

By /s/ CHRISTOPHER W. SHEAN

Christopher W. Shean
Member of Plan Committee

June 20, 2006

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Plan Committee
Liberty Media 401(k) Savings Plan:

We have audited the accompanying statements of net assets available for participant benefits of the Liberty Media 401(k) Savings Plan (the Liberty Plan) as of December 31, 2005 and 2004, and the related statements of changes in net assets available for participant benefits for the years then ended. These financial statements are the responsibility of the Liberty Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We do not provide an opinion on the internal control over financial reporting.

Investments, at fair value:		
Liberty Media Stock Fund (notes 1, 2 and 8)	28,653	48,999
Liberty Global Stock Fund (notes 1, 5 and 6)	7,541	10,164
Discovery Holding Stock Fund (notes 1 and 7)	5,214	--
Mutual funds	45,901	97,661
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	87,309	156,824
	-----	-----
Participant loans (note 2)	1,002	2,084
	-----	-----
Payable for required refunds of excess contributions	(1,091)	(1,517)
	-----	-----
Net assets available for participant benefits	\$ 87,294	157,391
	=====	=====
</Pg	2,084	

The accompanying financial statements of the Liberty Media 401(k) Savings Plan (the "Liberty Plan") have been prepared on the accrual basis and present the net assets available for participant benefits and the changes in those net assets. The sponsor of the Liberty Plan is Liberty Media LLC ("Liberty"), formerly known as Liberty Media Corporation, and now a wholly owned subsidiary of Liberty Media Corporation, which was formerly known as Liberty Media Holding Corporation ("New Liberty"). See note 8.

TRUST FUND MANAGED BY FIDELITY MANAGEMENT TRUST COMPANY ("TRUSTEE")

Under the terms of a trust agreement between Liberty and the Trustee, the Trustee manages a trust fund on behalf of the Liberty Plan and has been granted authority concerning purchases and sales of investments for the trust fund. The Trustee may invest up to 100% of the assets of the Liberty Plan in employer securities without regard to any fiduciary requirement to diversify Liberty Plan assets. Additionally, the Liberty Plan is allowed to invest in non-employer securities.

INVESTMENTS

Investments are reflected in the accompanying financial statements at fair value. Fair value represents the closing prices for those securities having readily available market quotations, and fair value as determined by the Trustee with respect to other securities.

1 The Liberty Media Stock Fund, the Liberty Global Stock Fund, and the Discovery Holding Stock Fund are unitized funds that are measured in units rather than shares. At December 31, 2005 and 2004, the Liberty Media Stock Fund consisted mostly of Liberty Series A common stock with an insignificant amount of cash and equivalents. Liberty Media Stock Fund consisted mostly of Liberty Series A common stock with an insignificant amount of cash and equivalents.

that the Liberty Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). On

As of December 31, 2005, the Liberty Plan has 21 investment options including 18 mutual funds and three unitized stock funds.

Discovery Holding Stock Fund	\$ 5,214	--
Templeton Foreign A	\$ 4,557	8,833
Spartan US Equity Index	\$ 7,674	--
Fidelity Magellan *	\$ --	21,291
Fidelity Equity Income	\$ 7,038	11,888
Fidelity Investment Grade Bond	\$ --	7,632
Fidelity Retirement Money Market Account	\$ 4,567	20,192

</Table>

* During the year ended Des7

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LIBERTY MEDIA 401(k) SAVINGS PLAN

Notes to Financial Statements

this transaction, DHC became a separate publicly traded company. In connection with the spin off, shareholders of Liberty, including the Liberty Plan through the Liberty Media Stock Fund, received .10 shares of DHC Series A common stock for each share of Liberty Series A common stock held. The spin off of Ascent Media resulted in a partial plan termination, and therefore all participants employed by Ascent Media on the spin off date were 100% vested in their Liberty Plan accounts. The market value of investments and participant loans transferred out of the Liberty Plan to the newly established Ascent Media Group 401(k) Plan on August 15, 2005 related to this transaction were \$62,979,000 and \$1,329,000, respectively.

(8) SUBSEQUENT EVENT

On May 9, 2006, New Liberty completed the previously announced restructuring (the "Restructuring") pursuant to which a direct, wholly owned subsidiary of New Liberty merged (the "Merger") with and into Liberty and New Liberty became the new publicly traded parent company of Liberty. Immediately prior to the Merger, New Liberty was a direct, wholly owned subsidiary of Liberty. In the Merger, each holder of Liberty's common stock, including the Liberty Plan through the Liberty Media Stock Fund, received for each share of Liberty's Series A common stock held immediately prior to the Merger, 0.25 of a share of Liberty Interactive Series A common stock and 0.05 of a share of the Liberty Capital Series A common stock, and for each share of Liberty's Series B common stock held immediately prior to the Merger, 0.25 of a share of the Liberty Interactive Series B common stock and 0.05 of a share of the Liberty Capital Series B common stock, in each case, with cash in lieu of any fractional shares.

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SCHEDULE 1

LIBERTY MEDIA 401(k) SAVINGS PLAN

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2005

<Table> <Caption>	Identity of Issue	Description of investment Including Par Value	Fair
Value	-----	-----	-----
in thousands			amounts
<S>		<C>	<C>
Liberty Media Stock Fund		Series A common stock, par value \$0.01 per share (historical cost basis - \$22,829,106)	
\$28,653			
Liberty Global Stock Fund		Series A common stock, par value \$0.01 per share (historical cost basis - \$4,716,398)	
7,541			
Discovery Holding Stock Fund		Series A common stock, par value \$0.01 per share (historical cost basis - \$3,689,518)	
5,214			
Templeton Foreign A		Mutual fund	
4,557			
Spartan US Equity Index		Mutual fund	
7,674			
PIMCO High Yield Fund - Administrative Class		Mutual fund	
1,105			
ALLIANZ NFJ Small Cap Value		Mutual fund	
1,510			
Baron Growth		Mutual fund	
4,340			

\$.01 per share

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*Denotes party-in-interest

See accompanying report of independent registered public accounting firm.

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EXHIBIT INDEX

Shown below are the exhibits which are filed or furnished as a part of this Report -

23-Consent of KPMG LLP

