
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D. C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 001-33982

LIBERTY MEDIA 401(k) SAVINGS PLAN

(Full title of the Plan)

LIBERTY MEDIA CORPORATION

(Issuer of the securities held pursuant to the Plan)

12300 Liberty Boule

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan's valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments

The Liberty Capital Stock Fund, the Liberty Interactive Stock Fund, the Liberty Entertainment Stock Fund, the Liberty Starz Stock Fund, the DIRECTV Stock Fund and the Discovery Holding Stock Fund are unitized funds that are measured in units rather than shares. The Liberty Capital Stock Fund consists mostly of Series A Liberty Capital common stock ("LCAPA") with an insignificant amount of cash or cash equivalents. The Liberty Interactive Stock Fund consists mostly of Series A Liberty Interactive common stock ("LINTA") with an insignificant amount of cash or cash equivalents. The Liberty Entertainment Stock Fund consisted mostly of Series A Liberty Entertainment common stock ("LMDIA") with an insignificant amount of cash or cash equivalents. The Liberty Starz Stock Fund consists mostly of Series A Liberty Starz common stock ("LSTZA") with an insignificant amount of cash or cash equivalents. The DIRECTV Stock Fund consists mostly of DIRECTV ("DTV") Series A common stock with an insignificant amount of cash or cash equivalents. The Discovery Holding Stock Fund consisted mostly of Discovery Holding Company ("DHC") Series A common stock with an insignificant amount of cash or cash equivalents.

Investments are reflected in the accompanying financial statements at fair value. Fair value represents the closing prices at December 31, 2009 and 2008 for those securities having readily available market quotations.

LIBERTY MEDIA 401(k) SAVINGS PLAN

Notes to Financial Statements

The following closing market prices have been used to value investments in the Liberty Plan's unitized stock funds:

	December 31,	
	2009	2008
Series A Liberty Capital common stock	\$ 23.88	4.71
Series A Liberty Interactive common stock	\$ 10.84	3.12
Series A Liberty Entertainment common stock	\$ —	17.48
Series A DHC common stock	\$ —	14.16
Series A Liberty Starz common stock	\$ 46.15	—
Series A DIRECTV common stock	\$ 33.35	—
(see Transactions Impacting Stock Funds below)		

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Changes in market values after the Liberty Plan's year end are not reflected in the accompanying financial statements.

Securities and investment transactions are accounted for on the trade date. The cost basis of such shares distributed is determined using the average cost method. Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis.

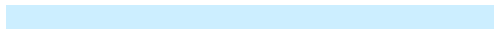
Transactions Impacting Stock Funds

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On March 3, 2008, Liberty Media completed a reclassification of its Liberty Capital common stock (referred to as "Old Liberty Capital common stock") whereby each share of Old Series A Liberty Capital common stock was reclassified into one share of new Series A Liberty Capital common stock and four shares of the new Series A Liberty Entertainment common stock.

On September 17, 2008, Discovery Holding Company ("DHC") completed a transaction with Advance/Newhouse Programming Partnership whereby the following actions took place:

- DHC spun-off to its shareholders a wholly-owned subsidiary, Ascent Media Corporation ("AMC") holding substantially all of DHC's cash, AccentHealth and Ascent Media Corporation, except for those businesses of Ascent Media Corporation that provide sound, music, mixing, sound effects and other related post-production audio services (the "Ascent Media Spin Off");
- Immediately following the Ascent Media Spin Off, DHC combined with a new holding company ("New DHC"), and DHC's existing shareholders received shares



As of December 31, 2009, the Liberty Plan has various investment options including 14 mutual funds and four unitized stock funds, one of which is closed to additional contributions or investments. The mutual funds include money market, bond and domestic and international stock funds. The stock funds range from small to large cap funds and include growth and value funds. The Liberty Plan also provides seven asset allocation funds based on target retirement dates. In addition, the Liberty Plan offers a brokerage option, Brokeragelink, whereby participants can elect to invest in publicly traded stocks and mutual funds not offered directly by the Liberty Plan. A complete list of investment options can be found on Schedule 1 to this Annual Report on Form 11-K. Plan participants may change investment options and contribution percentages on a daily basis.

LIBERTY MEDIA 401(k) SAVINGS PLAN

Notes to Financial Statements

Benefit Payments

Distributions from the Liberty Plan may be made to a participant upon attaining the age of 59-1/2, death, total disability, financial hardship or termination of employment. Distributions and other withdrawals are processed on a daily basis.

Vesting

Participant contributions are always fully vested. Participants acquire a vested right in employer matching contributions, other than employer contributions transferred from other plans, as follows:

<u>Years of service</u>	<u>Vesting percentage</u>
Less than 1	0 %
1 year	33 %
2 years	66 %
3 years	100 %

Employer matching contributions transferred from other plans vest according to the terms specified in the transferor plans.

Plan Termination

Although Liberty has not expressed any intent to terminate the Liberty Plan, it may do so at any time, subject to the provisions of ERISA. The Liberty Plan provides full and immediate vesting of all participant rights upon (u)ll and d (u)pon (u) s d islovi d

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Fidelity Freedom 2000 Fund	Mutual fund	400
Fidelity Freedom 2010 Fund	Mutual fund	2,405
Fidelity Freedom 2020 Fund	Mutual fund	9,112
Fidelity Freedom 2030 Fund	Mutual fund	8,509
Fidelity Freedom 2040 Fund	Mutual fund	5,488
Fidelity Freedom 2050 Fund	Mutual fund	564
Brokerage Link Accounts	Brokerage Option	3,692
Participant loans	Interest rates ranging from 4.25% to 9.25% with maturity dates through November 2014	1,659
		<u>\$ 155,265</u>

All investments are held by Fidelity Management Trust Company, Inc., which is a party-in-interest to the Liberty Plan. Liberty Media LLC is the plan sponsor, which is a party-in-interest to the Liberty Plan.

See accompanying report of independent registered public accounting firm.

EXHIBIT INDEX

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

23-Consent of KPMG LLP

