u>	<u>494</u>			

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

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.

On May 23, 2019, Formula 1 refinanced the revolving credit facility, reducing the pricing grid by 25 basis points, and in combination with leverage reduction, the applicable interest rate is LIBOR plus 2.0% per annum. The revolving credit facility matures on May 31, 2024, unless the Senior Loan Facility is outstanding, in which case the revolving credit facility matures on November 3, 2023. As of December 31, 2019, there were no outstanding borrowings under the \$500 million revolving credit facility. The interest rate on the Senior Loan Facility was approximately 4.30% as of December 31, 2019. The Senior Loan Facility is secured by share pledges, bank accounts and floating charges over Formula 1’s primary operating companies with certain cross guarantees. Additionally, as of December 31, 2019, Formula 1 has interest rate swaps on \$2.1 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.

Debt Covenants

The Sirius XM Holdings Credit Facility contains certain financial covenants related to Sirius XM Holdings’ leverage ratio. Braves Holdings’ debt contains certain financial covenants related to Braves Holdings’ debt service coverage ratio, fixed charge ratio, debt yield ratio, capital expenditures and liquidity. The Formula 1 Senior Loan Facility contains certain financial covenants, including a leverage ratio. Additionally, Sirius XM Holdings’ Credit Facility, Braves Holdings’ debt, Formula 1 debt and other borrowings contain certain non-financial covenants. As of December 31, 2019, the Company, Sirius XM Holdings, 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, 2019, 2018 and 2017

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 Holdings' publicly traded debt securities is as follows (amounts in millions):

	December 31, 2019
Sirius XM 3.875% Senior Notes due 2022	\$ 1,021
Sirius XM 4.625% Senior Notes due 2023	\$ 508
Sirius XM 4.625% Senior Notes due 2024	\$ 1,569
Sirius XM 5.375% Senior Notes due 2025	\$ 1,036
Sirius XM 5.375% Senior Notes due 2026	\$ 1,063
Sirius XM 5.0% Senior Notes due 2027	\$ 1,584
Sirius XM 5.50% Senior Notes due 2029	\$ 1,355
Pandora 1.75% Senior Notes due 2020	\$ 1
Pandora 1.75% Senior Notes due 2023	\$ 239

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, 2019.

Five Year Maturities

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

2020	\$	67
2021	\$	546
2022	\$	1,049
2023	\$	2,235
2024	\$	4,454

(10) Leases

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. The Company adopted the new guidance, which established Accounting Standards Codification Topic 842 ("ASC 842"), effective January 1, 2019, and elected the optional transition method that allows for a cumulative-effect adjustment in the period of adoption. Results for reporting periods beginning after January 1, 2019 are presented under the new guidance, while prior period amounts were not adjusted and continue to be reported under the accounting standards in effect for those periods.

We elected certain of the available transition practical expedients, including those that permit us to not reassess (1) whether any expired or existing contracts are leases or contain leases, (2) the lease classification for any expired or existing leases, and (3) initial direct costs for any existing leases as of the effective date. We elected the hindsight practical expedient, which permits entities to use hindsight in determining the lease term and assessing impairment. The most significant impact of the new guidance was the recognition of right-of-use assets and lease liabilities for operating leases.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

In addition, the Company elected the practical expedient to account for the lease and non-lease components as a single component and will not recognize right-of-use assets or lease liabilities for short-term leases, which are those leases with a term of twelve months or less at the lease commencement date.

The effect of the adoption on our consolidated balance sheets as of January 1, 2019 for the adoption of ASC 842 is as follows:

	Balance at December 31, 2018	Adjustments due to ASC 842	Balance at January 1, 2019
	in millions		
<i>Assets</i>			
Other current assets	\$ 360	(2)	358
Property and equipment, at cost	\$ 3,765	(371)	3,394
Accumulated depreciation	\$ (1,296)	15	(1,281)
Other assets	\$ 1,861	396	2,257
<i>Liabilities and Equity</i>			
Current portion of debt	\$ 17	(4)	13
Other current liabilities	\$ 32	36	68
Long-term debt	\$ 13,371	(1)	13,370
Other long-term liabilities	\$ 864	9	873
Retained earnings	\$ 13,644	(2)	13,642

The Company and its subsidiaries lease a baseball stadium and facilities, business offices, satellite transponders and equipment. Operating lease right-of-use assets and operating lease liabilities are recognized based on the present value of the future lease payments using our incremental borrowing rate at the commencement date of the lease.

Our leases have remaining lease terms of 1 year to 40 years, some of which may include the option to extend for up to 10 years, and some of which include options to terminate the leases within 1 year.

Braves Holdings' baseball stadium was historically accounted for as a financing obligation under the 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 previous accounting guidance, with any difference recorded as an adjustment to equity as of the adoption date. Braves Holdings then applied the general lessee guidance under the new standard to the baseball stadium lease, including classifying it as a finance lease, and recorded a right-of-use asset and lease liability on the balance sheet, which has been initially measured at the present value of the remaining lease payments over the lease term.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

The components of lease expense during the year ended December 31, 2019 were as follows:

	Year ended December 31, 2019
	in millions
Finance lease cost	
Depreciation of leased assets	\$ 37
Interest on lease liabilities	6
Total finance lease cost	<u>43</u>
Operating lease cost	89
Sublease income	<u>(3)</u>
Total lease cost	<u>\$ 129</u>

Prior to the adoption of ASC 842, rental expense under lease agreements amounted to \$64 million and \$58 million for the years ended December 31, 2018 and 2017, respectively.

The remaining weighted-average lease term and the weighted average discount rate were as follows:

	December 31, 2019
Weighted-average remaining lease term (years):	
Finance leases	29.7
Operating leases	9.2
Weighted-average discount rate:	
Finance leases	4.6%
Operating leases	5.2%

Supplemental balance sheet information related to leases was as follows:

	December 31, 2019
	in millions
Operating leases:	
Operating lease right-of-use assets (1)	\$ 510
Current operating lease liabilities (2)	\$ 53
Operating lease liabilities (3)	<u>495</u>
Total operating lease liabilities	<u>\$ 548</u>
Finance Leases:	
Property and equipment, at cost	\$ 473
Accumulated depreciation	<u>(89)</u>
Property and equipment, net	<u>\$ 384</u>
Current finance lease liabilities (2)	\$ 4
Finance lease liabilities (3)	<u>119</u>
Total finance lease liabilities	<u>\$ 123</u>

(1) Included in Other assets in the condensed consolidated balance sheet

(2) Included in Other current liabilities in the condensed consolidated balance sheet

(3) Included in Other liabilities in the condensed consolidated balance sheet

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

Supplemental cash flow information related to leases was as follows:

	Year ended December 31, 2019
	in millions
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 79
Financing cash flows from finance leases	\$ 8
Right-of-use assets obtained in exchange for lease obligations:	
Operating leases	\$ 83

Future minimum payments under noncancelable operating leases and finance leases with initial terms of one year or more at December 31, 2019 consisted of the following:

	Finance leases	Operating leases
	in millions	
2020	\$ 10	78
2021	10	81
2022	9	76
2023	9	72
2024	9	63
Thereafter	161	331
Total lease payments	208	701
Less: implied interest	85	153
Present value of lease liabilities	\$ 123	548

(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, the most significant of which was a reduction to the U.S. federal corporate tax rate from 35 percent to 21 percent. The Company reflected the income tax effects 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 had completed its analysis of the tax effects of the Tax Act.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

Income tax benefit (expense) consists of:

	<u>Years ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
	amounts in millions		
Current:			
Federal	\$ (1)	(14)	38
State and local	(24)	13	(30)
Foreign	<u>(21)</u>	<u>(8)</u>	<u>(9)</u>
	<u>(46)</u>	<u>(9)</u>	<u>(1)</u>
Deferred:			
Federal	(139)	(228)	578
State and local	(20)	(2)	(21)
Foreign	<u>39</u>	<u>63</u>	<u>507</u>
	<u>(120)</u>	<u>(167)</u>	<u>1,064</u>
Income tax benefit (expense)	<u>\$ (166)</u>	<u>(176)</u>	<u>1,063</u>

The following table presents a summary of our domestic and foreign earnings (loss) before income taxes:

	<u>Years ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
	amounts in millions		
Domestic	\$ 583	1,140	943
Foreign	<u>(70)</u>	<u>(99)</u>	<u>(116)</u>
Total	<u>\$ 513</u>	<u>1,041</u>	<u>827</u>

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

Expected income tax benefit (expense) differs from the amounts computed by applying the U.S. federal income tax rate of 21% for both of the years ended December 31, 2019 and 2018 and 35% for the year ended December 31, 2017 as a result of the following:

	<u>Years ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
	<u>amounts in millions</u>		
Computed expected tax benefit (expense)	\$ (108)	(219)	(289)
State and local income taxes, net of federal income taxes	(41)	18	(37)
Foreign income taxes, net of federal income taxes	26	22	88
Taxable dividends, net of dividends received deductions	(10)	(27)	(7)
Federal tax credits	26	30	22
Change in valuation allowance affecting tax expense	(40)	(62)	212
Change in tax rate due to Tax Act	—	(8)	929
Change in tax rate	(48)	1	(4)
Settlements with tax authorities	—	43	253
Deductible stock-based compensation	71	38	40
Non-deductible executive compensation	(22)	(7)	(4)
Income tax reserves	—	—	(22)
Non-deductible / Non-taxable interest	—	—	(60)
Write-off of tax attributes	—	—	(42)
Other, net	(20)	(5)	(16)
Income tax benefit (expense)	<u>\$ (166)</u>	<u>(176)</u>	<u>1,063</u>

For the year ended December 31, 2019, the significant reconciling items, as noted in the table above, are additional tax expense related to increases in the Company's valuation allowance, changes in the Company's effective state tax rate and the effect of state income taxes, partially offset by tax benefits related to deductible stock based compensation, earnings in foreign jurisdictions taxed at rates lower than the 21% U.S. federal tax rate and federal income tax credits.

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 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.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

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>2019</u>	<u>2018</u>
	<u>amounts in millions</u>	
Deferred tax assets:		
Tax loss and credit carryforwards	\$ 1,510	1,355
Accrued stock compensation	106	97
Other accrued liabilities	240	—
Deferred revenue	74	514
Discount on debt	45	—
Other future deductible amounts	31	22
Deferred tax assets	<u>2,006</u>	<u>1,988</u>
Valuation allowance	<u>(216)</u>	<u>(174)</u>
Net deferred tax assets	<u>1,790</u>	<u>1,814</u>
Deferred tax liabilities:		
Investments	90	26
Fixed assets	458	359
Intangible assets	2,912	2,690
Discount on debt	—	76
Other future taxable amounts	—	314
Deferred tax liabilities	<u>3,460</u>	<u>3,465</u>
Net deferred tax liabilities	<u>\$ 1,670</u>	<u>1,651</u>

Sirius XM Holdings’ deferred tax assets and liabilities are included in the amounts above although Sirius XM Holdings’ deferred tax assets and liabilities are not offset with Liberty’s deferred tax assets and liabilities as Sirius XM Holdings is not included in the consolidated group tax return of Liberty. Liberty’s acquisition of a controlling interest in Sirius XM Holdings’ 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, 2019, there was a \$40 million increase in the Company’s valuation allowance that affected tax expense and a \$2 million increase that affected equity.

At December 31, 2019, the Company had a deferred tax asset of \$1,510 million for federal, state and foreign net operating losses (“NOLs”), interest expense carryforwards and tax credit carryforwards. Of this amount, \$1,010 million is recorded at the Sirius XM Holdings level. If not utilized to reduce income tax liabilities at Sirius XM Holdings in future periods, these loss carryforwards and tax credits will expire on various dates through 2038. The Company has \$44 million of federal NOLs, \$85 million of federal interest expense carryforwards, \$239 million of foreign NOLS and \$130 million of foreign interest expense carryforwards that may be carried forward indefinitely. The remaining \$2 million of carryforwards expire at certain future dates. These carryforwards are expected to be utilized in future periods, except for \$216 million of NOLs, interest expense carryforwards and tax credit carryforwards which, based on current projections, will not be utilized in the future and are subject to a valuation allowance.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

A reconciliation of unrecognized tax benefits is as follows:

	<u>December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
	amounts in millions		
Balance at beginning of year	\$ 387	365	304
Reductions for tax positions of prior years	(13)	(27)	(1)
Increase in tax positions for current year	12	15	16
Increase in tax positions from prior years	1	65	37
Settlements with tax authorities	—	(31)	(423)
Increase in tax positions from acquisition	18	—	432
Balance at end of year	<u>\$ 405</u>	<u>387</u>	<u>365</u>

As of December 31, 2019, the Company had recorded tax reserves of \$405 million related to unrecognized tax benefits for uncertain tax positions. If such tax benefits were to be recognized for financial statement purposes, approximately \$297 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, 2019 will significantly increase or decrease during the twelve-month period ending December 31, 2020; 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, 2019, the Company’s tax years prior to 2016 are closed for federal income tax purposes, and the IRS has completed its examination of the Company’s 2016 and 2017 tax years. The Company’s 2018 and 2019 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 Holdings, 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, 2019, 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, 2019, 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 Closing.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

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 year ended December 31, 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.

During the year ended December 31, 2019, the Company repurchased 11.0 million shares of Series C Liberty SiriusXM common stock for aggregate cash consideration of \$443 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, 2019.

Dividends Declared by Subsidiary

During the year ended December 31, 2017, Sirius XM Holdings 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 Holdings declared a cash dividend each quarter, and paid in cash an aggregate amount of \$201 million, of which Liberty received \$143 million.

During the year ended December 31, 2019, Sirius XM Holdings declared a cash dividend each quarter, and paid in cash an aggregate amount of \$226 million, of which Liberty received \$157 million. Sirius XM Holdings' board of directors expects to declare regular quarterly dividends, in an aggregate annual amount of \$0.05324 per share of common stock. On January 30, 2020, Sirius XM Holdings' board of directors declared a quarterly dividend on its common stock in the amount of \$0.01331 per share of common stock, payable on February 28, 2020 to stockholders of record at the close of business on February 12, 2020.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

(13) Related Party Transactions with Officers and Directors

Chief Executive Officer Compensation Arrangement

In December 2019, the Compensation Committee (the “Committee”) of Liberty approved a compensation arrangement (the “CEO Arrangement”) for its President and Chief Executive Officer (the “CEO”). Also in December 2019, each of the Service Companies executed an amendment to each Service Company’s services agreement with Liberty, pursuant to which components of the CEO’s compensation described below will either be paid directly to the CEO by each Service Company or reimbursed to Liberty, in each case based on allocations among Liberty and each of the Service Companies set forth in the service agreement amendments. For 2020, the allocation percentage for Liberty is 44%. Beginning with his 2021 compensation, this percentage will be determined based on a combination of (1) relative market capitalizations, weighted 50%, and (2) a blended average of historical time allocation on a Liberty-wide and CEO basis, weighted 50%, in each case, absent agreement to the contrary by Liberty and the Service Companies in consultation with the CEO. The percentage will then be adjusted annually and following certain events.

The CEO Arrangement provides for a five year employment term which began on January 1, 2020 and ends December 31, 2024, with an annual base salary of \$3 million (with no contracted increase), a one-time cash commitment bonus of \$5 million and annual target cash performance bonus of \$17 million (with payment subject to the achievement of one or more performance metrics as determined by the applicable company’s Compensation Committee), upfront equity awards and annual equity awards (as described below).

The CEO is entitled to receive term equity awards with an aggregate grant date fair value of \$90 million (the “Upfront Awards”) to be granted in two equal tranches. The first tranche consisted of time-vested stock options from each of Liberty, Qurate Retail, Liberty Broadband and GCI Liberty and time-vested restricted stock units from Liberty TripAdvisor (collectively, the “2019 term awards”) that vest, in each case, on December 31, 2023 (except Liberty TripAdvisor’s award of time-vested restricted stock units, which vests on December 15, 2023), subject to the CEO’s continued employment, except under certain circumstances. Liberty’s portion of the 2019 term awards, granted in December 2019, had an aggregate grant date fair value of \$19,800,000 and consisted of stock options to purchase 927,334 Series C Liberty SiriusXM common stock (“LSXMK”) shares, 313,342 Series C Liberty Braves (“BTRK”) shares and 588,954 Series C Formula One common stock (“FWONK”) shares, with exercise prices of \$47.11, \$29.10 and \$43.85, respectively. The second tranche of the Upfront Awards will be granted on or before December 15, 2020, subject to the CEO’s continued employment on such date or the earlier occurrence of a termination of employment due to death, disability, by the issuing company without cause or by the CEO for good reason, and will consist of the same types of awards described above with respect to the first tranche (collectively, the “2020 term awards”). The 2020 term awards will vest, in each case, on December 31, 2024, subject to the CEO’s continued employment (except Liberty TripAdvisor’s award of time-vested restricted stock units, which would vest on the fourth anniversary of its grant date), except under certain circumstances. The portion of the 2020 term awards to be granted by Liberty is expected to consist of stock options to purchase shares of its Series C common stock.

Beginning in 2020, the CEO will receive annual equity award grants with an annual aggregate grant date fair value of \$17.5 million, consisting of time-vested options and/or performance-based restricted stock units. The CEO may elect the portions of his annual equity awards that he desires to be issued in the form of options, performance-based RSUs or a combination of both. The annual equity awards will be allocated across Liberty and each of the Service Companies. Vesting of any of these annual performance-based RSUs will be subject to the achievement of one or more performance metrics to be approved by the Compensation Committee of the applicable company with respect to its respective allocable portion of the annual performance-based RSUs. At Liberty, the CEO’s annual equity awards will be issued with respect to LSXMK, BTRK and FWONK.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

The CEO will be entitled to payments and benefits if his employment is terminated, subject to the execution of releases. Such payments and benefits generally will take the form of cash payments, issuance of fully vested shares and the acceleration of unvested equity awards, depending on the type of termination. In the event that the CEO's services to a Service Company are discontinued and he remains employed by Liberty following such discontinuation (unless such discontinuation is for cause (as defined in his employment agreement)), the Service Company will be required to make a termination payment to Liberty, as well as provide the CEO with certain payments and benefits upon termination under certain circumstances.

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 while he remains employed by the Company (instead of following his termination) 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. 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 amounts owed to the Chairman under the 8% Plan and 13% Plan aggregated approximately \$2.4 million and \$20 million, respectively, at December 31, 2008. The amount owed to the Chairman under his salary continuation plan aggregated approximately \$39 million at December 31, 2008. 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. Interest ceased to accrue under his salary continuation plan once the payment began.

(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).

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

Liberty—Grants of stock options

Awards granted in 2019, 2018 and 2017 are summarized as follows:

	Years ended December 31,					
	2019		2018		2017	
	Options granted (000's)	Weighted average GDFV	Options granted (000's)	Weighted average GDFV	Options granted (000's)	Weighted average GDFV
Series C Liberty SiriusXM common stock, Liberty employees and directors (1)	179	\$ 11.62	33	\$ 11.09	263	\$ 10.39
Series C Liberty SiriusXM common stock, Liberty CEO (2) . . .	1,419	\$ 11.23	633	\$ 11.56	920	\$ 8.50
Series C Liberty Formula One common stock, Liberty employees and directors (1)	139	\$ 12.70	21	\$ 8.99	153	\$ 9.42
Series C Liberty Formula One common stock, Liberty CEO (2) . .	815	\$ 11.67	139	\$ 8.80	171	\$ 8.96
Series C Liberty Formula One common stock, Formula 1 employees (3)	2,005	\$ 9.79	1,888	\$ 8.64	2,015	\$ 8.16
Series C Liberty Braves common stock, Liberty employees and directors (1)	62	\$ 7.33	5	\$ 7.14	35	\$ 6.14
Series C Liberty Braves common stock, Liberty CEO (2)	320	\$ 7.36	46	\$ 6.44	149	\$ 6.02

- (1) Mainly vests between three and five years for employees and in one year for directors.
- (2) Grants made in March 2019 mainly cliff vested in December 2019, and grants made in December 2019 in connection with the CEO's new employment agreement cliff vest in December 2023. Grants in 2018 and 2017 mainly vested in December 2018 and December 2017, respectively.
- (3) 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 time-based and performance-based restricted stock units ("RSUs"). During the year ended December 31, 2019, Liberty granted 12 thousand and 2 thousand time-based RSUs of Series C Liberty Formula One common stock and Series C Liberty Braves common stock, respectively. Such RSUs had a GDFV of \$33.94 per share and \$27.73 per share, respectively, at the time they were granted and cliff vested on March 11, 2019. During the years ended December 31, 2019, 2018 and 2017, Liberty granted 60 thousand, 86 thousand and 50 thousand performance-based RSUs, respectively, of Series C Liberty Formula One common stock. Such RSUs had a GDFV of \$33.94 per share, \$31.99 per share and \$33.92 per share, respectively. During the years ended December 31, 2019 and 2018, Liberty granted 38 thousand and 12 thousand performance-based RSUs, respectively, of Series C Liberty Braves common stock. Such RSUs had a GDFV of \$27.73 per share and \$23.34 per share, respectively. The 2019, 2018 and 2017 performance-based RSUs cliff vest one year from the month of grant, 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 stock option grants include the first upfront award related to the CEO's new employment agreement. See discussion in note 13 regarding the new compensation agreement with the Company's CEO.

The Company did not grant any options to purchase Series A or Series B of Liberty SiriusXM, Liberty Formula One or Liberty Braves common stock during the year ended December 31, 2019.

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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 2019, 2018 and 2017, 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 2019, 2018 and 2017 grants.

	<u>Volatility</u>
<i>2019 grants</i>	
Liberty options	21.8 % - 27.5 %
<i>2018 grants</i>	
Liberty options	23.5 % - 26.0 %
<i>2017 grants</i>	
Liberty options	22.6 % - 29.8 %

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</u>		<u>Weighted</u>	<u>Aggregate</u>
	<u>Awards (000's)</u>	<u>WAEP</u>	<u>average</u>	<u>intrinsic</u>
			<u>remaining</u>	<u>value</u>
			<u>life</u>	<u>(in millions)</u>
Outstanding at January 1, 2019	1,403	\$ 19.84		
Granted	—	\$ —		
Exercised	(1,381)	\$ 19.79		
Forfeited/Cancelled	—	\$ —		
Outstanding at December 31, 2019	<u>22</u>	\$ 22.62	0.4 years	\$ 1
Exercisable at December 31, 2019	<u>22</u>	\$ 22.62	0.4 years	\$ 1

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	Series C		Weighted average remaining life	Aggregate intrinsic value (in millions)
	Liberty Awards (000's)	WAEP		
Outstanding at January 1, 2019	11,495	\$ 28.85		
Granted	1,598	\$ 45.08		
Exercised	(2,923)	\$ 20.42		
Forfeited/Cancelled.....	<u>(353)</u>	\$ 31.69		
Outstanding at December 31, 2019	<u>9,817</u>	\$ 33.90	3.6 years	\$ 140
Exercisable at December 31, 2019.....	<u>7,997</u>	\$ 32.18	3.2 years	\$ 128

Liberty Formula One

	Series A		Weighted average remaining life	Aggregate intrinsic value (in millions)
	Liberty Awards (000's)	WAEP		
Outstanding at January 1, 2019	360	\$ 11.71		
Granted	—	\$ —		
Exercised	(359)	\$ 11.71		
Forfeited/Cancelled.....	<u>—</u>	\$ —		
Outstanding at December 31, 2019	<u>1</u>	\$ 12.63	3.0 years	\$ —
Exercisable at December 31, 2019.....	<u>1</u>	\$ 12.63	3.0 years	\$ —

	Series C		Weighted average remaining life	Aggregate intrinsic value (in millions)
	Liberty Awards (000's)	WAEP		
Outstanding at January 1, 2019	6,684	\$ 26.92		
Granted	2,959	\$ 36.38		
Exercised	(1,273)	\$ 21.80		
Forfeited/Cancelled.....	<u>(86)</u>	\$ 19.26		
Outstanding at December 31, 2019	<u>8,284</u>	\$ 31.16	4.9 years	\$ 123
Exercisable at December 31, 2019.....	<u>6,427</u>	\$ 29.61	4.5 years	\$ 105

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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, 2019	177	\$ 11.44		
Granted	—	\$ —		
Exercised	(175)	\$ 11.43		
Forfeited/Cancelled	—	\$ —		
Outstanding at December 31, 2019	<u>2</u>	\$ 11.89	2.5 years	\$ —
Exercisable at December 31, 2019	<u>2</u>	\$ 11.89	2.5 years	\$ —

	Series C		Weighted average remaining life	Aggregate intrinsic value (in millions)
	Liberty Awards (000's)	WAEP		
Outstanding at January 1, 2019	1,276	\$ 16.58		
Granted	382	\$ 28.93		
Exercised	(358)	\$ 11.37		
Forfeited/Cancelled	<u>(33)</u>	\$ 15.19		
Outstanding at December 31, 2019	<u>1,267</u>	\$ 21.82	4.3 years	\$ 10
Exercisable at December 31, 2019	<u>815</u>	\$ 18.81	3.1 years	\$ 9

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 2019.

As of December 31, 2019, the total unrecognized compensation cost related to unvested Liberty Awards was approximately \$34 million. Such amount will be recognized in the Company's consolidated statements of operations over a weighted average period of approximately 2.1 years.

As of December 31, 2019, 9.8 million, 8.3 million and 1.3 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, 2019, 2018 and 2017 was \$163 million, \$22 million and \$31 million, respectively.

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Liberty—Restricted Stock

The Company had approximately 94 thousand, 149 thousand and 73 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, 2019. 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 \$36.07, \$34.03 and \$27.31 per share, respectively.

The aggregate fair value of all restricted shares of Liberty common stock that vested during the years ended December 31, 2019, 2018 and 2017 was \$17 million, \$9 million and \$85 million, respectively.

Sirius XM Holdings—Stock-based Compensation

During the years ended December 31, 2019, 2018 and 2017, Sirius XM Holdings 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 Holdings 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 Holdings’ option grants during 2019, 2018 and 2017 was 26%, 23% and 24%, respectively. During the year ended December 31, 2019, Sirius XM Holdings granted approximately 15 million stock options with a weighted-average exercise price of \$6.10 per share and a grant date fair value of \$1.26 per share. As of December 31, 2019, Sirius XM Holdings has approximately 208 million options outstanding of which approximately 148 million are exercisable, each with a weighted-average exercise price per share of \$4.46 and \$3.96, respectively. The aggregate intrinsic value of these outstanding and exercisable options was \$560 million and \$472 million, respectively. During the year ended December 31, 2019, Sirius XM Holdings granted approximately 38 million RSUs and PRSUs with a grant date fair value of \$6.01 per share. In addition, 48 million RSUs with a grant date fair value per share of \$5.83 were granted during the year ended December 31, 2019 in connection with the Pandora acquisition. The stock-based compensation related to Sirius XM Holdings stock options and restricted stock awards was \$229 million, \$133 million and \$124 million for the years ended December 31, 2019, 2018, and 2017, respectively. In addition, the acquisition and other costs recognized by Sirius XM Holdings during the year ended December 31, 2019 includes \$21 million of stock-based compensation. As of December 31, 2019, the total unrecognized compensation cost related to unvested Sirius XM Holdings stock options was \$415 million. The Sirius XM Holdings unrecognized compensation cost will be recognized in the Company’s consolidated statements of operations over a weighted average period of approximately 2.4 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 \$19 million, \$20 million and \$17 million for each of the years ended December 31, 2019, 2018 and 2017, respectively.

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(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.

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

	Unrealized holding gains (losses) on securities	Foreign currency translation adjustment	Other	AOCI
	amounts in millions			
Balance at January 1, 2017	\$ (9)	(22)	(31)	(62)
Other comprehensive earnings (loss) attributable to Liberty stockholders . .	(3)	16	14	27
Balance at December 31, 2017	<u>(12)</u>	<u>(6)</u>	<u>(17)</u>	<u>(35)</u>
Other comprehensive earnings (loss) attributable to Liberty stockholders . .	(3)	(24)	22	(5)
Cumulative adjustment for change in accounting principle	—	—	2	2
Balance at December 31, 2018	<u>(15)</u>	<u>(30)</u>	<u>7</u>	<u>(38)</u>
Other comprehensive earnings (loss) attributable to Liberty stockholders . .	3	13	(11)	5
Balance at December 31, 2019	<u>\$ (12)</u>	<u>(17)</u>	<u>(4)</u>	<u>(33)</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).

	Before-tax amount	Tax (expense) benefit	Net-of-tax amount
	amounts in millions		
<i>Year ended December 31, 2019:</i>			
Unrealized holding gains (losses) arising during period	\$ 4	(1)	3
Credit risk on fair value debt instruments gains (losses)	(17)	4	(13)
Foreign currency translation adjustments	27	(6)	21
Other comprehensive earnings	<u>\$ 14</u>	<u>(3)</u>	<u>11</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	(56)	12	(44)
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	60	(22)	38
Other comprehensive earnings	<u>\$ 55</u>	<u>(20)</u>	<u>35</u>

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(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 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 (current and former), coaches and executives have entered into long-term employment contracts whereby such individuals' compensation is guaranteed. Amounts due under guaranteed contracts as of December 31, 2019 aggregated \$352 million, which is payable as follows: \$112 million in 2020, \$93 million in 2021, \$39 million in 2022, \$29 million in 2023, \$24 million in 2024 and \$55 million thereafter. In addition to the foregoing amounts, certain players, coaches and executives may earn incentive compensation under the terms of their employment contracts.

Programming, music royalties and other contractual arrangements

Sirius XM Holdings has entered into various programming agreements under which Sirius XM Holdings' obligations include fixed payments, advertising commitments and revenue sharing arrangements. In addition, Sirius XM Holdings has entered into certain music royalty arrangements that include fixed payments. Amounts due under programming and music royalty agreements are payable as follows: \$845 million in 2020, \$461 million in 2021, \$306 million in 2022, \$101 million in 2023 and \$49 million in 2024. 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 Holdings 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: \$151 million in 2020, \$41 million in 2021, \$32 million in 2022, \$19 million in 2023 and \$13 million in 2024.

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

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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.

During the fourth quarter of 2017, Sirius XM Holdings recorded \$45 million related to music royalty litigation settlements. The expense is included in the Revenue share and royalties line item in the accompanying consolidated financial statements for the year ended December 31, 2017, but has been excluded from Adjusted OIBDA (as defined in note 18) for the corresponding period as this expense was not incurred as a part of Sirius XM Holdings' normal operations for the period and does not relate to the on-going performance of the business.

Telephone Consumer Protection Act Suits. On March 13, 2017, Thomas Buchanan, individually and on behalf of all others similarly situated, filed a class action complaint against Sirius XM Holdings in the United States District Court for the Northern District of Texas, Dallas Division. The plaintiff alleges that Sirius XM Holdings 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 Holdings' 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 Holdings from making, or having made, any calls to land lines that are listed on the National Do-Not-Call registry or Sirius XM Holdings' internal Do-Not-Call registry.

Following a mediation, in April 2019, Sirius XM Holdings entered into an agreement to settle this purported class action suit. The settlement resolves the claims of consumers for the period October 2013 through January 2019. As part of the settlement, Sirius XM Holdings paid \$25 million into a non-reversionary settlement fund from which cash to class members, notice, administrative costs, and attorney's fees and costs will be paid. The settlement also contemplates that Sirius XM Holdings will provide three months of service to its All Access subscription package for those members of the class that elect to receive it, in lieu of cash, at no cost to those class members and who are not active subscribers at the time of the distribution. The availability of this three-month service option will not diminish the \$25 million common fund. As part of the settlement, Sirius XM Holdings will also implement certain changes relating to its "Do-Not-Call" practices and telemarketing programs. On January 28, 2020, the Court issued an order and final judgment approving the settlement. This charge is included in the selling, general and administrative expense line item in the consolidated financial statements for the year ended December 31, 2019, but has been excluded from Adjusted OIBDA (as defined in note 18) for the corresponding period as this charge does not relate to the on-going performance of the business.

SoundExchange Royalty Claims. On June 7, 2018, Sirius XM Holdings entered into an agreement with SoundExchange, Inc. ("Sound Exchange"), the organization that collects and distributes sound recording royalties pursuant to Sirius XM Holdings' 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 Holdings made a one-time lump sum payment of \$150 million to SoundExchange on July 6, 2018. Sirius XM Holdings 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 (as defined in note 18) for the corresponding period as this expense was not incurred as a part of Sirius XM Holdings' 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 Holdings' statutory license for sound recordings for the period January 1, 2007 through December 31, 2017.

Pre-1972 Sound Recording Litigation. On October 2, 2014, Flo & Eddie Inc. filed a class action suit against Pandora in the federal district court for the Central District of California. The complaint alleges a violation of California

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Civil Code Section 980, unfair competition, misappropriation and conversion in connection with the public performance of sound recordings recorded prior to February 15, 1972 (“pre-1972 recordings”). On December 19, 2014, Pandora filed a motion to strike the complaint pursuant to California’s Anti-Strategic Lawsuit Against Public Participation (“Anti-SLAPP”) statute, which following denial of Pandora’s motion was appealed to the Ninth Circuit Court of Appeals. In March 2017, the Ninth Circuit requested certification to the California Supreme Court on the substantive legal questions. The California Supreme Court accepted certification. In May 2019, the California Supreme Court issued an order dismissing consideration of the certified questions on the basis that, following the enactment of the Orrin G. Hatch-Bob Goodlatte Music Modernization Act, Pub. L. No. 115-264, 132 Stat. 3676 (2018) (the “MMA”), resolution of the questions posed by the Ninth Circuit Court of Appeals was no longer “necessary to . . . settle an important question of law.”

The MMA grants a potential federal preemption defense to the claims asserted in the aforementioned lawsuits. In July 2019, Pandora took steps to avail itself of this preemption defense, including making the required payments under the MMA for certain of its uses of pre-1972 recordings. Based on the federal preemption contained in the MMA (along with other considerations), Pandora asked the Ninth Circuit to order the dismissal of the *Flo & Eddie, Inc. v. Pandora Media, Inc.* case. On October 17, 2019, the Ninth Circuit Court of Appeals issued a memorandum disposition concluding that the question of whether the MMA preempts Flo and Eddie's claims challenging Pandora's performance of pre-1972 recordings "depends on various unanswered factual questions" and remanded the case to the District Court for further proceedings.

After Flo & Eddie filed its action in 2014 against Pandora, several other plaintiffs commenced separate actions, both on an individual and class action basis, alleging a variety of violations of common law and state copyright and other statutes arising from allegations that Pandora owed royalties for the public performance of pre-1972 recordings. Many of these separate actions have been dismissed or are in the process of being dismissed. Sirius XM Holdings believes that none of the remaining pending actions is likely to have a material adverse effect on Pandora’s business, financial condition or results of operations.

Sirius XM Holdings believes it has substantial defenses to the claims asserted in these actions, and it intends to defend these actions vigorously.

Copyright Royalty Board Proceeding to Determine the Rate for Statutory Webcasting. Pursuant to Sections 112 and 114 of the Copyright Act, the Copyright Royalty Board (the “CRB”) initiated a proceeding in January 2019 to set the rates and terms by which webcasters may perform sound recordings via digital transmission over the internet and make ephemeral reproductions of those recordings during the 2021-2025 rate period under the authority of statutory licenses provided under Sections 112 and 114 of the Copyright Act. Sirius XM Holdings filed a petition to participate in the proceeding on behalf of its Sirius XM and Pandora businesses, as did other webcasters including Google Inc. and the National Association of Broadcasters. SoundExchange, a collective organization that collects and distributes digital performance royalties to artists and copyright holders, represents the various copyright owner participants in the proceeding, including Sony Music Entertainment, Universal Music Group, and Warner Music Group. Because the proceeding focuses on setting statutory rates for non-interactive online music streaming (commonly identified as “webcasting”), the proceeding will set the rates that Pandora pays for music streaming on its free, ad-supported tier, and that Sirius XM pays for streaming on its subscription internet radio service. This proceeding will not set the rates that Sirius XM Holdings pays for its other music offerings (satellite radio, business establishment services) or that it pays for interactive streaming on the Pandora Plus and Pandora Premium services.

In September 2019, the participants filed written direct statements, including proposed rates and terms for the 2021-2025 period. Sirius XM Holdings and other webcaster participants proposed rates below the existing statutory rates, which for commercial webcasters are currently set at \$0.0018 per performance for non-subscription transmissions (such as offered by our Pandora ad-supported business) and \$0.0024 per performance for subscription transmissions (such as offered by our Sirius XM internet radio service). SoundExchange has proposed increasing the commercial webcasting

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rates to \$0.0028 per performance for non-subscription transmissions and \$0.0031 per performance for subscription transmissions.

In January 2020, the participants filed written rebuttal statements, responding to each other's proposals. Discovery in the matter is ongoing, and a multi-week hearing has been set to begin before the CRB in March 2020. The CRB's initial determination of the rates and terms for the 2021-2025 period is required to be delivered in December 2020.

(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 (as defined below) 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 (as defined below). In addition, the Company reviews nonfinancial measures such as subscriber growth and penetration.

For segment reporting purposes, the Company defines Adjusted OIBDA as revenue less operating expenses, and selling, general and administrative expenses excluding all stock-based compensation, separately reported litigation settlements and restructuring and impairment charges. The Company believes this measure is an important indicator of the operational strength and performance of its businesses, by identifying those items that are not directly a reflection of each business' performance or indicative of ongoing business trends. 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.

The Company has identified the following subsidiaries as its reportable segments:

- Sirius XM Holdings is a consolidated subsidiary that operates two complementary audio entertainment businesses, Sirius XM and Pandora. Sirius XM features 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 and through the internet via applications for mobile devices, home devices and other consumer electronic equipment. Sirius XM also provides connected vehicle services and a suite of in-vehicle data services. The Pandora business operates a music, comedy and podcast streaming discovery platform. Pandora is available as an ad-supported radio service, a radio subscription service, called Pandora Plus, and an on-demand subscription service, called Pandora Premium. Sirius XM Holdings acquired Pandora on February 1, 2019, at which time it began consolidating the results of the Pandora business.
- 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

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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,					
	2019		2018		2017	
	<u>Revenue</u>	<u>Adjusted OIBDA</u>	<u>Revenue</u>	<u>Adjusted OIBDA</u>	<u>Revenue</u>	<u>Adjusted OIBDA</u>
	amounts in millions					
Liberty SiriusXM Group						
Sirius XM Holdings	\$ 7,794	2,453	5,771	2,233	5,425	2,109
Corporate and other	—	(17)	—	(16)	—	(15)
Total Liberty SiriusXM Group	<u>7,794</u>	<u>2,436</u>	<u>5,771</u>	<u>2,217</u>	<u>5,425</u>	<u>2,094</u>
Braves Group						
Corporate and other	476	49	442	88	386	2
Total Braves Group	<u>476</u>	<u>49</u>	<u>442</u>	<u>88</u>	<u>386</u>	<u>2</u>
Formula One Group						
Formula 1	2,022	482	1,827	400	1,783	438
Corporate and other	—	(36)	—	(25)	—	(41)
Total Formula One Group	<u>2,022</u>	<u>446</u>	<u>1,827</u>	<u>375</u>	<u>1,783</u>	<u>397</u>
Total	<u>\$ 10,292</u>	<u>2,931</u>	<u>8,040</u>	<u>2,680</u>	<u>7,594</u>	<u>2,493</u>

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

Other Information

	December 31, 2019			December 31, 2018		
	Total assets	Investments in affiliates	Capital expenditures	Total assets	Investments in affiliates	Capital expenditures
	amounts in millions					
Liberty SiriusXM Group						
Sirius XM Holdings	\$ 30,868	644	363	27,812	629	356
Corporate and other	553	—	—	480	—	—
Total Liberty SiriusXM Group	<u>31,421</u>	<u>644</u>	<u>363</u>	<u>28,292</u>	<u>629</u>	<u>356</u>
Braves Group						
Corporate and other	1,593	99	103	1,805	92	33
Total Braves Group	<u>1,593</u>	<u>99</u>	<u>103</u>	<u>1,805</u>	<u>92</u>	<u>33</u>
Formula One Group						
Formula 1	9,031	—	16	8,958	—	12
Corporate and other	2,474	882	28	1,999	920	2
Total Formula One Group	<u>11,505</u>	<u>882</u>	<u>44</u>	<u>10,957</u>	<u>920</u>	<u>14</u>
Elimination (1)	(330)	—	—	(226)	—	—
Consolidated Liberty	<u>\$ 44,189</u>	<u>1,625</u>	<u>510</u>	<u>40,828</u>	<u>1,641</u>	<u>403</u>

(1) This is primarily the intergroup interests in the Liberty SiriusXM Group and the Braves Group held by the Formula One Group, as discussed in note 2. The intergroup interests attributable to the Formula One Group are presented as an asset and the intergroup interests attributable to the Liberty SiriusXM Group and the Braves Group are presented as liabilities in the attributed financial statements and the offsetting amounts between tracking stock groups are eliminated in consolidation.

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

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Adjusted OIBDA	\$ 2,931	2,680	2,493
Litigation settlement (note 17)	(25)	(69)	(45)
Stock-based compensation	(291)	(192)	(230)
Acquisition and other related costs (note 5)	(84)	(3)	—
Depreciation and amortization	(1,061)	(905)	(824)
Operating income (loss)	<u>1,470</u>	<u>1,511</u>	<u>1,394</u>
Interest expense	(657)	(606)	(591)
Share of earnings (losses) of affiliates, net	6	18	104
Realized and unrealized gains (losses) on financial instruments, net	(315)	40	(88)
Other, net	9	78	8
Earnings (loss) from continuing operations before income taxes	<u>\$ 513</u>	<u>1,041</u>	<u>827</u>

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

Revenue by Geographic Area

Revenue by geographic area based on the country of domicile is as follows:

	<u>Years ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
	amounts in millions		
United States	\$ 8,172	6,112	5,724
United Kingdom	2,022	1,831	1,783
Other	98	97	87
	<u>\$ 10,292</u>	<u>8,040</u>	<u>7,594</u>

Long-lived Assets by Geographic Area

	<u>December 31,</u>	
	<u>2019</u>	<u>2018</u>
	amounts in millions	
United States	\$ 2,246	2,457
United Kingdom	16	12
	<u>\$ 2,262</u>	<u>2,469</u>

(19) Quarterly Financial Information (Unaudited)

	<u>1st</u>	<u>2nd</u>	<u>3rd</u>	<u>4th</u>
	<u>Quarter</u>	<u>Quarter</u>	<u>Quarter</u>	<u>Quarter</u>
	amounts in millions, except per share amounts			
<i>2019:</i>				
Revenue	\$ 2,012	2,805	2,856	2,619
Operating income (loss)	\$ 200	461	507	302
Net earnings (loss)	\$ (127)	192	262	20
Net earnings (loss) attributable to Liberty stockholders:				
Liberty SiriusXM common stock	\$ 61	167	140	126
Liberty Braves common stock	\$ (71)	26	12	(44)
Liberty Formula One common stock	\$ (148)	(77)	41	(127)
Basic net earnings (loss) attributable to Liberty stockholders per common share:				
Liberty SiriusXM common stock	\$ 0.19	0.52	0.44	0.40
Liberty Braves common stock	\$ (1.39)	0.51	0.24	(0.86)
Liberty Formula One common stock	\$ (0.64)	(0.33)	0.18	(0.55)
Diluted net earnings (loss) attributable to Liberty stockholders per common share:				
Liberty SiriusXM common stock	\$ 0.19	0.52	0.44	0.39
Liberty Braves common stock	\$ (1.39)	0.46	0.16	(0.86)
Liberty Formula One common stock	\$ (0.64)	(0.33)	0.18	(0.55)

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

	<u>1st</u> <u>Quarter</u>	<u>2nd</u> <u>Quarter</u>	<u>3rd</u> <u>Quarter</u>	<u>4th</u> <u>Quarter</u>
	<u>amounts in millions, except per share amounts</u>			
<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)

Unaudited Attributed Financial Information for Tracking Stock Groups

The following tables present Liberty Media Corporation's ("Liberty") assets and liabilities as of December 31, 2019 and December 31, 2018 and revenue, expenses and cash flows for the years ended December 31, 2019, 2018, and 2017. 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, 2019 included in this Annual Report.

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, 2019	December 31, 2018
	amounts in millions	
Cash and cash equivalents	\$ 493	91
Investments in affiliates, accounted for using the equity method	\$ 644	629
Intangible assets not subject to amortization	\$ 25,665	23,781
Intangible assets subject to amortization, net	\$ 1,603	942
Total assets.	\$ 31,421	28,292
Deferred revenue.	\$ 1,930	1,932
Long-term debt, including current portion	\$ 9,245	7,858
Deferred tax liabilities.	\$ 1,890	1,673
Attributed net assets	\$ 10,678	10,599
Noncontrolling interest	\$ 5,628	5,108

Summary Statement of Operations Data:

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Revenue	\$ 7,794	5,771	5,425
Cost of subscriber services (1)	\$ (3,427)	(2,308)	(2,102)
Subscriber acquisition costs	\$ (427)	(470)	(499)
Other operating expenses (1)	\$ (280)	(123)	(113)
Selling, general and administrative expense (1)	\$ (1,495)	(878)	(812)
Operating income (loss)	\$ 1,544	1,620	1,547
Interest expense	\$ (435)	(388)	(356)
Income tax (expense) benefit	\$ (271)	(241)	466
Net earnings (loss) attributable to noncontrolling interests	\$ 241	328	535
Earnings (loss) attributable to Liberty stockholders	\$ 494	676	1,124

(1) Includes stock-based compensation expense as follows:

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Cost of subscriber services.	\$ 43	37	36
Other operating expenses	49	17	16
Selling, general and administrative expense	154	102	98
	<u>\$ 246</u>	<u>156</u>	<u>150</u>

Braves Group

Summary Balance Sheet Data:

	December 31, 2019	December 31, 2018
	amounts in millions	
Cash and cash equivalents	\$ 142	107
Property and equipment, net.	\$ 795	1,041
Investments in affiliates, accounted for using the equity method	\$ 99	92
Intangible assets not subject to amortization.	\$ 323	323
Intangible assets subject to amortization, net	\$ 34	37
Total assets.	\$ 1,593	1,805
Deferred revenue.	\$ 70	54
Long-term debt, including current portion	\$ 554	491
Deferred tax liabilities.	\$ 61	69
Attributed net assets	\$ 378	446

Summary Statement of Operations Data:

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Revenue	\$ 476	442	386
Selling, general and administrative expense (1)	\$ (104)	(100)	(136)
Operating income (loss)	\$ (39)	1	(113)
Share of earnings (losses) of affiliates, net	\$ 18	12	78
Income tax (expense) benefit	\$ 15	15	36
Earnings (loss) attributable to Liberty stockholders	\$ (77)	5	(25)

(1) Includes stock-based compensation of \$17 million, \$11 million, and \$48 million for the years ended December 31, 2019, 2018 and 2017, respectively.

Formula One Group

Summary Balance Sheet Data:

	December 31, 2019	December 31, 2018
	amounts in millions	
Cash and cash equivalents	\$ 587	160
Investments in affiliates, accounted for using the equity method . .	\$ 882	920
Intangible assets not subject to amortization	\$ 3,956	3,956
Intangible assets subject to amortization, net	\$ 4,303	4,736
Total assets.	\$ 11,505	10,957
Long-term debt, including current portion	\$ 5,677	5,039
Attributed net assets	\$ 5,239	5,550

Summary Statement of Operations Data:

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Revenue	\$ 2,022	1,827	1,783
Cost of Formula 1 revenue	\$ (1,394)	(1,273)	(1,219)
Selling, general and administrative expense (1)	\$ (210)	(204)	(199)
Operating income (loss)	\$ (35)	(110)	(40)
Interest expense	\$ (195)	(192)	(220)
Share of earnings (losses) of affiliates, net	\$ 12	17	(3)
Realized and unrealized gains (losses) on financial instruments, net	\$ (270)	43	(72)
Income tax (expense) benefit	\$ 90	50	561
Earnings (loss) attributable to Liberty stockholders	\$ (311)	(150)	255

(1) Includes stock-based compensation of \$28 million, \$25 million, and \$32 million for the years ended December 31, 2019, 2018, and 2017, respectively.

BALANCE SHEET INFORMATION
December 31, 2019
(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	\$ 493	142	587	—	1,222
Trade and other receivables, net	670	28	69	—	767
Other current assets	227	97	92	—	416
Total current assets	<u>1,390</u>	<u>267</u>	<u>748</u>	<u>—</u>	<u>2,405</u>
Intergroup interests (note 1)	—	—	292	(292)	—
Investments in affiliates, accounted for using the equity method (note 1)	644	99	882	—	1,625
Property and equipment, at cost	2,686	923	171	—	3,780
Accumulated depreciation	(1,331)	(128)	(59)	—	(1,518)
	<u>1,355</u>	<u>795</u>	<u>112</u>	<u>—</u>	<u>2,262</u>
Intangible assets not subject to amortization					
Goodwill	15,803	180	3,956	—	19,939
FCC licenses	8,600	—	—	—	8,600
Other	1,262	143	—	—	1,405
	<u>25,665</u>	<u>323</u>	<u>3,956</u>	<u>—</u>	<u>29,944</u>
Intangible assets subject to amortization, net	1,603	34	4,303	—	5,940
Other assets	764	75	1,212	(38)	2,013
Total assets	<u>\$ 31,421</u>	<u>1,593</u>	<u>11,505</u>	<u>(330)</u>	<u>44,189</u>
<i>Liabilities and Equity</i>					
Current liabilities:					
Intergroup payable (receivable) (note 4)	\$ (23)	(9)	32	—	—
Accounts payable and accrued liabilities	1,294	63	264	—	1,621
Current portion of debt (note 1)	1	59	—	—	60
Deferred revenue	1,930	70	113	—	2,113
Other current liabilities	72	5	17	—	94
Total current liabilities	<u>3,274</u>	<u>188</u>	<u>426</u>	<u>—</u>	<u>3,888</u>
Long-term debt (note 1)	9,244	495	5,677	—	15,416
Deferred income tax liabilities (note 3)	1,890	61	—	(38)	1,913
Redeemable intergroup interests (note 1)	24	268	—	(292)	—
Other liabilities	683	203	161	—	1,047
Total liabilities	<u>15,115</u>	<u>1,215</u>	<u>6,264</u>	<u>(330)</u>	<u>22,264</u>
Equity / Attributed net assets	10,678	378	5,239	—	16,295
Noncontrolling interests in equity of subsidiaries . .	5,628	—	2	—	5,630
Total liabilities and equity	<u>\$ 31,421</u>	<u>1,593</u>	<u>11,505</u>	<u>(330)</u>	<u>44,189</u>

BALANCE SHEET INFORMATION
December 31, 2018
(unaudited)

	Attributed (note 1)				Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	Inter-Group Eliminations	
	amounts in millions				
<i>Assets</i>					
<i>Current assets:</i>					
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 interests (note 1)	—	—	226	(226)	—
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	(1,112)	(96)	(88)	—	(1,296)
	<u>1,338</u>	<u>1,041</u>	<u>90</u>	<u>—</u>	<u>2,469</u>
<i>Intangible assets not subject to amortization</i>					
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	1,087	55	719	—	1,861
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>					
<i>Current liabilities:</i>					
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 interests (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>

STATEMENT OF OPERATIONS INFORMATION
December 31, 2019
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	
	amounts in millions			
Revenue:				
Sirius XM Holdings revenue	\$ 7,794	—	—	7,794
Formula 1 revenue	—	—	2,022	2,022
Other revenue	—	476	—	476
Total revenue	<u>7,794</u>	<u>476</u>	<u>2,022</u>	<u>10,292</u>
Operating costs and expenses, including stock-based compensation (note 2):				
Cost of services (exclusive of depreciation shown separately below):				
Revenue share and royalties	2,291	—	—	2,291
Programming and content	462	—	—	462
Customer service and billing	475	—	—	475
Other	199	—	—	199
Cost of Formula 1 revenue	—	—	1,394	1,394
Subscriber acquisition costs	427	—	—	427
Other operating expenses	280	340	—	620
Selling, general and administrative	1,495	104	210	1,809
Acquisition and other related costs	84	—	—	84
Depreciation and amortization	537	71	453	1,061
	<u>6,250</u>	<u>515</u>	<u>2,057</u>	<u>8,822</u>
Operating income (loss)	1,544	(39)	(35)	1,470
Other income (expense):				
Interest expense	(435)	(27)	(195)	(657)
Share of earnings (losses) of affiliates, net	(24)	18	12	6
Unrealized gain/(loss) on inter-group interests	—	(42)	42	—
Realized and unrealized gains (losses) on financial instruments, net	(41)	(4)	(270)	(315)
Other, net	(38)	2	45	9
	<u>(538)</u>	<u>(53)</u>	<u>(366)</u>	<u>(957)</u>
Earnings (loss) before income taxes	1,006	(92)	(401)	513
Income tax (expense) benefit (note 3)	(271)	15	90	(166)
Net earnings (loss)	<u>735</u>	<u>(77)</u>	<u>(311)</u>	<u>347</u>
Less net earnings (loss) attributable to the noncontrolling interests	241	—	—	241
Net earnings (loss) attributable to Liberty stockholders . .	<u>\$ 494</u>	<u>(77)</u>	<u>(311)</u>	<u>106</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:				
Sirius XM Holdings revenue	\$ 5,771	—	—	5,771
Formula 1 revenue	—	—	1,827	1,827
Other revenue	—	442	—	442
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 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	265	—	388
Selling, general and administrative	878	100	204	1,182
Acquisition and other related costs	3	—	—	3
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)	<u>1,620</u>	<u>1</u>	<u>(110)</u>	<u>1,511</u>
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 interests	—	(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	<u>1,245</u>	<u>(4)</u>	<u>(200)</u>	<u>1,041</u>
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:				
SIRIUS XM Holdings revenue	\$ 5,425	—	—	5,425
Formula 1 revenue	—	—	1,783	1,783
Other revenue	—	386	—	386
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 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	296	—	409
Selling, general and administrative	812	136	199	1,147
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)	<u>1,547</u>	<u>(113)</u>	<u>(40)</u>	<u>1,394</u>
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 interests	—	(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	<u>1,193</u>	<u>(62)</u>	<u>(304)</u>	<u>827</u>
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 CASH FLOWS INFORMATION
December 31, 2019
(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)	\$ 735	(77)	(311)	347
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	537	71	453	1,061
Stock-based compensation	267	17	28	312
Share of (earnings) loss of affiliates, net	24	(18)	(12)	(6)
Unrealized (gains) losses on intergroup interests, net	—	42	(42)	—
Realized and unrealized (gains) losses on financial instruments, net	41	4	270	315
Noncash interest expense	7	1	1	9
Losses (gains) on dilution of investment in affiliate	—	—	(7)	(7)
Loss on early extinguishment of debt	57	—	—	57
Deferred income tax expense (benefit)	268	(7)	(141)	120
Intergroup tax allocation	(21)	(8)	29	—
Intergroup tax (payments) receipts	(3)	21	(18)	—
Other charges (credits), net	4	18	(14)	8
Changes in operating assets and liabilities				
Current and other assets	(11)	(12)	20	(3)
Payables and other liabilities	39	23	38	100
Net cash provided (used) by operating activities	<u>1,944</u>	<u>75</u>	<u>294</u>	<u>2,313</u>
Cash flows from investing activities:				
Cash proceeds from dispositions of investments	373	—	69	442
Cash (paid) received for acquisitions, net of cash acquired	313	—	—	313
Investments in equity method affiliates and debt and equity securities	(19)	(4)	(6)	(29)
Repayment of loans and other cash receipts from equity method affiliates and debt and equity securities	11	—	—	11
Capital expended for property and equipment, including internal-use software and website development	(363)	(103)	(44)	(510)
Sales of short term investments and other marketable securities	73	—	—	73
Other investing activities, net	(4)	—	18	14
Net cash provided (used) by investing activities	<u>384</u>	<u>(107)</u>	<u>37</u>	<u>314</u>
Cash flows from financing activities:				
Borrowings of debt	5,795	96	129	6,020
Repayments of debt	(4,833)	(31)	(7)	(4,871)
Series C Liberty SiriusXM stock repurchases	(419)	—	(24)	(443)
Subsidiary shares repurchased by subsidiary	(2,159)	—	—	(2,159)
Cash dividends paid by subsidiary	(68)	—	—	(68)
Taxes paid in lieu of shares issued for stock-based compensation	(201)	(4)	(6)	(211)
Other financing activities, net	(38)	(7)	4	(41)
Net cash provided (used) by financing activities	<u>(1,923)</u>	<u>54</u>	<u>96</u>	<u>(1,773)</u>
Effect of foreign exchange rates on cash, cash equivalents and restricted cash	—	—	—	—
Net increase (decrease) in cash, cash equivalents and restricted cash	405	22	427	854
Cash, cash equivalents and restricted cash at beginning of period	102	190	160	452
Cash, cash equivalents and restricted cash at end of period	<u>\$ 507</u>	<u>212</u>	<u>587</u>	<u>1,306</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 interests, 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
Cash (paid) received for acquisitions, net of cash acquired	(2)	—	—	(2)
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, including internal-use software and website development	(356)	(33)	(14)	(403)
Other investing activities, net	(7)	37	6	36
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				
Net increase (decrease) in cash, cash equivalents and restricted cash	(523)	50	(122)	(595)
Cash, cash equivalents and restricted cash at beginning of period				
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 interests, 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
Cash (paid) received for acquisitions, net of cash acquired	(107)	—	(1,647)	(1,754)
Investments in equity method affiliates and debt and equity securities	(851)	(2)	(9)	(862)
Capital expended for property and equipment, including internal-use software and website development	(288)	(219)	(10)	(517)
Other investing activities, net	(8)	(5)	(12)	(25)
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	<u>297</u>	<u>107</u>	<u>168</u>	<u>572</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 625</u>	<u>140</u>	<u>282</u>	<u>1,047</u>

Notes to Attributed Financial Information
(unaudited)

- (1) As discussed in note 2 to the accompanying consolidated financial statements, on April 15, 2016 Liberty completed a reclassification 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 Holdings"), 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 Holdings, corporate cash, Liberty's 2.125% Exchangeable Senior Debentures due 2048, Liberty's 2.75% Exchangeable Senior Debentures due 2049 and a margin loan obligation incurred by a wholly-owned special purpose subsidiary of Liberty. On February 1, 2019, Sirius XM Holdings acquired Pandora Media, Inc. ("Pandora"). See note 5 to the accompanying consolidated financial statements for information related to Sirius XM Holdings' acquisition of Pandora. Additionally, as discussed below, the Formula One Group retains an intergroup interest in the Liberty SiriusXM Group. As of December 31, 2019, the Liberty SiriusXM Group has cash and cash equivalents of approximately \$493 million, which includes \$106 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, 2019, the Braves Group has cash and cash equivalents of approximately \$142 million, which includes \$59 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, 2019, Liberty's interests in Formula 1 and Live Nation, cash, intergroup interests in the Liberty SiriusXM Group and 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

Notes to Attributed Financial Information (Continued)
(unaudited)

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 of the Second Closing. As of December 31, 2019, the Formula One Group has cash and cash equivalents of approximately \$587 million, which includes \$402 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, 2019. In addition, during the fourth quarter of 2019, the Formula One Group began purchasing shares of Liberty SiriusXM common stock. As of December 31, 2019, the number of notional shares representing the intergroup interest held by the Formula One Group was 493,278, representing a 0.2% intergroup interest in the Liberty SiriusXM Group. The intergroup interests represent quasi-equity interests which are not represented by outstanding shares of common stock; rather, the Formula One Group has attributed interests in the Braves Group and the Liberty SiriusXM Group which are generally stated in terms of a notional number of shares of Series C Liberty Braves common stock and Series C Liberty SiriusXM common stock, respectively, issuable to the Formula One Group with respect to its interests in the Braves Group and Liberty SiriusXM Group, respectively. Each reporting period, the notional shares representing the intergroup interests are marked to fair value. The changes in fair value are recorded in the Unrealized gain (loss) on intergroup interests line item in the unaudited attributed consolidated statements of operations. The Formula One Group's intergroup interest is reflected in the Investment in intergroup interests line item, and the Braves Group and Liberty SiriusXM Group liabilities for their respective intergroup interests are reflected in the Redeemable intergroup interests 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 interests. Appropriate eliminating entries are recorded in the Company's consolidated financial statements.

As the notional shares underlying the intergroup interests 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 and Liberty SiriusXM common stock. However, Liberty has assumed that the notional shares (if and when issued) would be comprised of Series C Liberty Braves common stock and Series C Liberty SiriusXM common stock, respectively, in order to not dilute voting percentages. Therefore, the market prices of Series C Liberty Braves common stock and Series C Liberty SiriusXM common stock, respectively, are used for the quarterly mark-to-market adjustment through the unaudited attributed consolidated statements of operations.

The intergroup interests will remain outstanding until the redemption of the outstanding interests, at the discretion of the Company's board of directors, through transfer of securities, cash and/or other assets from the Braves Group and Liberty SiriusXM Group, respectively, to the Formula One Group.

For information relating to investments in affiliates accounted for using the equity method and debt, see notes 7 and 9, 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. 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.

Notes to Attributed Financial Information (Continued)
(unaudited)

- (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.

Liberty SiriusXM Group

Income tax benefit (expense) consists of:

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Current:			
Federal	\$ 18	(22)	4
State and local	(21)	12	(30)
Foreign	—	—	—
	<u>(3)</u>	<u>(10)</u>	<u>(26)</u>
Deferred:			
Federal	(241)	(235)	511
State and local	(27)	4	(19)
Foreign	—	—	—
	<u>(268)</u>	<u>(231)</u>	<u>492</u>
Income tax benefit (expense)	<u>\$ (271)</u>	<u>(241)</u>	<u>466</u>

Income tax benefit (expense) differs from the amounts computed by applying the U.S. federal income tax rate of 21% for both of the years ended December 31, 2019 and 2018 and 35% for the year ended December 31, 2017 as a result of the following:

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Computed expected tax benefit (expense)	\$ (211)	(262)	(418)
State and local income taxes, net of federal income taxes	(45)	22	(40)
Foreign income taxes, net of federal income taxes	—	(1)	—
Taxable dividends, net of dividends received deductions	(11)	(28)	(9)
Federal tax credits	26	27	22
Change in valuation allowance affecting tax expense	(4)	(14)	(4)
Change in tax rate due to Tax Act	—	(8)	888
Change in tax rate	(45)	(3)	(4)
Deductible stock-based compensation	47	37	35
Non-deductible executive compensation	(19)	(6)	(3)
Other, net	(9)	(5)	(1)
Income tax benefit (expense)	<u>\$ (271)</u>	<u>(241)</u>	<u>466</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,	
	2019	2018
	amounts in millions	
Deferred tax assets:		
Tax loss and credit carryforwards	\$ 1,018	951
Accrued stock compensation	95	84
Other accrued liabilities	185	—
Deferred revenue	81	523
Discount on debt	2	—
Other future deductible amounts	11	10
Deferred tax assets	<u>1,392</u>	<u>1,568</u>
Valuation allowance	(70)	(67)
Net deferred tax assets	<u>1,322</u>	<u>1,501</u>
Deferred tax liabilities:		
Investments	31	22
Fixed assets	384	226
Intangible assets	2,749	2,484
Discount on debt	—	17
Other future taxable amounts	—	425
Deferred tax liabilities	<u>3,164</u>	<u>3,174</u>
Net deferred tax liabilities	<u>\$ 1,842</u>	<u>1,673</u>

Braves Group

Income tax benefit (expense) consists of:

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Current:			
Federal	\$ 8	14	36
State and local	—	—	2
Foreign	—	—	—
	<u>8</u>	<u>14</u>	<u>38</u>
Deferred:			
Federal	—	9	3
State and local	7	(8)	(5)
Foreign	—	—	—
	<u>7</u>	<u>1</u>	<u>(2)</u>
Income tax benefit (expense)	<u>\$ 15</u>	<u>15</u>	<u>36</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 both of the years ended December 31, 2019 and 2018 and 35% for the year ended December 31, 2017 as a result of the following:

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Computed expected tax benefit (expense)	\$ 19	1	22
State and local income taxes, net of federal income taxes	6	(4)	3
Federal tax credits	—	3	—
Change in valuation allowance affecting tax expense	3	5	(6)
Change in tax rate due to Tax Act	—	11	25
Change in tax rate	(3)	2	—
Deductible stock-based compensation	2	—	—
Inter-group interest	(9)	(5)	(5)
Other, net	(3)	2	(3)
Income tax benefit (expense)	<u>\$ 15</u>	<u>15</u>	<u>36</u>

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,	
	2019	2018
	amounts in millions	
Deferred tax assets:		
Tax loss and credit carryforwards	\$ 6	3
Accrued stock compensation	2	2
Other accrued liabilities	46	102
Other future deductible amounts	20	12
Deferred tax assets	<u>74</u>	<u>119</u>
Valuation allowance	—	(3)
Net deferred tax assets	<u>74</u>	<u>116</u>
Deferred tax liabilities:		
Investments	10	7
Fixed assets	71	131
Intangible assets	47	38
Other future taxable amounts	7	9
Deferred tax liabilities	<u>135</u>	<u>185</u>
Net deferred tax liabilities	<u>\$ 61</u>	<u>69</u>

Notes to Attributed Financial Information (Continued)
(unaudited)

Liberty Formula One Group

Income tax benefit (expense) consists of:

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Current:			
Federal	\$ (27)	(6)	(2)
State and local	(3)	1	(2)
Foreign	(21)	(8)	(9)
	<u>(51)</u>	<u>(13)</u>	<u>(13)</u>
Deferred:			
Federal	102	(2)	64
State and local	—	2	3
Foreign	39	63	507
	<u>141</u>	<u>63</u>	<u>574</u>
Income tax benefit (expense)	<u>\$ 90</u>	<u>50</u>	<u>561</u>

Income tax benefit (expense) differs from the amounts computed by applying the U.S. federal income tax rate of 21% for both of the years ended December 31, 2019 and 2018 and 35% for the year ended December 31, 2017 as a result of the following:

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Computed expected tax benefit (expense)	\$ 84	42	107
State and local income taxes, net of federal income taxes	(2)	—	—
Foreign income taxes, net of federal income taxes	26	23	88
Taxable dividends, net of dividends received deductions.	1	1	2
Change in valuation allowance affecting tax expense. . . .	(39)	(53)	222
Change in tax rate due to Tax Act	—	(11)	16
Change in tax rate	—	2	—
Settlements with tax authorities	—	43	253
Deductible stock-based compensation	22	1	5
Non-deductible executive compensation	(3)	(1)	(1)
Income tax reserves	—	—	(22)
Non-deductible / Non-taxable interest	—	—	(60)
Write-off of tax attributes	—	—	(42)
Inter-group interest	9	5	5
Other, net	(8)	(2)	(12)
Income tax benefit (expense)	<u>\$ 90</u>	<u>50</u>	<u>561</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,	
	2019	2018
	amounts in millions	
Deferred tax assets:		
Tax loss and credit carryforwards	\$ 486	401
Accrued stock compensation	9	11
Other accrued liabilities	9	9
Discount on debt	43	—
Other future deductible amounts	—	3
Deferred tax assets	547	424
Valuation allowance	(146)	(104)
Net deferred tax assets	401	320
Deferred tax liabilities:		
Investments	49	—
Fixed assets	3	2
Intangible Assets	116	168
Discount on debt	—	59
Deferred tax liabilities	168	229
Net deferred tax (assets) liabilities	\$ (233)	(91)

- (4) The intergroup balances as December 31, 2019 and December 31, 2018 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.

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

Renee L. Wilm
Chief Legal Officer

Albert E. Rosenthaler
Chief Corporate Development Officer

Courtnee A. Chun
Chief Portfolio Officer

Brian J. Wendling
Chief Accounting Officer and
Principal Financial Officer

CORPORATE SECRETARY

Michael E. Hurelbrink

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 A. 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.

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


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to vote using your mobile device, sign up for e-delivery or download annual meeting materials.

2020 ANNUAL MEETING OF STOCKHOLDERS

 Thursday, May 21, 2020

 8:15 a.m. Mountain Time

The 2020 annual meeting of stockholders will be held via the internet as a virtual meeting. See our proxy statement for additional information.

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 2019 statistics, voluntary receipt of e-delivery resulted in the following environmental savings:



Using approximately 62 fewer tons of wood, or 371 fewer trees



Using approximately 395 million fewer BTUs, or the equivalent of the amount of energy used by 470 refrigerators



Using approximately 279,000 fewer pounds of greenhouse gases, including carbon dioxide, or the equivalent of 25 automobiles running for 1 calendar year



Saving approximately 332,000 gallons of water, or the equivalent of approximately 13 swimming pools



Saving approximately 18,300 pounds of solid waste



Reducing hazardous air pollutants by approximately 25 pounds

Environmental impact estimates calculated using the Environmental Paper Network Paper Calculator. For more information visit www.papercalculator.org.

