

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K  
CURRENT REPORT

Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): MAY 10, 2006

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

DELAWARE	000-51990	20-4412793
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

12300 LIBERTY BLVD.  
ENGLEWOOD, COLORADO 80112  
(Address of principal executive offices and zip code)

sthea@n

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

LIBERTY MEDIA HOLDING CORPORATION  
(Former name)

I  
Check the appropriate box below if the Form 8-K filing is intended to  
simultaneously satisfy the filing obligation of the registrant under any of the  
following provisions (see General Instruction A.2. below):

[ ]  ~~Or~~  ~~Is~~  ~~Not~~  ~~Not~~

by the undersigne



to improved gross margins and operating leverage. Gross margins increased due to a lower obsolescence provision required on the March 31, 2006 inventory balance.

QVC's outstanding bank debt was \$800 million at March 31, 2006.

#### SEG

SEG's revenue increased 2% to \$259 million and operating cash flow decreased 15% to \$41 million.

The growth in revenue was primarily due to an \$11 million increase resulting from an increase in the average number of subscription units for SEG's services, partially offset by a \$6 million decrease due to a decrease in the effective rate charged for such services.

SEG's Starz movie service and its Encore movie service are the primary drivers of sales.

(AMOUNTS IN MILLIONS)	March 31, 2005	December 31, 2005	March 31, 2006
<S>	<C>	<C>	<C>
CASH AND CASH RELATED INVESTMENTS: (1)			
Consolidated Cash (GAAP)	\$ 1,332	1,946	1,680
Consolidated Short-Term Investments (2)	4	9	6
Consolidated Long-Term Marketable Securities (3)	229	380	279
	-----	-----	-----
TOTAL CONSOLIDATED CASH AND LIQUID INVESTMENTS	\$ 1,565	2,335	1,965
	=====	=====	=====
DEBT:			
Senior Notes and Debentures (4)	\$ 5,895	4,476	4,476
Senior Exchangeable Debentures (5)	4,588	4,580	4,580
Other	177	905	928
	-----	-----	-----
TOTAL DEBT	\$ 10,660	9,961	9,984
Less: Unamortized Discount Attributable To Call Option Obligations	(2,268)	(2,194)	(2,170)
Unamortized Discount	(19)	(17)	(17)
	-----	-----	-----
CONSOLIDATED DEBT (GAAP)	\$ 8,373	7,750	7,797
	=====	=====	=====

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- (1) Cash and cash related investments of Ascent Media Group, Inc. have been excluded for all periods as these assets were spun off on July 21, 2005 as part of Discovery Holding Company.
  - (2) Represents short-term marketable debt securities which are included in other current assets in Liberty's consolidated balance sheet.
  - (3) Represents long-term marketable debt securities which are included in investments in available-for-sale securities and other cost investments in Liberty's consolidated balance sheet.
  - (4) Represents face amount of Senior Notes and Debentures with no reduction for the unamortized discount.
  - (5) Represents face amount of Senior Exchangeable Debentures with no reduction for the unamortized discount attributable to the embedded call option obligation.

Liberty's Total Consolidated Cash and Liquid Investments decreased \$370 million and Total Debt remained relatively flat compared to December 31, 2005. Total Consolidated Cash and Liquid Investments decreased due to the acquisitions of Provide Commerce and FUN Technologies and payments of corporate interest expense partially offset by the cash flows from operations of Liberty's subsidiaries and proceeds from the expiration of certain equity collars.

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#### OUTSTANDING SHARES

At March 31, 2006, there were approximately 2.806 billion outstanding shares of L and LMC.B and 82 million shares of L and LMC.B reserved for issuance pursuant to warrants and employee stock options. At March 31, 2006, there were 10 million options that had a strike price that was lower than the closing stock price. Exercise of these options would result in aggregate proceeds of approximately \$47 million. The foregoing numbers are actual and do not reflect the effects of the merger or tracking stock issuance.

#### 2006 OUTLOOK

As previously announced, Liberty shareholders have approved the creation of two new tracking stocks, one to reflect the performance of the assets and others have

o Operating income growth in low double digits %.

The foregoing estimates assume with respect to QVC, among other factors, that its product mix and foreign currency exchange rates affecting its international businesses will be consistent as compared to 2005, while revenue growth rates will experience a slight slowing due to difficult comparisons to the favorable results achieved in 2005. These estimated growth rates are not expected to be achieved ratably on a quarterly basis as the Liberty Interactive Group's attributed businesses will likely experience different quarter over quarter growth rates for each calendar quarter of 2006.

LIBERTY CAPITAL GROUP

Liberty is not providing combined guidance for the businesses attributed to the Liberty Capital Group for 2006 as such information is not considered meaningful at this time. Guidance is being provided separately for SEG which is the largest operating business attributed to the Liberty Capital Group.

SEG

o Liberty expects that revenue, OCF and operating income of SEG for 2006 will be substantially similar to those recognized in 2005.

The foregoing estimates are premised upon, among other factors, that SEG continues to experience positive trends under its affiliation agreements, SEG's distributors continue to see growth in digital subscribers consistent with that experienced in 2005, the quantity and timing of receipt of output product from the studios does not materially change from that experienced in 2005 and Starz subscription units continue to increase. These estimates further assume that SEG's 2006 programming costs increase by mid-single digit percentages over the same periods in 2005.

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CERTAIN STATEMENTS IN THIS PRESS RELEASE MAY CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, INCLUDING THE STATEMENTS REGARDING SEG'S MARKETING EXPENSE TREND FOR THE PERIOD ENDING 2006 AND THE STATEMENTS UNDER THE HEADING "2006 OUTLOOK." SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER IMPORTANT FACTORS THAT COULD CAUSE THE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE OPERATING BUSINESSES OF LIBERTY INCLUDED HEREIN OR INDUSTRY RESULTS TO DIFFER MATERIALLY FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. SUCH RISKS, UNCERTAINTIES AND OTHER FACTORS INCLUDE, AMONG OTHERS: THE RISKS AND FACTORS DESCRIBED IN THE PUBLICLY FILED DOCUMENTS OF LIBERTY, INCLUDING THE MOST RECENTLY FILED FORM 10-K AND FORM 10-Q OF LIBERTY; GENERAL ECONOMIC AND MARKET CONDITIONS AND INDUSTRY TRENDS INCLUDING IN THE ADVERTISING AND RETAIL MARKETS; AND OTHER FACTORS BEYOND LIBERTY'S CONTROL. THE FORWARD-LOOKING STATEMENTS ARE NOT INTENDED TO BE A CONTRACT AND SHOULD NOT BE RELIED UPON AS A CONTRACT. THE FORWARD-LOOKING STATEMENTS ARE NOT INTENDED TO BE A CONTRACT AND SHOULD NOT BE RELIED UPON AS A CONTRACT.

at the end of this document for reconciliations for the applicable periods in 2005 and 2006 of operating cash flow to operating income, as determined under GAAP, for each identified entity.

QUARTERLY SUMMARY

<Table> <Caption> (AMOUNTS IN MILLIONS)	1Q05 -----	2Q05 -----	3Q05 -----	4Q05 -----	1Q06 -----
<S>	<C>	<C>	<C>	<C>	<C>
QVC, INC. (98.4%)					
Revenue - Domestic	1,025	1,034	1,039	1,542	1,088
Revenue - International	439	445	436	541	467
	-----	-----	-----	-----	-----
Revenue - Total	1,464	1,479	1,475	2,083	1,555
	-----	-----	-----	-----	-----
OEI-Domestic	241	248	235	360	257
h D1 International					

Corporate & Other	(9)	12
	-----	-----
CONSOLIDATED SEGMENT OPERATING CASH FLOW	\$ 362	408
	=====	=====
Consolidated segment operating cash flow	\$ 362	\$ 408
Stock compensation	2	(31)
Depreciation and amortization	(161)	(162)
Interest expense	(149)	(148)
Realized and unrealized gains (losses) on financial instruments, net	768	(193)
Gains (losses) on dispositions, net	(380)	22
Other, net	41	69
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EARNINGS (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND MINORITY INTEREST	\$ 483	\$ (35)
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