

LIBERTY MEDIA CORP

FORM 10-Q (Quarterly Report)

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Address	12300 LIBERTY BOULEVARD ENGLEWOOD, CO, 80112
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Sector	Consumer Cyclical
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D. C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2017

OR

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

For the transition period from to

Commission File Number 001-35707

LIBERTY MEDIA CORPORATION

(Exact name of Registrant as specified in its charter)

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

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

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

80112
(Zip Code)

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

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

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

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

The number of outstanding shares of Liberty Media Corporation's common stock as of October 31, 2017 was:

	<u>Series A</u>	<u>Series B</u>	<u>Series C</u>
Liberty SiriusXM common stock	102,700,528	9,821,531	223,561,212
Liberty Braves common stock	10,243,259	981,860	38,242,004
Liberty Formula One common stock	25,649,611	2,454,448	201,485,870

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(unaudited)

	September 30, 2017	December 31, 2016
	amounts in millions	
<i>Assets</i>		
Current assets:		
Cash and cash equivalents	\$ 783	562
Trade and other receivables, net	353	240
Other current assets	299	227
Total current assets	1,435	1,029
Investments in available-for-sale securities and other cost investments (note 7)	1,120	1,309
Investments in affiliates, accounted for using the equity method (note 8)	1,772	1,117
Property and equipment, at cost	3,485	3,182
Accumulated depreciation	(971)	(830)
	2,514	2,352
Intangible assets not subject to amortization (note 9):		
Goodwill	18,395	14,345
FCC licenses	8,600	8,600
Other	1,074	1,073
	28,069	24,018
Intangible assets subject to amortization, net (note 9)	6,242	1,072
Other assets	701	480
Total assets	\$ 41,853	31,377
<i>Liabilities and Equity</i>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,100	985
Current portion of debt	47	5
Deferred revenue	2,179	1,877
Other current liabilities	28	5
Total current liabilities	3,354	2,872
Long-term debt, including \$2,226 million and \$1,546 million measured at fair value at September 30, 2017 and December 31, 2016, respectively (note 10)	13,445	8,013
Deferred income tax liabilities	2,814	2,025
Other liabilities	786	751
Total liabilities	20,399	13,661

(Continued)

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Condensed Consolidated Balance Sheets (Continued)
(unaudited)

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
	amounts in millions, except share amounts	
Stockholders' equity:		
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; issued and outstanding 102,692,636 shares at September 30, 2017 and 102,390,088 shares at December 31, 2016 (note 2)	1	1
Series A Liberty Braves common stock, \$.01 par value. Authorized 200,000,000 shares; issued and outstanding 10,243,259 shares at September 30, 2017 and 10,231,185 shares at December 31, 2016 (note 2)	—	—
Series A Liberty Formula One common stock, \$.01 par value. Authorized 500,000,000 shares; issued and outstanding 25,649,611 shares at September 30, 2017 and 25,593,352 shares at December 31, 2016 (note 2)	—	—
Series B Liberty SiriusXM common stock, \$.01 par value. Authorized 75,000,000 shares; issued and outstanding 9,821,531 shares at September 30, 2017 and December 31, 2016 (note 2)	—	—
Series B Liberty Braves common stock, \$.01 par value. Authorized 7,500,000 shares; issued and outstanding 981,860 shares at September 30, 2017 and December 31, 2016 (note 2)	—	—
Series B Liberty Formula One common stock, \$.01 par value. Authorized 18,750,000 shares; issued and outstanding 2,454,448 shares at September 30, 2017 and December 31, 2016 (note 2)	—	—
Series C Liberty SiriusXM common stock, \$.01 par value. Authorized 2,000,000,000 shares; issued and outstanding 223,556,819 shares at September 30, 2017 and 222,936,204 shares at December 31, 2016 (note 2)	2	2
Series C Liberty Braves common stock, \$.01 par value. Authorized 200,000,000 shares; issued and outstanding 38,242,004 shares at September 30, 2017 and 38,215,276 shares at December 31, 2016 (note 2)	—	—
Series C Liberty Formula One common stock, \$.01 par value. Authorized 500,000,000 shares; issued and outstanding 201,483,710 shares at September 30, 2017 and 55,737,179 shares at December 31, 2016 (note 2)	2	1
Additional paid-in capital	3,900	87
Accumulated other comprehensive earnings (loss), net of taxes	(34)	(62)
Retained earnings	11,968	11,727
Total stockholders' equity	<u>15,839</u>	<u>11,756</u>
Noncontrolling interests in equity of subsidiaries	5,615	5,960
Total equity	<u>21,454</u>	<u>17,716</u>
Commitments and contingencies (note 11)		
Total liabilities and equity	<u>\$ 41,853</u>	<u>31,377</u>

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements Of Operations

(unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2017	2016	2017	2016
	amounts in millions, except per share amounts			
Revenue:				
Subscriber revenue	\$ 1,136	1,069	3,325	3,110
Formula 1 revenue	501	—	1,213	—
Other revenue	428	316	1,062	845
Total revenue	2,065	1,385	5,600	3,955
Operating costs and expenses, including stock-based compensation (note 4):				
Cost of subscriber services (exclusive of depreciation shown separately below):				
Revenue share and royalties	297	273	867	789
Programming and content	98	90	290	258
Customer service and billing	95	95	287	286
Other	29	31	86	109
Cost of Formula 1 revenue	354	—	836	—
Subscriber acquisition costs	119	121	372	382
Other operating expense	139	96	333	265
Selling, general and administrative	324	235	851	644
Legal settlement, net (note 11)	—	—	—	(511)
Depreciation and amortization	228	92	615	272
	1,683	1,033	4,537	2,494
Operating income (loss)	382	352	1,063	1,461
Other income (expense):				
Interest expense	(159)	(98)	(448)	(272)
Share of earnings (losses) of affiliates, net (note 8)	155	37	167	43
Realized and unrealized gains (losses) on financial instruments, net (note 6)	18	7	(43)	(33)
Other, net	(11)	5	2	17
	3	(49)	(322)	(245)
Earnings (loss) before income taxes	385	303	741	1,216
Income tax (expense) benefit	(124)	(134)	(280)	(478)
Net earnings (loss)	261	169	461	738
Less net earnings (loss) attributable to the noncontrolling interests	93	54	220	177
Net earnings (loss) attributable to Liberty stockholders	\$ 168	115	241	561
Net earnings (loss) attributable to Liberty stockholders:				
Liberty Media Corporation common stock	\$ —	—	—	377
Liberty SiriusXM common stock	183	96	430	178
Liberty Braves common stock	22	(22)	(29)	10
Liberty Formula One common stock	(37)	41	(160)	(4)
	\$ 168	115	241	561

(Continued)

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements Of Operations (Continued)
(unaudited)

	Three months ended		Nine months ended		
	September 30,		September 30,		
	2017	2016	2017	2016	
Basic net earnings (loss) attributable to Liberty stockholders per common share (notes 2 and 5):					
Series A, B and C Liberty Media Corporation common stock	\$	NA	NA	NA	1.13
Series A, B and C Liberty SiriusXM common stock		0.54	0.29	1.28	0.53
Series A, B and C Liberty Braves common stock		0.45	(0.45)	(0.59)	0.23
Series A, B and C Liberty Formula One common stock		(0.17)	0.49	(0.80)	(0.05)
Diluted net earnings (loss) attributable to Liberty stockholders per common share (notes 2 and 5):					
Series A, B and C Liberty Media Corporation common stock	\$	NA	NA	NA	1.12
Series A, B and C Liberty SiriusXM common stock		0.54	0.28	1.26	0.53
Series A, B and C Liberty Braves common stock		0.45	(0.45)	(0.59)	0.15
Series A, B and C Liberty Formula One common stock		(0.17)	0.48	(0.80)	(0.05)

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements Of Comprehensive Earnings (Loss)
(unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2017	2016	2017	2016
	amounts in millions			
Net earnings (loss)	\$ 261	169	461	738
Other comprehensive earnings (loss), net of taxes:				
Foreign currency translation adjustments	22	(2)	28	5
Unrealized holding gains (losses) arising during the period	—	—	(3)	1
Share of other comprehensive earnings (loss) of equity affiliates	3	(2)	12	(7)
Comprehensive earnings (loss)	286	165	498	737
Less comprehensive earnings (loss) attributable to the noncontrolling interests	93	54	229	179
Comprehensive earnings (loss) attributable to Liberty stockholders	\$ 193	111	269	558
Comprehensive earnings (loss) attributable to Liberty stockholders:				
Liberty Media Corporation common stock	\$ NA	—	NA	382
Liberty SiriusXM common stock	206	96	450	176
Liberty Braves common stock	22	(22)	(32)	11
Liberty Formula One common stock	(35)	37	(149)	(11)
	\$ 193	111	269	558

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements Of Cash Flows

(unaudited)

	Nine months ended September 30,	
	2017	2016
	amounts in millions	
Cash flows from operating activities:		
Net earnings	\$ 461	738
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	615	272
Stock-based compensation	182	109
Share of (earnings) loss of affiliates, net	(167)	(43)
Realized and unrealized (gains) losses on financial instruments, net	43	33
Noncash interest expense	9	9
Losses (gains) on dilution of investment in affiliate	(4)	2
Deferred income tax expense (benefit)	286	407
Other, net	46	24
Changes in operating assets and liabilities		
Current and other assets	5	(29)
Payables and other liabilities	(163)	129
Net cash provided (used) by operating activities	<u>1,313</u>	<u>1,651</u>
Cash flows from investing activities:		
Investments in and loans to cost and equity investees	(760)	(762)
Cash proceeds from sale of investments	20	61
Net cash paid for the acquisition of Formula 1	(1,647)	—
Capital expended for property and equipment	(407)	(318)
Purchases of short term investments and other marketable securities	—	(258)
Sales of short term investments and other marketable securities	—	273
Other investing activities, net	(120)	(6)
Net cash provided (used) by investing activities	<u>(2,914)</u>	<u>(1,010)</u>
Cash flows from financing activities:		
Borrowings of debt	5,820	2,019
Repayments of debt	(4,819)	(876)
Proceeds from issuance of Series C Liberty Formula One common stock	1,938	—
Subsidiary shares repurchased by subsidiary	(996)	(1,225)
Proceeds from Liberty Braves common stock rights offering	—	203
Cash dividends paid by subsidiary	(45)	—
Taxes paid in lieu of shares issued for stock-based compensation	(95)	(43)
Other financing activities, net	12	20
Net cash provided (used) by financing activities	<u>1,815</u>	<u>98</u>
Effect of foreign exchange rate changes on cash and cash equivalents	7	—
Net increase (decrease) in cash and cash equivalents	221	739
Cash and cash equivalents at beginning of period	562	201
Cash and cash equivalents at end of period	<u>\$ 783</u>	<u>940</u>

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statement Of Equity

(unaudited)

Nine months ended September 30, 2017

	Stockholders' equity										Additional Paid-in Capital	Accumulated other comprehensive earnings (loss)	Retained earnings	Noncontrolling interest in equity of subsidiaries	Total equity
	Preferred Stock	Liberty Sirius XM			Liberty Braves			Liberty Formula One							
		Series A	Series B	Series C	Series A	Series B	Series C	Series A	Series B	Series C					
	amounts in millions														
Balance at															
January 1, 2017	\$ —	1	—	2	—	—	—	—	—	1	87	(62)	11,727	5,960	17,716
Net earnings	—	—	—	—	—	—	—	—	—	—	—	—	241	220	461
Other comprehensive earnings (loss)	—	—	—	—	—	—	—	—	—	—	—	28	—	9	37
Stock-based compensation	—	—	—	—	—	—	—	—	—	—	97	—	—	26	123
Withholding taxes on net share settlements of stock-based compensation	—	—	—	—	—	—	—	—	—	—	(95)	—	—	—	(95)
Issuance of stock upon exercise of stock options	—	—	—	—	—	—	—	—	—	—	12	—	—	—	12
Shares issued in private placement transaction	—	—	—	—	—	—	—	—	—	—	1,938	—	—	—	1,938
Shares issued as consideration in acquisition of Formula 1	—	—	—	—	—	—	—	—	—	1	1,616	—	—	—	1,617
Initial recognition of conversion option on Delta Topco Exchangeable Notes	—	—	—	—	—	—	—	—	—	—	173	—	—	—	173
Shares issued in exchange for Delta Topco Exchangeable Notes	—	—	—	—	—	—	—	—	—	—	324	—	—	—	324
Shares repurchased by subsidiary	—	—	—	—	—	—	—	—	—	—	(250)	—	—	(737)	(987)
Shares issued by subsidiary	—	—	—	—	—	—	—	—	—	—	(2)	—	—	182	180
Dividends paid by subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	—	(45)	(45)
Balance at September 30, 2017	\$ —	1	—	2	—	—	—	—	—	2	3,900	(34)	11,968	5,615	21,454

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(1) **Basis of Presentation**

The accompanying condensed consolidated financial statements include all the accounts of Liberty Media Corporation and its controlled subsidiaries (formerly named Liberty Spinco, Inc.) ("Liberty," the "Company," "we," "us," or "our" unless the context otherwise requires). All significant intercompany accounts and transactions have been eliminated.

Liberty, through its ownership of interests in subsidiaries and other companies, is primarily engaged in the media, communications and entertainment industries globally. The significant subsidiaries include SIRIUS XM Holdings Inc. ("SIRIUS XM"), Delta Topco Limited (the parent company of Formula 1) ("Delta Topco") and Braves Holdings, LLC ("Braves Holdings"). Our most significant investment accounted for under the equity method is Live Nation Entertainment, Inc. ("Live Nation").

The accompanying (a) condensed consolidated balance sheet as of December 31, 2016, which has been derived from audited financial statements, and (b) the interim unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X as promulgated by the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the results for such periods have been included. The results of operations for any interim period are not necessarily indicative of results for the full year. Additionally, certain prior period amounts have been reclassified for comparability with current period presentation. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in Liberty's Annual Report on Form 10-K for the year ended December 31, 2016.

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, (iii) assessments of other-than-temporary declines in fair value of its investments and (iv) the determination of the useful life of SIRIUS XM's broadcast/transmission system to be its most significant estimates .

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

Liberty has entered into certain agreements with Liberty Interactive Corporation ("Liberty Interactive"), Starz (presently known as Starz Acquisition LLC) ("Starz"), Liberty TripAdvisor Holdings, Inc. ("TripCo"), Liberty Broadband Corporation ("Liberty Broadband"), CommerceHub, Inc. ("CommerceHub") and Liberty Expedia Holdings ("Expedia Holdings"), all of which are separate publicly traded companies, in order to govern relationships between the companies. None of these entities has any stock ownership, beneficial or otherwise, in any of the others (except that Liberty Interactive owns shares of Liberty Broadband's Series C non-voting common stock). These agreements include Reorganization Agreements (in the case of Starz and Liberty Broadband only), Services Agreements (which, in Starz's case, terminated in April 2017), Facilities Sharing Agreements (excluding Starz and CommerceHub) and Tax Sharing Agreements (in the case of Starz and Liberty Broadband only).

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

The Reorganization Agreements provide for, among other things, provisions governing the relationships between Liberty and each of Liberty Interactive, Starz and Liberty Broadband, respectively, including certain cross-indemnities. Pursuant to the Services Agreements, Liberty provides Liberty Interactive, TripCo, Liberty Broadband, CommerceHub and Expedia Holdings with general and administrative services including legal, tax, accounting, treasury and investor relations support. Liberty Interactive, TripCo, Liberty Broadband, CommerceHub and Expedia Holdings reimburse Liberty for direct, out-of-pocket expenses incurred by Liberty in providing these services and, in the case of Liberty Interactive, Liberty Interactive's allocable portion of costs associated with any shared services or personnel based on an estimated percentage of time spent providing services to Liberty Interactive, while TripCo, Liberty Broadband, CommerceHub and Expedia Holdings pay an annual fee for the provision of these services. Under the Facilities Sharing Agreements, Liberty shares office space and related amenities at its corporate headquarters with Liberty Interactive, TripCo, Liberty Broadband and Expedia Holdings. Under these various agreements approximately \$6 million and \$5 million of these allocated expenses were reimbursed to Liberty during the three months ended September 30, 2017 and 2016, and \$17 million and \$16 million during the nine months ended September 30, 2017 and 2016, respectively.

Seasonality

Formula 1 recognizes the majority of its revenue and expenses in connection with World Championship race events ("Events") that take place in different countries around the world throughout the year. The Events generally take place between March and November each year. As a result, the revenue and expenses recognized by Formula 1 are generally lower during the first quarter as compared to the rest of the quarters throughout the year.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (the "FASB") issued new accounting guidance on revenue from contracts with customers. The new guidance requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This new guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. In March 2016, the FASB issued additional guidance which clarifies principal versus agent considerations, and in April 2016, the FASB issued further guidance which clarifies the identification of performance obligations and the implementation guidance for licensing. The updated guidance will replace most existing revenue recognition guidance in GAAP when it becomes effective and permits the use of either a full retrospective or modified retrospective transition method. We expect to adopt this guidance under the modified retrospective transition method on January 1, 2018.

SIRIUS XM has completed its evaluation of the impact of the new guidance on its primary revenue streams and expects the most significant impact to the classification of Revenue share and certain subsidy payments made to automakers associated with a paid promotional subscription. Under the new standard, the payments associated with a paid promotional subscription will be treated as a reduction to the transaction price rather than as an expense as classified under Accounting Standards Codification 605. SIRIUS XM expects this change to reduce subscriber revenue by less than 3% upon adoption, along with a corresponding reduction to revenue share and royalties and subscriber acquisition costs. As a result, SIRIUS XM does not expect this change to have an impact to its net earnings. Additionally, within the condensed consolidated balance sheets, upon adoption, the amount of revenue share and certain subsidy payments made to automakers associated with a paid promotional subscription will be classified as a liability separate from deferred revenue.

Formula 1 and Braves Holdings have made significant progress toward completing their evaluation of the potential impact from adopting the new guidance on their primary revenue streams. As a result of the progress made to date, Formula 1 and Braves Holdings are not expecting a material impact on the primary revenue streams upon adoption of the new guidance, but both entities continue to evaluate the impact of the adoption of this new guidance on their financial statements, policies, controls and procedures.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

In February 2016, the FASB issued new accounting guidance on lease accounting. This guidance requires a company to recognize lease assets and lease liabilities arising from operating leases in the statement of financial position. Additionally, the criteria for classifying a lease as a finance lease versus an operating lease are substantially the same as the previous guidance. The amendments in this update are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, and early adoption is permitted. We plan to adopt this guidance on January 1, 2019. Companies are required to use a modified retrospective approach to adopt this guidance. The Company is currently working with its consolidated subsidiaries to evaluate the impact of the adoption of this new guidance on our consolidated financial statements, including identifying the population of leases, evaluating technology solutions and collecting lease data.

In January 2016, the FASB issued new accounting guidance that is intended to improve the recognition and measurement of financial instruments. The new guidance requires equity investments with readily determinable fair values (except those accounted for under the equity method of accounting or those that result in consolidation) to be measured at fair value with changes in fair value recognized in net income and simplifies the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment. The new standard is effective for the Company for fiscal years and interim periods beginning after December 15, 2017. The Company has not yet determined the effect of the standard on its ongoing financial reporting.

In October 2016, the FASB issued new accounting guidance on income tax accounting associated with intra-entity transfers of assets other than inventory. This accounting update, which is part of the FASB's simplification initiative, is intended to reduce diversity in practice and the complexity of tax accounting, particularly for those transfers involving intellectual property. This new guidance requires an entity to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. Upon adoption, an entity may apply the new guidance only on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. The Company is currently evaluating the impact of adopting this new guidance on its consolidated financial statements and related disclosures.

In January 2017, the FASB issued new accounting guidance to simplify the measurement of goodwill impairment. Under the new guidance, an entity will no longer perform a hypothetical purchase price allocation to measure goodwill impairment. Instead, impairment will be measured using the difference between the carrying amount and the fair value of the reporting unit. The guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019, with early adoption permitted for goodwill impairment tests with measurement dates after January 1, 2017. The Company is currently evaluating the effect that the updated standard will have on its financial statements and related disclosures. The Company does not expect the adoption will have a material effect on its condensed consolidated financial statements.

(2) Tracking Stocks

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

The Recapitalization was completed on April 15, 2016 and the newly issued shares commenced trading or quotation in the regular way on the Nasdaq Global Select Market or the OTC Markets, as applicable, on Monday, April 18, 2016. In May 2016, the Internal Revenue Service ("IRS") completed its review of the Recapitalization and notified Liberty that it

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

agreed with the nontaxable characterization of the transaction. The operating results prior to the Recapitalization are attributed to Liberty stockholders in the aggregate. However, the information in the following footnotes has been presented by tracking stock groups for all periods presented in order to enhance the information provided to users of these financial statements.

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 Braves common stock trade under the symbols BATRA/B/K respectively, Series A, Series B and Series C Liberty Media common stock traded under the symbols LMCA/B/K, respectively, and Series A, Series B and Series C Liberty SiriusXM common stock trade under the symbols LSXMA/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, for all periods presented.

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 the Intergroup Note (as defined below) and for working capital purposes. The rights offering was fully subscribed on June 16, 2016 with 15,833,634 shares of Series C Liberty Braves common stock issued at a price per share of \$12.80 to those rights holders 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 the Intergroup Note and accrued interest to Liberty. The remaining proceeds will be used for future development costs attributed to the Liberty Braves Group (the "Braves Group"). In September 2016, the IRS completed its review of the distribution of the Liberty Braves subscription rights and notified Liberty that it agreed with the nontaxable characterization of the distribution.

Additionally, as a result of the Recapitalization, the Convertible Notes (as defined in note 10) are convertible into cash based on the product of the conversion rate specified in the related indenture and the basket of tracking stocks into which each outstanding share of Series A Liberty common stock has been 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 to adjustments related to the Recapitalization to certain outstanding Series A common stock warrants as well as certain outstanding cash convertible note hedges and purchased call options. See note 10 for a more detailed discussion of the amendments made to these financial instruments as a result of the Recapitalization.

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

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

The Liberty SiriusXM common stock is intended to track and reflect the separate economic performance of the businesses, assets and liabilities attributed to the Liberty SiriusXM Group. Liberty attributed to the Liberty SiriusXM Group its subsidiary SIRIUS XM, corporate cash, and its margin loan obligation incurred by a wholly-owned special purpose subsidiary of Liberty. As of September 30, 2017, the Liberty SiriusXM Group has cash and cash equivalents of approximately \$234 million, which includes \$74 million of subsidiary cash. During the nine months ended September 30, 2017, SIRIUS XM declared a cash dividend each quarter, and has paid in cash an aggregate amount of \$140 million, of which Liberty has received \$95 million. In addition, on October 3, 2017, SIRIUS XM's board of directors declared a quarterly dividend on its common stock in the amount of \$0.011 per share of common stock payable on November 30, 2017 to stockholders of record as of the close of business on November 9, 2017.

The Liberty Braves common stock is intended to track and reflect the separate economic performance of the businesses, assets and liabilities attributed to the Braves Group. Liberty attributed to the Braves Group its subsidiary, Braves Holdings, 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"), corporate cash and all liabilities arising under a note from Braves Holdings to Liberty, with a total capacity of up to \$165 million of borrowings by Braves Holdings (the "Intergroup Note") relating to funds borrowed and used for investment in the Development Project. As previously discussed, \$150 million was outstanding under the Intergroup Note that was repaid during June 2016 using proceeds from the subscription rights offering, and the Intergroup Note agreement was cancelled. The remaining proceeds of the subscription rights offering were attributed to the Braves Group. As of September 30, 2017, the Braves Group has cash and cash equivalents of approximately \$129 million, which includes subsidiary cash.

The Liberty Formula One common stock is intended to track and reflect the separate economic performance of the businesses, assets and liabilities attributed to the Formula One Group. Liberty attributed to the Formula One Group all of the businesses, assets and liabilities of Liberty, other than those specifically attributed to the Braves Group or the Liberty SiriusXM Group, including Liberty's interests in Live Nation, minority equity investments in Time Warner, Inc. ("Time Warner") and Viacom, Inc. ("Viacom"), cash, an intergroup interest in the Braves Group, Liberty's 1.375% Cash Convertible Notes due 2023 and related financial instruments, Liberty's 2.25% Exchangeable Senior Debentures due 2046 and Liberty's 1% Cash Convertible Notes due 2023. Additionally, as discussed in more detail in note 3, 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. The first purchase agreement was 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 was attributed to the Formula One Group. Liberty acquired 100% of the fully diluted equity interests of Delta Topco, other than a nominal number of shares held by certain Formula 1 teams, in a closing under the second purchase agreement (and following the unwind of the first purchase agreement) on January 23, 2017 (the "Second Closing"). As of September 30, 2017, the Formula One Group has cash and cash equivalents of approximately \$420 million, which includes \$274 million of subsidiary cash.

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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 15.5% intergroup interest in the Braves Group at September 30, 2017. The intergroup interest is a quasi-equity interest which is not represented by outstanding shares of common stock; rather, the Formula One Group has an attributed value in the Braves Group which is generally stated in terms of a number of shares of Series C Liberty Braves common stock issuable to the Formula One Group with respect to its interest in the Braves Group. The intergroup interest may be settled, at the discretion of the Board of Directors, through the transfer of newly issued shares of Liberty Braves common stock, cash and/or other assets to the Formula One Group. Accordingly, the intergroup interest attributable to the Formula One Group is presented as an asset and the intergroup interest attributable to the Braves Group is presented as a liability in the attributed financial statements and the offsetting amounts between tracking stock groups are eliminated in consolidation. The intergroup interest will remain outstanding until the redemption of the outstanding interest, at the discretion of the Company's Board of Directors, through a transfer of securities, cash and/or other assets from the Braves Group to the Formula One Group.

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

(3) Formula 1 Transactions

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 first purchase agreement was completed on September 7, 2016 and provided for Liberty's acquisition of slightly less than a 20% minority stake in Formula 1 on an undiluted basis for \$746 million, funded entirely in cash (which is equal to \$821 million in consideration less a \$75 million holdback to be repaid by Liberty to selling stockholders upon completion of the acquisition). On October 27, 2016, under the terms of the first purchase agreement, Liberty acquired an additional incremental equity interest 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 completed the acquisition of 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). 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 Liberty began consolidating Formula 1.

The transaction price for the acquisition represented 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 represented by approximately 56 million newly issued shares of Series C Liberty Formula One common stock.

In connection with the transaction, Liberty entered into a \$500 million margin loan on November 8, 2016, secured by shares of Live Nation and Viacom public equity securities held by Liberty (the "Live Nation Margin Loan"). No amounts were drawn on the Live Nation Margin Loan at December 31, 2016. Liberty drew approximately \$350 million to use for the purchase of Formula 1, on January 20, 2017, leaving \$150 million available to be drawn. See note 10 for additional discussion regarding the Live Nation Margin Loan.

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Concurrently with the Second Closing on January 23, 2017, the Company issued 62 million new shares of Series C Liberty Formula One common stock, which were subject to market co-ordination and lock-up agreements, to certain third party investors at a price per share of \$25.00. As a result, the stock component of the consideration payable to the selling shareholders in the Formula 1 acquisition was decreased by 62 million shares, and the cash component of the consideration payable to the selling shareholders in the Formula 1 acquisition was increased by \$1.55 billion.

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

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

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

Ownership interest held prior to the Second Closing	\$ 759
Controlling interest acquired	3,939
Total acquisition price	<u>\$ 4,698</u>
Cash and cash equivalents	\$ 644
Receivables	136
Goodwill	3,968
Intangible assets subject to amortization	5,484
Other assets	131
Deferred revenue	(141)
Debt	(4,528)
Other liabilities assumed	(505)
Deferred tax liabilities	(491)
	<u>\$ 4,698</u>

Goodwill is calculated as the excess of the consideration transferred over the identifiable net assets acquired and represents the future economic benefits expected to arise from other intangible assets acquired that do not qualify for separate recognition, including assembled workforce, value associated with future customers, continued innovation and noncontractual relationships. Formula 1 amortizable intangible assets were comprised of an agreement with the Fédération Internationale de l'Automobile (the "FIA," and the agreement, the "FIA Agreement") (\$3.6 billion with a remaining useful life of approximately 35 years) and customer relationships of \$1.9 billion with a weighted average remaining life of approximately 11.5 years. The FIA owns the World Championship and has granted Formula 1 the exclusive commercial rights to the World Championship until the end of 2110. None of the acquired goodwill is expected to be deductible for tax purposes. As of September 30, 2017, the valuation related to the acquisition of a controlling interest in Formula 1 is not final, and the acquisition price allocation is preliminary and subject to revision. The primary areas of the acquisition price allocation that are not yet finalized are related to certain intangible assets, liabilities and tax balances.

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Included in net earnings (loss) for the nine months ended September 30, 2017 is a loss of approximately \$225 million related to Formula 1's operations since the date of acquisition, which includes amortization expense of approximately \$287 million, primarily related to the amortization of the fair value step-up of amortizable intangible assets acquired.

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:

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30,</u>		<u>September 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	amounts in millions			
Revenue	\$ 2,065	1,905	5,601	5,172
Net earnings (loss)	\$ 277	120	431	492
Net earnings (loss) attributable to Liberty stockholders	\$ 184	66	211	315

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.

(4) Stock-Based Compensation

Liberty grants, to certain of its directors, employees and employees of its subsidiaries, restricted stock, restricted stock units ("RSUs") and stock options to purchase shares of its common stock (collectively, "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). The Company measures the cost of employee services received in exchange for a liability classified Award based on the current fair value of the Award, and remeasures the fair value of the Award at each reporting date.

Included in the accompanying condensed consolidated statements of operations are the following amounts of stock-based compensation, as discussed below:

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30,</u>		<u>September 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	(amounts in millions)			
Cost of subscriber services:				
Programming and content	\$ 7	6	21	14
Customer service and billing	1	1	3	3
Other	2	1	4	3
Other operating expense	4	3	11	9
Selling, general and administrative	71	30	143	80
	<u>\$ 85</u>	<u>41</u>	<u>182</u>	<u>109</u>

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During the nine months ended September 30, 2017, and in connection with our CEO's employment agreement, Liberty granted approximately 920 thousand, 149 thousand and 171 thousand options to purchase shares of Series C common stock of Liberty SiriusXM, Liberty Braves and Liberty Formula One, respectively, and 50 thousand RSUs of Series C Liberty Formula One common stock, of which 29 thousand RSUs were performance-based. Such options had a weighted average GDFV of \$8.50, \$6.02 and \$8.96 per share, respectively, and the RSUs had a GDFV of \$33.92 per share. These options mainly vest on December 31, 2017, the time-based RSUs vested immediately upon grant, and the performance-based RSUs cliff vest in one year, subject to satisfaction of certain performance objectives. 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.

Also during the nine months ended September 30, 2017, Liberty granted 2.0 million options to Formula 1 employees to purchase shares of Series C Liberty Formula One common stock. Such options had a weighted average GDFV of \$8.16 per share and vest monthly over one year.

Additionally, Liberty granted to Liberty employees 148 thousand, 19 thousand and 77 thousand options to purchase shares of Series C common stock of Liberty SiriusXM, Liberty Braves and Liberty Formula One, respectively, during the nine months ended September 30, 2017. Such options had a weighted average GDFV of \$9.64, \$6.11 and \$9.25 per share, respectively, and mainly vest semi-annually over four years.

The Company did not grant any options to purchase Series A or Series B of Liberty SiriusXM, Liberty Braves or Liberty Formula One common stock during the nine months ended September 30, 2017.

Liberty calculates the GDFV for all of its equity classified awards and the subsequent remeasurement of its liability classified and certain performance-based awards using the Black-Scholes Model. Liberty estimates the expected term of the Awards based on historical exercise and forfeiture data. The volatility used in the calculation for Awards is based on the historical volatility of Liberty common stock and the implied volatility of publicly traded Liberty options. Liberty uses a zero dividend rate and the risk-free rate for Treasury Bonds with a term similar to that of the subject Awards.

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 and certain Awards of employees of Lions Gate Entertainment Corp. (formerly employees of Starz).

Liberty SiriusXM

	Series A				Series C			
	Liberty Awards (000's)	WAEP	Weighted average remaining life	Aggregate intrinsic value (millions)	Liberty Awards (000's)	WAEP	Weighted average remaining life	Aggregate intrinsic value (millions)
Outstanding at January 1, 2017	2,018	\$ 19.39			11,008	\$ 25.91		
Granted	—	\$ —			1,068	\$ 37.12		
Exercised	(380)	\$ 17.77			(753)	\$ 17.80		
Forfeited/Cancelled	—	\$ —			(51)	\$ 32.61		
Outstanding at September 30, 2017	1,638	\$ 19.76	2.2 years	\$ 36	11,272	\$ 27.48	4.3 years	\$ 162
Exercisable at September 30, 2017	1,626	\$ 19.70	2.2 years	\$ 36	4,968	\$ 23.63	3.3 years	\$ 91

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Liberty Braves

	Series A				Series C			
	Liberty Awards (000's)	WAEP	Weighted average remaining life	Aggregate intrinsic value (millions)	Liberty Awards (000's)	WAEP	Weighted average remaining life	Aggregate intrinsic value (millions)
Outstanding at January 1, 2017	189	\$ 11.30			1,073	\$ 14.92		
Granted	—	\$ —			168	\$ 23.45		
Exercised	(10)	\$ 8.83			(21)	\$ 9.05		
Forfeited/Cancelled	—	\$ —			(5)	\$ 18.88		
Outstanding at September 30, 2017	179	\$ 11.43	2.2 years	\$ 2	1,215	\$ 16.18	4.3 years	\$ 11
Exercisable at September 30, 2017	178	\$ 11.41	2.2 years	\$ 2	545	\$ 13.73	3.3 years	\$ 6

Liberty Formula One

	Series A				Series C			
	Liberty Awards (000's)	WAEP	Weighted average remaining life	Aggregate intrinsic value (millions)	Liberty Awards (000's)	WAEP	Weighted average remaining life	Aggregate intrinsic value (millions)
Outstanding at January 1, 2017	455	\$ 11.55			2,611	\$ 15.18		
Granted	—	\$ —			2,263	\$ 33.98		
Exercised	(55)	\$ 10.55			(173)	\$ 11.08		
Forfeited/Cancelled	—	\$ —			(12)	\$ 19.07		
Outstanding at September 30, 2017	400	\$ 11.69	2.2 years	\$ 10	4,689	\$ 24.39	5.2 years	\$ 64
Exercisable at September 30, 2017	397	\$ 11.66	2.2 years	\$ 10	1,694	\$ 20.50	4.4 years	\$ 30

As of September 30, 2017, the total unrecognized compensation cost related to unvested Awards was approximately \$36 million. Such amount will be recognized in the Company's condensed consolidated statements of operations over a weighted average period of approximately 2.4 years.

As of September 30, 2017, Liberty reserved 12.9 million, 1.4 million and 5.1 million shares of Series A and Series C common stock of Liberty SiriusXM, Liberty Braves and Liberty Formula One, respectively, for issuance under exercise privileges of outstanding stock Awards.

SIRIUS XM — Stock-based Compensation

SIRIUS XM granted various types of stock awards to its employees and members of its board of directors during the nine months ended September 30, 2017. As of September 30, 2017, SIRIUS XM has approximately 290 million options outstanding of which approximately 128 million are exercisable, each with a WAEP per share of \$3.75 and \$3.16, respectively. The aggregate intrinsic value of SIRIUS XM options outstanding and exercisable as of September 30, 2017 is \$514 million and \$302 million, respectively. In addition, as of September 30, 2017, SIRIUS XM has granted approximately 32 million nonvested RSUs with a GDFV per share of \$4.55. The stock-based compensation expense related to SIRIUS XM was \$35 million and \$30 million for the three months ended September 30, 2017 and 2016, respectively.

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and \$94 million and \$78 million for the nine months ended September 30, 2017 and 2016, respectively. As of September 30, 2017, the total unrecognized compensation cost related to unvested SIRIUS XM stock options and RSUs was \$281 million. The SIRIUS XM unrecognized compensation cost will be recognized in the Company's condensed consolidated statements of operations over a weighted average period of approximately 2.5 years.

Other

Braves Holdings has a long term incentive plan under which employees are granted equity-based awards. Awards made under this plan vest over various terms and are typically cash settled and recorded as liability awards. The obligation (typically Level 3) related to this plan is included in Accounts payable and accrued liabilities in the Company's condensed consolidated balance sheets.

(5) Earnings Attributable to Liberty Media Corporation 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 outstanding ("WASO") for the period. Diluted EPS presents the dilutive effect on a per share basis of potential common shares as if they had been converted at the beginning of the periods presented, including any necessary adjustments to earnings (loss) attributable to shareholders.

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

Excluded from diluted EPS for the three and nine months ended September 30, 2017 are approximately 21 million potentially dilutive shares of Series A Liberty SiriusXM common stock, 2 million potentially dilutive shares of Series A Liberty Braves common stock and 5 million potentially dilutive shares of Series A Liberty Formula One common stock, primarily due to warrants issued in connection with the Bond Hedge Transaction (as defined in note 10), because their inclusion would be antidilutive. The Amended Warrant Transactions (as defined in note 10) may have a dilutive effect with respect to the shares comprising the Securities Basket underlying the warrants to the extent that the settlement price exceeds the strike price of the warrants, and the warrants are settled in shares comprising such Securities Basket. The warrants and any potential future settlement have been attributed to the Formula One Group. Additionally, the Delta Topco Exchangeable Notes may have a dilutive effect to the extent that the settlement price exceeds the strike price of the notes, and the Delta Topco Exchangeable Notes are settled in shares of Series C Liberty Formula One common stock.

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

The basic and diluted EPS calculations are based on the following weighted average outstanding shares of common stock.

Liberty Media Corporation Common Stock				
	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	January 1, 2016 through April 15, 2016
numbers of shares in millions				
Basic WASO	NA	NA	NA	335
Potentially dilutive shares	NA	NA	NA	2
Diluted WASO	NA	NA	NA	337

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

The basic and diluted EPS calculations are based on the following weighted average outstanding shares of common stock.

Liberty SiriusXM Common Stock				
	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	April 15, 2016 through September 30, 2016
numbers of shares in millions				
Basic WASO	336	335	336	335
Potentially dilutive shares	4	2	4	2
Diluted WASO	340	337	340	337

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.

Liberty Braves Common Stock				
	Three months ended September 30, 2017 (a)(b)	Three months ended September 30, 2016	Nine months ended September 30, 2017 (a)(b)	April 15, 2016 through September 30, 2016
numbers of shares in millions				
Basic WASO	49	49	49	43
Potentially dilutive shares	10	10	10	10
Diluted WASO	59	59	59	53

(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.

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- (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 condensed 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, 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. 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:

	Three months ended <u>September 30, 2017</u>	Three months ended <u>September 30, 2016</u>	Nine months ended <u>September 30, 2017</u>	April 15, 2016 through <u>September 30, 2016</u>
	amounts in millions			
Basic earnings (loss) attributable to Liberty Braves stockholders	\$ 22	(22)	(29)	10
Unrealized (gain) loss on the intergroup interest	12	25	43	(2)
Diluted earnings (loss) attributable to Liberty Braves stockholders	<u>\$ 34</u>	<u>3</u>	<u>14</u>	<u>8</u>

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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.

	Liberty Formula One Common Stock			
	Three months ended	Three months ended	Nine months ended	April 15, 2016 through
	September 30, 2017 (a)	September 30, 2016	September 30, 2017 (a)	September 30, 2016
	numbers of shares in millions			
Basic WASO	216	84	199	84
Potentially dilutive shares	2	1	5	1
Diluted WASO	218	85	204	85

(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.

(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. Liberty does not have any assets or liabilities required to be measured at fair value considered to be Level 3.

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

Description	Fair Value Measurements at September 30, 2017			Fair Value Measurements at December 31, 2016		
	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	\$ 537	537	—	289	289	—
Available-for-sale securities	\$ 1,054	502	552	489	489	—
Financial instrument assets	\$ 419	19	400	286	16	270
Debt	\$ 2,226	—	2,226	1,546	—	1,546

The majority of Liberty's Level 2 financial assets and debt are investments in debt related instruments and derivative instruments. In addition, SIRIUS XM's investment in Pandora Media, Inc. ("Pandora") is classified as Level 2. See note 7 for information related to the investment in Pandora. The Company notes that these assets and liabilities 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

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similar asset or liability is utilized. Accordingly, those available-for-sale securities, financial instruments and debt or debt related instruments are reported in the foregoing table as Level 2 fair value. The financial instrument assets classified as Level 1 and Level 2 in the table above are included in the Other assets line item in the condensed consolidated balance sheets.

Realized and Unrealized Gains (Losses) on Financial Instruments, net

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2017	2016	2017	2016
	amounts in millions			
Fair Value Option Securities (a)	\$ 56	14	76	43
Debt measured at fair value (b)	(42)	(76)	(236)	(75)
Change in fair value of bond hedges (c)	6	69	130	1
Other derivatives	(2)	—	(13)	(2)
	<u>\$ 18</u>	<u>7</u>	<u>(43)</u>	<u>(33)</u>

- (a) Changes in unrealized gains (losses) on fair value option securities include SIRIUS XM's investment in Pandora's Series A Convertible Preferred Stock. See note 7 for information related to the investment in Pandora.
- (b) 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.
- (c) 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 1.375% Cash Convertible Notes due 2023, upon conversion of the notes. The bond hedges are marked to market based on the trading price of underlying Series A Liberty SiriusXM, Liberty Braves and Liberty Formula One securities and other observable market data as the significant inputs (Level 2). See note 10 for additional discussion of the bond hedges.

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

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

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

	September 30, 2017	December 31, 2016
	amounts in millions	
Liberty SiriusXM Group		
Fair Value Option Securities		
Pandora (a)	\$ 552	—
Total attributed Liberty SiriusXM Group	<u>552</u>	<u>—</u>
Braves Group		
Other AFS and cost investments	8	8
Total attributed Braves Group	<u>8</u>	<u>8</u>
Formula One Group		
Fair Value Option Securities		
Time Warner (b)	436	411
Viacom (c)	52	65
Other equity securities	14	13
Total Fair Value Option Securities	<u>502</u>	<u>489</u>
AFS and cost investments		
Formula 1 (d)	—	759
Other AFS and cost investments	58	53
Total AFS and cost investments	<u>58</u>	<u>812</u>
Total attributed Formula One Group	<u>560</u>	<u>1,301</u>
Consolidated Liberty	<u>\$ 1,120</u>	<u>1,309</u>

- (a) See below for details regarding SIRIUS XM's investment in Pandora.
- (b) See note 10 for details regarding the number and fair value of shares pledged as collateral pursuant to the Braves Holdings mixed-use development facility as of September 30, 2017.
- (c) See note 10 for details regarding the number and fair value of shares pledged as collateral pursuant to the Live Nation Margin Loan as of September 30, 2017.
- (d) See note 3 for details regarding the Company's acquisition of Formula 1 during the nine months ended September 30, 2017.

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Pandora

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

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

The investment includes a mandatory redemption feature on any date from and after September 22, 2022 and therefore the financial instrument has been treated as a debt security. As the investment includes a conversion option, SIRIUS XM has elected to account for this investment under the fair value option. Any gains (losses) associated with the change in fair value will be recognized in realized and unrealized gains (losses) on financial instruments, net in the condensed consolidated statements of operations. A \$62 million unrealized gain was recognized during the three and nine months ended September 30, 2017 on the investment in Pandora, including transaction costs.

Pursuant to an Investment Agreement with Pandora, SIRIUS XM has appointed three of its senior executives or members of its Board of Directors to Pandora's Board of Directors, one of whom serves as the Chairman of Pandora's Board of Directors. SIRIUS XM's right to designate directors will fall away once SIRIUS XM and its affiliates fail to beneficially own shares of Series A Preferred Stock and/or Pandora Common Stock issued upon conversion thereof equal to (on an as-converted basis) at least 50% of the number of shares of Pandora Common Stock issuable upon conversion of the Series A Preferred Stock purchased under the Investment Agreement. Following the earlier to occur of (i) September 22, 2019 and (ii) the date on which SIRIUS XM and its affiliates fail to beneficially own shares of Series A Preferred Stock and/or Pandora Common Stock that were issued upon conversion of Series A Preferred Stock equal to (on an as-converted basis) at least 75% of the number of shares of Pandora Common Stock issuable upon conversion of the Series A Preferred Stock purchased under the Investment Agreement, SIRIUS XM has the right to designate only two directors.

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

There were no unrealized holding gains and losses related to investments in AFS securities as of September 30, 2017 or December 31, 2016.

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

Liberty has various investments accounted for using the equity method. The following table includes the Company's carrying amount and percentage ownership of the more significant investments in affiliates at September 30, 2017 and the carrying amount at December 31, 2016:

	Percentage ownership	September 30, 2017		December 31, 2016
		Fair Value (Level 1)	Carrying amount	Carrying amount
dollar amounts in millions				
Liberty SiriusXM Group				
SIRIUS XM Canada	70 %	\$ NA	\$ 680	164
Total Liberty SiriusXM Group			680	164
Braves Group				
Other	various	NA	111	61
Total Braves Group			111	61
Formula One Group				
Live Nation (a)	34 %	\$ 3,033	805	731
Other	various	NA	176	161
Total Formula One Group			981	892
Consolidated Liberty			\$ 1,772	1,117

(a) See note 10 for details regarding the number and fair value of shares pledged as collateral pursuant to the Live Nation Margin Loan as of September 30, 2017.

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

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
amounts in millions				
Liberty SiriusXM Group				
SIRIUS XM Canada	\$ 34	2	32	11
Total Liberty SiriusXM Group	34	2	32	11
Braves Group				
Other (a)	68	2	72	6
Total Braves Group	68	2	72	6
Formula One Group				
Live Nation	43	33	51	25
Other	10	—	12	1
Total Formula One Group	53	33	63	26
Consolidated Liberty	\$ 155	37	167	43

(a) During the three months ended September 30, 2017, an equity method affiliate of Braves Holdings sold a controlling interest in a subsidiary, resulting in a gain to Liberty of approximately \$67 million.

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SIRIUS XM Canada

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

SIRIUS XM now holds a 70% equity interest and 33% voting interest in SIRIUS XM Canada, with the remainder of the voting power and equity interest held by two of SIRIUS XM Canada’s previous shareholders. The total consideration from SIRIUS XM to SIRIUS XM Canada, excluding transaction costs, during the nine months ended September 30, 2017 was \$309 million, which included \$130 million in cash and SIRIUS XM issued 35 million shares of its common stock with an aggregate value of \$179 million to the holders of the shares of SIRIUS XM Canada acquired in the transaction. SIRIUS XM received common stock, non-voting common stock and preferred stock of SIRIUS XM Canada. SIRIUS XM owns approximately 591 million shares of preferred stock of SIRIUS XM Canada, which has a liquidation preference of one Canadian dollar per share. SIRIUS XM Canada is accounted for as an equity method investment as SIRIUS XM does not have the ability to direct the most significant activities that impact SIRIUS XM Canada’s economic performance.

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

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

Under the legacy agreement, as of December 31, 2016, SIRIUS XM’s related party current assets balance primarily consisted of activation fees and streaming and chipset costs for which it was reimbursed. SIRIUS XM has approximately \$12 million in related party current assets as of September 30, 2017 which includes amounts due under the new services arrangements and certain amounts due related to transactions outside of the scope of the new services arrangements. At September 30, 2017, SIRIUS XM has approximately \$3 million and \$7 million in current and noncurrent related party liabilities, respectively, related to the legacy agreements with SIRIUS XM Canada which are recorded in current and noncurrent other liabilities, respectively, in the Company’s condensed consolidated balance sheet. SIRIUS XM recorded approximately \$23 million and \$11 million in revenue for the three months ended September 30, 2017 and 2016, respectively, and \$63 million and \$32 million for the nine months ended September 30, 2017 and 2016, respectively, associated with these various agreements in the Other revenue line item in the condensed consolidated statements of operations. SIRIUS XM Canada paid dividends to SIRIUS XM of \$4 million and \$8 million during the nine months ended September 30, 2017 and 2016, respectively.

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(9) Intangible Assets

Goodwill

	SIRIUS XM	Formula 1	Other	Total
	amounts in millions			
Balance at January 1, 2017	\$ 14,165	—	180	14,345
Acquisitions (a) (b)	82	3,968	—	4,050
Balance at September 30, 2017	\$ 14,247	3,968	180	18,395

- (a) On April 18, 2017, SIRIUS XM acquired Automatic Labs Inc., a connected vehicle device and mobile application company, for an aggregate purchase price of approximately \$108 million, net of cash and restricted cash acquired. The excess purchase price over identifiable net assets of \$82 million was record to goodwill.
- (b) See note 3 for details regarding the Formula 1 acquisition.

Intangible Assets Subject to Amortization

	September 30, 2017			December 31, 2016		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
	amounts in millions					
FIA Agreement	\$ 3,630	(114)	3,516	—	—	—
Customer relationships	2,684	(432)	2,252	830	(228)	602
Licensing agreements	330	(131)	199	316	(109)	207
Other	720	(445)	275	686	(423)	263
Total	\$ 7,364	(1,122)	6,242	1,832	(760)	1,072

Amortization expense for intangible assets with finite useful lives was \$167 million and \$45 million for the three months ended September 30, 2017 and 2016, respectively, and \$448 million and \$131 million for the nine months ended September 30, 2017 and 2016, respectively. Based on its amortizable intangible assets as of September 30, 2017, Liberty expects that amortization expense will be as follows for the next five years (amounts in millions):

Remainder of 2017	\$ 149
2018	\$ 668
2019	\$ 566
2020	\$ 537
2021	\$ 490

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(10) Long-Term Debt

Debt is summarized as follows:

	Outstanding Principal September 30, 2017	Carrying value	
		September 30, 2017	December 31, 2016
amounts in millions			
Liberty SiriusXM Group			
Corporate level notes and loans:			
Margin Loans	\$ 250	250	250
Subsidiary notes and loans:			
SIRIUS XM 5.75% Senior Notes due 2021	—	—	596
SIRIUS XM 5.25% Senior Secured Notes due 2022	—	—	405
SIRIUS XM 4.25% Senior Notes due 2020	—	—	497
SIRIUS XM 3.875% Senior Notes due 2022	1,000	992	—
SIRIUS XM 4.625% Senior Notes due 2023	500	496	496
SIRIUS XM 6% Senior Notes due 2024	1,500	1,488	1,487
SIRIUS XM 5.375% Senior Notes due 2025	1,000	991	990
SIRIUS XM 5.375% Senior Notes due 2026	1,000	990	989
SIRIUS XM 5.0% Senior Notes due 2027	1,500	1,486	—
SIRIUS XM Senior Secured Revolving Credit Facility	290	290	390
SIRIUS XM leases	9	9	14
Less deferred financing costs		(10)	(7)
Total Liberty SiriusXM Group	<u>7,049</u>	<u>6,982</u>	<u>6,107</u>
Braves Group			
Subsidiary notes and loans:			
Notes and loans	585	585	338
Less deferred financing costs		(9)	(10)
Total Braves Group	<u>585</u>	<u>576</u>	<u>328</u>
Formula One Group			
Corporate level notes and loans:			
1.375% Cash Convertible Notes due 2023	1,000	1,216	1,076
1% Cash Convertible Notes due 2023	450	536	—
2.25% Exchangeable Senior Debentures due 2046	445	474	470
Live Nation Margin Loan	350	350	—
Other	35	35	37
Subsidiary notes and loans:			
Bank Loans	3,302	3,315	—
Delta Topco Exchangeable Notes	27	27	—
Less deferred financing costs		(19)	—
Total Formula One Group	<u>5,609</u>	<u>5,934</u>	<u>1,583</u>
Total debt	<u>\$ 13,243</u>	<u>13,492</u>	<u>8,018</u>
Less debt classified as current		(47)	(5)
Total long-term debt		<u>\$ 13,445</u>	<u>8,013</u>

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1.375% Cash Convertible Notes due 2023

On October 17, 2013, Liberty issued \$1 billion aggregate principal amount of 1.375% Cash Convertible Senior Notes due 2023 ("Convertible Notes"). The Convertible Notes will mature on October 15, 2023 unless earlier repurchased by us or converted. Interest on the Convertible Notes is payable semi-annually in arrears on April 15 and October 15 of each year at a rate of 1.375% per annum. All conversion of the Convertible Notes will be settled solely in cash, and not through the delivery of any securities. 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 with an equivalent 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 product of the conversion rate specified in the indenture and 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 condensed consolidated statements of operations. As of September 30, 2017, the Convertible Notes are classified as a long term liability in the condensed consolidated balance sheet, as the conversion conditions have not been met as of such date.

Additionally, contemporaneously with the issuance of the Convertible Notes, Liberty entered into privately negotiated cash convertible note hedges and purchased call options (the "Bond Hedge Transaction"). The Bond Hedge Transaction 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 September 30, 2017, the basket price of the securities underlying the Bond Hedge Transaction was \$53.78 per share. The expiration of these instruments is October 15, 2023. The fair value of these instruments is included in Other assets as of September 30, 2017 and December 31, 2016 in the accompanying condensed consolidated balance sheets, with changes in the fair value recorded as unrealized gains (losses) on financial instruments in the accompanying condensed consolidated statements of operations.

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Concurrently with the Convertible Notes and Bond Hedge Transaction, Liberty also entered into separate privately negotiated warrant transactions under which Liberty sold warrants relating to the same number of shares of common stock as underlie the Bond Hedge Transaction, subject to anti-dilution adjustments (“Warrant Transactions”). The first expiration date of the warrants is January 16, 2024 and expire over a period covering 81 days thereafter. Liberty may elect to settle its delivery obligation under the Warrant Transactions with cash. In connection with the Recapitalization, Liberty entered into amendments to the Warrant Transactions with each of the option counterparties to reflect the adjustments to the Warrant Transactions resulting from the Recapitalization (“Amended Warrant Transactions”). As of the effective date of the Recapitalization, the Amended Warrant Transactions covered, in the aggregate, 5,271,475 shares of Series A Liberty Formula One common stock, 21,085,900 shares of Series A Liberty SiriusXM common stock and 2,108,590 shares of Series A Liberty Braves common stock, subject to anti-dilution adjustments. The aggregate number of shares of Series A Liberty Braves common stock relating to the Amended Warrant Transactions was increased to 2,292,037 pursuant to anti-dilution adjustments arising out of the rights distribution. The strike price of the warrants was adjusted, as a result of the Recapitalization and the rights offering, to \$61.16 per share. As of September 30, 2017, the basket price of the securities underlying the Amended Warrant Transactions was \$53.78 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.

The Convertible Notes, Bond Hedge Transaction and Warrant Transactions were attributed to the Formula One Group in the Recapitalization.

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”). Upon an exchange of debentures, Liberty, at its option, may deliver Time Warner common stock, cash or a combination of Time Warner common stock and cash. The number of shares of Time Warner common stock attributable to a debenture represents an initial exchange price of approximately \$104.55 per share. A total of approximately 4.25 million shares of Time Warner 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 debentures on October 5, 2021. The redemption and purchase price will generally equal 100% of the adjusted principal amount of the debentures plus accrued and unpaid interest.

The debentures, as well as the associated cash proceeds, were attributed to the Formula One Group. Liberty used the net proceeds of the offering for the acquisition of an investment in Formula 1 during September 2016, as further described in note 3. 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 condensed consolidated statements of operations.

On October 22, 2016, AT&T Inc. (“AT&T”) and Time Warner announced that they have entered into a definitive agreement under which AT&T will acquire Time Warner in a stock-and-cash transaction. The transaction is expected to close before year-end 2017, subject to approval by Time Warner shareholders and review by the U.S. Department of Justice, as well as potential review by the FCC. If the acquisition is consummated, in accordance with the terms of the indenture governing the 2.25% Exchangeable Senior Debentures due 2046, the cash portion of the acquisition consideration will be paid as an extraordinary additional distribution to holders of debentures, and the stock portion of the acquisition consideration will become reference shares attributable to the debentures. Additionally, if the acquisition is consummated,

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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.

1% Cash Convertible Notes due 2023

In connection with the Second Closing on January 23, 2017, Liberty issued \$450 million aggregate principal amount of 1% Cash Convertible Senior Notes due 2023 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% Cash Convertible Notes due 2023”). 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% Cash Convertible Notes due 2023 will be settled solely in cash, and not through the delivery of any securities. As discussed in note 3, Liberty used a portion of the net proceeds of the 1% Cash Convertible Notes due 2023 to fund an increase to the cash consideration payable to the selling shareholders of Formula 1 by approximately \$400 million.

Margin Loans

\$750 Million Margin Loan due 2018

During October 2016, Liberty refinanced a margin loan arrangement for a similar financial instrument with a term loan of \$250 million and a \$500 million undrawn line of credit, which is scheduled to mature during October 2018. The new term loan and any drawn portion of the revolver carries 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. Borrowings outstanding under this margin loan bore interest at a rate of 3.05% per annum at September 30, 2017. As of September 30, 2017, availability under the revolving line of credit was \$500 million. 1,138.4 million shares of SIRIUS XM common stock held by Liberty with a value of \$6,284 million were pledged as collateral to the \$750 million margin loan due 2018 as of September 30, 2017. 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 the Live Nation Margin Loan with available borrowing capacity of \$500 million. This margin loan has a two year term and bears interest at a rate of LIBOR plus 2.25% and contains an undrawn commitment fee of 0.75% per annum. Borrowings outstanding under this margin loan bore interest at a rate of 3.55% per annum at September 30, 2017. Interest on the term loan is payable on the first business day of each calendar quarter. This loan was undrawn as of December 31, 2016. 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 note 3. As of September 30, 2017, availability under the Live Nation Margin Loan was \$150 million. As discussed in notes 7 and 8, 53.7 million shares of the Company’s Live Nation common stock with a value of \$2,341 million and 1.9 million shares of the Company’s Viacom common stock with a value of \$52 million were pledged as collateral to the loan as of September 30, 2017.

SIRIUS XM Senior Notes and Senior Secured Revolving Credit Facility

Senior Notes

During July 2017, SIRIUS XM issued \$1.0 billion aggregate principal amount of 3.875% Senior Notes due 2022 (the “3.875% Notes”) and \$1.5 billion aggregate principal amount of 5.00% Senior Notes due 2027 (the “5.00% Notes”). For

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Continued)
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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.

On July 27, 2017, SIRIUS XM redeemed all of its 4.25% Notes for a total amount of \$510 million. This redemption resulted in a loss on extinguishment of debt of approximately \$8 million in the third quarter of 2017.

On August 4, 2017, SIRIUS XM redeemed all of its 5.75% Notes for a total amount of \$618 million. This redemption resulted in a loss on extinguishment of debt of approximately \$21 million in the third quarter of 2017.

On September 1, 2017, SIRIUS XM redeemed all of its 5.25% Notes for a total amount of \$411 million. This redemption resulted in a loss on extinguishment of debt of approximately \$14 million in the third quarter of 2017.

Senior Secured Revolving Credit Facility

SIRIUS XM has 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 2020. The Credit Facility is guaranteed by certain of SIRIUS XM's material domestic subsidiaries and is secured by a lien on substantially all of SIRIUS XM's assets and the assets of its material domestic subsidiaries. The proceeds of loans under the Credit Facility are used for working capital and other general corporate purposes, including financing acquisitions, share repurchases and dividends. Borrowings outstanding under the Credit Facility as of September 30, 2017 bore interest at a rate of 3.24% per annum. Interest on borrowings is payable on a monthly basis and accrues at a rate based on LIBOR plus an applicable rate. SIRIUS XM is also required to pay a variable fee on the average daily unused portion of the Credit Facility which as of September 30, 2017 was 0.30% per annum and is payable on a quarterly basis. As of September 30, 2017, availability under the Credit Facility was \$1,460 million.

Braves Holdings Notes

In 2014, Braves Holdings, through a wholly-owned subsidiary, purchased 82 acres of land for the purpose of constructing a Major League Baseball facility and development of a mixed-use complex adjacent to the ballpark. The new facility is expected to cost approximately \$672 million and Braves Holdings expects to spend approximately \$50 million in other costs and equipment related to the new ballpark. Funding for the ballpark will be split between Braves Holdings, Cobb County, the Cumberland Improvement District (the "CID") and Cobb-Marietta Coliseum and Exhibit Hall Authority (the "Authority"). The CID, Cobb County and the Authority were responsible for funding \$392 million of ballpark related construction, and Braves Holdings is responsible for the remainder of cost, including cost overruns. Funding for ballpark initiatives by Braves Holdings has come from cash reserves and utilization of two credit facilities.

During September 2015, Braves Holdings entered into a \$345 million term loan (the "Braves Term Loan"). The Braves Term Loan initially bore interest at LIBOR plus an applicable spread between 1.50% and 1.75% per annum (based on the debt service coverage ratio) and an unused commitment fee of 0.35% per annum based on the average daily unused portion of the Braves Term Loan, payable quarterly in arrears. In connection with entering into the Braves Senior Secured Note during August 2016 (discussed below), Braves Holdings partially repaid and reduced the capacity on the Braves Term Loan from \$345 million to \$130 million. As of September 30, 2017, the interest rate on the Braves Term Loan was 2.99%. The Braves Term Loan is scheduled to mature during August 2021. In connection with entering into the Braves Term Loan, Braves Holdings partially repaid and reduced the capacity on one of the credit facilities from \$250 million to \$85 million for a total capacity under the credit facilities of \$185 million. As of September 30, 2017, the weighted average interest rate on the credit facilities was 2.46%. As of September 30, 2017, Braves Holdings has borrowed approximately \$209 million under the Braves Term Loan and two facilities. During October 2017, Braves Holdings refinanced \$75 million of the \$130 million Braves Term Loan with floating rate notes and reduced the capacity on the Braves Term Loan to \$55 million. The floating rate notes will bear interest at LIBOR plus 1.70% per annum and are scheduled to mature in September 2029.

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Notes to Condensed Consolidated Financial Statements (Continued)
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Subsequent to the refinancing, the Braves Term Loan will bear interest at LIBOR plus an applicable spread between 1.375% and 1.625% per annum.

During August 2016, a subsidiary of Braves Holdings entered into a \$200 million senior secured note which was funded during October 2016 (the "Braves Senior Secured Note"). The Braves Senior Secured Note bears interest at 3.77% per annum, payable semi-annually in arrears. The Braves Senior Secured Note is scheduled to mature during August 2041. The proceeds from the Braves Senior Secured Note were used to partially repay the Braves Term Loan and to finance the stadium construction.

Due to Braves Holdings providing the initial funding of the project and its ownership of the land during the initial construction period, until the initial reimbursement by the Authority during September 2015 at which time the land was conveyed to the Authority, Braves Holdings was deemed the owner (for accounting purposes) of the stadium during the construction period and costs were classified as construction in progress ("CIP") within the Property and equipment, net line item. Costs of the project were captured in CIP along with a corresponding financing obligation, reported in other liabilities, for amounts funded by the Authority. At the end of the construction period in March 2017, the Company performed an analysis and determined that due to Braves Holdings' continuing involvement with the property as a result of the purchase option at the end of the lease term, the stadium did not qualify for sale-leaseback accounting treatment. Accordingly, Braves Holdings applied the financing method of accounting whereby Braves Holdings began making license payments and amortizing the financing obligation to the Authority using the effective interest rate method over a 30 year term. The stadium was reclassified from CIP and placed into service on March 31, 2017. Also at this time, Braves Holdings began depreciating the stadium over a 45 year estimated useful life.

In addition, Braves Holdings through affiliated entities and outside development partners are in the process of developing land around the ballpark for a mixed-use complex that is expected to feature retail, residential, office, hotel and entertainment opportunities. The estimated cost for the mixed-use development is \$558 million, of which Braves Holdings affiliated entities are expected to fund approximately \$470 million through a mix of approximately \$200 million in equity and \$270 million in new debt. In December 2015, certain subsidiaries of Braves Holdings entered into three separate credit facilities totaling \$207 million to fund a portion of the mixed use development costs. The maturity dates of the facilities range between December 2018 and December 2019, and all of the facilities contain two year extension options. Interest rates on the credit facilities bear interest at LIBOR plus an applicable spread between 2.0% and 2.6%, with certain step-downs upon lease of the mixed use facilities at the completion of construction. As of September 30, 2017, \$152 million was drawn on these facilities with a weighted average interest rate of 3.47%. As discussed in note 7, 464 thousand Time Warner shares were pledged as collateral to these facilities. The fair value of the shares pledged as of September 30, 2017 was \$48 million. Additionally, in August 2016, a subsidiary of Braves Holdings entered into a credit facility with an availability of \$30 million to fund a portion of the entertainment venue as part of the mixed use development. This facility matures during August 2020 and contains one twelve month extension option. The credit facility bears interest at LIBOR plus 3.25%, with a step-down upon completion of construction. As of September 30, 2017, the interest rate on this facility was 4.23%, and \$24 million was drawn.

As of September 30, 2017, approximately \$718 million has been spent to-date on the baseball facility, of which approximately \$390 million of funding has been provided by the Authority, and \$398 million has been spent to date on the mixed-use development.

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Formula 1 Notes and Loans

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. The interest rate on the Senior Loan Facility was approximately 4.24% as of September 30, 2017. 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 September 30, 2017, Formula 1 has interest rate swaps on \$2.7 billion of the \$3.3 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 nine months ended September 30, 2017.

Delta Topco Exchangeable Notes

As discussed in note 3, in connection with the Second Closing on January 23, 2017, Delta Topco issued \$351 million in subordinated exchangeable debt instruments upon the conversion of certain outstanding Delta Topco loan notes. The Delta Topco Exchangeable Notes bear interest at 2% per annum, mature in July 2019 and are exchangeable into cash or newly issued shares of Series C Liberty Formula One common stock at the election of Delta Topco. Interest is payable by either, at the discretion of Delta Topco, (i) issuing payment-in-kind notes or (ii) cash. The Delta Topco Exchangeable Notes are attributed to the Formula One Group.

The Delta Topco Exchangeable Notes may be exchanged at the option of the noteholder into shares of Series C Liberty Formula One common stock, subject to Delta Topco’s right to instead redeem such Delta Topco Exchangeable Notes for cash. At any time when the total principal amount of the Delta Topco Exchangeable Notes outstanding and owned by the noteholder or its affiliates is less than the total principal amount originally issued to such noteholder, then Delta Topco will have the right to require the noteholder to exchange any or all of such noteholder’s Delta Topco Exchangeable Notes for shares of Series C Liberty Formula One common stock or cash (at Delta Topco’s election). Additionally, if a noteholder proposes to transfer any of its Delta Topco Exchangeable Notes to a person other than a permitted transferee, then Delta Topco will have the option to redeem such Delta Topco Exchangeable Notes for cash. However, if Delta Topco does not timely exercise its right to effect this redemption for cash, then the Delta Topco Exchangeable Notes proposed to be transferred will be automatically exchanged prior to transfer into shares of Series C Liberty Formula One common stock. In September 2017, \$323 million aggregate principal amount of Delta Topco Exchangeable Notes were exchanged for 14.5 million shares of Series C Liberty Formula One common stock. In October 2017, Delta Topco initiated an exchange offer for the remaining outstanding Delta Topco Exchangeable Notes.

The debt host component of the Delta Topco Exchangeable Notes was recorded as debt, at fair value (level 2), with the related discount amortized over the expected term of the loan using the effective interest rate method, while the

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Notes to Condensed Consolidated Financial Statements (Continued)
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embedded conversion option was recorded in additional paid-in capital. Upon settlement, the Company will record a true-up to additional paid-in capital for the amount and type (cash or shares of Series C Liberty Formula One common stock) of settlement. As the Company has the option to settle the liability in shares of Series C Liberty Formula One common stock, the debt host component is presented as a long-term liability in the Company's condensed consolidated balance sheet as of September 30, 2017.

Debt Covenants

The SIRIUS XM Credit Facility contains certain financial covenants related to SIRIUS XM's leverage ratio. The Braves Term Loan contains certain financial covenants related to Braves Holdings' debt service coverage ratio and capital expenditures. Additionally, SIRIUS XM's Credit Facility, the Braves Term Loan, Formula 1 debt and other borrowings contain certain non-financial covenants. The Company, SIRIUS XM, Formula 1 and Braves Holdings are in compliance with all debt covenants as of September 30, 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's publicly traded debt securities, not reported at fair value, are as follows (amounts in millions):

	<u>September 30, 2017</u>
SIRIUS XM 3.875% Senior Notes due 2022	\$ 1,020
SIRIUS XM 4.625% Senior Notes due 2023	\$ 514
SIRIUS XM 6% Senior Notes due 2024	\$ 1,612
SIRIUS XM 5.375% Senior Notes due 2025	\$ 1,054
SIRIUS XM 5.375% Senior Notes due 2026	\$ 1,051
SIRIUS XM 5.0% Senior Notes due 2027	\$ 1,532

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 September 30, 2017.

(11) 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 condensed consolidated financial statements with respect to these indemnification guarantees.

Employment Contracts

The Atlanta Braves and certain of their players and coaches have entered into long-term employment contracts whereby such individuals' compensation is guaranteed. Amounts due under guaranteed contracts as of September 30, 2017

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aggregated \$214 million, which is payable as follows: \$5 million in 2017, \$85 million in 2018, \$63 million in 2019, \$30 million in 2020 and \$31 million thereafter. In addition to the foregoing amounts, certain players and coaches may earn incentive compensation under the terms of their employment contracts.

Operating Leases

The Company and its subsidiaries lease business offices, have entered into satellite transponder lease agreements and use certain equipment under lease arrangements.

Litigation

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

Vivendi Settlement . In connection with a commercial transaction that closed during 2002 among Liberty, Vivendi Universal S.A. (“Vivendi”) and the former USA Holdings, Inc., Liberty brought suit against Vivendi and Universal Studios, Inc. in the United States District Court for the Southern District of New York, alleging, among other things, breach of contract and fraud by Vivendi. On June 25, 2012, a jury awarded Liberty damages in the amount of €765 million, plus prejudgment interest, in connection with a finding of breach of contract and fraud by the defendants. On January 17, 2013, the court entered judgment in favor of Liberty in the amount of approximately €945 million, including prejudgment interest. The parties negotiated a stay of the execution of the judgment during the pendency of the appeal. Vivendi had filed notice of its appeal of the judgment to the United States Court of Appeals for the Second Circuit. During the first quarter of 2016, Liberty entered into a settlement with Vivendi which resulted in a \$775 million payment to settle all claims related to the dispute described above. Following the payment of a contingency fee to our legal counsel, as well as amounts payable to Liberty Global plc, an additional plaintiff in the action, Liberty recognized a net pre-tax gain on the legal settlement of approximately \$511 million. This settlement resulted in a dismissal of all appeals and mutual releases of the parties.

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

In August 2014, the United States District Court for the District of Columbia in response to SIRIUS XM’s motion to dismiss the complaint, stayed the case on the grounds that the case properly should be pursued in the first instance before the Copyright Royalty Board rather than the District Court. In its opinion, the District Court concluded that the gross revenue exclusions in the regulations established by the Copyright Royalty Board for the 2007-2012 period were ambiguous and did not, on their face, make clear whether our royalty calculation approaches were permissible under the regulations. In December 2014, SoundExchange filed a petition with the Copyright Royalty Board requesting an order interpreting the applicable regulations.

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On September 11, 2017, the Copyright Royalty Board issued a ruling concluding that SIRIUS XM correctly interpreted the revenue exclusions applicable to pre-1972 recordings. Given the limitations on its jurisdiction, the Copyright Royalty Board deferred to further proceedings in the District Court the question of whether SIRIUS XM properly applied those pre-1972 revenue exclusions. The Judges also concluded that SIRIUS XM improperly claimed a revenue exclusion based on its Premier package upcharge, because, in the Judges' view, the portion of the package that contained programming that did not include sound recordings was not offered for a "separate charge."

Rulings by the Copyright Royalty Board, including its September 11, 2017 ruling, are subject to limited legal review by the Register of Copyrights. Following a review by the Register of Copyrights and publication in the Federal Register, SIRIUS XM expects that the ultimate ruling by the Copyright Royalty Board in this matter will be transmitted back to the District Court for further proceedings, such as adjudication claims relating to damages and defenses. SIRIUS XM believes it has substantial defenses to SoundExchange claims that can be asserted, including in proceedings in the District Court, and will continue to defend this action vigorously.

This matter is titled *SoundExchange, Inc. v. SIRIUS XM Radio, Inc.*, No.13-cv-1290-RJL (D.D.C.), and *Determination of Rates and Terms for Preexisting Subscription Services and Satellite Digital Audio Radio Services*, United States Copyright Royalty Board, No. 2006-1 CRB DSTR. Information concerning the action is publicly available in filings under the docket numbers. This matter is not related to certain claims under state law brought by owners of pre-1972 recording copyrights arising out of SIRIUS XM's use and performance of those recordings.

SIRIUS XM concluded that a loss, in excess of its recorded liabilities, is reasonably possible in connection with the SoundExchange royalty claims. At September 30, 2017 the estimable portion of such possible loss ranges from \$0 to \$85 million plus any related interest or late fees. Based on SIRIUS XM's defenses, such a loss is not considered probable at this time and no liability for such additional loss has been recorded at September 30, 2017. The matters underlying this estimated range and the estimable portion of reasonably possible losses may change from time to time and the actual possible loss may vary from this estimate.

(12) Information About Liberty's Operating Segments

The Company, through its ownership interests in subsidiaries and other companies, is primarily engaged in the media, communications and entertainment industries. The Company identifies its reportable segments as (A) those consolidated subsidiaries that represent 10% or more of its consolidated annual revenue, annual Adjusted OIBDA or total assets and (B) those equity method affiliates whose share of earnings represent 10% or more of the Company's annual pre-tax earnings.

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

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, including each business's ability to service debt and fund capital expenditures. In addition, this measure allows management to view operating results and perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. This measure of performance excludes depreciation and amortization, stock-based compensation, separately reported litigation settlements and restructuring and impairment charges that are included in the measurement of operating income pursuant to GAAP. Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net income, cash flow provided by

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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.

For the nine months ended September 30, 2017, the Company has identified the following subsidiaries as its reportable segments:

- SIRIUS XM is a consolidated subsidiary that provides a subscription based satellite radio service. SIRIUS XM transmits music, sports, entertainment, comedy, talk, news, traffic and weather channels as well as infotainment services in the United States on a subscription fee basis through its two proprietary satellite radio systems. Subscribers can also receive music and other channels, plus features such as SiriusXM On Demand and MySXM, over SIRIUS XM's Internet radio service, including through applications for mobile devices, home devices and other consumer electronic equipment. SIRIUS XM also provides connected vehicle services. SIRIUS XM's connected vehicle services are designed to enhance the safety, security and driving experience for vehicle operators while providing marketing and operational benefits to automakers and their dealers.

- Formula 1 is a global motorsports business that holds exclusive commercial rights with respect to the World Championship, an annual, approximately nine-month long, motor race-based competition in which teams compete for the Constructors' Championship and drivers compete for the Drivers' Championship. The World Championship takes place on various circuits with a varying number of events taking place in different countries around the world each season. Formula 1 is responsible for the commercial exploitation and development of the World Championship as well as various aspects of its management and administration. 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 segments are strategic business units that offer different products and services. They are managed separately because each segment requires different technologies, differing revenue sources and marketing strategies. The accounting policies of the segments are the same as those described in the Company's summary of significant policies in the Company's annual financial statements filed on Form 10-K.

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Performance Measures

	Three months ended September 30,			
	2017		2016	
	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA
	amounts in millions			
Liberty SiriusXM Group				
SIRIUS XM	\$ 1,379	549	1,276	490
Corporate and other	—	(6)	—	(8)
Total Liberty SiriusXM Group	1,379	543	1,276	482
Braves Group				
Corporate and other	185	48	109	16
Total Braves Group	185	48	109	16
Formula One Group				
Formula 1	501	106	NA	NA
Corporate and other	—	(2)	—	(13)
Total Formula One Group	501	104	—	(13)
Consolidated Liberty	\$ 2,065	695	1,385	485

	Nine months ended September 30,			
	2017		2016	
	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA
	amounts in millions			
Liberty SiriusXM Group				
SIRIUS XM	\$ 4,021	1,568	3,711	1,380
Corporate and other	—	(13)	—	(9)
Total Liberty SiriusXM Group	4,021	1,555	3,711	1,371
Braves Group				
Corporate and other	366	46	244	(8)
Total Braves Group	366	46	244	(8)
Formula One Group				
Formula 1	1,213	288	NA	NA
Corporate and other	—	(29)	—	(32)
Total Formula One Group	1,213	259	—	(32)
Consolidated Liberty	\$ 5,600	1,860	3,955	1,331

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Other Information

	September 30, 2017		
	Total assets	Investments in affiliates	Capital expenditures
	amounts in millions		
Liberty SiriusXM Group			
SIRIUS XM	\$ 27,926	680	207
Corporate and other	191	—	—
Total Liberty SiriusXM Group	28,117	680	207
Braves Group			
Corporate and other	1,803	111	190
Total Braves Group	1,803	111	190
Formula One Group			
Formula 1	9,629	—	8
Corporate and other	2,564	981	2
Total Formula One Group	12,193	981	10
Elimination (1)	(260)	—	—
Consolidated Liberty	\$ 41,853	1,772	407

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

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

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	amounts in millions			
Consolidated segment Adjusted OIBDA	\$ 695	485	1,860	1,331
Legal settlement, net (note 11)	—	—	—	511
Stock-based compensation	(85)	(41)	(182)	(109)
Depreciation and amortization	(228)	(92)	(615)	(272)
Operating income (loss)	382	352	1,063	1,461
Interest expense	(159)	(98)	(448)	(272)
Share of earnings (losses) of affiliates, net	155	37	167	43
Realized and unrealized gains (losses) on financial instruments, net	18	7	(43)	(33)
Other, net	(11)	5	2	17
Earnings (loss) before income taxes	\$ 385	303	741	1,216

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Certain statements in this Quarterly Report on Form 10-Q constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our business, product and marketing strategies; new service offerings; revenue growth and subscriber trends 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; SIRIUS XM's stock repurchase program; the payment of dividends by SIRIUS XM; the anticipated non-material impact of certain contingent liabilities related to legal and tax proceedings; the integration of Delta Topco Limited (the parent company of Formula 1) ("Delta Topco") and by extension Formula 1 and other matters arising in the ordinary course of business. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but 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 (as they relate to our consolidated subsidiaries and equity affiliates) that could cause actual results or events to differ materially from those anticipated:

- consumer demand for our products and services and our ability to adapt to changes in demand;
- competitor responses to our businesses' products and services;
- uncertainties inherent in the development and integration of new business lines and business strategies;
- uncertainties associated with product and service development and market acceptance, including the development and provision of programming for satellite radio and telecommunications technologies;
- our businesses' significant dependence upon automakers;
- our businesses' ability to attract and retain subscribers in the future;
- our future financial performance, including availability, terms and deployment of capital;
- the integration of Delta Topco and by extension, Formula 1;
- 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;
- changes and uncertainties in the market for music rights;
- the outcome of any pending or threatened litigation;
- availability of qualified personnel;
- changes in, or failure or inability to comply with, government regulations, including, without limitation, regulations of the Federal Communications Commission and consumer protection laws, and adverse outcomes from regulatory proceedings;
- changes in the nature of key strategic relationships with partners, vendors and joint venturers;
- general economic and business conditions and industry trends including the current economic downturn;
- consumer spending levels, including the availability and amount of individual consumer debt;
- rapid technological and industry changes;
- harmful interference our businesses' service may experience from new wireless operations;
- impairments by third-party intellectual property rights;
- our indebtedness and its effect on our operations and the ability of our subsidiaries to react to changes in the economy or our industry;
- failure to protect the security of personal information about our businesses' customers, subjecting our businesses to potentially costly government enforcement actions or private litigation and reputational damage;
- capital spending for the acquisition and/or development of telecommunications networks and services;

- the impact of AT&T, Inc.'s agreement to acquire Time Warner, Inc. ("Time Warner") on our 2.25% Exchangeable Senior Debentures due 2046;
- the regulatory and competitive environment of the industries in which we, and the entities in which we have interests, operate; and
- natural catastrophes, threatened terrorist attacks, political unrest in international markets and ongoing military action around the world.

For additional risk factors, please see Part I, Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2016, Part II, Item 1A. Risk Factors of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2017 and Part II, Item 1A. Risk Factors of this Quarterly Report on Form 10-Q. Any forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this Quarterly Report, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based.

The following discussion and analysis provides information concerning our results of operations and financial condition. This discussion should be read in conjunction with our accompanying condensed consolidated financial statements and the notes thereto and our Annual Report on Form 10-K for the year ended December 31, 2016. See note 1 in the accompanying condensed consolidated financial statements for an overview of new accounting standards that we have adopted or that we plan to adopt that have had or may have an impact on our financial statements.

The information contained herein relates to Liberty Media Corporation and its controlled subsidiaries ("Liberty," the "Company," "we," "us," or "our" unless the context otherwise requires).

Overview

We own controlling and non-controlling interests in a broad range of media, communications and entertainment companies. Our most significant operating subsidiary, which is also a reportable segment, is SIRIUS XM. SIRIUS XM provides a subscription based satellite radio service. SIRIUS XM transmits music, sports, entertainment, comedy, talk, news, traffic and weather channels as well as infotainment services in the United States on a subscription fee basis through its two proprietary satellite radio systems - the Sirius system and the XM system. Subscribers can also receive their music and other channels, plus features such as SiriusXM On Demand and MySXM, over SIRIUS XM's Internet radio service, including through applications for mobile devices. Additionally, Liberty acquired a controlling interest in Delta Topco, the parent company of Formula 1, on January 23, 2017. Beginning on this date, Formula 1 is a consolidated subsidiary and is also a reportable segment. Formula 1 is a global motorsports business that holds exclusive commercial rights with respect to the World Championship, an annual, approximately nine-month long, motor race-based competition in which teams compete for the Constructors' Championship and drivers compete for the Drivers' Championship. The World Championship takes place on various circuits with a varying number of events ("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 as well as various aspects of its management and administration.

Our "Corporate and Other" category includes our consolidated subsidiary, Braves Holdings, LLC ("Braves Holdings") and corporate expenses. Braves Holdings owns the Atlanta Braves, a Major League Baseball club, as well as certain of the Atlanta Braves' minor league clubs.

In addition to the foregoing businesses, we hold ownership interests in Live Nation Entertainment, Inc. ("Live Nation") and through SIRIUS XM, SIRIUS XM Canada Holdings, Inc. ("SIRIUS XM Canada"), which we account for as equity method investments; and we continue to maintain investments and related financial instruments in public companies such as Time Warner and Viacom, Inc. ("Viacom"), which are accounted for at their respective fair market values and are included in the "Corporate and other" category.

As discussed in note 2 of the accompanying condensed consolidated financial statements, on April 15, 2016, Liberty completed a reclassification of the Company's 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 (as defined below), the Liberty Media Group was renamed the Liberty Formula One Group (the "Formula One Group"). Although the Recapitalization was not effective for all periods presented herein, information has been presented among the tracking stock groups for all periods presented as if the Recapitalization had been completed as of January 1, 2016. This attribution of historical financial information does not purport to be what actual results and balances would have been if the Recapitalization had actually occurred and been in place during the periods prior to April 15, 2016. Operating results prior to the Recapitalization are attributed to Liberty stockholders in the aggregate.

A tracking stock is a type of common stock that the issuing company intends to reflect or "track" the economic performance of a particular business or "group," rather than the economic performance of the company as a whole. While the Liberty SiriusXM Group, Liberty Braves Group (the "Braves Group") and Formula One Group have separate collections of businesses, assets and liabilities attributed to them, no group is a separate legal entity and therefore cannot own assets, issue securities or enter into legally binding agreements. Therefore, the Liberty SiriusXM Group, Braves Group and Formula One Group do not represent separate legal entities, but rather represent those businesses, assets and liabilities that have been attributed to each respective group. Holders of tracking stock have no direct claim to the group's stock or assets and therefore, do not own, by virtue of their ownership of a Liberty tracking stock, any equity or voting interest in a public company, such as SIRIUS XM or Live Nation, in which Liberty holds an interest and that is attributed to a Liberty tracking stock group, such as the Liberty SiriusXM Group or the Formula One Group. Holders of tracking stock are also not represented by separate boards of directors. Instead, holders of tracking stock are stockholders of the parent corporation, with a single board of directors and subject to all of the risks and liabilities of the parent corporation.

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. Following the Recapitalization, the Liberty SiriusXM Group is primarily comprised of Liberty's subsidiary, SIRIUS XM, corporate cash and a margin loan obligation incurred by a wholly-owned special purpose subsidiary of Liberty. As of September 30, 2017, the Liberty SiriusXM Group has cash and cash equivalents of approximately \$234 million, which includes approximately \$74 million of subsidiary cash.

SIRIUS XM is the only operating subsidiary attributed to the Liberty SiriusXM Group. In the event SIRIUS XM were to become insolvent or file for bankruptcy, Liberty's management would evaluate the circumstances at such time and take appropriate steps in the best interest of all of its stockholders, which may not be in the best interest of a particular group or groups when considered independently. In such a situation, Liberty's management and its board of directors would have several approaches at their disposal, including, but not limited to, the conversion of the Liberty SiriusXM common stock into another tracking stock of Liberty, the reattribution of assets and liabilities among Liberty's tracking stock groups or the restructuring of Liberty's tracking stocks to either create a new tracking stock structure or eliminate it altogether.

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. Following the Recapitalization, the Braves Group is primarily comprised of 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"), corporate cash and all liabilities arising under a note from Braves Holdings to Liberty, with a total capacity of up to \$165 million of borrowings by Braves Holdings (the "Intergroup Note") relating to funds to be borrowed and used for investment in the Development Project. As discussed below, the Intergroup Note, including accrued interest, was repaid during June 2016 using proceeds from the subscription rights offering and the Intergroup Note agreement was cancelled. As of September 30, 2017, the Braves Group has cash and cash equivalents of approximately \$129 million, which includes subsidiary cash.

Following the Recapitalization, Liberty issued subscription rights to acquire shares of Series C Liberty Braves tracking stock. The rights offering was fully subscribed on June 16, 2016 with 15,833,634 shares of Series C Liberty Braves common stock issued at a price per share of \$12.80 to those rights holders 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 the Intergroup Note and accrued interest to Liberty. The remaining proceeds will be used for future development costs attributed to the Braves Group. In September 2016, the Internal Revenue Service completed its review

of the distribution of the Liberty Braves subscription rights and notified Liberty that it agreed with the nontaxable characterization of the distribution.

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. Following the Recapitalization, the Formula One 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, minority equity investments in Time Warner and Viacom, cash, Liberty's 1.375% Cash Convertible Notes due 2023 and related financial instruments, Liberty's 2.25% Exchangeable Senior Debentures due 2046 and Liberty's 1% Cash Convertible Notes due 2023. 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 15.5% as of September 30, 2017. The Formula One Group has cash and cash equivalents of approximately \$420 million as of September 30, 2017, which includes approximately \$274 million of subsidiary cash.

As discussed in note 3 of the accompanying condensed consolidated financial statements, on September 7, 2016 Liberty, through its indirect wholly owned subsidiary Liberty GR Cayman Acquisition Company, entered into two definitive stock purchase agreements relating to the acquisition of Delta Topco, the parent company of Formula 1. The transactions contemplated by the first purchase agreement were completed on September 7, 2016, resulting in the acquisition of slightly less than a 20% minority stake in Formula 1 on an undiluted basis. On October 27, 2016 under the terms of the first purchase agreement, Liberty acquired an additional incremental equity interest of Delta Topco, maintaining Liberty's investment in Delta Topco on an undiluted basis and increasing slightly to 19.1% on a fully diluted basis. Liberty acquired 100% of the fully diluted equity interests of Delta Topco, other than a nominal number of shares held by certain Formula 1 teams, in a closing under the second purchase agreement (and following the unwind of the first purchase agreement) on January 23, 2017 (the "Second Closing"). Liberty's acquired interest in Delta Topco and by extension Formula 1, along with existing Formula 1 cash and debt (which is non-recourse to Liberty), was attributed to the Formula One Group upon completion of the Second Closing.

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

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Revenue				
Liberty SiriusXM Group				
SIRIUS XM	\$ 1,379	1,276	4,021	3,711
Total Liberty SiriusXM Group	<u>1,379</u>	<u>1,276</u>	<u>4,021</u>	<u>3,711</u>
Braves Group				
Corporate and other	185	109	366	244
Total Braves Group	<u>185</u>	<u>109</u>	<u>366</u>	<u>244</u>
Formula One Group				
Formula 1	501	NA	1,213	NA
Total Formula One Group	<u>501</u>	<u>—</u>	<u>1,213</u>	<u>—</u>
Consolidated Liberty	<u>\$ 2,065</u>	<u>1,385</u>	<u>5,600</u>	<u>3,955</u>
Operating Income (Loss)				
Liberty SiriusXM Group				
SIRIUS XM	\$ 421	381	1,204	1,067
Corporate and other	(13)	(14)	(32)	(21)
Total Liberty SiriusXM Group	<u>408</u>	<u>367</u>	<u>1,172</u>	<u>1,046</u>
Braves Group				
Corporate and other	(9)	1	(45)	(45)
Total Braves Group	<u>(9)</u>	<u>1</u>	<u>(45)</u>	<u>(45)</u>
Formula One Group				
Formula 1	(10)	NA	(22)	NA
Corporate and other	(7)	(16)	(42)	460
Total Formula One Group	<u>(17)</u>	<u>(16)</u>	<u>(64)</u>	<u>460</u>
Consolidated Liberty	<u>\$ 382</u>	<u>352</u>	<u>1,063</u>	<u>1,461</u>
Adjusted OIBDA				
Liberty SiriusXM Group				
SIRIUS XM	\$ 549	490	1,568	1,380
Corporate and other	(6)	(8)	(13)	(9)
Total Liberty SiriusXM Group	<u>543</u>	<u>482</u>	<u>1,555</u>	<u>1,371</u>
Braves Group				
Corporate and other	48	16	46	(8)
Total Braves Group	<u>48</u>	<u>16</u>	<u>46</u>	<u>(8)</u>
Formula One Group				
Formula 1	106	NA	288	NA
Corporate and other	(2)	(13)	(29)	(32)
Total Formula One Group	<u>104</u>	<u>(13)</u>	<u>259</u>	<u>(32)</u>
Consolidated Liberty	<u>\$ 695</u>	<u>485</u>	<u>1,860</u>	<u>1,331</u>

Revenue. Our consolidated revenue increased \$680 million and \$1,645 million for the three and nine months ended September 30, 2017, respectively, as compared to the corresponding periods in the prior year. The increase was primarily due to \$501 million and \$1,213 million of Formula 1 revenue recognized during the three and nine months ended September 30, 2017, respectively, as a result of the Company's acquisition of Formula 1 on January 23, 2017, as well as revenue growth at SIRIUS XM (\$103 million and \$310 million for the three and nine months ended September 30, 2017, respectively) as compared to the corresponding periods in the prior year. Additionally, Braves Holdings revenue increased \$76 million and \$122 million during the three and nine months ended September 30, 2017, respectively, as compared to the corresponding periods in the prior year. See "Results of Operations—Businesses" below for a more complete discussion of the results of operations of SIRIUS XM, Formula 1 and Braves Holdings.

Operating income (loss). Our consolidated operating income increased \$30 million and decreased \$398 million for the three and nine months ended September 30, 2017, respectively, as compared to the corresponding periods in the prior year. The decrease in operating income for the nine months ended September 30, 2017 was primarily a result of the favorable one-time net \$511 million Vivendi lawsuit settlement during the first quarter of 2016, as discussed in note 11 of the accompanying condensed consolidated financial statements. Consolidated Liberty operating income was also impacted by an increase in Liberty SiriusXM Group operating income of \$41 million and \$126 million for the three and nine months ended September 30, 2017, respectively, and a \$10 million decrease in Braves Group operating results for the three months ended September 30, 2017, as compared to the corresponding periods in the prior year. Formula One Group operating results decreased \$1 million and \$524 million during the three and nine months ended September 30, 2017, respectively, as compared to the corresponding periods in the prior year, due to the acquisition of Formula 1 and the Vivendi lawsuit settlement. See "Results of Operations—Businesses" below for a more complete discussion of the results of operations of SIRIUS XM, Formula 1 and Braves Holdings.

Stock-based compensation. Stock-based compensation includes compensation related to (1) options and stock appreciation rights for shares of our common stock that are granted to certain of our officers and employees, (2) options, restricted stock awards, restricted stock units and other stock-based awards granted to officers, employees and certain third parties of our subsidiaries, SIRIUS XM and Formula 1, (3) phantom stock appreciation rights granted to officers and employees of our subsidiary, Braves Holdings, pursuant to private equity plans and (4) amortization of restricted stock and performance-based restricted stock unit grants.

We recorded \$182 million and \$109 million of stock-based compensation expense for the nine months ended September 30, 2017 and 2016, respectively. The increase in stock compensation expense is primarily due to increases at Braves Holdings and SIRIUS XM. As of September 30, 2017, the total unrecognized compensation cost related to unvested Liberty equity awards was approximately \$36 million. Such amount will be recognized in our condensed consolidated statements of operations over a weighted average period of approximately 2.4 years. Additionally, as of September 30, 2017, the total unrecognized compensation cost related to unvested SIRIUS XM stock options and restricted stock units was \$281 million. The SIRIUS XM unrecognized compensation cost will be recognized in our condensed consolidated statements of operations over a weighted average period of approximately 2.5 years.

Adjusted OIBDA. We define 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. Our chief operating decision maker and management team use this measure of performance in conjunction with other measures to evaluate our businesses and make decisions about allocating resources among our businesses. We believe this is an important indicator of the operational strength and performance of our businesses, including each business's ability to service debt and fund capital expenditures. In addition, this measure allows us to view operating results, perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. This measure of performance excludes such costs as depreciation and amortization, stock-based compensation, separately reported litigation settlements and restructuring and impairment charges that are included in the measurement of operating income pursuant to U.S. generally accepted accounting principles ("GAAP"). Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with GAAP. See note 12 of the accompanying condensed consolidated financial statements for a reconciliation of Adjusted OIBDA to Operating income (loss) and Earnings (loss) before income taxes.

The settlement associated with the future use of pre-1972 sound recordings is being recognized as a component of Adjusted OIBDA as revenue and share royalties expense in periods through 2017.

Consolidated Adjusted OIBDA improved \$210 million and \$529 million for the three and nine months ended September 30, 2017, respectively, as compared to the corresponding periods in the prior year. The increase in Adjusted OIBDA was due to improvements in Liberty SiriusXM Group, Braves Group and Formula One Group Adjusted OIBDA of \$61 million, \$32 million and \$117 million, respectively, for the three months ended September 30, 2017 and improvements in Liberty SiriusXM Group, Braves Group and Formula One Group Adjusted OIBDA of \$184 million, \$54 million and \$291 million, respectively, for the nine months ended September 30, 2017, in each case, as compared to the corresponding periods in the prior year. See "Results of Operations—Businesses" below for a more complete discussion of the results of operations of SIRIUS XM, Formula 1 and Braves Holdings.

Other Income and Expense

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

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
amounts in millions				
<i>Interest expense</i>				
Liberty SiriusXM Group	\$ (95)	(93)	(264)	(260)
Braves Group	(7)	—	(9)	—
Formula One Group	(57)	(5)	(175)	(12)
Consolidated Liberty	\$ (159)	(98)	(448)	(272)
<i>Share of earnings (losses) of affiliates, net</i>				
Liberty SiriusXM Group	\$ 34	2	32	11
Braves Group	68	2	72	6
Formula One Group	53	33	63	26
Consolidated Liberty	\$ 155	37	167	43
<i>Realized and unrealized gains (losses) on financial instruments, net</i>				
Liberty SiriusXM Group	\$ 62	—	62	—
Braves Group	—	—	—	—
Formula One Group	(44)	7	(105)	(33)
Consolidated Liberty	\$ 18	7	(43)	(33)
<i>Other, net</i>				
Liberty SiriusXM Group	\$ (19)	1	(20)	2
Braves Group	1	1	6	—
Formula One Group	7	3	16	15
Consolidated Liberty	\$ (11)	5	2	17
	\$ 3	(49)	(322)	(245)

Interest expense. Consolidated interest expense increased \$61 million and \$176 million for the three and nine months ended September 30, 2017, respectively, as compared to the corresponding periods in the prior year. Approximately \$44 million and \$134 million of interest expense attributable to debt held at Formula 1, which we began consolidating on January 23, 2017 when we acquired Formula 1, is included in the Company's results for the three and nine months ended September 30, 2017. The additional increase was due to an increase in the average amount of corporate and subsidiary debt outstanding during the period.

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

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
amounts in millions				
Liberty SiriusXM Group				
SIRIUS XM Canada	\$ 34	2	32	11
Total Liberty SiriusXM Group	34	2	32	11
Braves Group				
Other	68	2	72	6
Total Braves Group	68	2	72	6
Formula One Group				
Live Nation	43	33	51	25
Other	10	—	12	1
Total Formula One Group	53	33	63	26
Consolidated Liberty	\$ 155	37	167	43

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

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
amounts in millions				
Fair Value Option Securities	\$ 56	14	76	43
Debt measured at fair value	(42)	(76)	(236)	(75)
Change in fair value of bond hedges	6	69	130	1
Other derivatives	(2)	—	(13)	(2)
	\$ 18	7	(43)	(33)

The changes in unrealized gains (losses) on fair value option securities 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 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. Changes in the fair value are included in the Realized and unrealized gains (losses) on financial instruments, net line item. The primary driver of the change in the current period is the change in the fair value of the underlying stock.

The unrealized losses on other derivatives for the three and nine months ended September 30, 2017 are primarily due to losses on Formula 1 interest rate swaps.

Other, net. Other, net expenses increased for the three months ended September 30, 2017 and other, net income decreased for the nine months ended September 30, 2017, as compared to the corresponding periods in the prior year primarily due to losses on early extinguishment of debt related to the redemption of certain debt at SIRIUS XM, partially offset by interest and dividend income and gains on the sale of certain fixed assets.

Income taxes. We had income tax expense of \$124 million and \$280 million for the three and nine months ended September 30, 2017, respectively, and income tax expense of \$134 million and \$478 million for the three and nine months

ended September 30, 2016, respectively. The effective tax rate for the three months ended September 30, 2017 was lower than the federal tax rate of 35% primarily due to federal tax credits at SIRIUS XM and deductible stock-based compensation. The effective tax rate for the nine months ended September 30, 2017 was higher than the 35% U.S. federal tax rate primarily due to losses in foreign jurisdictions taxed at rates lower than the 35% U.S. federal tax rate and the impact of current period state income taxes. The effective tax rate for the three and nine months ended September 30, 2016 was higher than the federal tax rate of 35% due to the impact of state income taxes and the write-off of federal tax attributes at SIRIUS XM related to the adoption of Accounting Standards Update 2016-09.

Net earnings. We had net earnings of \$261 million and \$461 million for the three and nine months ended September 30, 2017, and \$169 million and \$738 million for the three and nine months ended September 30, 2016. The change in net earnings was the result of the above-described fluctuations in our revenue, expenses and other gains and losses.

Material Changes in Financial Condition

As of September 30, 2017, substantially all of our cash and cash equivalents were invested in U.S. Treasury securities, other government agencies, 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 subsidiaries (to the extent such cash exceeds the working capital needs of the subsidiaries and is not otherwise restricted), proceeds from asset sales, monetization of our public investment portfolio (including derivatives), debt borrowings and equity issuances, and dividend and interest receipts.

Liberty does not have a debt rating.

As of September 30, 2017 Liberty's liquidity position consisted of the following:

	Cash and Cash Equivalents	Unencumbered Fair Value Option AFS Securities
amounts in millions		
Liberty SiriusXM Group		
SIRIUS XM	\$ 74	—
Corporate and other	160	—
Total Liberty SiriusXM Group	<u>\$ 234</u>	<u>—</u>
Braves Group		
Corporate and other	\$ 129	—
Total Braves Group	<u>\$ 129</u>	<u>—</u>
Formula One Group		
Formula 1	\$ 274	—
Corporate and other	146	402
Total Formula One Group	<u>\$ 420</u>	<u>402</u>

To the extent Liberty 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. Liberty has a controlling interest in SIRIUS XM, which has significant cash and cash provided by operating activities, although due to SIRIUS XM being a separate public company and the significant noncontrolling interest, we do not have ready access to their cash. Cash held by Formula 1 is accessible by Liberty, except when certain restricted payment tests imposed by the Senior Loan Facility at Formula 1 are not met. As of September 30, 2017, Liberty had \$500 million available under the line of credit portion of the \$750 million margin loan due 2018 and \$150 million available under the Live Nation Margin Loan. Certain tax consequences may reduce the net amount of cash that Liberty is able to utilize for corporate purposes. Liberty believes that it currently has appropriate legal structures in place to repatriate foreign cash as tax efficiently as possible and meet the business needs of the Company.

	Nine months ended September 30,	
	2017	2016
Cash Flow Information	amounts in millions	
Liberty SiriusXM Group cash provided (used) by operating activities	\$ 1,310	1,197
Braves Group cash provided (used) by operating activities	(41)	19
Formula One Group cash provided (used) by operating activities	44	435
Net cash provided (used) by operating activities	\$ 1,313	1,651
Liberty SiriusXM Group cash provided (used) by investing activities	\$ (1,072)	(136)
Braves Group cash provided (used) by investing activities	(183)	(225)
Formula One Group cash provided (used) by investing activities	(1,659)	(649)
Net cash provided (used) by investing activities	\$ (2,914)	(1,010)
Liberty SiriusXM Group cash provided (used) by financing activities	\$ (291)	(562)
Braves Group cash provided (used) by financing activities	246	302
Formula One Group cash provided (used) by financing activities	1,860	358
Net cash provided (used) by financing activities	\$ 1,815	98

Liberty's primary use of cash during the nine months ended September 30, 2017 (excluding cash used by SIRIUS XM, Formula 1 and Braves Holdings) was the \$1.6 billion net cash paid to acquire a controlling interest in Formula 1, as discussed in note 3 of the accompanying condensed consolidated financial statements. This investment was funded by cash on hand, the issuance of Series C Liberty Formula One common stock to third parties and borrowings under new debt instruments issued during November 2016 and January 2017.

SIRIUS XM's primary uses of cash were the repayment of long-term debt, repurchase of outstanding SIRIUS XM common stock, investments in Pandora and SIRIUS XM Canada, additions to property and equipment resulting from new satellite construction, dividends paid to stockholders and the acquisition of Automatic Labs, Inc. ("Automatic Labs"). The SIRIUS XM uses of cash were funded by cash provided by operating activities, borrowings of debt and cash on hand. During the nine months ended September 30, 2017, SIRIUS XM declared a cash dividend each quarter, and has paid in cash an aggregate amount of \$140 million, of which Liberty has received \$95 million. In addition, on October 3, 2017, SIRIUS XM's board of directors declared a quarterly dividend on its common stock in the amount of \$0.011 per share of common stock payable on November 30, 2017 to stockholders of record as of the close of business on November 9, 2017. SIRIUS XM's board of directors expects to declare regular quarterly dividends, in an aggregate annual amount of \$0.044 per share of common stock.

Braves Holdings incurred approximately \$190 million of capital expenditures during the nine months ended September 30, 2017 related to the construction of the new Braves Holdings ballpark facility and adjacent mixed-use complex. Braves Holdings' capital expenditures were funded through the use of cash on hand, borrowings of debt and proceeds of \$203 million received from the Series C Liberty Braves common stock rights offering during 2016.

The projected uses of Liberty's cash (excluding SIRIUS XM's and Braves Holdings' uses of cash) are primarily the investment in existing or new 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, cash from operations and borrowing capacity under margin loans and outstanding credit facilities. Liberty may be required to make net payments of income tax liabilities to settle items under discussion with tax authorities.

SIRIUS XM's uses of cash are expected to be operating expenses, capital expenditures, including the construction of replacement satellites, working capital requirements, legal settlements, interest payments, taxes and scheduled maturities of outstanding debt. Liberty expects SIRIUS XM to fund its projected uses of cash with cash on hand, cash provided by operations and borrowings under its existing credit facility.

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

Braves Holdings' estimated capital expenditures for the remainder of 2017 include approximately \$29 million, primarily for the construction of the new ballpark facility and adjacent mixed-use complex, excluding amounts to be paid for by joint venture partners. See note 10 in the accompanying condensed consolidated financial statements for further details. Liberty expects Braves Holdings to fund its projected uses of cash with cash on hand, cash from operations and borrowing capacity under outstanding term loans and credit facilities.

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

Results of Operations—Businesses

SIRIUS XM Holdings Inc. SIRIUS XM transmits music, sports, entertainment, comedy, talk, news, traffic and weather channels as well as infotainment services in the United States on a subscription fee basis through its proprietary satellite radio systems. Subscribers can also receive their music and other channels, plus features such as SiriusXM On Demand and MySXM, over SIRIUS XM's Internet radio service, including through applications for mobile devices, home devices and other consumer electronic equipment. SIRIUS XM is also a leader in providing connected vehicle services. Its connected vehicle services are designed to enhance the safety, security and driving experience for vehicle operators while providing marketing and operational benefits to automakers and their dealers.

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

As of September 30, 2017, SIRIUS XM had approximately 32.2 million subscribers, which is an increase of approximately 3% from 31.3 million subscribers as of December 31, 2016. Of the 32.2 million subscribers at September 30, 2017, approximately 27.0 million were self-pay subscribers and approximately 5.2 million were paid promotional subscribers. These subscriber totals include subscribers under regular pricing plans; discounted pricing plans; subscribers that have prepaid, including payments either made or due from automakers for subscriptions included in the sale or lease price of a vehicle; subscribers to SIRIUS XM Internet services who do not also have satellite radio subscriptions; and certain subscribers to SIRIUS XM's weather, traffic, and data services who do not also have satellite radio subscriptions. Subscribers and subscription-based revenue and expenses associated with its connected vehicle services and the SIRIUS XM Canada service are not included in its subscriber count or subscriber-based operating metrics.

SIRIUS XM's primary source of revenue is subscription fees, with most of its customers subscribing on an annual, semi-annual, quarterly or monthly plan. SIRIUS XM offers discounts for prepaid, longer-term subscription plans, as well as multiple subscription discounts. SIRIUS XM also derives revenue from activation and other fees, the sale of advertising on select non-music channels, the direct sale of satellite radios and accessories, and other ancillary services, such as weather, traffic and data services. SIRIUS XM is a separate publicly traded company and additional information about SIRIUS XM can be obtained through its website and public filings.

Liberty acquired a controlling interest in SIRIUS XM on January 18, 2013 and applied acquisition accounting and consolidated the results of SIRIUS XM from that date. For comparison purposes we are presenting the stand alone results of SIRIUS XM prior to any acquisition accounting adjustments in the current and prior periods for a discussion of the operations of SIRIUS XM. For the three and nine months ended September 30, 2017 and 2016, see the reconciliation of the results reported by SIRIUS XM to the results reported by Liberty included below. As of September 30, 2017, there is an approximate 31% noncontrolling interest in SIRIUS XM, and the net earnings (loss) of SIRIUS XM attributable to such noncontrolling interest is eliminated through the noncontrolling interest line item in the accompanying condensed consolidated statement of operations.

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

	Three months ended September 30,		Nine months ended September 30,	
	2017 (1)	2016(1)	2017 (1)	2016(1)
	amounts in millions			
Subscriber revenue	\$ 1,136	1,070	3,325	3,113
Other revenue	243	207	696	601
Total revenue	1,379	1,277	4,021	3,714
Operating expenses (excluding stock-based compensation included below):				
Cost of subscriber services				
Revenue share and royalties	(297)	(273)	(867)	(789)
Programming and content	(91)	(84)	(269)	(244)
Customer service and billing	(94)	(94)	(284)	(283)
Other	(27)	(30)	(82)	(106)
Subscriber acquisition costs	(119)	(121)	(372)	(382)
Other operating expenses	(26)	(15)	(70)	(48)
Selling, general and administrative expenses	(176)	(169)	(509)	(479)
Adjusted OIBDA	549	491	1,568	1,383
Stock-based compensation	(35)	(30)	(94)	(78)
Depreciation and amortization	(80)	(68)	(230)	(202)
Operating income	\$ 434	393	1,244	1,103

(1) See the reconciliation of the results reported by SIRIUS XM to the results reported by Liberty included below.

Subscriber revenue includes subscription, activation and other fees. Subscriber revenue increased approximately 6% and 7% for the three and nine months ended September 30, 2017, respectively, as compared to the corresponding periods in the prior year. The increases were primarily attributable to 4% and 5% increases in the daily weighted average number of subscribers for the three and nine months ended September 30, 2017, respectively, and a 3% increase in SIRIUS XM's average monthly revenue per subscriber that resulted from certain rate increases implemented in 2016.

Other revenue includes advertising revenue, royalties, equipment revenue and other ancillary revenue. For the three and nine months ended September 30, 2017, other revenue increased approximately 17% and 16%, respectively, as compared to the corresponding prior year periods. The increases were primarily driven by the timing of higher royalties from the new SIRIUS XM Canada service and advisory agreements, additional revenue from the U.S. Music Royalty Fee due to an increase in the number of subscribers and subscribers paying at a higher rate and higher revenue generated from SIRIUS XM's connected vehicle services. Furthermore, advertising revenue increased during the three and nine month periods due to a greater number of advertising spots sold and transmitted as well as increases in rates charged per spot.

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

- *Revenue Share and Royalties* include royalties for transmitting content and web streaming as well and automaker, content provider and advertising revenue share. Revenue share and royalties increased 9% and 10% for the three and nine months ended September 30, 2017, respectively, as compared to the corresponding periods in the prior year. The increases were due to overall greater revenue subject to royalty for transmitting content and revenue share to automakers and a 5% increase in the statutory royalty rate applicable to SIRIUS XM's use of post-1972 recordings.
- *Programming and Content* includes costs to acquire, create, promote and produce content. Programming and content costs increased 8% and 10% for the three and nine months ended September 30, 2017, respectively, as compared to the corresponding periods in the prior year. The increases were primarily due to the addition of video content rights, the payment for which started during the third quarter of 2016, as well as increased talent and personnel-related costs.

- *Customer Service and Billing* includes costs associated with the operation and management of SIRIUS XM's internal and third party customer service centers and SIRIUS XM's subscriber management systems as well as billing and collection costs, bad debt expense and transaction fees. Customer service and billing expense remained flat for both the three and nine months ended September 30, 2017, as compared to the corresponding periods in the prior year. An increase in transaction fees from a higher subscriber base and higher bad debt expense from a higher subscriber base was partially offset by lower call center costs due to lower agent rates and lower contact rates.
- *Other* includes costs associated with the operation and maintenance of SIRIUS XM's terrestrial repeater networks; satellites; satellite telemetry, tracking and control systems; satellite uplink facilities; studios; and delivery of SIRIUS XM's Internet streaming service and connected vehicle services as well as costs from the sale of satellite radios and devices, components and accessories as well as connected vehicles and devices 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 decreased 10% and 23% for the three and nine months ended September 30, 2017, respectively, as compared to the corresponding periods in the prior year. The decreases in the three and nine month periods were driven primarily by lower wireless costs associated with SIRIUS XM's connected vehicle services, lower terrestrial repeater costs driven by the elimination of duplicative repeater sites and lower sales to distributors and consumers, partially offset by increased Internet streaming costs and incremental costs associated with the sale of connected vehicle devices since the acquisition of Automatic Labs. In addition, the nine month period ended September 30, 2016 included a loss on disposal of certain obsolete satellite parts, recorded during the three months ended June 30, 2016.

Subscriber acquisition costs 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, or concurrent with, acquiring a subscriber. Subscriber acquisition costs do not include advertising costs, marketing, loyalty payments to distributors and dealers of satellite radios or revenue share payments to automakers and retailers of satellite radios. For the three and nine months ended September 30, 2017, subscriber acquisition costs decreased approximately 2% and 3%, as compared to the corresponding periods in the prior year. The decreases were driven by reductions to OEM hardware subsidy rates, lower subsidized costs related to the transition of chipsets, and a decrease in the volume of installations. The three month period ended September 30, 2016 benefited from a one-time true-up from a contractual reduction to a subsidy rate.

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 three and nine months ended September 30, 2017 other operating expense increased 73% and 46%, respectively, as compared to the corresponding periods in the prior year. The increases were driven primarily by additional costs associated with the development of SIRIUS XM's audio and video streaming products and increased development of SIRIUS XM's connected vehicle services.

Selling, general and administrative expense includes costs of marketing, advertising, media and production, including promotional events and sponsorships; cooperative marketing; personnel costs; facilities costs, finance, legal, human resources and information technology costs. For the three and nine months ended September 30, 2017, selling, general and administrative expense increased 4% and 6%, respectively, as compared to the corresponding periods in the prior year. The increases were due to additional subscriber communications, retention programs and acquisition campaigns, higher personnel-related costs, partially offset by the timing of OEM marketing campaigns, lower legal costs due to insurance recoveries, lower consulting costs and lower rent expense.

Stock-based compensation increased 17% and 21% during the three and nine months ended September 30, 2017, respectively, as compared to the corresponding periods in the prior year. The increases in stock-based compensation expense are primarily due to an increase in the number of awards granted since September 30, 2016.

Depreciation and amortization increased 18% and 14% during the three and nine months ended September 30, 2017, respectively, as compared to the corresponding periods in the prior year. The increases for the three and nine month periods were driven by the acceleration of amortization related to a shorter useful life of certain software as well as additional assets placed in-service.

The following tables reconcile the results reported by SIRIUS XM, used for comparison purposes above to understand SIRIUS XM's operations, to the results reported by Liberty for the three and nine months ended September 30, 2017 and 2016:

	Three months ended September 30, 2017			Nine months ended September 30, 2017		
	As reported by SIRIUS XM	Acquisition Accounting Adjustments	As reported by Liberty	As reported by SIRIUS XM	Acquisition Accounting Adjustments	As reported by Liberty
	amounts in millions					
Subscriber revenue	\$ 1,136	—	1,136	3,325	—	3,325
Other revenue	243	—	243	696	—	696
Total revenue	1,379	—	1,379	4,021	—	4,021
Operating expenses (excluding stock-based compensation included below):						
Cost of subscriber services	(509)	—	(509)	(1,502)	—	(1,502)
Subscriber acquisition costs	(119)	—	(119)	(372)	—	(372)
Other operating expenses	(26)	—	(26)	(70)	—	(70)
Selling, general and administrative expenses	(176)	—	(176)	(509)	—	(509)
Adjusted OIBDA	549	—	549	1,568	—	1,568
Stock-based compensation	(35)	—	(35)	(94)	—	(94)
Depreciation and amortization	(80)	(13)	(93)	(230)	(40)	(270)
Operating income	\$ 434	(13)	421	1,244	(40)	1,204

	Three months ended September 30, 2016			Nine months ended September 30, 2016		
	As reported by SIRIUS XM	Acquisition Accounting Adjustments	As reported by Liberty	As reported by SIRIUS XM	Acquisition Accounting Adjustments	As reported by Liberty
	amounts in millions					
Subscriber revenue	\$ 1,070	(1)	1,069	3,113	(3)	3,110
Other revenue	207	—	207	601	—	601
Total revenue	1,277	(1)	1,276	3,714	(3)	3,711
Operating expenses (excluding stock-based compensation included below):						
Cost of subscriber services (excluding legal settlement)	(481)	—	(481)	(1,422)	—	(1,422)
Subscriber acquisition costs	(121)	—	(121)	(382)	—	(382)
Other operating expenses	(15)	—	(15)	(48)	—	(48)
Selling, general and administrative expenses	(169)	—	(169)	(479)	—	(479)
Adjusted OIBDA	491	(1)	490	1,383	(3)	1,380
Stock-based compensation	(30)	—	(30)	(78)	—	(78)
Depreciation and amortization	(68)	(11)	(79)	(202)	(33)	(235)
Operating income	\$ 393	(12)	381	1,103	(36)	1,067

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 as well as various aspects of its management and administration. Formula 1 derives the majority of its revenue from 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 for the period from January 23, 2017 through September 30, 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 three and nine months ended September 30, 2017 and 2016, inclusive of acquisition accounting adjustments. The pro forma financial information was prepared based on the historical financial information of Formula 1 and assuming the acquisition of Formula 1 took place on January 1, 2016. The acquisition price allocation related to the Formula 1 business combination is preliminary. Accordingly, the pro forma adjustments are based on this preliminary allocation and 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 pro forma operating results were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	amounts in millions			
Primary Formula 1 revenue	\$ 430	453	1,036	1,043
Other Formula 1 revenue	71	67	178	174
Total Formula 1 revenue	501	520	1,214	1,217
Operating expenses (excluding stock-based compensation included below):				
Cost of Formula 1 revenue	(354)	(402)	(838)	(882)
Selling, general and administrative expenses	(36)	(31)	(88)	(74)
Adjusted OIBDA	111	87	288	261
Stock-based compensation	(7)	—	(21)	—
Depreciation and amortization	(114)	(113)	(337)	(295)
Operating income (loss)	\$ (10)	(26)	(70)	(34)

Primary Formula 1 revenue represents the majority of Formula 1's revenue and is derived from the following streams:

- 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.

Pro forma Primary Formula 1 revenue decreased by \$23 million and \$7 million during the three and nine months ended September 30, 2017, respectively, as compared to the corresponding periods in the prior year. Six and seven Events took place during the three months ended September 30, 2017 and 2016, respectively. Fourteen and fifteen Events took place during the nine months ended September 30, 2017 and 2016, respectively. Broadcasting revenue decreased during the three and nine months ended September 30, 2017 as compared to the same periods in the prior year due to the impact of slightly lower proportionate recognition of season-based income during the current period and the adverse impact of weaker prevailing foreign currency exchange rates used to translate a small number of Great Britain Pound- and Euro-

denominated contracts into US Dollars which more than offset the impact of certain contractual rate increases. 6/20 (30.0%) of broadcasting revenue was recognized during the three months ended September 30, 2017, compared to 7/21 (33.3%) during the three months ended September 30, 2016 and 14/20 (70.0%) of broadcasting revenue was recognized during the nine months ended September 30, 2017, compared to 15/21 (71.4%) during the nine months ended September 30, 2016. Advertising and sponsorship revenue decreased during the three months ended September 30, 2017 as compared to the corresponding period in the prior year as a result of one less Event during the current year period. Advertising and sponsorship revenue increased during the nine months ended September 30, 2017 as compared to the corresponding period in the prior year, as the effects of one less Event were more than offset by new sponsors at two Events earlier in the period. Race promotion fees decreased during the three and nine months ended September 30, 2017, as compared to the corresponding periods in the prior year as there was one less Event in both the three and nine month periods ended September 30, 2017.

Other Formula 1 revenue is generated from the operation of the Paddock Club at most Events, freight and related logistical and travel services, support races at Events (either from the direct operation of the Formula 2 (formerly GP2) and GP3 series which are owned by Formula 1 or from the licensing of other third party series or individual race events), various TV production and post-production activities, digital media services and other ancillary operations.

The \$4 million increase in pro forma Other Formula 1 revenue during both the three and nine months ended September 30, 2017, as compared to the corresponding periods in the prior year was primarily attributable to higher logistics and digital media revenue, partially offset by lower spend by GP3 series' competing teams during 2017 due to it being the second year of the GP3 vehicle cycle.

Cost of Formula 1 revenue

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2017	2016	2017	2016
	amounts in millions			
Team payments	\$ (273)	(316)	(650)	(691)
Other costs of Formula 1 revenue	(81)	(86)	(188)	(191)
Cost of Formula 1 revenue	\$ (354)	(402)	(838)	(882)

Pro forma Cost of Formula 1 revenue decreased approximately \$48 million and \$44 million during the three and nine months ended September 30, 2017, respectively, as compared to the corresponding periods in the prior year. Cost of Formula 1 revenue consists primarily of team payments.

Team payments decreased by \$43 million and \$41 million during the three and nine months ended September 30, 2017, respectively, as compared to the corresponding periods in the prior year. The decreases in pro forma team payments during 2017 were attributable to the pro rata recognition impact of the cost recognition policy being applied to fixed and variable Prize Fund elements.

Other costs of Formula 1 revenue include hospitality costs, which are principally related to catering and other aspects of the production and delivery of the Paddock Club, and circuit rights' fees payable under various agreements with race promoters to acquire certain commercial rights at Events, including the right to sell advertising, hospitality and support race opportunities. Other costs include annual Federation Internationale de l'Automobile regulatory fees, advertising and sponsorship commissions and those incurred in the provision and sale of freight, travel and logistical services, Formula 2 and GP3 cars, parts and maintenance services, television production and post-production services, advertising production services and digital and social media activities. These costs are largely variable in nature and relate directly to revenue opportunities. The decrease in other costs for the three and nine months ended September 30, 2017 as compared to the corresponding periods in the prior year is due to lower circuit fees at one Event in the three and nine month periods ended September 30, 2017, partially offset by increased costs related to increasing fan engagement activities, filming in Ultra High definition and higher freight 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. Pro forma Selling, general and administrative expenses increased \$5 million and \$14 million during the three and nine months ended September 30, 2017, respectively, as compared to the corresponding periods in the prior year. The increases in pro forma selling, general and administrative expense during 2017 were primarily driven by higher personnel costs as a result of additional headcount due to the acquisition by Liberty of Formula 1, partially offset by an improvement in foreign exchange related gains during the three and nine months ended September 30, 2017 as compared to the corresponding prior year periods.

Stock-based compensation expense during 2017 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 during March 2017, subsequent to the acquisition of Formula 1 by Liberty.

Depreciation and amortization includes depreciation of fixed assets and amortization of intangible assets. The pro forma depreciation and amortization increased \$1 million and \$42 million during the three and nine months ended September 30, 2017, respectively, as compared to the corresponding periods in the prior year. The increases for the three and nine month periods were driven by an increase in amortization expense related to intangible assets acquired in the acquisition of Formula 1 by Liberty.

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

During the third quarter, Major League Baseball (“MLB”) commenced an investigation into certain alleged violations by the Atlanta Braves of MLB rules relating to the acquisition of international players. In the event MLB were to determine that a violation of MLB rules occurred, penalties assessed by MLB could include (but are not limited to) the imposition of fines, the unwinding of any agreement relating to the acquisition of international players entered into in violation of MLB rules or the imposition of future restrictions on the acquisition of international players. However, because MLB’s investigation is currently ongoing, neither Liberty nor the Atlanta Braves can predict the extent of penalties that may be assessed should MLB determine that a violation occurred.

Operating results attributable to Braves Holdings were as follows:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2017	2016	2017	2016
	amounts in millions			
Total revenue	\$ 185	109	366	244
Operating expenses (excluding stock-based compensation included below):				
Other operating expenses	(109)	(78)	(252)	(208)
Selling, general and administrative expenses	(27)	(15)	(65)	(42)
Adjusted OIBDA	49	16	49	(6)
Stock-based compensation	(33)	(2)	(40)	(6)
Depreciation and amortization	(24)	(12)	(50)	(30)
Operating income	\$ (8)	2	(41)	(42)

Revenue is derived from three primary sources: ballpark operations (ticket sales, concessions, corporate sales, suites and premium seat fees), local broadcast rights and national broadcast, licensing and other shared Major League Baseball revenue streams. Braves Holdings revenue is seasonal, with the majority of revenue recognized during the second and third quarters which aligns with the baseball season. For the three and nine months ended September 30, 2017, revenue increased \$76 million and \$122 million, respectively, as compared to the corresponding prior year periods. The increases for the three and nine month periods were primarily due to increases of \$56 million and \$95 million, respectively, in ballpark operations revenue, fueled by the Atlanta Braves' move to a new facility.

Other operating expenses primarily include costs associated with baseball and stadium operations. For the three and nine months ended September 30, 2017, other operating expenses increased \$31 million and \$44 million, respectively, as compared to the corresponding periods in the prior year. The increases for the three and nine month periods were the result of higher player salaries and increased concession and retail costs due to higher attendance at the new stadium.

Selling, general and administrative expense includes costs of marketing, advertising, finance and related personnel costs. For the three and nine months ended September 30, 2017, selling, general and administrative expense increased \$12 million and \$23 million, respectively, as compared to the corresponding periods in the prior year. The increases were primarily due to costs incurred with the new stadium during the current period.

Stock-based compensation increased \$31 million and \$34 million during the three and nine months ended September 30, 2017, respectively, as compared to the corresponding periods in the prior year due to an increase in the value of Braves Holdings and the continued vesting of outstanding awards.

Depreciation and amortization increased \$12 million and \$20 million during the three and nine months ended September 30, 2017, respectively, as compared to the corresponding periods in the prior year primarily due to an increase in property and equipment to support the Development Project.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk in the normal course of business due to our ongoing investing and financial activities. 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 September 30, 2017, our debt is comprised of the following amounts:

	<u>Variable rate debt</u>		<u>Fixed rate debt</u>	
	<u>Principal amount</u>	<u>Weighted avg interest rate</u>	<u>Principal amount</u>	<u>Weighted avg interest rate</u>
	dollar amounts in millions			
Liberty SiriusXM Group	\$ 540	3.1 %	\$ 6,509	5.1 %
Braves Group	\$ 335	3.2 %	\$ 250	3.4 %
Formula One Group	\$ 952	4.0 %	\$ 4,657	3.7 %

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 and other appropriate methods.

At September 30, 2017, the fair value of our available-for-sale securities was \$1,054 million. Had the market price of such securities been 10% lower at September 30, 2017, the aggregate value of such securities would have been approximately \$105 million lower. Additionally, our stock in Live Nation (one of our equity method affiliates), a publicly traded security, 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 statement of operations, and had the market price of such security been 10% lower at September 30, 2017 the aggregate value of such security would have been \$303 million lower.

Item 4. Controls and Procedures

In accordance with Rules 13a-15 and 15d-15 under 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 Quarterly Report. Based on that evaluation, the Executives concluded that the Company's disclosure controls and procedures were effective as of September 30, 2017 to provide reasonable assurance that information required to be disclosed in its reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

There has been no change in the Company's internal control over financial reporting that occurred during the three months ended September 30, 2017 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

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

In August 2014, the United States District Court for the District of Columbia in response to SIRIUS XM’s motion to dismiss the complaint, stayed the case on the grounds that the case properly should be pursued in the first instance before the Copyright Royalty Board rather than the District Court. In its opinion, the District Court concluded that the gross revenue exclusions in the regulations established by the Copyright Royalty Board for the 2007-2012 period were ambiguous and did not, on their face, make clear whether our royalty calculation approaches were permissible under the regulations. In December 2014, SoundExchange filed a petition with the Copyright Royalty Board requesting an order interpreting the applicable regulations.

On September 11, 2017, the Copyright Royalty Board concluded that SIRIUS XM correctly interpreted the revenue exclusions applicable to pre-1972 recordings. Given the limitations on its jurisdiction, the Copyright Royalty Board deferred to further proceedings in the District Court the question of whether SIRIUS XM properly applied those pre-1972 revenue exclusions. The Judges also concluded that SIRIUS XM improperly claimed a revenue exclusion based on its Premier package upcharge, because, in the Judges’ view, the portion of the package that contained programming that did not include sound recordings was not offered for a “separate charge.”

Rulings by the Copyright Royalty Board, including its September 11, 2017 ruling, are subject to limited legal review by the Register of Copyrights. Following a review by the Register of Copyrights and publication in the Federal Register, SIRIUS XM expects that the ultimate ruling by the Copyright Royalty Board in this matter will be transmitted back to the District Court for further proceedings, such as adjudication claims relating to damages and defenses. SIRIUS XM believes it has substantial defenses to SoundExchange claims that can be asserted, including in proceedings in the District Court, and will continue to defend this action vigorously.

This matter is titled *SoundExchange, Inc. v. Sirius XM Radio, Inc.*, No.13-cv-1290-RJL (D.D.C.), and *Determination of Rates and Terms for Preexisting Subscription Services and Satellite Digital Audio Radio Services*, United States Copyright Royalty Board, No. 2006-1 CRB DSTR. Information concerning the action is publicly available in filings under the docket numbers. This matter is not related to certain claims under state law brought by owners of pre-1972 recording copyrights arising out of SIRIUS XM’s use and performance of those recordings.

Item 1A. Risk Factors

Except as discussed below, there have been no material changes in Liberty’s risk factors from those disclosed in Part I, Item 1A of its Annual Report for the year ended December 31, 2016 and Part II, Item 1A of its Quarterly Report on Form 10-Q for the quarter ended June 30, 2016.

We may split off, spin off or reattribute assets, liabilities and businesses attributed to our tracking stock groups in a manner that may disparately impact some of our stockholders if our board of directors determines such transaction to be in the best interest of all of our stockholders, and in some cases, not all of our stockholders would be entitled to vote on such a transaction.

Pursuant to the terms of Liberty's restated certificate of incorporation (its "charter"), Liberty's board of directors may determine that it is in the best interest of all of Liberty's stockholders to effect a redemptive split-off whereby all or a portion of the outstanding shares of a particular tracking stock would be redeemed for shares of common stock of a subsidiary ("Splitco") that holds all or a portion of the assets and liabilities attributed to such tracking stock group subject to the approval of only the holders of the tracking stock to be redeemed. However, the vote of holders of Liberty's other tracking stocks would not be required, unless Splitco also held assets and liabilities of such other tracking stock group(s). If Liberty were to effect a redemptive split-off, then, pursuant to the terms of its charter, Liberty would be required to redeem the outstanding shares of the affected tracking stock from its holders on an equal per share basis (i.e., it could not redeem shares from holders of only certain series of the affected tracking stock or redeem from all holders of the affected tracking stock on a non-pro rata basis). Following a redemptive split-off, holders of the other tracking stock(s) would continue to hold stock tracking the performance of Liberty's remaining assets and liabilities which would not have changed after the redemptive split-off, unless a reattribution among the tracking stocks occurred in connection with the redemptive split-off (as discussed below). In addition, in the case of a partial redemptive split-off, holders of the affected tracking stock would hold shares of Splitco and continue to hold a reduced number of shares of the affected tracking stock which would track the remaining assets and liabilities retained by Liberty and attributed to such tracking stock after the split-off.

Liberty is also permitted, pursuant to the terms of its charter, to effect a spin-off of certain of its assets and liabilities through the dividend of shares of a subsidiary holding such assets and liabilities, and the spin-off would not be subject to prior stockholder approval. In this situation, a tracking stock holder would retain their tracking stock shares and receive shares of the spun-off entity.

Furthermore, in structuring these transactions, Liberty's board of directors may determine to alter the composition of the assets and liabilities underlying its tracking stock groups through a reattribution. As contemplated by both the charter and the Management and Allocation Policies designed to assist Liberty in managing and separately presenting the businesses and operations attributed to our tracking stock groups, Liberty's board of directors is vested with the discretion to reattribute assets and liabilities from one tracking stock group to another tracking stock group without the approval of any of its stockholders, and the only limitations on its exercise of such discretion are that the reattribution be in the best interest of all of Liberty's stockholders and that the reattribution be done on a fair value basis. Holders of the affected tracking stock groups will not be entitled to a separate vote to approve a reattribution, even if such reattribution is occurring in connection with a redemptive split-off and such stockholders would otherwise be entitled to vote on the redemptive split-off itself.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Share Repurchase Programs

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

There were no repurchases of Series A or Series C Liberty SiriusXM common stock, Liberty Braves common stock or Liberty Formula One common stock during the three months ended September 30, 2017. As of September 30, 2017, \$1.3 billion was available to be used for share repurchases of Series A and Series C Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Formula One common stock under the Company's share repurchase program.

During the three months ended September 30, 2017, no shares of Liberty Formula One common stock, Liberty SiriusXM common stock or Liberty Braves common stock were surrendered by our officers and employees to pay withholding taxes and other deductions in connection with the vesting of their restricted stock and restricted stock units.

Item 6. Exhibits

(a) Exhibits

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

<u>Exhibit No.</u>	<u>Name</u>
10.1	Amended and Restated Shareholders Agreement, dated September 19, 2017, by and among Liberty Media Corporation and the shareholders listed on Schedule A thereto (incorporated by reference to Exhibit 10.1 to Liberty Media Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 22, 2017 (File No. 001-35707)).
10.2	Form of 2017 Performance-based Restricted Stock Unit Agreement (FWONK) under the Liberty Media Corporation 2013 Incentive Plan (the "2013 Incentive Plan") for Gregory B. Maffei.*
10.3	Form of 2017 Term Option Agreement under the 2013 Incentive Plan (BTRK and FWONK) for Gregory B. Maffei.*
10.4	Form of 2017 Term Option Agreement under the 2013 Incentive Plan (LSXMK) for Gregory B. Maffei.*
10.5	Form of 2017 Performance-based Restricted Stock Unit Agreement under the 2013 Incentive Plan and the Liberty Media Corporation 2017 Omnibus Incentive Plan (the "2017 Omnibus Plan") for certain officers other than the Chief Executive Officer and Chief Legal Officer.*
10.6	Form of 2017 Time-vesting Restricted Stock Unit Agreement under the 2017 Omnibus Plan for Nonemployee Directors.*
31.1	Rule 13a-14(a)/15d-14(a) Certification*
31.2	Rule 13a-14(a)/15d-14(a) Certification*
32	Section 1350 Certification**
99.1	Unaudited Attributed Financial Information for Tracking Stock Groups*
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Calculation Linkbase Document*
101.LAB	XBRL Taxonomy Label Linkbase Document*
101.PRE	XBRL Taxonomy Presentation Linkbase Document*
101.DEF	XBRL Taxonomy Definition Document*

* Filed herewith

** Furnished herewith

SIGNATURES

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

LIBERTY MEDIA CORPORATION

Date: November 9, 2017

By: /s/ GREGORY B. MAFFEI
Gregory B. Maffei
President and Chief Executive Officer

Date: November 9, 2017

By: /s/ MARK D. CARLETON
Mark D. Carleton
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

LIBERTY MEDIA CORPORATION
2013 INCENTIVE PLAN
(Amended and Restated as of March 31, 2015)

FORM OF PERFORMANCE-BASED RESTRICTED STOCK UNITS AGREEMENT

THIS PERFORMANCE-BASED RESTRICTED STOCK UNITS AGREEMENT (this “Agreement”) is entered into effective as of March 30, 2017 by and between LIBERTY MEDIA CORPORATION, a Delaware corporation (the “Company”), and Gregory B. Maffei (the “Grantee”).

The Grantee is employed as of the Grant Date as the President and Chief Executive Officer of the Company pursuant to the terms of an employment agreement between the Company and the Grantee dated effective as of December 29, 2014 (the “Employment Agreement”). The Company has adopted the Liberty Media Corporation 2013 Incentive Plan (Amended and Restated as of March 31, 2015) (as may be amended prior to or after the Grant Date, the “Plan”), a copy of which as in effect on the Grant Date is attached via a link at the end of this online Agreement as Exhibit A and by this reference made a part hereof, for the benefit of eligible employees and independent contractors of the Company and its Subsidiaries. Capitalized terms used and not otherwise defined herein or in the Employment Agreement will have the meaning given thereto in the Plan.

The Company and the Grantee therefore agree as follows:

1. **Definitions** . All capitalized terms not defined in this Agreement that are defined in the Employment Agreement will have the meanings ascribed to them in the Employment Agreement. The following terms, when used in this Agreement, have the following meanings:

“162(m) Objectives” means the 162(m) compliant Performance Objectives (as defined in the Plan) applicable to the Restricted Stock Units, as specified in the 2017 Performance Equity Program.

“2017 Performance Equity Program” means the 2017 Performance Equity Program approved by the Committee on March 30, 2017, which established performance criteria with respect to vesting of the Restricted Stock Units, a copy of which has been provided to the Grantee.

“Achieved 162(m) Objectives” has the meaning specified in Section 3(a).

“Cause” has the meaning specified in the Employment Agreement.

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

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

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

“Common Stock” means the Company’s Series C Formula One Common Stock.

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

“Disability” has the meaning specified in the Employment Agreement.

“Dividend Equivalents” has the meaning specified in the Plan.

“Employment Agreement” has the meaning specified in the recitals to this Agreement.

“Good Reason” has the meaning specified in the Employment Agreement.

“Grant Date” means March 30, 2017.

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

“Negative Discretion Criteria” has the meaning set forth in the Employment Agreement, and with respect to this Award, means, as specified in the 2017 Performance Equity Program, such criteria as are determined by the Committee.

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

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

“Restricted Stock Units” has the meaning specified in Section 2.

“Separation” means the date as of which the Grantee is no longer employed by the Company or any of its Subsidiaries.

“Unpaid Dividend Equivalents” has the meaning specified in Section 3(c).

“Vested Dividend Equivalents” has the meaning specified in Section 10.

“Vesting Date” means each date on which any Restricted Stock Units cease to be subject to a risk of forfeiture, as determined in accordance with this Agreement and which for the avoidance of doubt, shall be the Committee Certification Date.

2. **Grant of Restricted Stock Units.** Subject to the terms and conditions herein and in the Plan, the Company hereby awards to the Grantee as of the Grant Date, an Award of 29,438 restricted stock units (the “Restricted Stock Units”), each representing the right to receive one share of the Company’s Common Stock, subject to the conditions and restrictions set forth below in this Agreement and in the Plan. Regarding the last sentence of Section 8.5 of the Plan, the Company acknowledges and agrees that there are no restrictions, terms or conditions that will cause a forfeiture of the Restricted Stock Units or any Dividend Equivalents with respect thereto that are not set forth in this Agreement.

3. **Conditions of Vesting.** Unless otherwise determined by the Committee in its sole discretion (provided that such determination is not adverse to the Grantee), the Restricted Stock Units will vest only in accordance with the conditions stated in this Section 3. Upon vesting, Restricted Stock Units and the related Dividend Equivalents shall not be subject to forfeiture other than as provided in Section 9 hereof.

(a) After December 31, 2017 but on or prior to March 15, 2018, the Committee will certify that portion, if any, of the 162(m) Objectives that has been achieved (the “Achieved 162(m) Objectives”), the date as of which such certification is made being referred to as the “Committee Certification Date.” The Committee may apply Negative Discretion Criteria in accordance with the 2017 Performance Equity Program to reduce the number of Restricted Stock Units that would otherwise vest based solely on the Achieved 162(m) Objectives; provided, that to the extent the Negative Discretion Criteria include objective performance criteria in relation to the performance or value of the Company, its Subsidiaries, its affiliates and/or any division or business unit of any of the foregoing, the Committee will not exercise negative discretion with respect to vesting that number, if any, of the Restricted Stock Units that relate solely to such objective performance criteria.

(b) The Committee will promptly notify the Grantee regarding the number of Restricted Stock Units, if any, that have vested pursuant to Section 3(a) as of the Committee Certification Date (with any fractional Restricted Stock Unit rounded up to the nearest whole Restricted Stock Unit).

(c) Any Dividend Equivalents with respect to the Restricted Stock Units that have not theretofore become Vested Dividend Equivalents (“Unpaid Dividend Equivalents”) will become vested and payable to the extent that the Restricted Stock Units related thereto shall have become vested in accordance with this Agreement. Notwithstanding the foregoing, but subject to Section 7, the Grantee will not vest, pursuant to this Section 3, in Restricted Stock Units or related Unpaid Dividend Equivalents in which the Grantee would otherwise vest as of a given date if the Grantee has not been continuously employed by the Company from the Grant Date through such date (the vesting or forfeiture of such Restricted Stock Units and related Unpaid Dividend Equivalents to be governed instead by Section 7).

4. **Settlement of Restricted Stock Units.** Settlement of Restricted Stock Units (and related Unpaid Dividend Equivalents) that vest in accordance with Section 3 shall be made as soon as administratively practicable after the applicable Vesting Date, but in no event later than March 15, 2018. Settlement of vested Restricted Stock Units shall be made in payment of shares of Common Stock, together with any related Dividend Equivalents, in accordance with Section 6. Any shares of Common Stock so received shall be fully vested.

5. **Mandatory Withholding for Taxes.** To the extent that the Company is subject to withholding tax requirements under any national, state, local or other governmental law with respect to the award of the Restricted Stock Units to the Grantee or the vesting or settlement thereof, or the designation of any Dividend Equivalents as payable or distributable or the payment or distribution thereof, the Grantee must make arrangement satisfactory to the Company to make payment to the Company or its designee of the amount required to be withheld under such tax laws, as determined by the Company (collectively, the “Required Withholding Amount”). To the extent such withholding is required, the Company shall withhold (a) from the shares of Common Stock represented by such vested Restricted Stock Units and otherwise deliverable to the Grantee a number of shares of Common Stock and/or (b) from any related Dividend Equivalents otherwise deliverable to the Grantee an amount of such Dividend Equivalents, which collectively have a value (or, in the case of securities withheld, a Fair Market Value) as of the date the obligation to

withhold arises equal to the Required Withholding Amount, unless the Grantee remits the Required Withholding Amount to the Company or its designee in cash in such form and by such time as the Company may require or other provisions for withholding such amount satisfactory to the Company have been made. Notwithstanding any other provisions of this Agreement, the delivery of any shares of Common Stock represented by vested Restricted Stock Units and any related Dividend Equivalents may be postponed until any required withholding taxes have been paid to the Company. Notwithstanding the foregoing or anything contained herein to the contrary, (i) the Grantee may, in his sole discretion, direct the Company to deduct from the shares of Common Stock represented by vested Restricted Stock Units and otherwise deliverable to the Grantee a number of shares of Common Stock having a Fair Market Value on the date the obligation to withhold arises equal to the Required Withholding Amount and (ii) the Company will not withhold any shares of Common Stock to pay the Required Withholding Amount if the Grantee has remitted cash to the Company or a Subsidiary or designee thereof in an amount equal to the Required Withholding Amount by such time as the Company may require.

6. **Delivery by the Company.** As soon as practicable after the vesting of Restricted Stock Units, and any related Unpaid Dividend Equivalents, pursuant to Section 3 (but in no event later than March 15, 2018), and subject to the withholding referred to in Section 5, the Company will (a) register in a book entry account in the name of the Grantee, or cause to be issued and delivered to the Grantee (in certificate or electronic form), that number of shares of Common Stock represented by such vested Restricted Stock Units and any securities representing related vested Unpaid Dividend Equivalents, and (b) cause to be delivered to the Grantee any cash payment representing related vested Unpaid Dividend Equivalents. Any delivery of securities will be deemed effected for all purposes when a certificate representing, or statement of holdings reflecting, such securities and, in the case of any Unpaid Dividend Equivalents, any other documents necessary to reflect ownership thereof by the Grantee, have been delivered personally to the Grantee or, if delivery is by mail, when the Grantee has received such certificates or other documents. Any cash payment will be deemed effected when a check from the Company, payable to the Grantee and in the amount equal to the amount of the cash owed, has been delivered personally to the Grantee or, if delivery is by mail, upon receipt by the Grantee.

7. **Termination of Restricted Stock Units .** The Restricted Stock Units will be forfeited and terminate at the time specified below:

(a) Any Restricted Stock Units that do not become vested in accordance with Section 3 of this Agreement as of the Committee Certification Date, and any related Unpaid Dividend Equivalents, will automatically be forfeited as of the Close of Business on the Committee Certification Date.

(b) Unless otherwise determined by the Committee in its sole discretion, if the Grantee's Separation occurs for any reason prior to the Close of Business on December 31, 2017, including as a result of death, Disability, termination by the Company for Cause, termination by the Company without Cause or termination by the Grantee with or without Good Reason, the Restricted Stock Units, to the extent not theretofore vested, and any related Unpaid Dividend Equivalents, will be forfeited immediately; provided, that if the Grantee remains employed until the Close of Business on December 31, 2017 and the Grantee's Separation then occurs on or prior to the Committee Certification Date, the

Restricted Stock Units and the related Unpaid Dividend Equivalents will remain outstanding until the Committee Certification Date and will vest under Section 3 on such date to the extent the Committee certifies they have vested in accordance with Section 3. Upon forfeiture of any unvested Restricted Stock Units, and any related Unpaid Dividend Equivalents, such Restricted Stock Units and any related Unpaid Dividend Equivalents will be immediately cancelled, and the Grantee will cease to have any rights with respect thereto.

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

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

10. **No Stockholder Rights; Dividend Equivalents.** The Grantee will not be deemed for any purpose to be, or to have any of the rights of, a stockholder of the Company with respect to any shares of Common Stock represented by any Restricted Stock Units unless and until such time as shares of Common Stock represented by vested Restricted Stock Units have been delivered to the Grantee in accordance with Section 6, nor will the existence of this Agreement affect in any way the right or power of the Company or any stockholder of the Company to accomplish any corporate act, including, without limitation, any reclassification, reorganization or other change of or to its capital or business structure, merger, consolidation, liquidation or sale or other disposition of all or any part of its business or assets. The Grantee will have no right to receive, or otherwise with respect to, any Dividend Equivalents until such time, if ever, as (a) the Restricted Stock Units with respect to which such Dividend Equivalents relate shall have become vested, or (b) such Dividend Equivalents shall have become vested in accordance with the third to last sentence of this Section, and, if vesting does not occur, the related Dividend Equivalents will be forfeited. Dividend Equivalents shall not bear interest or be segregated in a separate account. Notwithstanding the foregoing, the Committee may, in its sole discretion, accelerate the vesting of any portion of the Dividend Equivalents (the “Vested Dividend Equivalents”). The settlement of any Vested Dividend Equivalents shall be made as soon as administratively practicable after the accelerated vesting date, but in no event later than March 15, 2017. With respect to any Restricted Stock Units and Dividend Equivalents, the Grantee is a general unsecured creditor of the Company.

11. **Adjustments.** If the outstanding shares of Common Stock are subdivided into a greater number of shares (by stock dividend, stock split, reclassification or otherwise) or are combined into a smaller number of shares (by reverse stock split, reclassification or otherwise), or if the Committee determines that any stock dividend, extraordinary cash dividend, reclassification, recapitalization, reorganization, split-up, spin-off, combination, exchange of shares, warrants or rights offering to purchase any shares of Common Stock or other similar corporate event (including mergers or consolidations) affects shares of Common Stock such that an adjustment is required to preserve the benefits or potential benefits intended to be made available under this Agreement, then the Restricted Stock Units will be subject to adjustment in such manner as the Committee, in its sole discretion, deems equitable and appropriate in connection with the occurrence of any of the events described in this Section 11 following the Grant Date.

12. **Restrictions Imposed by Law.** Without limiting the generality of Section 10.8 of the Plan, the Company will not be obligated to deliver any shares of Common Stock represented by vested Restricted Stock Units or securities constituting any Unpaid Dividend Equivalents if counsel to the Company determines that the issuance or delivery thereof would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which shares of Common Stock or such other securities are listed or quoted. The Company will in no event be obligated to take any affirmative action in order to cause the delivery of shares of Common Stock represented by vested Restricted Stock Units or securities constituting or cash payment related to any Unpaid Dividend Equivalents to comply with any such law, rule, regulation, or agreement.

13. **Notice.** Unless the Company notifies the Grantee in writing of a different procedure or address, any notice or other communication to the Company with respect to this

Agreement will be in writing and will be delivered personally or sent by United States first class mail, postage prepaid and addressed as follows:

Liberty Media Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112
Attn: Chief Legal Officer

Unless the Company elects to notify the Grantee electronically pursuant to the online grant and administration program or via email, any notice or other communication to the Grantee with respect to this Agreement will be in writing and will be delivered personally, or will be sent by United States first class mail, postage prepaid, to the Grantee's address as listed in the records of the Company on the date of this Agreement, unless the Company has received written notification from the Grantee of a change of address.

14. **Amendment.** Notwithstanding any other provision hereof, this Agreement may be amended from time to time as approved by the Committee as contemplated in the Plan. Without limiting the generality of the foregoing, without the consent of the Grantee,

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

(b) subject to any required action by the Board or the stockholders of the Company, the Restricted Stock Units granted under this Agreement may be canceled by the Company and a new Award made in substitution therefor, provided, that the Award so substituted will satisfy all of the requirements of the Plan as of the date such new Award is made and no such action will adversely affect any Restricted Stock Units (after taking into account any related Unpaid Dividend Equivalents).

15. **Grantee Employment.** Nothing contained in this Agreement, and no action of the Company or the Committee with respect hereto, will confer or be construed to confer on the Grantee any right to continue in the employ of the Company or interfere in any way with the right of the Company to terminate the Grantee's employment at any time, with or without Cause, subject to the provisions of the Employment Agreement.

16. **Nonalienation of Benefits.** Except as provided in Section 8, (a) no right or benefit under this Agreement will be subject to anticipation, alienation, sale, assignment, hypothecation, pledge, exchange, transfer, encumbrance or charge, and any attempt to anticipate, alienate, sell,

assign, hypothecate, pledge, exchange, transfer, encumber or charge the same will be void, and (b) no right or benefit hereunder will in any manner be liable for or subject to the debts, contracts, liabilities or torts of the Grantee or other person entitled to such benefits.

17. **Governing Law.** This Agreement will be governed by, and construed in accordance with, the internal laws of the State of Colorado. Any dispute with respect to the enforcement or interpretation of this Agreement shall be subject to the arbitration provisions set forth in Section 9.12 of the Employment Agreement, whether or not the "Employment Period" under such agreement has ended.

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

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

20. **Entire Agreement.** This Agreement, together with the applicable provisions of the Employment Agreement, is in satisfaction of and in lieu of all prior discussions and agreements, oral or written, between the Company and the Grantee regarding the subject matter hereof. The Grantee and the Company hereby declare and represent that no promise or agreement not expressed herein or in the Employment Agreement has been made regarding the Award and that this Agreement, together with the Employment Agreement, contains the entire agreement between the parties hereto with respect to the Award and replaces and makes null and void any prior agreements between the Grantee and the Company regarding the Award. Subject to the restrictions set forth in Sections 8 and 16, this Agreement will be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns.

21. **Grantee Acceptance.** The Grantee will signify acceptance of the terms and conditions of this Agreement by acknowledging the acceptance of this Agreement via the procedures described in the online grant and administration program utilized by the Company or by such other method as may be agreed by the Grantee and the Company.

22. **Code Section 409A Compliance.** To the extent that the provisions of Section 409A of the Code or any U.S. Department of the Treasury regulations promulgated thereunder are applicable to any Restricted Stock Unit or Dividend Equivalent, the parties intend that this Agreement will meet the requirements of such Code section and regulations and that the provisions hereof will be interpreted in a manner that is consistent with such intent. The Grantee will cooperate with the Company in taking such actions as the Company may reasonably request to

assure that this Agreement will meet the requirements of Section 409A of the Code and any U.S. Department of the Treasury regulations promulgated thereunder and to limit the amount of any additional payments required by Section 9.7 of the Employment Agreement to be made to the Grantee.*

LIBERTY MEDIA CORPORATION
2013 INCENTIVE PLAN
(Amended and Restated as of March 31, 2015)

FORM OF NON-QUALIFIED STOCK OPTION AGREEMENT

THIS NON-QUALIFIED STOCK OPTION AGREEMENT (this “Agreement”) is entered into effective as of March 30, 2017 by and between LIBERTY MEDIA CORPORATION, a Delaware corporation (the “Company”), and Gregory B. Maffei (the “Grantee”).

The Grantee is employed as of the Grant Date as the President and Chief Executive Officer of the Company pursuant to the terms of an employment agreement between the Company and the Grantee dated effective as of December 29, 2014 (the “Employment Agreement”). The Company has adopted the Liberty Media Corporation 2013 Incentive Plan (Amended and Restated as of March 31, 2015) (as may be amended prior to or after the Grant Date, the “Plan”), a copy of which as in effect on the Grant Date is attached via a link at the end of this online Agreement as Exhibit A and by this reference made a part hereof, for the benefit of eligible employees and independent contractors of the Company and its Subsidiaries. Capitalized terms used and not otherwise defined herein or in the Employment Agreement will have the meaning given thereto in the Plan.

The Company and the Grantee therefore agree as follows:

1. Definitions . All capitalized terms not defined in this Agreement that are defined in the Employment Agreement will have the meanings ascribed to them in the Employment Agreement. The following terms, when used in this Agreement, have the following meanings:

“Base Price” means the BATRK Base Price and/or the FWONK Base Price, as the context requires.

“BATRK Base Price” means \$23.51, the Fair Market Value of a share of BATRK Common Stock on the Grant Date.

“BATRK Common Stock” means the Company’s Series C Liberty Braves Common Stock.

“BATRK Options” has the meaning specified in Section 2 of this Agreement.

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

“Cause” has the meaning specified in the Employment Agreement.

“Change in Control” has the meaning specified in the Employment Agreement.

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

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

“Common Stock” means BATRK Common Stock and/or FWONK Common Stock, as the context requires.

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

“Disability” has the meaning specified in the Employment Agreement.

“Employment Agreement” has the meaning specified in the recitals to this Agreement.

“FWONK Base Price” means \$33.92, the Fair Market Value of a share of FWONK Common Stock on the Grant Date.

“FWONK Common Stock” means the Company’s Series C Formula One Common Stock.

“FWONK Options” has the meaning specified in Section 2 of this Agreement.

“Good Reason” has the meaning specified in the Employment Agreement.

“Grant Date” means March 30, 2017.

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

“Options” means the BATRK Options and/or the FWONK Options, as the context requires.

“Option Shares” has the meaning specified in Section 4(a) of this Agreement.

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

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

“Separation” means the date as of which the Grantee is no longer employed by the Company or any of its Subsidiaries.

“Subsidiary” has the meaning set forth in the Plan.

“Term” has the meaning specified in Section 2 of this Agreement.

2. Grant of Options . Subject to the terms and conditions herein and in the Plan, the Company hereby awards to the Grantee as of the Grant Date, the following options, exercisable as set forth in Section 3 below and expiring at the Close of Business on March 30, 2024 (such period, the “Term”), subject to earlier termination as provided in Section 7 below: (a) options to purchase from the Company at the BATRK Base Price 133,594 shares of BATRK Common Stock (the “BATRK Options”), and (b) options to purchase from the Company at the FWONK Base Price 171,299 shares of FWONK Common Stock (the “FWONK Options”). Each option granted hereunder is a “Nonqualified Stock Option.” The Base Price of each Option and the number of Options granted hereunder are subject to adjustment pursuant to Section 11 below. No fractional shares of BATRK Common Stock or FWONK Common Stock will be issuable upon exercise of an Option, and the Grantee will receive, in lieu of any fractional share of BATRK Common Stock or FWONK Common Stock that the Grantee otherwise would receive upon such exercise, cash

equal to the fraction representing such fractional share multiplied by the Fair Market Value of one share of BATRK Common Stock or FWONK Common Stock, as applicable, as of the date on which such exercise is considered to occur pursuant to Section 4 below.

3. Conditions of Exercise . Unless otherwise determined by the Committee in its sole discretion (provided that such determination is not adverse to the Grantee), the Options will be exercisable only in accordance with the conditions stated in this Section 3.

(a) The Options may be exercised only to the extent they have become vested and exercisable in accordance with the provisions of this Section 3. Except as otherwise provided in this Agreement or the Employment Agreement, subject to the Grantee's continued employment with the Company or any Subsidiary on such date, all of the Options subject to this Agreement will become vested and exercisable on December 31, 2017.

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

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

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

(a) Written notice, in such form as the Committee may require, containing such representations and warranties as the Committee may reasonably require and designating, among other things, the date of exercise and the number and type of shares of Common Stock ("Option Shares") to be purchased by exercise of Options;

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

being acknowledged that the method of exercise described in this clause (E) applies to the Options granted pursuant to this Agreement and will not apply to any options granted under the Plan to the Grantee after the Grant Date unless otherwise provided in the applicable award agreement); and

(c) Any other documentation that the Committee may reasonably require.

5. Mandatory Withholding for Taxes . The Grantee acknowledges and agrees that the Company will deduct from the shares of BATRK Common Stock or FWONK Common Stock otherwise payable or deliverable upon exercise of any Options that number of shares of BATRK Common Stock or FWONK Common Stock, as applicable, having a Fair Market Value on the date of exercise that is equal to the amount of all federal, state and local taxes required to be withheld by the Company or any Subsidiary of the Company upon such exercise, as determined by the Company (the "Required Withholding Amount"), unless the Grantee remits the Required Withholding Amount to the Company or its designee in cash in such form and by such time as the Company may require or other provisions for withholding such amount satisfactory to the Company have been made. If the Grantee elects to make payment of the Base Price by delivery of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds required to pay the Base Price, such instructions may also include instructions to deliver the Required Withholding Amount to the Company. In such case, the Company will notify the broker promptly of the Company's determination of the Required Withholding Amount. Notwithstanding the foregoing or anything contained herein to the contrary, (i) the Grantee may, in his sole discretion, direct the Company to deduct from the shares of Common Stock otherwise payable or deliverable upon exercise of any Options that number of shares of the type of Common Stock acquired upon exercise of such Options having a Fair Market Value on the date of exercise that is equal to the Required Withholding Amount and (ii) the Company will not withhold any shares of Common Stock to pay the Required Withholding Amount if the Grantee has remitted cash to the Company or a Subsidiary or designee thereof in an amount equal to the Required Withholding Amount by such time as the Company may require.

6. Payment or Delivery by the Company . As soon as practicable after receipt of all items referred to in Section 4 above, and subject to the withholding referred to in Section 5 above, the Company will (i) deliver or cause to be delivered to the Grantee certificates issued in the Grantee 's name for, or cause to be transferred to a brokerage account through Depository Trust Company for the benefit of the Grantee, the number and type of shares of Common Stock purchased by exercise of Options, and (ii) deliver any cash payment to which the Grantee is entitled in lieu of a fractional share of Common Stock as provided in Section 2 above. Any delivery of shares of Common Stock will be deemed effected for all purposes when certificates representing such shares have been delivered personally to the Grantee or, if delivery is by mail, when the certificates have been received by the Grantee, or at the time the stock transfer agent completes the transfer of shares to a brokerage account through Depository Trust Company for the benefit of the Grantee, if applicable, and any cash payment will be deemed effected when a check from the Company, payable to the Grantee and in the amount equal to the amount of the cash owed, has been delivered personally to the Grantee or, if delivery is by mail, upon receipt by the Grantee.

7. Termination of Options . The Options will terminate at the time specified below:

(a) Any Options that are not exercisable as of the Close of Business on the date of the Grantee's Separation for any reason, including as a result of death, Disability, termination by the Company for Cause, termination by the Company without Cause or termination by the Grantee with or without Good Reason, will automatically terminate as of the Close of Business on the date of Separation.

(b) If a Change in Control occurs after December 24, 2014 but prior to the Grantee's Separation, all Options that are exercisable at the time of (or become exercisable after) such Change in Control will terminate at the expiration of the Term.

(c) If a Change in Control after December 24, 2014 has not then occurred and the Grantee's Separation occurs prior to the Close of Business on December 31, 2019 on account of a termination of the Grantee's employment for Cause, all Options that are vested and exercisable as of the Close of Business on the date of Separation will terminate at the Close of Business on the first Business Day following the expiration of the 90-day period that began on the date of the Grantee's Separation.

(d) If (i) the Grantee's Separation does not occur prior to the Close of Business on December 31, 2019, or (ii) a Change in Control after December 24, 2014 has not then occurred and the Grantee's Separation occurs (A) on account of a termination of the Grantee's employment without Cause, (B) on account of a termination of the Grantee's employment by the Grantee with or without Good Reason, or (C) by reason of the death or Disability of the Grantee, all Options that are vested and exercisable as of the Close of Business on the date of Separation will terminate at the expiration of the Term.

In any event in which Options remain exercisable for a period of time following the date of the Grantee's Separation as provided above, the Options may be exercised during such period of time only to the extent the same were vested and exercisable as provided in Section 3 above on such date of Separation. Notwithstanding any period of time referenced in this Section 7 or any other provision of this Agreement or any other agreement that may be construed to the contrary, the Options will in any event terminate not later than upon the expiration of the Term.

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

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

10. No Stockholder Rights . Prior to the exercise of Options in accordance with the terms and conditions set forth in this Agreement, the Grantee will not be deemed for any purpose to be, or to have any of the rights of, a stockholder of the Company with respect to any shares of Common Stock underlying the Options, as applicable, nor will the existence of this Agreement affect in any way the right or power of the Company or any stockholder of the Company to accomplish any corporate act, including, without limitation, any reclassification, reorganization or other change of or to its capital or business structure, merger, consolidation, liquidation, or sale or other disposition of all or any part of its business or assets.

11. Adjustments . If the outstanding shares of BATRK Common Stock or FWONK Common Stock, as applicable, are subdivided into a greater number of shares (by stock dividend, stock split, reclassification or otherwise) or are combined into a smaller number of shares (by reverse stock split, reclassification or otherwise), or if the Committee determines that any stock dividend, extraordinary cash dividend, reclassification, recapitalization, reorganization, split-up, spin-off, combination, exchange of shares, warrants or rights offering to purchase any shares of BATRK Common Stock or FWONK Common Stock, as applicable, or other similar corporate event (including mergers or consolidations) affects shares of BATRK Common Stock or FWONK Common Stock, as applicable, such that an adjustment is required to preserve the benefits or potential benefits intended to be made available under this Agreement, then the applicable type of Options will be subject to adjustment (including, without limitation, as to the number of Options and the Base Price per share of such Options) in such manner as the Committee, in its sole discretion, deems equitable and appropriate in connection with the occurrence of any of the events described in this Section 11 following the Grant Date.

12. Restrictions Imposed by Law. Without limiting the generality of Section 10.8 of the Plan, the Grantee will not exercise the Options, and the Company will not be obligated to make any cash payment or issue or cause to be issued any shares of Common Stock if counsel to the Company determines that such exercise, payment or issuance would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which shares of such Common Stock are listed or quoted. The Company will in no event be obligated to take any affirmative action in order to cause the exercise of the Options or the resulting payment of cash or issuance of shares of Common Stock to comply with any such law, rule, regulation or agreement.

13. Notice. Unless the Company notifies the Grantee in writing of a different procedure or address, any notice or other communication to the Company with respect to this Agreement will be in writing and will be delivered personally or sent by United States first class mail, postage prepaid and addressed as follows:

Liberty Media Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112
Attn: Chief Legal Officer

Unless the Company elects to notify the Grantee electronically pursuant to the online grant and administration program or via email, any notice or other communication to the Grantee with respect to this Agreement will be in writing and will be delivered personally, or will be sent by United States first class mail, postage prepaid, to the Grantee's address as listed in the records of the Company on the date of this Agreement, unless the Company has received written notification from the Grantee of a change of address.

14. Amendment . Notwithstanding any other provision hereof, this Agreement may be amended from time to time as approved by the Committee as contemplated in the Plan. Without limiting the generality of the foregoing, without the consent of the Grantee,

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

(b) subject to any required action by the Board or the stockholders of the Company, the Options granted under this Agreement may be canceled by the Company and a new Award made in substitution therefor, provided, that the Award so substituted will satisfy

all of the requirements of the Plan as of the date such new Award is made and no such action will adversely affect any Options.

15. Grantee Employment . Nothing contained in this Agreement, and no action of the Company or the Committee with respect hereto, will confer or be construed to confer on the Grantee any right to continue in the employ of the Company or interfere in any way with the right of the Company to terminate the Grantee's employment at any time, with or without Cause, subject to the provisions of the Employment Agreement.

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

17. Governing Law. This Agreement will be governed by, and construed in accordance with, the internal laws of the State of Colorado . Any dispute with respect to the enforcement or interpretation of this Agreement shall be subject to the arbitration provisions set forth in Section 9.12 of the Employment Agreement, whether or not the "Employment Period" under such agreement has ended.

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

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

20. Entire Agreement. This Agreement, together with the applicable provisions of the Employment Agreement, is in satisfaction of and in lieu of all prior discussions and agreements, oral or written, between the Company and the Grantee regarding the subject matter hereof. The Grantee and the Company hereby declare and represent that no promise or agreement not expressed herein or in the Employment Agreement has been made regarding the Award and that this Agreement, together with the Employment Agreement, contains the entire agreement between the parties hereto with respect to the Award and replaces and makes null and void any prior agreements between the Grantee and the Company regarding the Award. Subject to the restrictions set forth in Sections 8 and 16 of this Agreement, this Agreement will be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns.

21. Grantee Acceptance. The Grantee will signify acceptance of the terms and conditions of this Agreement by acknowledging the acceptance of this Agreement via the procedures described in the online grant and administration program utilized by the Company or by such other method as may be agreed by the Grantee and the Company.

22. Code Section 409A Compliance. To the extent that the provisions of Section 409A of the Code or any U.S. Department of the Treasury regulations promulgated thereunder are applicable to any Option, the parties intend that this Agreement will meet the requirements of such Code section and regulations and that the provisions hereof will be interpreted in a manner that is consistent with such intent. The Grantee will cooperate with the Company in taking such actions as the Company may reasonably request to assure that this Agreement will meet the requirements of Section 409A of the Code and any U.S. Department of the Treasury regulations promulgated thereunder and to limit the amount of any additional payments required by Section 9.7 of the Employment Agreement to be made to the Grantee.

LIBERTY MEDIA CORPORATION
2013 INCENTIVE PLAN
(Amended and Restated as of March 31, 2015)

FORM OF NON-QUALIFIED STOCK OPTION AGREEMENT

THIS NON-QUALIFIED STOCK OPTION AGREEMENT (this “Agreement”) is entered into effective as of May 11, 2017 by and between LIBERTY MEDIA CORPORATION, a Delaware corporation (the “Company”), and Gregory B. Maffei (the “Grantee”).

The Grantee is employed as of the Grant Date as the President and Chief Executive Officer of the Company pursuant to the terms of an employment agreement between the Company and the Grantee dated effective as of December 29, 2014 (the “Employment Agreement”). The Company has adopted the Liberty Media Corporation 2013 Incentive Plan (Amended and Restated as of March 31, 2015) (as may be amended prior to or after the Grant Date, the “Plan”), a copy of which as in effect on the Grant Date is attached via a link at the end of this online Agreement as Exhibit A and by this reference made a part hereof, for the benefit of eligible employees and independent contractors of the Company and its Subsidiaries. Capitalized terms used and not otherwise defined herein or in the Employment Agreement will have the meaning given thereto in the Plan.

The Company and the Grantee therefore agree as follows:

1. Definitions . All capitalized terms not defined in this Agreement that are defined in the Employment Agreement will have the meanings ascribed to them in the Employment Agreement. The following terms, when used in this Agreement, have the following meanings:

“Base Price” means \$36.78, the Fair Market Value of a share of Common Stock on the Grant Date.

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

“Cause” has the meaning specified in the Employment Agreement.

“Change in Control” has the meaning specified in the Employment Agreement.

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

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

“Common Stock” means the Company’s Series C SiriusXM Common Stock.

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

“Disability” has the meaning specified in the Employment Agreement.

“Employment Agreement” has the meaning specified in the recitals to this Agreement.

“Good Reason” has the meaning specified in the Employment Agreement.

“Grant Date” means May 11, 2017.

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

“Option” has the meaning specified in Section 2 of this Agreement.

“Option Shares” has the meaning specified in Section 4(a) of this Agreement.

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

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

“Separation” means the date as of which the Grantee is no longer employed by the Company or any of its Subsidiaries.

“Subsidiary” has the meaning set forth in the Plan.

“Term” has the meaning specified in Section 2 of this Agreement.

2. Grant of Options . Subject to the terms and conditions herein and in the Plan, the Company hereby awards to the Grantee as of the Grant Date, options to purchase from the Company, exercisable as set forth in Section 3 below and expiring at the Close of Business on May 11, 2024 (such period, the “Term”), subject to earlier termination as provided in Section 7 below, at the Base Price, 897,694 shares of Common Stock. Each option granted hereunder is a “Nonqualified Stock Option” and is hereinafter referred to as an “Option.” The Base Price of each Option and the number of Options granted hereunder are subject to adjustment pursuant to Section 11 below. No fractional shares of Common Stock will be issuable upon exercise of an Option, and the Grantee will receive, in lieu of any fractional share of Common Stock that the Grantee otherwise would receive upon such exercise, cash equal to the fraction representing such fractional share multiplied by the Fair Market Value of one share of Common Stock as of the date on which such exercise is considered to occur pursuant to Section 4 below.

3. Conditions of Exercise . Unless otherwise determined by the Committee in its sole discretion (provided that such determination is not adverse to the Grantee), the Options will be exercisable only in accordance with the conditions stated in this Section 3.

(a) The Options may be exercised only to the extent they have become vested and exercisable in accordance with the provisions of this Section 3. Except as otherwise provided in this Agreement or the Employment Agreement, subject to the Grantee’s continued employment with the Company or any Subsidiary on such date, all of the Options subject to this Agreement will become vested and exercisable on December 31, 2017.

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

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

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

(a) Written notice, in such form as the Committee may require, containing such representations and warranties as the Committee may reasonably require and designating, among other things, the date of exercise and the number of shares of Common Stock (“Option Shares”) to be purchased by exercise of Options;

(b) Payment of the Base Price for each Option Share to be purchased in any (or a combination) of the following forms, as determined by the Grantee: (A) cash, (B) check, (C) whole shares of any class or series of the Company’s common stock, (D) the delivery, together with a properly executed exercise notice, of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds required to pay the Base Price (and, if applicable the Required Withholding Amount, as described in Section 5 below), or (E) the delivery of irrevocable instructions via the Company’s online grant and administration program for the Company to withhold the number of shares of Common Stock (valued at the Fair Market Value of such Common Stock on the date of exercise) required to pay the Base Price (and, if applicable, the Required Withholding Amount, as described in Section 5 below) that would otherwise be delivered by the Company to the Grantee upon exercise of the Options (it being acknowledged that the method of exercise described in this clause (E) applies to the Options granted pursuant to this Agreement and will not apply to any options granted under the Plan to the Grantee after the Grant Date unless otherwise provided in the applicable award agreement); and

(c) Any other documentation that the Committee may reasonably require.

5. Mandatory Withholding for Taxes . The Grantee acknowledges and agrees that the Company will deduct from the shares of Common Stock otherwise payable or deliverable upon exercise of any Options that number of shares of Common Stock having a Fair Market Value on the date of exercise that is equal to the amount of all federal, state and local taxes required to be withheld by the Company or any Subsidiary of the Company upon such exercise, as determined by the Company (the “Required Withholding Amount”), unless the Grantee remits the Required Withholding Amount to the Company or its designee in cash in such form and by such time as the Company may require or other provisions for withholding such amount satisfactory to the

Company have been made. If the Grantee elects to make payment of the Base Price by delivery of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds required to pay the Base Price, such instructions may also include instructions to deliver the Required Withholding Amount to the Company. In such case, the Company will notify the broker promptly of the Company's determination of the Required Withholding Amount. Notwithstanding the foregoing or anything contained herein to the contrary, (i) the Grantee may, in his sole discretion, direct the Company to deduct from the shares of Common Stock otherwise payable or deliverable upon exercise of any Options that number of shares of Common Stock having a Fair Market Value on the date of exercise that is equal to the Required Withholding Amount and (ii) the Company will not withhold any shares of Common Stock to pay the Required Withholding Amount if the Grantee has remitted cash to the Company or a Subsidiary or designee thereof in an amount equal to the Required Withholding Amount by such time as the Company may require.

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

7. Termination of Options . The Options will terminate at the time specified below:

(a) Any Options that are not exercisable as of the Close of Business on the date of the Grantee's Separation for any reason, including as a result of death, Disability, termination by the Company for Cause, termination by the Company without Cause or termination by the Grantee with or without Good Reason, will automatically terminate as of the Close of Business on the date of Separation.

(b) If a Change in Control occurs after December 24, 2014 but prior to the Grantee's Separation, all Options that are exercisable at the time of (or become exercisable after) such Change in Control will terminate at the expiration of the Term.

(c) If a Change in Control after December 24, 2014 has not then occurred and the Grantee's Separation occurs prior to the Close of Business on December 31, 2019 on account of a termination of the Grantee's employment for Cause, all Options that are vested and exercisable as of the Close of Business on the date of Separation will terminate at the Close of Business on the first Business Day following the expiration of the 90-day period that began on the date of the Grantee's Separation.

(d) If (i) the Grantee's Separation does not occur prior to the Close of Business on December 31, 2019, or (ii) a Change in Control after December 24, 2014 has not then occurred and the Grantee's Separation occurs (A) on account of a termination of the Grantee's employment without Cause, (B) on account of a termination of the Grantee's employment by the Grantee with or without Good Reason, or (C) by reason of the death or Disability of the Grantee, all Options that are vested and exercisable as of the Close of Business on the date of Separation will terminate at the expiration of the Term.

In any event in which Options remain exercisable for a period of time following the date of the Grantee's Separation as provided above, the Options may be exercised during such period of time only to the extent the same were vested and exercisable as provided in Section 3 above on such date of Separation. Notwithstanding any period of time referenced in this Section 7 or any other provision of this Agreement or any other agreement that may be construed to the contrary, the Options will in any event terminate not later than upon the expiration of the Term.

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

9. Forfeiture for Misconduct and Repayment of Certain Amounts. If (i) a material restatement of any financial statement of the Company (including any consolidated financial statement of the Company and its consolidated subsidiaries) is required and (ii) in the reasonable judgment of the 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 Grantee, the Grantee will repay to the Company Forfeitable Benefits received by the Grantee during the Misstatement Period in such amount as the Committee may reasonably determine, taking into account, in addition to any other factors deemed relevant by the Committee, the extent to which the market value of Common Stock during the Misstatement Period was affected by the error(s) giving rise to the need for such restatement. "Forfeitable Benefits" means (i) any and all cash and/or shares of Common Stock received by the Grantee (A) upon the exercise during the Misstatement Period of any SARs held by the Grantee or (B) upon the payment during the Misstatement Period of any Cash Award or Performance Award held by the Grantee, the value of which is determined in whole or in part with reference to the value of Common Stock, and (ii) any proceeds received by the Grantee from the sale, exchange, transfer or other disposition during the Misstatement Period of any shares of Common Stock received by the Grantee upon the exercise, vesting or payment during the Misstatement Period of any Award held by the Grantee. By way of clarification, "Forfeitable Benefits" will not include any shares of Common Stock received upon exercise of any Options during the Misstatement Period that are not

sold, exchanged, transferred or otherwise disposed of during the Misstatement Period. "Misstatement Period" means the 12-month period beginning on the date of the first public issuance or the filing with the Securities and Exchange Commission, whichever occurs earlier, of the financial statement requiring restatement.

10. No Stockholder Rights . Prior to the exercise of Options in accordance with the terms and conditions set forth in this Agreement, the Grantee will not be deemed for any purpose to be, or to have any of the rights of, a stockholder of the Company with respect to any shares of Common Stock underlying the Options, as applicable, nor will the existence of this Agreement affect in any way the right or power of the Company or any stockholder of the Company to accomplish any corporate act, including, without limitation, any reclassification, reorganization or other change of or to its capital or business structure, merger, consolidation, liquidation, or sale or other disposition of all or any part of its business or assets.

11. Adjustments . If the outstanding shares of Common Stock are subdivided into a greater number of shares (by stock dividend, stock split, reclassification or otherwise) or are combined into a smaller number of shares (by reverse stock split, reclassification or otherwise), or if the Committee determines that any stock dividend, extraordinary cash dividend, reclassification, recapitalization, reorganization, split-up, spin-off, combination, exchange of shares, warrants or rights offering to purchase any shares of Common Stock or other similar corporate event (including mergers or consolidations) affects shares of Common Stock such that an adjustment is required to preserve the benefits or potential benefits intended to be made available under this Agreement, then the Options will be subject to adjustment (including, without limitation, as to the number of Options and the Base Price per share of such Options) in such manner as the Committee, in its sole discretion, deems equitable and appropriate in connection with the occurrence of any of the events described in this Section 11 following the Grant Date.

12. Restrictions Imposed by Law. Without limiting the generality of Section 10.8 of the Plan, the Grantee will not exercise the Options, and the Company will not be obligated to make any cash payment or issue or cause to be issued any shares of Common Stock if counsel to the Company determines that such exercise, payment or issuance would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which shares of Common Stock are listed or quoted. The Company will in no event be obligated to take any affirmative action in order to cause the exercise of the Options or the resulting payment of cash or issuance of shares of Common Stock to comply with any such law, rule, regulation or agreement.

13. Notice. Unless the Company notifies the Grantee in writing of a different procedure or address, any notice or other communication to the Company with respect to this Agreement will be in writing and will be delivered personally or sent by United States first class mail, postage prepaid and addressed as follows:

Liberty Media Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112
Attn: Chief Legal Officer

Unless the Company elects to notify the Grantee electronically pursuant to the online grant and administration program or via email, any notice or other communication to the Grantee with respect to this Agreement will be in writing and will be delivered personally, or will be sent by United States first class mail, postage prepaid, to the Grantee's address as listed in the records of the Company on the date of this Agreement, unless the Company has received written notification from the Grantee of a change of address.

14. Amendment . Notwithstanding any other provision hereof, this Agreement may be amended from time to time as approved by the Committee as contemplated in the Plan. Without limiting the generality of the foregoing, without the consent of the Grantee,

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

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

15. Grantee Employment . Nothing contained in this Agreement, and no action of the Company or the Committee with respect hereto, will confer or be construed to confer on the Grantee any right to continue in the employ of the Company or interfere in any way with the right of the Company to terminate the Grantee's employment at any time, with or without Cause, subject to the provisions of the Employment Agreement.

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

17. Governing Law. This Agreement will be governed by, and construed in accordance with, the internal laws of the State of Colorado . Any dispute with respect to the enforcement or interpretation of this Agreement shall be subject to the arbitration provisions set

forth in Section 9.12 of the Employment Agreement, whether or not the “Employment Period” under such agreement has ended.

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

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

20. Entire Agreement. This Agreement, together with the applicable provisions of the Employment Agreement, is in satisfaction of and in lieu of all prior discussions and agreements, oral or written, between the Company and the Grantee regarding the subject matter hereof. The Grantee and the Company hereby declare and represent that no promise or agreement not expressed herein or in the Employment Agreement has been made regarding the Award and that this Agreement, together with the Employment Agreement, contains the entire agreement between the parties hereto with respect to the Award and replaces and makes null and void any prior agreements between the Grantee and the Company regarding the Award. Subject to the restrictions set forth in Sections 8 and 16 of this Agreement, this Agreement will be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns.

21. Grantee Acceptance. The Grantee will signify acceptance of the terms and conditions of this Agreement by acknowledging the acceptance of this Agreement via the procedures described in the online grant and administration program utilized by the Company or by such other method as may be agreed by the Grantee and the Company.

22. Code Section 409A Compliance. To the extent that the provisions of Section 409A of the Code or any U.S. Department of the Treasury regulations promulgated thereunder are applicable to any Option, the parties intend that this Agreement will meet the requirements of such Code section and regulations and that the provisions hereof will be interpreted in a manner that is consistent with such intent. The Grantee will cooperate with the Company in taking such actions as the Company may reasonably request to assure that this Agreement will meet the requirements of Section 409A of the Code and any U.S. Department of the Treasury regulations promulgated thereunder and to limit the amount of any additional payments required by Section 9.7 of the Employment Agreement to be made to the Grantee.

FORM OF PERFORMANCE-BASED RESTRICTED STOCK UNITS AGREEMENT

THIS PERFORMANCE-BASED RESTRICTED STOCK UNITS AGREEMENT (this “Agreement”) is made as of the date set forth on Schedule I hereto (the “Grant Date”), by and between the issuer identified in Schedule I of this Agreement (the “Company”), and the recipient (the “Grantee”) of an Award of Restricted Stock Units (as defined below) granted by the Compensation Committee of the Board of Directors of the Company as set forth in this Agreement.

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

Pursuant to the Plan, the Compensation Committee appointed by the Board of Directors of the Company pursuant to Section 3.1 of the Plan to administer the Plan (the “Committee”) has determined that it would be in the interest of the Company and its stockholders to award Restricted Stock Units to the Grantee, subject to the conditions and restrictions set forth herein and in the Plan, in order to provide the Grantee with additional remuneration for services rendered, to encourage the Grantee to remain in the service or employ of the Company or its Subsidiaries and to increase the Grantee’s personal interest in the continued success and progress of the Company.

The Company and the Grantee therefore agree as follows:

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

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

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

“Committee” has the meaning specified in the recitals to this Agreement.

“Committee Certification Date” has the meaning specified in Section 5(b) of this Agreement.

“Common Stock” has the meaning specified in Schedule I of this Agreement.

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

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

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

“Performance Equity Program” means the 201_ Performance Equity Program approved by the Committee on March __, 201_, which established performance criteria with respect to vesting of the Restricted Stock Units, the material terms of which have been provided to the Grantee if the Grantee is an officer of the Company whose title is “Chief.”

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

“Required Withholding Amount” has the meaning specified in Section 12 of this Agreement.

“Restricted Stock Units” has the meaning specified in Section 2 of this Agreement.

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

“Section 409A” has the meaning specified in Section 22 of this Agreement.

“Unpaid RSU Dividend Equivalents” has the meaning specified in Section 5(c) of this Agreement.

“Vested RSU Dividend Equivalents” has the meaning specified in Section 4 of this Agreement.

“Vesting Date” means each date on which any Restricted Stock Units cease to be subject to a risk of forfeiture, as determined in accordance with this Agreement and the Plan.

2. Award . Subject to the terms and conditions herein, pursuant to the Plan, the Company grants to the Grantee effective as of the Grant Date an Award of the number and type of performance-based Restricted Stock Units (as defined in the Plan) authorized by the Committee and set forth in the notice of online grant delivered to the Grantee pursuant to the Company’s online grant and administration program (the “Restricted Stock Units”), which notice also specified the type of Common Stock that each Restricted Stock Unit represents the right to receive, subject to the conditions and restrictions set forth below in this Agreement and in the Plan.

3. Settlement of Restricted Stock Units . Settlement of Restricted Stock Units that vest in accordance with Section 5 or 6 of this Agreement or Section 10.1(b) of the Plan shall be made as soon as administratively practicable after the applicable Vesting Date, but in no event later than March 15 of the calendar year following the calendar year in which such Vesting Date occurs. Settlement of vested Restricted Stock Units shall be made in payment of shares of the applicable type of Common Stock, together with any related Unpaid RSU Dividend Equivalents, in accordance with Section 7 hereof.

4. No Stockholder Rights; RSU Dividend Equivalents . The Grantee shall have no rights of a stockholder with respect to any shares of Common Stock represented by any Restricted Stock Units unless and until such time as shares of Common Stock represented by vested Restricted Stock Units have been delivered to the Grantee in accordance with Section 7 hereof. The Grantee will have no right to receive, or otherwise with respect to, any RSU Dividend Equivalents until such time, if ever, as (a) the Restricted Stock Units with respect to which such RSU Dividend Equivalents relate shall have become vested, or (b) such RSU Dividend Equivalents shall have become vested in accordance with the penultimate sentence of this Section 4, and, if

vesting does not occur, the related RSU Dividend Equivalents will be forfeited. RSU Dividend Equivalents shall not bear interest or be segregated in a separate account. Notwithstanding the foregoing, the Committee may, in its sole discretion, accelerate the vesting of any portion of the RSU Dividend Equivalents (the "Vested RSU Dividend Equivalents"). The settlement of any Vested RSU Dividend Equivalents shall be made as soon as administratively practicable after the accelerated vesting date, but in no event later than March 15 of the calendar year following the year in which such accelerated vesting date occurs.

5. Vesting.

(a) Unless the Committee otherwise determines in its sole discretion, subject to earlier vesting in accordance with Section 6 of this Agreement or Section 10.1(b) of the Plan, Restricted Stock Units will vest, in whole or in part, only in accordance with this Section 5.

(b) After December 31, 201_ but prior to March 30, 201_, the Committee will certify the number and type of Restricted Stock Units that will vest effective as of the date such certification is made (the "Committee Certification Date"), in accordance with the following certification process. If the Grantee is an officer of the Company with a title of "Chief," the Committee will certify the number and type of Restricted Stock Units that will vest based on the Committee's application of the Performance Equity Program, including the Committee's exercise of any negative discretion pursuant to such program. If the Grantee is an officer of the Company at a level lower than "Chief," the Committee will certify the number and type of Restricted Stock Units that will vest based on the Committee's assessment in its sole discretion (after input from the Company's Chief Executive Officer) of the Grantee's satisfaction of such discretionary performance objectives for calendar year 201_ as may be deemed relevant by the Committee.

(c) Upon the satisfaction of any other applicable restrictions, terms and conditions of the Plan and this Agreement, any RSU Dividend Equivalents with respect to the Restricted Stock Units that have not theretofore become Vested RSU Dividend Equivalents ("Unpaid RSU Dividend Equivalents") will become vested to the extent that the Restricted Stock Units related thereto shall have become vested in accordance with this Agreement.

(d) Any Restricted Stock Units that do not vest on the Committee Certification Date will automatically be forfeited as of the Close of Business on the Committee Certification Date, together with any related Unpaid Dividend Equivalents.

(e) Notwithstanding the foregoing, the Grantee will not vest, pursuant to this Section 5, in Restricted Stock Units or related Unpaid RSU Dividend Equivalents in which the Grantee would otherwise vest as of a given date if the Grantee has not been continuously employed by the Company or its Subsidiaries from the Grant Date through such date (the vesting or forfeiture of such Restricted Stock Units and related Unpaid RSU Dividend Equivalents to be governed instead by Section 6 hereof).

6. **Early Vesting or Forfeiture.**

(a) Unless otherwise determined by the Committee in its sole discretion:

i. If the Grantee's employment with the Company or a Subsidiary terminates prior to the Committee Certification Date for any reason other than the Grantee's death or Disability or a termination of the Grantee by the Company without Cause on or after December 31, 201_, the Restricted Stock Units, to the extent not theretofore vested, and any related Unpaid RSU Dividend Equivalents, will be forfeited immediately; and

ii. If the Grantee's employment with the Company or a Subsidiary terminates prior to the Committee Certification Date by reason of the Grantee's death or Disability, the Restricted Stock Units, to the extent not theretofore vested, and any related Unpaid RSU Dividend Equivalents, will immediately become fully vested; and

iii. If the Grantee remains employed until December 31, 201_ and the Grantee's employment is then terminated by the Company without cause on or after December 31, 201_ but prior to the Committee Certification Date, the Restricted Stock Units and the related Unpaid Dividend Equivalents will remain outstanding until the Committee Certification Date and will vest under Section 5 on such date to the extent the Committee certifies they have vested in accordance with such Section.

(b) Upon forfeiture of any unvested Restricted Stock Units, and any related Unpaid RSU Dividend Equivalents, including pursuant to Section 3 and this Section 6, such Restricted Stock Units and any related Unpaid RSU Dividend Equivalents will be immediately cancelled, and the Grantee will cease to have any rights with respect thereto.

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

7. **Delivery by Company.** As soon as practicable after the vesting of Restricted Stock Units, and any related Unpaid RSU Dividend Equivalents, pursuant to Section 5 or 6 hereof or Section 10.1(b) of the Plan (but no later than March 15 of the calendar year following the year in which such vesting occurs), and subject to the withholding referred to in Section 12 of this Agreement, the Company will (a) cause to be issued and transferred to a brokerage account through Depository Trust Company for the benefit of the Grantee, or cause to be issued and delivered to the Grantee, certificates issued in the Grantee's name for, that number and type of shares of Common Stock represented by such vested Restricted Stock Units and any securities representing related vested Unpaid RSU Dividend Equivalents, and (b) cause to be delivered to the Grantee any

cash payment representing related vested Unpaid RSU Dividend Equivalents. Any delivery of securities will be deemed effected for all purposes when (i) certificates representing such securities and, in the case of any Unpaid RSU Dividend Equivalents, any other documents necessary to reflect ownership thereof by the Grantee, have been delivered personally to the Grantee or, if delivery is by mail, when the Company or its stock transfer agent has deposited the certificates and/or such other documents in the United States mail, addressed to the Grantee or (ii) in the case of a book-entry transfer, at the time the Company's stock transfer agent initiates the transfer of such securities to a brokerage account through Depository Trust Company for the benefit of the Grantee. Any cash payment will be deemed effected when a check from the Company, payable to or at the direction of the Grantee and in the amount equal to the amount of the cash payment, has been delivered personally to or at the direction of the Grantee or deposited in the United States mail, addressed to the Grantee or his or her nominee.

8. Nontransferability of Restricted Stock Units . Restricted Stock Units and any related Unpaid RSU Dividend Equivalents, are not transferable (either voluntarily or involuntarily and whether by sale, assignment, gift, pledge, exchange or otherwise) before or after the Grantee's death, except as follows: (a) during the Grantee's lifetime, pursuant to a domestic relations order issued by a court of competent jurisdiction that is not contrary to the terms and conditions of the Plan or this Agreement, and in a form acceptable to the Committee; or (b) after the Grantee's death, by will or pursuant to the applicable laws of descent and distribution, as may be the case. Any person to whom Restricted Stock Units are transferred in accordance with the provisions of the preceding sentence shall take such Restricted Stock Units and any related Unpaid RSU Dividend Equivalents subject to all of the terms and conditions of the Plan and this Agreement, including that the vesting and termination provisions of this Agreement will continue to be applied with respect to the Grantee. Certificates representing Restricted Stock Units that have vested may be delivered (or, in the case of book entry registration, registered) only to the Grantee (or during the Grantee's lifetime, to the Grantee's court appointed legal representative) or to a person to whom the Restricted Stock Units have been transferred in accordance with this Section.

9. Adjustments .

(a) The Restricted Stock Units and any related Unpaid RSU Dividend Equivalents will be subject to adjustment pursuant to Section 4.2 of the Plan in such manner as the Committee, in its sole discretion, deems equitable and appropriate in connection with the occurrence following the Grant Date of any of the events described in Section 4.2 of the Plan following the Grant Date.

(b) In the event of any Approved Transaction, Board Change or Control Purchase following the Grant Date, the Restricted Stock Units and any related Unpaid RSU Dividend Equivalents may become vested in accordance with Section 10.1(b) of the Plan.

10. Company's Rights . The existence of this Agreement will not affect in any way the right or power of the Company or its stockholders to accomplish any corporate act, including, without limitation, the acts referred to in Section 10.16 of the Plan.

11. Restrictions Imposed by Law. Without limiting the generality of Section 10.8 of the Plan, the Company shall not be obligated to deliver any shares of Common Stock represented

by vested Restricted Stock Units or securities constituting any Unpaid RSU Dividend Equivalents if counsel to the Company determines that the issuance or delivery thereof would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which shares of Common Stock or such other securities are listed or quoted. The Company will in no event be obligated to take any affirmative action in order to cause the delivery of shares of Common Stock represented by vested Restricted Stock Units or securities constituting any Unpaid RSU Dividend Equivalents to comply with any such law, rule, regulation, or agreement. Any certificates representing any such securities issued or delivered under this Agreement may bear such legend or legends as the Company deems appropriate in order to assure compliance with applicable securities laws.

12. Mandatory Withholding for Taxes. To the extent that the Company or any Subsidiary of the Company is subject to withholding tax requirements under any national, state, local or other governmental law with respect to the award of the Restricted Stock Units to the Grantee or the vesting thereof, or the designation of any RSU Dividend Equivalents as payable or distributable or the payment or distribution thereof, the Grantee must make arrangements satisfactory to the Company to make payment to the Company or its designee of the amount required to be withheld under such tax laws, as determined by the Company (collectively, the "Required Withholding Amount"). To the extent such withholding is required because the Grantee vests in some or all of the Restricted Stock Units and any related RSU Dividend Equivalents, the Company shall withhold (a) from the shares of Common Stock represented by vested Restricted Stock Units and otherwise deliverable to the Grantee a number of shares of the applicable type of Common Stock and/or (b) from any related RSU Dividend Equivalents otherwise deliverable to the Grantee an amount of such RSU Dividend Equivalents, which collectively have a value (or, in the case of securities withheld, a Fair Market Value) equal to the Required Withholding Amount, unless the Grantee remits the Required Withholding Amount to the Company or its designee in cash in such form and by such time as the Company may require or other provisions for withholding such amount satisfactory to the Company have been made. Notwithstanding any other provisions of this Agreement, the delivery of any shares of Common Stock represented by vested Restricted Stock Units and any related RSU Dividend Equivalents may be postponed until any required withholding taxes have been paid to the Company.

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

14. Amendment . Notwithstanding any other provision hereof, this Agreement may be supplemented or amended from time to time as approved by the Committee as contemplated by

Section 10.7(b) of the Plan. Without limiting the generality of the foregoing, without the consent of the Grantee:

(a) this Agreement may be amended or supplemented from time to time as approved by the Committee (i) to cure any ambiguity or to correct or supplement any provision herein that may be defective or inconsistent with any other provision herein, (ii) to add to the covenants and agreements of the Company for the benefit of the Grantee or surrender any right or power reserved to or conferred upon the Company in this Agreement, subject to any required approval of the Company's stockholders, and provided, in each case, that such changes or corrections will not adversely affect the rights of the Grantee with respect to the Award evidenced hereby, (iii) to reform the Award made hereunder as contemplated by Section 10.17 of the Plan or to exempt the Award made hereunder from coverage under Code Section 409A, or (iv) to make such other changes as the Company, upon advice of counsel, determines are necessary or advisable because of the adoption or promulgation of, or change in the interpretation of, any law or governmental rule or regulation, including any applicable federal or state securities laws; and

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

15. Grantee Employment. Nothing contained in the Plan or this Agreement, and no action of the Company or the Committee with respect thereto, shall confer or be construed to confer on the Grantee any right to continue in the employ of the Company or any Subsidiary or interfere in any way with the right of the Company or any employing Subsidiary to terminate the Grantee's employment or service, as applicable, at any time, with or without Cause, subject to the provisions of any employment or consulting agreement between the Grantee and the Company or any Subsidiary.

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

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

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

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

20. **Entire Agreement** . This Agreement is in satisfaction of and in lieu of all prior discussions and agreements, oral or written, between the Company and the Grantee regarding the subject matter hereof . The Grantee and the Company hereby declare and represent that no promise or agreement not herein expressed has been made and that this Agreement contains the entire agreement between the parties hereto with respect to the Award and replaces and makes null and void any prior agreements between the Grantee and the Company regarding the Award. Subject to the restrictions set forth in Sections 8 and 16 of this Agreement, t his Agreement will be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns.

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

22. **Code Section 409A Compliance** . [**Use for RSUs granted under LMC Plans other than the LMC 2017 Omnibus Incentive Plan** : To the extent that Section 409A of the Code or the related regulations and Treasury pronouncements (“Section 409A”) are applicable to the Grantee in connection with the Award, if any provision of this Agreement would result in the imposition of an excise tax under Section 409A, that provision will be reformed to avoid imposition of the excise tax and no action taken to comply with Section 409A shall be deemed to impair a benefit under this Agreement.][**Use for RSUs granted under the LMC 2017 Omnibus Incentive Plan** : To the extent that Section 409A of the Code or the related regulations and Treasury pronouncements (“Section 409A”) are applicable to the Grantee in connection with the Award, the Award is subject to the provisions of Section 10.17 of the Plan regarding Section 409A.]

23. **Administrative Blackouts** . In addition to its other powers under the Plan, the Committee has the authority to suspend any transactions under the Plan as it deems necessary or appropriate for administrative reasons.

24. **Stock Ownership Guidelines** . This Award may be subject to any applicable stock ownership guidelines adopted by the Company, as amended or superseded from time to time.

* * * * *

Schedule I
to Liberty Media Corporation
Performance-Based Restricted Stock Units Agreement
KRU _____

Grant Date: _____, 201_

Issuer/Company: Liberty Media Corporation, a Delaware corporation

Plan: **[Liberty Media Corporation 2013 Incentive Plan (Amended and Restated as of March 31, 2015) and as the same may be further amended from time to time][Liberty Media Corporation 2017 Omnibus Incentive Plan, as the same may be amended from time to time]**

Common Stock: Series C Liberty Braves Common Stock (“BATRK Common Stock”); Series C Liberty SiriusXM Common Stock (“LSXMK Common Stock”); and/or Series C Liberty Formula One Common Stock (“FWONK Common Stock”), as applicable

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

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

Qualifying Service:

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

Other Clawback Policies: Notwithstanding any other provisions in the Plan, this Award shall be subject to recovery or clawback by the Company under any clawback policy adopted by the Company in accordance with SEC regulations or other applicable law, as amended or superseded from time to time.

Company Notice Address: Liberty Media Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112
Attn: Chief Legal Officer

[FOR GRANTS TO Nonemployee directors]

FORM OF RESTRICTED STOCK UNITS AGREEMENT

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

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

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

The Company and the Grantee therefore agree as follows:

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

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

“Common Stock” has the meaning specified in Schedule I of this Agreement.

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

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

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

“Nonemployee Director” has the meaning specified in the Plan.

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

“Plan Administrator” has the meaning specified in Schedule I of this Agreement.

“Required Withholding Amount” has the meaning specified in Section 1.2 of this Agreement.

“Restricted Stock Units” has the meaning specified in Section 2 of this Agreement.

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

“Section 409A” has the meaning specified in Section 22 of this Agreement.

“Unpaid RSU Dividend Equivalents” has the meaning specified in Section 5(a) of this Agreement.

“Vested RSU Dividend Equivalents” has the meaning specified in Section 4 of this Agreement.

“Vesting Date” means each date on which any Restricted Stock Units cease to be subject to a risk of forfeiture, as determined in accordance with this Agreement and the Plan.

“Vesting Percentage” has the meaning specified in Section 5(a) of this Agreement.

2. **Award** . Subject to the terms and conditions herein, pursuant to the Plan, the Company grants to the Grantee effective as of the Grant Date an Award of the number and type of Restricted Stock Units (as defined in the Plan) authorized by the Plan Administrator and set forth in the notice of online grant delivered to the Grantee pursuant to the Company’s online grant and administration program (the “Restricted Stock Units”), each representing the right to receive one share of the type of Common Stock specified in such notice of online grant, subject to the conditions and restrictions set forth below in this Agreement and in the Plan.

3. **Settlement of Restricted Stock Units** . Settlement of Restricted Stock Units that vest in accordance with Section 5 or 6 of this Agreement or Section 10.1(b) of the Plan shall be made as soon as administratively practicable after the applicable Vesting Date, but in no event later than March 15 of the calendar year following the calendar year in which such Vesting Date occurs. Settlement of vested Restricted Stock Units shall be made in payment of shares of the applicable type of Common Stock, together with any related Unpaid RSU Dividend Equivalents, in accordance with Section 7 hereof.

4. **No Stockholder Rights; RSU Dividend Equivalents** . The Grantee shall have no rights of a stockholder with respect to any shares of Common Stock represented by any Restricted Stock Units unless and until such time as shares of Common Stock represented by vested Restricted Stock Units have been delivered to the Grantee in accordance with Section 7 hereof. The Grantee will have no right to receive, or otherwise with respect to, any RSU Dividend Equivalents until such time, if ever, as (a) the Restricted Stock Units with respect to which such RSU Dividend Equivalents relate shall have become vested, or (b) such RSU Dividend Equivalents shall have become vested in accordance with the penultimate sentence of this Section 4, and, if vesting does not occur, the related RSU Dividend Equivalents will be forfeited. RSU Dividend Equivalents shall not bear interest or be segregated in a separate account. Notwithstanding the foregoing, the Plan Administrator may, in its sole discretion, accelerate the vesting of any portion of the RSU Dividend Equivalents (the “Vested RSU Dividend Equivalents”). The settlement of any Vested RSU Dividend Equivalents shall be made as soon as administratively practicable after

the accelerated vesting date, but in no event later than March 15 of the calendar year following the year in which such accelerated vesting date occurs.

5. Vesting.

(a) Unless the Plan Administrator otherwise determines in its sole discretion, subject to earlier vesting in accordance with Section 6 of this Agreement or Section 10.1(b) of the Plan, the Grantee will become vested as to that number of each type of Restricted Stock Units (if any) that is equal to the fraction or percentage set forth on Schedule I hereto (the "Vesting Percentage") of the total number of such type of Restricted Stock Units that are subject to this Agreement, rounded down to the nearest whole number of such type of Restricted Stock Units on each of the Vesting Dates indicated on Schedule I hereto, and upon the satisfaction of any other applicable restrictions, terms and conditions of the Plan and this Agreement, any RSU Dividend Equivalents with respect to the Restricted Stock Units that have not theretofore become Vested RSU Dividend Equivalents ("Unpaid RSU Dividend Equivalents") will become vested to the extent that the Restricted Stock Units related thereto shall have become vested in accordance with this Agreement. If rounding pursuant to the preceding sentence prevents any portion of a Restricted Stock Unit from becoming vested on a particular Vesting Date (any such portion, an "Unvested Fractional Restricted Stock Unit"), one additional Restricted Stock Unit of such type of Restricted Stock Unit will become vested on the earliest succeeding Vesting Date on which the cumulative fractional amount of all Unvested Fractional Restricted Stock Units of such type (including any Unvested Fractional Restricted Stock Unit created on such succeeding Vesting Date) equals or exceeds one whole Restricted Stock Unit of such type of Restricted Stock Unit, with any excess treated as an Unvested Fractional Restricted Stock Unit thereafter subject to the application of this sentence and the following sentence. Any Unvested Fractional Restricted Stock Unit comprising part of a whole Restricted Stock Unit that vests pursuant to the preceding sentence will thereafter cease to be an Unvested Fractional Restricted Stock Unit.

(b) Notwithstanding the foregoing, the Grantee will not vest, pursuant to this Section 5, in Restricted Stock Units or related Unpaid RSU Dividend Equivalents in which the Grantee would otherwise vest as of a given date if the Grantee has not been continuously employed by the Company or its Subsidiaries (or, if the Grantee is a Nonemployee Director, continuously serving in such capacity) from the Grant Date through such date (the vesting or forfeiture of such Restricted Stock Units and related Unpaid RSU Dividend Equivalents to be governed instead by Section 6 hereof).

6. Early Vesting or Forfeiture.

(a) Unless otherwise determined by the Plan Administrator in its sole discretion and except as otherwise provided on Schedule I hereto:

i. If the Grantee's employment with the Company or a Subsidiary terminates (or, if the Grantee is a Nonemployee Director, if the Grantee's service to the Company as such terminates), in either case for any reason other than the Grantee's death or Disability, the Restricted Stock Units, to the extent not theretofore vested,

and any related Unpaid RSU Dividend Equivalents, will be forfeited immediately; and

ii. If the Grantee's employment with the Company or a Subsidiary terminates (or, if the Grantee is a Nonemployee Director, if the Grantee's service to the Company as such terminates) in either case by reason of the Grantee's death or Disability, the Restricted Stock Units, to the extent not theretofore vested, and any related Unpaid RSU Dividend Equivalents, will immediately become fully vested.

(b) Upon forfeiture of any unvested Restricted Stock Units, and any related Unpaid RSU Dividend Equivalents, such Restricted Stock Units and any related Unpaid RSU Dividend Equivalents will be immediately cancelled, and the Grantee will cease to have any rights with respect thereto.

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

7. Delivery by Company. As soon as practicable after the vesting of Restricted Stock Units, and any related Unpaid RSU Dividend Equivalents, pursuant to Section 5 or 6 hereof or Section 10.1(b) of the Plan (but no later than March 15 of the calendar year following the year in which such vesting occurs), and subject to the withholding referred to in Section 12 of this Agreement, the Company will (a) cause to be issued and transferred to a brokerage account through Depository Trust Company for the benefit of the Grantee, or cause to be issued and delivered to the Grantee, certificates issued in the Grantee's name for, that number and type of shares of Common Stock represented by such vested Restricted Stock Units and any securities representing related vested Unpaid RSU Dividend Equivalents, and (b) cause to be delivered to the Grantee any cash payment representing related vested Unpaid RSU Dividend Equivalents. Any delivery of securities will be deemed effected for all purposes when (i) certificates representing such securities and, in the case of any Unpaid RSU Dividend Equivalents, any other documents necessary to reflect ownership thereof by the Grantee, have been delivered personally to the Grantee or, if delivery is by mail, when the Company or its stock transfer agent has deposited the certificates and/or such other documents in the United States mail, addressed to the Grantee or (ii) in the case of a book-entry transfer, at the time the Company's stock transfer agent initiates the transfer of such securities to a brokerage account through Depository Trust Company for the benefit of the Grantee. Any cash payment will be deemed effected when a check from the Company, payable to or at the direction of the Grantee and in the amount equal to the amount of the cash payment, has been delivered personally to or at the direction of the Grantee or deposited in the United States mail, addressed to the Grantee or his or her nominee.

8. Nontransferability of Restricted Stock Units . Restricted Stock Units and any related Unpaid RSU Dividend Equivalents, are not transferable (either voluntarily or involuntarily

and whether by sale, assignment, gift, pledge, exchange or otherwise) before or after the Grantee's death, except as follows: (a) during the Grantee's lifetime, pursuant to a domestic relations order issued by a court of competent jurisdiction that is not contrary to the terms and conditions of the Plan or this Agreement, and in a form acceptable to the Plan Administrator; or (b) after the Grantee's death, by will or pursuant to the applicable laws of descent and distribution, as may be the case. Any person to whom Restricted Stock Units are transferred in accordance with the provisions of the preceding sentence shall take such Restricted Stock Units and any related Unpaid RSU Dividend Equivalents subject to all of the terms and conditions of the Plan and this Agreement, including that the vesting and termination provisions of this Agreement will continue to be applied with respect to the Grantee. Certificates representing Restricted Stock Units that have vested may be delivered (or, in the case of book entry registration, registered) only to the Grantee (or during the Grantee's lifetime, to the Grantee's court appointed legal representative) or to a person to whom the Restricted Stock Units have been transferred in accordance with this Section.

9. Adjustments .

(a) The Restricted Stock Units and any related Unpaid RSU Dividend Equivalents will be subject to adjustment pursuant to Section 4.2 of the Plan in such manner as the Plan Administrator, in its sole discretion, deems equitable and appropriate in connection with the occurrence following the Grant Date of any of the events described in Section 4.2 of the Plan following the Grant Date.

(b) In the event of any Approved Transaction, Board Change or Control Purchase following the Grant Date, the Restricted Stock Units and any related Unpaid RSU Dividend Equivalents may become vested in accordance with Section 10.1(b) of the Plan.

10. Company's Rights . The existence of this Agreement will not affect in any way the right or power of the Company or its stockholders to accomplish any corporate act, including, without limitation, the acts referred to in Section 10.16 of the Plan.

11. Restrictions Imposed by Law. Without limiting the generality of Section 10.8 of the Plan, the Company shall not be obligated to deliver any shares of Common Stock represented by vested Restricted Stock Units or securities constituting any Unpaid RSU Dividend Equivalents if counsel to the Company determines that the issuance or delivery thereof would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which shares of Common Stock or such other securities are listed or quoted. The Company will in no event be obligated to take any affirmative action in order to cause the delivery of shares of Common Stock represented by vested Restricted Stock Units or securities constituting any Unpaid RSU Dividend Equivalents to comply with any such law, rule, regulation, or agreement. Any certificates representing any such securities issued or delivered under this Agreement may bear such legend or legends as the Company deems appropriate in order to assure compliance with applicable securities laws.

12. Mandatory Withholding for Taxes. To the extent that the Company or any Subsidiary of the Company is subject to withholding tax requirements under any national, state,

local or other governmental law with respect to the award of the Restricted Stock Units to the Grantee or the vesting thereof, or the designation of any RSU Dividend Equivalents as payable or distributable or the payment or distribution thereof, the Grantee must make arrangements satisfactory to the Company to make payment to the Company or its designee of the amount required to be withheld under such tax laws, as determined by the Company (collectively, the "Required Withholding Amount"). To the extent such withholding is required because the Grantee vests in some or all of the Restricted Stock Units and any related RSU Dividend Equivalents, the Company shall withhold (a) from the shares of Common Stock represented by vested Restricted Stock Units and otherwise deliverable to the Grantee a number of shares of the applicable type of Common Stock and/or (b) from any related RSU Dividend Equivalents otherwise deliverable to the Grantee an amount of such RSU Dividend Equivalents, which collectively have a value (or, in the case of securities withheld, a Fair Market Value) equal to the Required Withholding Amount, unless the Grantee remits the Required Withholding Amount to the Company or its designee in cash in such form and by such time as the Company may require or other provisions for withholding such amount satisfactory to the Company have been made. Notwithstanding any other provisions of this Agreement, the delivery of any shares of Common Stock represented by vested Restricted Stock Units and any related RSU Dividend Equivalents may be postponed until any required withholding taxes have been paid to the Company.

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

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

(a) this Agreement may be amended or supplemented from time to time as approved by the Plan Administrator (i) to cure any ambiguity or to correct or supplement any provision herein that may be defective or inconsistent with any other provision herein, (ii) to add to the covenants and agreements of the Company for the benefit of the Grantee or surrender any right or power reserved to or conferred upon the Company in this Agreement, subject to any required approval of the Company's stockholders, and provided, in each case, that such changes or corrections will not adversely affect the rights of the Grantee with respect to the Award evidenced hereby, (iii) to reform the Award made hereunder as contemplated by Section 10.17 of the Plan or to exempt the Award made hereunder from coverage under Code Section 409A, or (iv) to make such other changes as the Company, upon advice of counsel, determines are necessary or advisable because of the adoption or

promulgation of, or change in the interpretation of, any law or governmental rule or regulation, including any applicable federal or state securities laws; and

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

15. Grantee Employment or Status as a Nonemployee Director. Nothing contained in the Plan or this Agreement, and no action of the Company or the Plan Administrator with respect thereto, shall confer or be construed to confer on the Grantee any right to continue in the employ of the Company or any Subsidiary or as a Nonemployee Director, or interfere in any way with the right of the Company or any employing Subsidiary (or the Company's stockholders in the case of a Nonemployee Director) to terminate the Grantee's employment or service, as applicable, at any time, with or without Cause, subject to the provisions of any employment or consulting agreement between the Grantee and the Company or any Subsidiary, or in the case of a Nonemployee Director, to the charter and bylaws of the Company, as the same may be in effect from time to time.

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

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

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

19. Rules by Plan Administrator . The rights of the Grantee and the obligations of

the Company hereunder will be subject to such reasonable rules and regulations as the Plan Administrator may adopt from time to time.

20. **Entire Agreement** . This Agreement is in satisfaction of and in lieu of all prior discussions and agreements, oral or written, between the Company and the Grantee regarding the subject matter hereof . The Grantee and the Company hereby declare and represent that no promise or agreement not herein expressed has been made and that this Agreement contains the entire agreement between the parties hereto with respect to the Award and replaces and makes null and void any prior agreements between the Grantee and the Company regarding the Award. Subject to the restrictions set forth in Sections 8 and 16 of this Agreement, t his Agreement will be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns.

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

22. **Code Section 409A Compliance** . To the extent that Section 409A of the Code or the related regulations and Treasury pronouncements (“Section 409A”) are applicable to the Grantee in connection with the Award, the Award is subject to the provisions of Section 10.17 of the Plan regarding Section 409A.

23. **Administrative Blackouts** . In addition to its other powers under the Plan, the Plan Administrator has the authority to suspend any transactions under the Plan as it deems necessary or appropriate for administrative reasons.

24. **Stock Ownership Guidelines** . This Award may be subject to any applicable stock ownership guidelines adopted by the Company, as amended or superseded from time to time.

* * * * *

[FOR GRANTS TO NEDS]
Schedule I
to Liberty Media Corporation
Restricted Stock Units Agreement
[KDU]_____

Grant Date: _____, 201_

Issuer/Company: Liberty Media Corporation, a Delaware corporation

Plan: Liberty Media Corporation 2017 Omnibus Incentive Plan, as the same may be amended from time to time

Plan Administrator: The Board of Directors of the Company

Common Stock: Series C Liberty Braves Common Stock (“BATRK Common Stock”); Series C Liberty SiriusXM Common Stock (“LSXMK Common Stock”); and/or Series C Liberty Formula One Common Stock (“FWONK Common Stock”), as applicable

Vesting Percentage: 100%

Vesting Date: _____

Company Notice Address: Liberty Media Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112
Attn: Chief Legal Officer

CERTIFICATION

I, Gregory B. Maffei, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty Media Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements and other financial information included in this quarterly report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and
 - d) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2017

/s/ GREGORY B. MAFFEI

Gregory B. Maffei
President and Chief Executive Officer

CERTIFICATION

I, Mark D. Carleton, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty Media Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements and other financial information included in this quarterly report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and
 - d) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2017

/s/ MARK D. CARLETON

Mark D. Carleton
Chief Financial Officer

Certification

**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

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

The Quarterly Report on Form 10-Q for the period ended September 30, 2017 (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 9, 2017

/s/ GREGORY B. MAFFEI

Gregory B. Maffei
President and Chief Executive Officer

Dated: November 9, 2017

/s/ MARK D. CARLETON

Mark D. Carleton
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

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

Unaudited Attributed Financial Information for Tracking Stock Groups

The following tables present our assets and liabilities as of September 30, 2017 and revenue and expenses for the three and nine months ended September 30, 2017 and 2016 and cash flows for the nine months ended September 30, 2017 and 2016. The tables further present our assets, liabilities, revenue, expenses and cash flows that are intended to be attributed to the Liberty SiriusXM Group, Liberty Braves Group (“Braves Group”) and the Liberty Formula One Group (formerly the Liberty Media Group) (“Formula One Group”), respectively. The financial information should be read in conjunction with our condensed consolidated financial statements for the nine months ended September 30, 2017 included in this Quarterly Report on Form 10-Q. The Recapitalization (as defined herein) was completed on April 15, 2016 and the newly issued shares commenced trading or quotation in the regular way on the Nasdaq Global Select Market or the OTC Markets, as applicable, on Monday, April 18, 2016. Shortly following the completion of the second closing of the acquisition of Formula 1 on January 23, 2017, the Liberty Media Group was renamed the Liberty Formula One Group. Historical information of the Liberty Media Group and Liberty Media common stock is referred to herein as the Formula One Group and Liberty Formula One common stock, respectively.

The attributed financial information presented herein has been prepared assuming this attribution had been completed as of January 1, 2016. However, this attribution of historical financial information does not purport to be what actual results and balances would have been if such attribution had actually occurred and been in place during these periods. Therefore, the attributed net earnings (losses) presented in the unaudited attributed financial information for the periods prior to the Recapitalization are not the same as the net earnings (losses) reflected in the Liberty Media Corporation condensed consolidated financial statements included in this Quarterly Report on Form 10-Q. The net earnings (losses) attributed to the Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Formula One common stock for purposes of those financial statements only relates to the period after the Recapitalization.

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

	September 30,		December 31,
	2017		2016
	amounts in millions		
Cash and cash equivalents	\$	234	287
Investments in affiliates, accounted for using the equity method	\$	680	164
Intangible assets not subject to amortization	\$	23,778	23,695
Intangible assets subject to amortization, net	\$	971	998
Total assets	\$	28,117	27,051
Deferred revenue	\$	1,846	1,833
Long-term debt, including current portion	\$	6,982	6,107
Deferred tax liabilities	\$	2,292	1,967
Attributed net assets	\$	10,277	10,085
Noncontrolling interest	\$	5,598	5,945

Summary Statement of Operations Data:

	Three months ended		Nine months ended		
	September 30,		September 30,		
	2017	2016	2017	2016	
	amounts in millions				
Revenue	\$	1,379	1,276	4,021	3,711
Cost of subscriber services (1)	\$	(519)	(489)	(1,530)	(1,442)
Other operating expenses (1)	\$	(30)	(18)	(81)	(57)
Selling, general and administrative expense (1)	\$	(210)	(202)	(596)	(549)
Operating income (loss)	\$	408	367	1,172	1,046
Interest expense	\$	(95)	(93)	(264)	(260)
Income tax (expense) benefit	\$	(116)	(127)	(334)	(328)
Net earnings (loss) attributable to noncontrolling interests	\$	91	54	218	177
Earnings (loss) attributable to Liberty stockholders	\$	183	96	430	294

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

	Three months ended		Nine months ended		
	September 30,		September 30,		
	2017	2016	2017	2016	
	amounts in millions				
Cost of subscriber services	\$	10	8	28	20
Other operating expenses		4	3	11	9
Selling, general and administrative expense		28	25	74	61
	\$	42	36	113	90

Braves Group*Summary Balance Sheet Data:*

	September 30, 2017	December 31, 2016
	amounts in millions	
Cash and cash equivalents	\$ 129	107
Property and equipment, net	\$ 1,084	930
Investments in affiliates, accounted for using the equity method	\$ 111	61
Intangible assets not subject to amortization	\$ 323	323
Intangible assets subject to amortization, net	\$ 59	73
Total assets	\$ 1,803	1,548
Deferred revenue	\$ 27	44
Long-term debt, including current portion	\$ 576	328
Deferred tax liabilities	\$ 75	48
Attributed net assets	\$ 355	385

Summary Statement of Operations Data:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	amounts in millions			
Revenue	\$ 185	109	366	244
Selling, general and administrative expense (1)	\$ (61)	(18)	(109)	(51)
Operating income (loss)	\$ (9)	1	(45)	(45)
Share of earnings (losses) of affiliates, net	\$ 68	2	72	6
Income tax (expense) benefit	\$ (19)	(1)	(10)	15
Earnings (loss) attributable to Liberty stockholders	\$ 22	(22)	(29)	(22)

(1) Includes stock-based compensation of \$33 million and \$3 million for the three months ended September 30, 2017 and 2016, respectively, and \$41 million and \$7 million for the nine months ended September 30, 2017 and 2016, respectively.

Formula One Group*Summary Balance Sheet Data:*

	September 30, 2017	December 31, 2016
	amounts in millions	
Cash and cash equivalents	\$ 420	168
Investments in available for sale securities and other cost investments	\$ 560	1,301
Investments in affiliates, accounted for using the equity method	\$ 981	892
Intangible assets not subject to amortization	\$ 3,968	—
Intangible assets subject to amortization, net	\$ 5,212	1
Total assets	\$ 12,193	2,995
Deferred revenue	\$ 306	—
Long-term debt, including current portion	\$ 5,934	1,583
Deferred tax liabilities	\$ 477	39
Attributed net assets	\$ 5,207	1,286

Summary Statement of Operations Data:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	amounts in millions			
Revenue	\$ 501	—	1,213	—
Cost of Formula 1 revenue	\$ 354	—	836	—
Selling, general and administrative expense (1)	\$ (53)	(15)	(146)	(44)
Legal settlement	\$ —	—	—	511
Operating income (loss)	\$ (17)	(16)	(64)	460
Interest expense	\$ (57)	(5)	(175)	(12)
Share of earnings (losses) of affiliates, net	\$ 53	33	63	26
Realized and unrealized gains (losses) on financial instruments, net	\$ (44)	7	(105)	(33)
Income tax (expense) benefit	\$ 11	(6)	64	(165)
Earnings (loss) attributable to Liberty stockholders	\$ (37)	41	(160)	289

(1) Includes stock-based compensation of \$10 million and \$2 million for the three months ended September 30, 2017 and 2016, respectively, and \$28 million and \$12 million for the nine months ended September 30, 2017 and 2016, respectively.

BALANCE SHEET INFORMATION
September 30, 2017
(unaudited)

	<u>Attributed (note 1)</u>				
	<u>Liberty SiriusXM Group</u>	<u>Braves Group</u>	<u>Formula One Group</u>	<u>Inter-Group Eliminations</u>	<u>Consolidated Liberty</u>
	amounts in millions				
<i>Assets</i>					
<i>Current assets:</i>					
Cash and cash equivalents	\$ 234	129	420	—	783
Trade and other receivables, net	225	51	77	—	353
Other current assets	198	23	78	—	299
Total current assets	<u>657</u>	<u>203</u>	<u>575</u>	<u>—</u>	<u>1,435</u>
Intergroup interest in the Liberty Braves Group (note 2)	—	—	230	(230)	—
Investments in available-for-sale securities and other cost investments (note 3)	552	8	560	—	1,120
Investments in affiliates, accounted for using the equity method (note 4)	680	111	981	—	1,772
Property and equipment, at cost	2,191	1,120	174	—	3,485
Accumulated depreciation	(859)	(36)	(76)	—	(971)
	<u>1,332</u>	<u>1,084</u>	<u>98</u>	<u>—</u>	<u>2,514</u>
<i>Intangible assets not subject to amortization</i>					
Goodwill	14,247	180	3,968	—	18,395
FCC licenses	8,600	—	—	—	8,600
Other	931	143	—	—	1,074
	<u>23,778</u>	<u>323</u>	<u>3,968</u>	<u>—</u>	<u>28,069</u>
Intangible assets subject to amortization, net	971	59	5,212	—	6,242
Other assets	147	15	569	(30)	701
Total assets	<u>\$ 28,117</u>	<u>1,803</u>	<u>12,193</u>	<u>(260)</u>	<u>41,853</u>
<i>Liabilities and Equity</i>					
<i>Current liabilities:</i>					
Intergroup payable (receivable) (note 7)	\$ (9)	(21)	30	—	—
Accounts payable and accrued liabilities	838	108	154	—	1,100
Current portion of debt (note 5)	4	43	—	—	47
Deferred revenue	1,846	27	306	—	2,179
Other current liabilities	8	—	20	—	28
Total current liabilities	<u>2,687</u>	<u>157</u>	<u>510</u>	<u>—</u>	<u>3,354</u>
Long-term debt (note 5)	6,978	533	5,934	—	13,445
Deferred income tax liabilities	2,292	75	477	(30)	2,814
Redeemable intergroup interest (note 2)	—	230	—	(230)	—
Other liabilities	285	438	63	—	786
Total liabilities	<u>12,242</u>	<u>1,433</u>	<u>6,984</u>	<u>(260)</u>	<u>20,399</u>
Equity / Attributed net assets	10,277	355	5,207	—	15,839
Noncontrolling interests in equity of subsidiaries	5,598	15	2	—	5,615
Total liabilities and equity	<u>\$ 28,117</u>	<u>1,803</u>	<u>12,193</u>	<u>(260)</u>	<u>41,853</u>

STATEMENT OF OPERATIONS INFORMATION
Three months ended September 30, 2017
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	
	amounts in millions			
Revenue:				
Subscriber revenue	\$ 1,136	—	—	1,136
Formula 1 revenue	—	—	501	501
Other revenue	243	185	—	428
Total revenue	1,379	185	501	2,065
Operating costs and expenses, including stock-based compensation (note 6):				
Cost of subscriber services (exclusive of depreciation shown separately below):				
Revenue share and royalties	297	—	—	297
Programming and content	98	—	—	98
Customer service and billing	95	—	—	95
Other	29	—	—	29
Cost of Formula 1 revenue	—	—	354	354
Subscriber acquisition costs	119	—	—	119
Other operating expenses	30	109	—	139
Selling, general and administrative	210	61	53	324
Depreciation and amortization	93	24	111	228
	971	194	518	1,683
Operating income (loss)	408	(9)	(17)	382
Other income (expense):				
Interest expense	(95)	(7)	(57)	(159)
Share of earnings (losses) of affiliates, net	34	68	53	155
Realized and unrealized gains (losses) on financial instruments, net	62	—	(44)	18
Unrealized gains (losses) on intergroup interest (note 2)	—	(12)	12	—
Other, net	(19)	1	7	(11)
	(18)	50	(29)	3
Earnings (loss) before income taxes	390	41	(46)	385
Income tax (expense) benefit	(116)	(19)	11	(124)
Net earnings (loss)	274	22	(35)	261
Less net earnings (loss) attributable to the noncontrolling interests	91	—	2	93
Net earnings (loss) attributable to Liberty stockholders	\$ 183	22	(37)	168

STATEMENT OF OPERATIONS INFORMATION
Three months ended September 30, 2016
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	
	amounts in millions			
Revenue:				
Subscriber revenue	\$ 1,069	—	—	1,069
Other revenue	207	109	—	316
Total revenue	1,276	109	—	1,385
Operating costs and expenses, including stock-based compensation (note 6):				
Cost of subscriber services (exclusive of depreciation shown separately below):				
Revenue share and royalties	273	—	—	273
Programming and content	90	—	—	90
Customer service and billing	95	—	—	95
Other	31	—	—	31
Subscriber acquisition costs	121	—	—	121
Other operating expenses	18	78	—	96
Selling, general and administrative	202	18	15	235
Depreciation and amortization	79	12	1	92
	909	108	16	1,033
Operating income (loss)	367	1	(16)	352
Other income (expense):				
Interest expense	(93)	—	(5)	(98)
Share of earnings (losses) of affiliates, net	2	2	33	37
Realized and unrealized gains (losses) on financial instruments, net	—	—	7	7
Unrealized gains (losses) on intergroup interest (note 2)	—	(25)	25	—
Other, net	1	1	3	5
	(90)	(22)	63	(49)
Earnings (loss) before income taxes	277	(21)	47	303
Income tax (expense) benefit	(127)	(1)	(6)	(134)
Net earnings (loss)	150	(22)	41	169
Less net earnings (loss) attributable to the noncontrolling interests	54	—	—	54
Net earnings (loss) attributable to Liberty stockholders	\$ 96	(22)	41	115

STATEMENT OF OPERATIONS INFORMATION
Nine months ended September 30, 2017
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	
	amounts in millions			
Revenue:				
Subscriber revenue	\$ 3,325	—	—	3,325
Formula 1 revenue	—	—	1,213	1,213
Other revenue	696	366	—	1,062
Total revenue	4,021	366	1,213	5,600
Operating costs and expenses, including stock-based compensation (note 6):				
Cost of subscriber services (exclusive of depreciation shown separately below):				
Revenue share and royalties	867	—	—	867
Programming and content	290	—	—	290
Customer service and billing	287	—	—	287
Other	86	—	—	86
Cost of Formula 1 revenue	—	—	836	836
Subscriber acquisition costs	372	—	—	372
Other operating expenses	81	252	—	333
Selling, general and administrative	596	109	146	851
Depreciation and amortization	270	50	295	615
	2,849	411	1,277	4,537
Operating income (loss)	1,172	(45)	(64)	1,063
Other income (expense):				
Interest expense	(264)	(9)	(175)	(448)
Share of earnings (losses) of affiliates, net	32	72	63	167
Realized and unrealized gains (losses) on financial instruments, net	62	—	(105)	(43)
Unrealized gains (losses) on intergroup interest (note 2)	—	(43)	43	—
Other, net	(20)	6	16	2
	(190)	26	(158)	(322)
Earnings (loss) before income taxes	982	(19)	(222)	741
Income tax (expense) benefit	(334)	(10)	64	(280)
Net earnings (loss)	648	(29)	(158)	461
Less net earnings (loss) attributable to the noncontrolling interests	218	—	2	220
Net earnings (loss) attributable to Liberty stockholders	\$ 430	(29)	(160)	241

STATEMENT OF OPERATIONS INFORMATION
Nine months ended September 30, 2016
(unaudited)

	<u>Attributed (note 1)</u>			<u>Consolidated</u>
	<u>Liberty</u>			
	<u>SiriusXM</u>	<u>Braves</u>	<u>Formula One</u>	<u>Liberty</u>
	<u>Group</u>	<u>Group</u>	<u>Group</u>	
	amounts in millions			
Revenue:				
Subscriber revenue	\$ 3,110	—	—	3,110
Other revenue	601	244	—	845
Total revenue	3,711	244	—	3,955
Operating costs and expenses, including stock-based compensation (note 6):				
Cost of subscriber services (exclusive of depreciation shown separately below):				
Revenue share and royalties	789	—	—	789
Programming and content	258	—	—	258
Customer service and billing	286	—	—	286
Other	109	—	—	109
Subscriber acquisition costs	382	—	—	382
Other operating expenses	57	208	—	265
Selling, general and administrative	549	51	44	644
Legal settlement, net	—	—	(511)	(511)
Depreciation and amortization	235	30	7	272
	2,665	289	(460)	2,494
Operating income (loss)	1,046	(45)	460	1,461
Other income (expense):				
Interest expense	(260)	—	(12)	(272)
Share of earnings (losses) of affiliates, net	11	6	26	43
Realized and unrealized gains (losses) on financial instruments, net	—	—	(33)	(33)
Unrealized gains (losses) on intergroup interest (note 2)	—	2	(2)	—
Other, net	2	—	15	17
	(247)	8	(6)	(245)
Earnings (loss) before income taxes	799	(37)	454	1,216
Income tax (expense) benefit	(328)	15	(165)	(478)
Net earnings (loss)	471	(22)	289	738
Less net earnings (loss) attributable to the noncontrolling interests	177	—	—	177
Net earnings (loss) attributable to Liberty stockholders	\$ 294	(22)	289	561

STATEMENT OF CASH FLOWS INFORMATION
Nine months ended September 30, 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)	\$ 648	(29)	(158)	461
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	270	50	295	615
Stock-based compensation	113	41	28	182
Share of (earnings) loss of affiliates, net	(32)	(72)	(63)	(167)
Unrealized (gains) losses on intergroup interest, net	—	43	(43)	—
Realized and unrealized (gains) losses on financial instruments, net	(62)	—	105	43
Noncash interest expense (benefit)	4	1	4	9
Losses (gains) on dilution of investment in affiliate	—	—	(4)	(4)
Deferred income tax expense (benefit)	321	28	(63)	286
Intergroup tax allocation	(11)	(18)	29	—
Intergroup tax (payments) receipts	4	15	(19)	—
Other charges (credits), net	36	—	10	46
Changes in operating assets and liabilities				
Current and other assets	18	(41)	28	5
Payables and other liabilities	1	(59)	(105)	(163)
Net cash provided (used) by operating activities	<u>1,310</u>	<u>(41)</u>	<u>44</u>	<u>1,313</u>
Cash flows from investing activities:				
Investments in and loans to cost and equity investees	(750)	(2)	(8)	(760)
Cash proceeds from sale of investments	—	5	15	20
Net cash paid for the acquisition of Formula 1	—	—	(1,647)	(1,647)
Capital expended for property and equipment	(207)	(190)	(10)	(407)
Other investing activities, net	(115)	4	(9)	(120)
Net cash provided (used) by investing activities	<u>(1,072)</u>	<u>(183)</u>	<u>(1,659)</u>	<u>(2,914)</u>
Cash flows from financing activities:				
Borrowings of debt	3,933	288	1,599	5,820
Repayments of debt	(3,103)	(42)	(1,674)	(4,819)
Proceeds from issuance of Series C Liberty Formula One common stock	—	—	1,938	1,938
Subsidiary shares repurchased by subsidiary	(996)	—	—	(996)
Cash dividends paid by subsidiary	(45)	—	—	(45)
Taxes paid in lieu of shares issued for stock-based compensation	(91)	—	(4)	(95)
Other financing activities, net	11	—	1	12
Net cash provided (used) by financing activities	<u>(291)</u>	<u>246</u>	<u>1,860</u>	<u>1,815</u>
Effect of foreign exchange rate changes on cash and cash equivalents	—	—	7	7
Net increase (decrease) in cash and cash equivalents	(53)	22	252	221
Cash and cash equivalents at beginning of period	287	107	168	562
Cash and cash equivalents at end of period	<u>\$ 234</u>	<u>129</u>	<u>420</u>	<u>783</u>

STATEMENT OF CASH FLOWS INFORMATION
Nine months ended September 30, 2016
(unaudited)

	Attributed (note 1)			
	Liberty SiriusXM Group	Braves Group	Formula One Group	Consolidated Liberty
	amounts in millions			
Cash flows from operating activities:				
Net earnings (loss)	\$ 471	(22)	289	738
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	235	30	7	272
Stock-based compensation	90	7	12	109
Share of (earnings) loss of affiliates, net	(11)	(6)	(26)	(43)
Unrealized (gains) losses on intergroup interest, net	—	(2)	2	—
Realized and unrealized (gains) losses on financial instruments, net	—	—	33	33
Noncash interest expense (benefit)	5	(2)	6	9
Losses (gains) on dilution of investment in affiliate	—	—	2	2
Deferred income tax expense (benefit)	319	(10)	98	407
Intergroup tax allocation	(9)	(4)	13	—
Intergroup tax (payments) receipts	2	7	(9)	—
Other charges (credits), net	22	5	(3)	24
Changes in operating assets and liabilities				
Current and other assets	6	(39)	4	(29)
Payables and other liabilities	67	55	7	129
Net cash provided (used) by operating activities	<u>1,197</u>	<u>19</u>	<u>435</u>	<u>1,651</u>
Cash flows from investing activities:				
Investments in and loans to cost and equity investees	—	(13)	(749)	(762)
Cash proceeds from sale of investments	—	—	61	61
Capital expended for property and equipment	(132)	(185)	(1)	(318)
Purchases of short term investments and other marketable securities	—	—	(258)	(258)
Sales of short term investments and other marketable securities	—	—	273	273
Other investing activities, net	(4)	(27)	25	(6)
Net cash provided (used) by investing activities	<u>(136)</u>	<u>(225)</u>	<u>(649)</u>	<u>(1,010)</u>
Cash flows from financing activities:				
Borrowings of debt	1,387	194	438	2,019
Repayments of debt	(749)	(126)	(1)	(876)
Intergroup (payments) receipts	8	(34)	26	—
Shares repurchased by subsidiary	(1,225)	—	—	(1,225)
Proceeds from Liberty Braves common stock rights offering	—	203	—	203
Taxes paid in lieu of shares issued for stock-based compensation	(34)	—	(9)	(43)
Other financing activities, net	51	65	(96)	20
Net cash provided (used) by financing activities	<u>(562)</u>	<u>302</u>	<u>358</u>	<u>98</u>
Net increase (decrease) in cash and cash equivalents	499	96	144	739
Cash and cash equivalents at beginning of period	112	13	76	201
Cash and cash equivalents at end of period	<u>\$ 611</u>	<u>109</u>	<u>220</u>	<u>940</u>

Notes to Attributed Financial Information (Continued)
(unaudited)

- (1) As discussed in note 2 of the accompanying condensed consolidated financial statements, on April 15, 2016 Liberty completed a recapitalization of Liberty Media Corporation's ("Liberty" or the "Company") common stock into three new tracking stock groups, one designated as the Liberty Braves common stock, one designated as the Liberty Media common stock and one designated as the Liberty SiriusXM common stock (the "Recapitalization"). The attributed financial information is presented herein on a pro forma basis for the nine months ended September 30, 2017 and 2016 as if the Recapitalization had been completed as of January 1, 2016. Upon completion of the Second Closing (as defined below) 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, 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 Inc. ("SIRIUS XM") or Live Nation Entertainment, Inc. ("Live Nation"), in which Liberty holds an interest and that is attributed to a Liberty tracking stock group, such as the Liberty SiriusXM Group or the Formula One Group. Holders of tracking stock are also not represented by separate boards of directors. Instead, holders of tracking stock are stockholders of the parent corporation, with a single board of directors and subject to all of the risks and liabilities of the parent corporation.

The Liberty SiriusXM Group is comprised of our consolidated subsidiary, SIRIUS XM, corporate cash and its margin loan obligation incurred by a wholly-owned special purpose subsidiary of Liberty. As of September 30, 2017, the Liberty SiriusXM Group has cash and cash equivalents of approximately \$234 million, which includes \$74 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. Also upon the Recapitalization, Liberty had attributed to the Braves Group all liabilities arising under a note obligation from Braves Holdings to Liberty, with a total borrowing capacity of up to \$165 million by Braves Holdings (the "Intergroup Note") relating to funds borrowed and used for investment in the Development Project. \$150 million was outstanding under the Intergroup Note which was repaid during June 2016 using proceeds from the subscription rights offering (as described in more detail below), and the Intergroup Note agreement was cancelled. The remaining proceeds from the rights offering were attributed to the Braves Group. As of September 30, 2017, the Braves Group has cash and cash equivalents of approximately \$129 million, which includes subsidiary cash.

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 Liberty's interests in Formula 1 and Live Nation Entertainment, Inc. ("Live Nation"), minority equity investments in Time Warner Inc. ("Time Warner") and Viacom, Inc. ("Viacom"), the Intergroup Note, the recovery received in connection with the Vivendi lawsuit, cash, an intergroup interest in the Braves Group as well as Liberty's 1.375% Cash Convertible Notes due 2023 and related financial instruments, the 2.25% Exchangeable Senior Debentures due 2046 and the 1% Cash Convertible Notes due 2023. As discussed in more detail in note 3 of the accompanying condensed consolidated financial statements, 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

Notes to Attributed Financial Information (Continued)
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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 was attributed to the Formula One Group. Liberty acquired 100% of the fully diluted equity interests of Delta Topco, other than a nominal number of shares held by certain Formula 1 teams, in a closing under the second purchase agreement (and following the unwind of the first purchase agreement) on January 23, 2017 (the "Second Closing"). Liberty's acquired interest in Formula 1, along with existing Formula 1 cash and debt (which is non-recourse to Liberty), was attributed to the Formula One Group upon completion of the Second Closing. As of September 30, 2017, the Formula One Group has cash and cash equivalents of approximately \$420 million, which includes \$274 million of cash held by Formula 1.

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 to raise capital to repay the Intergroup Note and for working capital purposes. The rights offering was fully subscribed on June 16, 2016 with 15,833,634 shares of Series C Liberty Braves common stock issued at a price per share of \$12.80 to those rights holders exercising basic and, if applicable, oversubscription privileges. Approximately \$150 million of the proceeds from the rights offering were used to repay the amount outstanding on the Intergroup Note and accrued interest to Liberty. The remaining proceeds will be used for future development costs attributed to the Braves Group. In September 2016, the Internal Revenue Service 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.

- (2) 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 15.5% intergroup interest in the Braves Group as of September 30, 2017. The intergroup interest is a quasi-equity interest which is not represented by outstanding shares of common stock; rather, the Formula One Group has an attributed value in the Braves Group which is generally stated in terms of a number of shares of stock issuable to the Formula One Group with respect to its interest in the Braves Group. Each reporting period, the notional shares representing the intergroup interest are marked to fair value. The change in fair value is recorded in the Unrealized gain (loss) on intergroup interest line item in the unaudited attributed condensed consolidated statements of operations. The Formula One Group's intergroup interest is reflected in the Investment in intergroup interest line item, and the Braves Group liability for the intergroup interest is reflected in the Redeemable intergroup interest line item in the unaudited attributed condensed consolidated balance sheets. Both accounts are presented as noncurrent, as there are currently no plans for the settlement of the intergroup interest. Appropriate eliminating entries are recorded in the Company's consolidated financial statements.

As the notional shares underlying the intergroup interest are not represented by outstanding shares of common stock, such shares have not been officially designated Series A, B or C Liberty Braves common stock. However, Liberty has assumed that the notional shares (if and when issued) would be comprised of Series C Liberty Braves common stock in order to not dilute voting percentages. Therefore, the market price of Series C Liberty Braves common stock is used for the quarterly mark-to-market adjustment through the unaudited attributed condensed consolidated statements of operations.

The intergroup interest will remain outstanding until the redemption of the outstanding interest, at the discretion of the Company's Board of Directors, through transfer of securities, cash and/or other assets from the Braves Group to the Formula One Group.

Notes to Attributed Financial Information (Continued)
(unaudited)

- (3) Investments in available-for-sale securities, which are recorded at their respective fair market values, and other cost investments are summarized as follows:

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
	amounts in millions	
Liberty SiriusXM Group		
Fair Value Option Securities		
Pandora (a)	\$ 552	—
Total attributed Liberty SiriusXM Group	<u>552</u>	<u>—</u>
Braves Group		
Other AFS and cost investments		
	8	8
Total attributed Braves Group	<u>8</u>	<u>8</u>
Formula One Group		
Fair Value Option Securities		
Time Warner (b)	436	411
Viacom (c)	52	65
Other equity securities	14	13
Total Fair Value Option Securities	<u>502</u>	<u>489</u>
AFS and cost investments		
Formula 1 (d)	—	759
Other AFS and cost investments	58	53
Total AFS and cost investments	<u>58</u>	<u>812</u>
Total attributed Formula One Group	<u>560</u>	<u>1,301</u>
Consolidated Liberty	<u>\$ 1,120</u>	<u>1,309</u>

- (a) On September 22, 2017, a subsidiary of SIRIUS XM completed a \$480 million investment in newly issued Series A convertible preferred stock of Pandora Media, Inc. ("Pandora"). See details regarding SIRIUS XM's investment in Pandora in note 7 of the accompanying condensed consolidated financial statements.
- (b) Shares of Time Warner, which are attributed to the Formula One Group, are pledged as collateral pursuant to the Braves Holdings mixed-use development facility, which is attributed to the Braves Group. See note 5 below for details regarding the number and fair value of shares pledged as collateral pursuant to the Braves Holdings mixed-use development facility as of September 30, 2017.
- (c) See note 5 for details regarding the number and fair value of shares pledged as collateral pursuant to the Live Nation Margin Loan as of September 30, 2017.
- (d) 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 the Second Closing. Prior to completion of the Second Closing, CVC Capital Partners continued to be the controlling shareholder of Formula 1, and Liberty did not have any voting interests or board representation in Formula 1. As a result, we concluded that we did not have significant influence over Formula 1, and therefore 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. See details regarding the Second Closing in note 3 of the accompanying condensed consolidated financial statements.

Notes to Attributed Financial Information (Continued)
(unaudited)

- (4) The following table presents information regarding certain equity method investments attributed to each of the Liberty SiriusXM Group, Braves Group and Formula One Group:

	September 30, 2017			December 31, 2016
	Percentage ownership	Market Value	Carrying amount	Carrying amount
dollar amounts in millions				
Liberty SiriusXM Group				
SIRIUS XM Canada	70 %	\$ NA	\$ 680	164
Total Liberty SiriusXM Group			<u>680</u>	<u>164</u>
Braves Group				
Other	various	NA	111	61
Total Braves Group			<u>111</u>	<u>61</u>
Formula One Group				
Live Nation	34 %	\$ 3,033	805	731
Other	various	NA	176	161
Total Formula One Group			<u>981</u>	<u>892</u>
Consolidated Liberty			<u>\$ 1,772</u>	<u>1,117</u>

SIRIUS XM Canada

In the acquisition of a controlling interest in SIRIUS XM on January 18, 2013, Liberty acquired an interest in Sirius XM Canada Holdings, Inc. (“SIRIUS XM Canada”) which SIRIUS XM accounts for as an equity method affiliate. Liberty recognized the investment at fair value, based on the market price per share (Level 1), on the date of acquisition.

On May 25, 2017, SIRIUS XM completed a recapitalization of SIRIUS XM Canada, now a privately held corporation. SIRIUS XM now holds a 70% equity interest and 33% voting interest in SIRIUS XM Canada, with the remainder of the voting power and equity interest held by two of SIRIUS XM Canada’s previous shareholders. The total consideration from SIRIUS XM to SIRIUS XM Canada, excluding transaction costs, during the nine months ended September 30, 2017 was \$309 million, which included \$130 million in cash and SIRIUS XM issued 35 million shares of its common stock with an aggregate value of \$179 million to the holders of the shares of SIRIUS XM Canada acquired in the transaction. SIRIUS XM received common stock, non-voting common stock and preferred stock of SIRIUS XM Canada. SIRIUS XM owns approximately 591 million shares of preferred stock of SIRIUS XM Canada, which has a liquidation preference of one Canadian dollar per share. SIRIUS XM Canada is accounted for as an equity method investment as it does not have the ability to direct the most significant activities that impact SIRIUS XM Canada’s economic performance.

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

SIRIUS XM also entered into a Services Agreement and an Advisory Services Agreement with SIRIUS XM Canada. Each agreement has a thirty year term. Pursuant to the Services Agreement, SIRIUS XM Canada will

Notes to Attributed Financial Information (Continued)
(unaudited)

pay SIRIUS XM 25% of its gross revenue on a monthly basis through December 31, 2021 and 30% of its gross revenue on a monthly basis thereafter. Pursuant to the Advisory Services Agreement, SIRIUS XM Canada will pay SIRIUS XM 5% of its gross revenue on a monthly basis. These agreements supersede and replace the existing agreements between SIRIUS XM Canada and its predecessors and SIRIUS XM.

Under the legacy agreement, as of December 31, 2016, SIRIUS XM's related party current assets balance primarily consisted of activation fees and streaming and chipset costs for which it was reimbursed. SIRIUS XM has approximately \$12 million in related party current assets as of September 30, 2017 which includes amounts due under the new services arrangements and certain amounts due related to transactions outside of the scope of the new services arrangements. At September 30, 2017, SIRIUS XM has approximately \$3 million and \$7 million in current and noncurrent related party liabilities, respectively, related to the legacy agreements with SIRIUS XM Canada which are recorded in current and noncurrent other liabilities, respectively, in the Company's condensed consolidated balance sheet. SIRIUS XM recorded approximately \$23 million and \$11 million in revenue for the three months ended September 30, 2017 and 2016, respectively, and \$63 million and \$32 million for the nine months ended September 30, 2017 and 2016, respectively, associated with these various agreements in the Other revenue line item in the condensed consolidated statements of operations. SIRIUS XM Canada paid dividends to SIRIUS XM of \$4 million and \$8 million during the nine months ended September 30, 2017 and 2016, respectively.

- (5) Debt attributed to the Liberty SiriusXM Group, Braves Group and Formula One Group is comprised of the following:

Notes to Attributed Financial Information (Continued)
(unaudited)

	Outstanding Principal	Carrying value	
	September 30, 2017	September 30, 2017	December 31, 2016
amounts in millions			
Liberty SiriusXM Group			
Corporate level notes and loans:			
Margin loans	\$ 250	250	250
Subsidiary notes and loans:			
SIRIUS XM 5.75% Senior Notes due 2021	—	—	596
SIRIUS XM 5.25% Senior Secured Notes due 2022	—	—	405
SIRIUS XM 4.25% Senior Notes due 2020	—	—	497
SIRIUS XM 3.875% Senior Notes due 2022	1,000	992	—
SIRIUS XM 4.625% Senior Notes due 2023	500	496	496
SIRIUS XM 6% Senior Notes due 2024	1,500	1,488	1,487
SIRIUS XM 5.375% Senior Notes due 2025	1,000	991	990
SIRIUS XM 5.375% Senior Notes due 2026	1,000	990	989
SIRIUS XM 5.0% Senior Notes due 2027	1,500	1,486	—
SIRIUS XM Senior Secured Revolving Credit Facility	290	290	390
SIRIUS XM leases	9	9	14
Less deferred financing costs	—	(10)	(7)
Total Liberty SiriusXM Group	<u>7,049</u>	<u>6,982</u>	<u>6,107</u>
Braves Group			
Subsidiary notes and loans:			
Notes and loans	585	585	338
Less deferred financing costs	—	(9)	(10)
Total Braves Group	<u>585</u>	<u>576</u>	<u>328</u>
Formula One Group			
Corporate level notes and loans:			
1.375% Cash Convertible Notes due 2023	1,000	1,216	1,076
1% Cash Convertible Notes due 2023	450	536	—
2.25% Exchangeable Senior Debentures due 2046	445	474	470
Live Nation Margin Loan	350	350	—
Other	35	35	37
Subsidiary notes and loans:			
Bank Loans	3,302	3,315	—
Delta Topco Exchangeable Notes	27	27	—
Less deferred financing costs	—	(19)	—
Total Formula One Group	<u>5,609</u>	<u>5,934</u>	<u>1,583</u>
Total debt	<u>\$ 13,243</u>	<u>13,492</u>	<u>8,018</u>
Less debt classified as current	—	(47)	(5)
Total long-term debt	—	<u>13,445</u>	<u>8,013</u>

Notes to Attributed Financial Information (Continued)
(unaudited)

Margin Loans

\$750 Million Margin Loan due 2018

During October 2016, Liberty refinanced a margin loan arrangement for a similar financial instrument with a term loan of \$250 million and a \$500 million undrawn line of credit, which is scheduled to mature during October 2018. The new term loan and any drawn portion of the revolver carries 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. Borrowings outstanding under this margin loan bore interest at a rate of 3.05% per annum at September 30, 2017. As of September 30, 2017, availability under the revolving line of credit was \$500 million. 1,138.4 million shares of SIRIUS XM common stock held by Liberty with a value of \$6,284 million were pledged as collateral to the \$750 million margin loan due 2018 as of September 30, 2017. 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 availability of \$500 million with various lender parties (the "Live Nation Margin Loan"). This margin loan has a two year term and bears interest at a rate of LIBOR plus 2.25% and contains an undrawn commitment fee of 0.75% per annum. Borrowings outstanding under this margin loan bore interest at a rate of 3.55% per annum at September 30, 2017. Interest on the term loan is payable on the first business day of each calendar quarter. This loan was undrawn as of December 31, 2016. 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 note 3 to the accompanying condensed consolidated financial statements. As of September 30, 2017, availability under the Live Nation Margin Loan was \$150 million. 53.7 million shares of the Company's Live Nation common stock with a value of \$2,341 million and 1.9 million shares of the Company's Viacom common stock with a value of \$52 million were pledged as collateral to the loan as of September 30, 2017.

Braves Holdings Notes

In 2014, Braves Holdings, through a wholly-owned subsidiary, purchased 82 acres of land for the purpose of constructing a Major League Baseball facility and development of a mixed-use complex adjacent to the ballpark. The new facility is expected to cost approximately \$672 million and Braves Holdings expects to spend approximately \$50 million in other costs and equipment related to the new ballpark. Funding for the ballpark will be split between Braves Holdings, Cobb County, the Cumberland Improvement District (the "CID") and Cobb-Marietta Coliseum and Exhibit Hall Authority (the "Authority"). The CID, Cobb County and the Authority were responsible for funding \$392 million of ballpark related construction, and Braves Holdings is responsible for the remainder of cost, including cost overruns. The Authority issued \$368 million in bonds during September 2015. Braves Holdings received \$103 million of the bond proceeds during September 2015 as reimbursement for project costs paid for by Braves Holdings prior to the funding of the bonds. Funding for ballpark initiatives by Braves Holdings has come from cash reserves and utilization of two credit facilities.

During September 2015, Braves Holdings entered into a \$345 million term loan (the "Braves Term Loan"). The Braves Term Loan initially bore interest at LIBOR plus an applicable spread between 1.50% and 1.75% per annum (based on the debt service coverage ratio) and an unused commitment fee of 0.35% per annum based on the average daily unused portion of the Braves Term Loan, payable quarterly in arrears. In connection with entering into the Braves Senior Secured Note during August 2016 (discussed below), Braves Holdings partially repaid and reduced the capacity on the Braves Term Loan from \$345 million to \$130 million. The interest rate on the Braves Term Loan was 2.99% as of September 30, 2017. The Braves Term Loan is scheduled to mature during August 2021. In connection with entering into the Braves Term Loan, Braves Holdings partially repaid and reduced the capacity on one of the credit facilities from \$250 million to \$85 million for a total capacity under the credit facilities of \$185 million. As of September 30, 2017, the weighted average interest rate on the

Notes to Attributed Financial Information (Continued)
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credit facilities was 2.46%. As of September 30, 2017, Braves Holdings has borrowed approximately \$209 million under the Braves Term Loan and two facilities. During October 2017, Braves Holdings refinanced \$75 million of the \$130 million Braves Term Loan with floating rate notes and reduced the capacity on the Braves Term Loan to \$55 million. The floating rate notes will bear interest at LIBOR plus 1.70% per annum and are scheduled to mature in September 2029. Subsequent to the refinancing, the Braves Term Loan will bear interest at LIBOR plus an applicable spread between 1.375% and 1.625% per annum .

During August 2016, a subsidiary of Braves Holdings entered into a \$200 million senior secured note which was funded during October 2016 (the "Braves Senior Secured Note"). The Braves Senior Secured Note bears interest at 3.77% per annum, payable semi-annually in arrears. The Braves Senior Secured Note is scheduled to mature during August 2041. The proceeds from the Braves Senior Secured Note were used to partially repay the Braves Term Loan and to finance the stadium construction.

Due to Braves Holdings providing the initial funding of the project and its ownership of the land during the initial construction period, until the initial reimbursement by the Authority during September 2015 at which time the land was conveyed to the Authority, Braves Holdings was deemed the owner (for accounting purposes) of the stadium during the construction period and costs were classified as construction in progress ("CIP"), within the Property and equipment, net line item. Costs of the project were captured in CIP along with a corresponding financing obligation, reported in other liabilities, for amounts funded by the Authority. At the end of the construction period in March 2017, the Company performed an analysis and determined that due to Braves Holdings' continuing involvement with the property as a result of the purchase option at the end of the lease term, the stadium did not qualify for sale-leaseback accounting treatment. Accordingly, Braves Holdings applied the financing method of accounting whereby Braves Holdings began making license payments and amortizing the financing obligation to the Authority using the effective interest rate method over a 30 year term. The stadium was reclassified from CIP and placed into service on March 31, 2017. Also at this time, Braves Holdings began depreciating the stadium over a 45 year estimated useful life.

In addition, Braves Holdings through affiliated entities and outside development partners are in the process of developing land around the ballpark for a mixed-use complex that is expected to feature retail, residential, office, hotel and entertainment opportunities. The estimated cost for mixed-use development is \$558 million, of which Braves Holdings affiliated entities are expected to fund approximately \$470 million through a mix of approximately \$200 million in equity and \$270 million in new debt. In December 2015, certain subsidiaries of Braves Holdings entered into three separate credit facilities totaling \$207 million to fund a portion of the mixed use development costs. The maturity dates of the facilities range between December 2018 and December 2019, and all of the facilities contain two year extension options. Interest rates on the facilities bear interest at LIBOR plus an applicable spread between 2.0% and 2.6%, with certain step-downs upon lease of the mixed use facilities at the completion of construction. As of September 30, 2017, \$152 million was drawn on these facilities with a weighted average interest rate of 3.47%.

As discussed in note 3 above, 464 thousand Time Warner shares were pledged as collateral to the mixed use facilities. The fair value of the shares pledged as of September 30, 2017 was \$48 million. Shares of Time Warner are held by the Formula One Group. Following the Recapitalization, the Company's Board of Directors approved an amount payable by the Braves Group to pay the Formula One Group in order to reflect the credit support provided by the assets of the Formula One Group used as collateral for the credit facility obligations of the Braves Group. The amount of this obligation is determined and paid quarterly in arrears, based on the average share price of Time Warner common stock each period. This inter-group arrangement is recorded through the Intergroup payable (receivable) line item in the condensed consolidated attributed balance sheets and through the Interest expense line item in the condensed consolidated statements of operations and eliminated in consolidation. The total amount payable is expected to be less than \$1 million each annual period.

In August 2016, a subsidiary of Braves Holdings entered into a credit facility with an availability of \$30 million to fund a portion of the entertainment venue as part of the mixed use development. This facility matures during August 2020 and contains one twelve month extension option. The credit facility bears interest at LIBOR plus 3.25%, with a step-down upon completion of construction. As of September 30, 2017, the interest rate on this facility was 4.23%, and \$24 million was drawn.

Notes to Attributed Financial Information (Continued)
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As of September 30, 2017, approximately \$718 million has been spent to-date on the baseball facility, of which approximately \$390 million of funding has been provided by the Authority, and \$398 million has been spent to date on the mixed-use development.

1.375% Cash Convertible Notes due 2023

On October 17, 2013, Liberty issued \$1 billion aggregate principal amount of 1.375% Cash Convertible Senior Notes due 2023 ("Convertible Notes"). The Convertible Notes will mature on October 15, 2023 unless earlier repurchased by us or converted. Interest on the Convertible Notes is payable semi-annually in arrears on April 15 and October 15 of each year at a rate of 1.375% per annum. All conversion of the Convertible Notes will be settled solely in cash, and not through the delivery of any securities. 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 with an equivalent 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 1, the Convertible Notes are 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 has been reclassified (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 statement of operations. As of September 30, 2017, the Convertible Notes are classified as a long term liability in the condensed consolidated balance sheet, as the conversion conditions have not been met.

Additionally, contemporaneously with the issuance of the Convertible Notes, Liberty entered into privately negotiated cash convertible note hedges and purchased call options (the "Bond Hedge Transaction"). The Bond Hedge Transaction 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). The expiration of these instruments is October 15, 2023. The fair value of these instruments is included in Other assets as of September 30, 2017 and December 31, 2016 in the accompanying

Notes to Attributed Financial Information (Continued)
(unaudited)

condensed consolidated balance sheets, with changes in the fair value recorded as unrealized gains (losses) on financial instruments in the accompanying condensed consolidated statements of operations.

Concurrently with the Convertible Notes and Bond Hedge Transaction, Liberty also entered into separate privately negotiated warrant transactions under which Liberty sold warrants relating to the same number of shares of common stock as underlie the Bond Hedge Transaction, subject to anti-dilution adjustments (“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, to \$61.16 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. The warrants were recorded in equity at the Formula One Group.

1% Cash Convertible Notes due 2023

In connection with the Second Closing on January 23, 2017, Liberty issued \$450 million aggregate principal amount of 1% Cash Convertible Senior Notes due 2023 at an interest rate of 1% per annum, which are convertible, under certain circumstances, into cash based on the trading prices of the underlying shares of Series C Liberty Formula One common stock and mature on January 30, 2023 (the “1% Convertible Notes”). The initial conversion rate for the notes will be 27.1091 shares of Series C Liberty Formula One common stock per \$1,000 principal amount of notes, equivalent to an initial conversion price of approximately \$36.89 per share of Series C Liberty Formula One common stock. The conversion of the 1% Convertible Notes will be settled solely in cash, and not through the delivery of any securities. As discussed in note 3 to the accompanying condensed consolidated financial statements, Liberty used a portion of the net proceeds of the 1% Convertible Notes to fund an increase to the cash consideration payable to the selling shareholders of Formula 1 by approximately \$400 million.

2.25% Exchangeable Senior Debentures due 2046

On August 17, 2016, Liberty closed a private offering of approximately \$445 million aggregate principal amount of its 2.25% exchangeable senior debentures due 2046 (the “2.25% Exchangeable Senior Debentures due 2046”). Upon an exchange of debentures, Liberty, at its option, may deliver Time Warner common stock, cash or a combination of Time Warner common stock and cash. The number of shares of Time Warner common stock attributable to a debenture represents an initial exchange price of approximately \$104.55 per share. A total of approximately 4.25 million shares of Time Warner 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 debentures on October 5, 2021. The redemption and purchase price will generally equal 100% of the adjusted principal amount of the debentures plus accrued and unpaid interest.

The debentures, as well as the associated cash proceeds, were attributed to the Formula One Group. Liberty used the net proceeds of the offering for the acquisition of an investment in Formula 1 during September 2016, as further described in note 3 to the accompanying condensed consolidated financial statements. 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 condensed consolidated statements of operations.

Notes to Attributed Financial Information (Continued)
(unaudited)

On October 22, 2016, AT&T Inc. (“AT&T”) and Time Warner announced that they have entered into a definitive agreement under which AT&T will acquire Time Warner in a stock-and-cash transaction. The transaction is expected to close before year-end 2017, subject to approval by Time Warner shareholders and review by the U.S. Department of Justice, as well as potential review by the FCC. If the acquisition is consummated, in accordance with the terms of the indenture governing the 2.25% Exchangeable Senior Debentures due 2046, the cash portion of the acquisition consideration will be paid as an extraordinary additional distribution to holders of debentures and the stock portion of the acquisition consideration will become reference shares attributable to the debentures. Additionally, if the acquisition is consummated, 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.

Delta Topco Limited Exchangeable Redeemable Loan Notes

As discussed in note 3 to the accompanying condensed consolidated financial statements, in connection with the Second Closing on January 23, 2017, Delta Topco issued \$351 million in subordinated exchangeable debt instruments upon the conversion of certain outstanding Delta Topco loan notes. The Delta Topco Exchangeable Notes bear interest at 2% per annum, mature in July 2019 and are exchangeable into cash or newly issued shares of Series C Liberty Formula One common stock, at the election of Delta Topco. Interest is payable by either, at the discretion of Delta Topco, (i) issuing payment-in-kind notes or (ii) cash. The Delta Topco Exchangeable Notes are attributed to the Formula One Group.

The Delta Topco Exchangeable Notes may be exchanged at the option of the noteholder into shares of Series C Liberty Formula One common stock, subject to Delta Topco’s right to instead redeem such Delta Topco Exchangeable Notes for cash. At any time when the total principal amount of the Delta Topco Exchangeable Notes outstanding and owned by the noteholder or its affiliates is less than the total principal amount originally issued to such noteholder, then Delta Topco will have the right to require the noteholder to exchange any or all of such noteholder’s Delta Topco Exchangeable Notes for shares of Series C Liberty Formula One common stock or cash (at Delta Topco’s election). Additionally, if a noteholder proposes to transfer any of its Delta Topco Exchangeable Notes to a person other than a permitted transferee, then Delta Topco will have the option to redeem such Delta Topco Exchangeable Notes for cash. However, if Delta Topco does not timely exercise its right to effect this redemption for cash, then the Delta Topco Exchangeable Notes proposed to be transferred will be automatically exchanged prior to transfer into shares of Series C Liberty Formula One common stock. In September 2017, \$323 million aggregate principal amount of Delta Topco Exchangeable Notes were exchanged for 14.5 million shares of Series C Liberty Formula One common stock. In October 2017, Delta Topco initiated an exchange offer for the remaining outstanding Delta Topco Exchangeable Notes.

The debt host component of the Delta Topco Exchangeable Notes is recorded as debt, at fair value, with the related discount amortized over the expected term of the loan using the effective interest rate method, while the embedded conversion option was recorded in additional paid-in capital. Upon settlement, the Company will record a true-up to additional paid-in capital for the amount and type (cash or shares of Series C Liberty Formula One common stock) of settlement. As the Company has the option to settle the liability in shares of Series C Liberty Formula One common stock, the debt host component is presented as a long-term liability in the Company’s condensed consolidated balance sheet as of September 30, 2017.

- (6) 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 is determined through an interview process and a review of personnel duties unless transactions significantly change the composition of companies and investments in either respective group which would require a timelier reevaluation of estimated time spent. Other general and administrative expenses are charged directly to the groups whenever possible and are otherwise allocated based on estimated usage or some other reasonably determined methodology. Following the Recapitalization, stock compensation related to each tracking stock is calculated based on actual awards outstanding.

While we believe that this allocation method is reasonable and fair to each group, we may elect to change the allocation methodology or percentages used to allocate general and administrative expenses in the future.

Notes to Attributed Financial Information (Continued)
(unaudited)

- (7) Except for the Intergroup Note between the Braves Group and the Formula One Group as discussed in note 1 and the intergroup arrangements regarding the securities held by the Formula One Group pledged as collateral pursuant to a loan at the Braves Group as discussed in note 5, the intergroup balance at September 30, 2017 and December 31, 2016 is primarily a result of timing of 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 on a go forward basis beginning on such date.

- (8) The Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Formula One common stock have voting and conversion rights under our restated certificate of incorporation. Following is a summary of those rights. Holders of Series A common stock of each group are entitled to one vote per share, and holders of Series B common stock of each group are entitled to ten votes per share. Holders of Series C common stock of each group are entitled to 1/100th of a vote per share in certain limited cases and will otherwise not be entitled to vote. In general, holders of Series A and Series B common stock vote as a single class. In certain limited circumstances, the board may elect to seek the approval of the holders of only Series A and Series B Liberty SiriusXM common stock, only Series A and Series B Liberty Braves common stock, or 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.