

LibeT **Excerpts from the Transcript of the**



Unidentified Audience Member

(Inaudible-microphone inaccessible) which one do you choose and why?

John Malone — Liberty Media Corporation - Chairman

Well, that is very hypothetical. I really don't — if it hasn't been presented to me so — I think it really depends on where the meetings are going to be. Right at the moment, because Greg will be the CEO and I will probably be the Chairman of both, the meetings will all be — and the directors will all be have a very substantial overlap, it will be very convenient to have the meetings back to back and therefore it is pretty painless to be Chairman or a director of both as well as CEO.

Greg Maffei — Liberty Media Corporation - President, CEO

I have a high level of confidence that John will be Chairman of both, probably a higher level of confidence that he had that I would be CEO of both.

Unidentified Audience Member

(Inaudible-microphone inaccessible)

John Malone — Liberty Media Corporation - Chairman

I didn't have a choice on DIRECTV. I got kicked out by the government, as a practical matter. The cost for DIRECTV to solve their problem any other way was multiples of the resolution we came to. And it was also clear that if I tried to stay on both sides of the fence we would run into more and more overlaps between LGI, DIRECTV and perhaps other entities that I was — I had a greater control position in. So I went with the ones that were more historic, and in which I had a personally a larger control position.

But I think it — at the end it worked out very well for Liberty shareholders to get the deal done even though we knew we were painting ourselves into a corner at the time we did the deal. We thought DIRECTV had a way out in the end it didn't, and we had to solve it the way we did.

And as far as putting a hedge on — as soon as you give up control of a company — it represents a substantial part of your net worth, it is probably wise to buy some insurance, ~~eventually~~ ~~but~~ ~~you~~ ~~can't~~ ~~buy~~ ~~insurance~~ ~~because~~ ~~you~~ ~~believe~~ ~~in~~ ~~the~~ ~~company~~ ~~and~~ ~~you~~ ~~are~~ ~~the~~ ~~largest~~ ~~shareholder~~ ~~of~~ ~~AT~~ ~~&~~ ~~T~~ ~~and~~ ~~not~~ ~~hedge~~ ~~the~~ ~~position~~ ~~I~~ ~~learned~~ ~~a~~ ~~pretty~~ ~~big~~ ~~lesson~~ ~~there~~.

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Unidentified Audience Member

Just to expand on [Matt]'s question, a litai an e



But it's spinning them when they reach a certain stage of maturity or if it's a certain tax advantage to it — as we've demonstrated over the years we are perfectly happy to shrink the Company and give the assets directly to the investors. Very much in the way venture capital firms work actually, if you think about it.

So I think the answer is yes. Private — we are going to operate like a private but public investment fund. And what we have to watch out for, of course, are all the rules. You can't be an investment holding company — you've got those kind of things. But within that parameter, Greg's number one job is to look for another Sirius.

Greg Maffei — Liberty Media Corporation - President, CEO

That's a problem because there is not likely to find another Sirius. But if I could — I think we will probably be opportunistic for a long time because we are going to have these odds and ends which really are — and a fair amount of cash which make us this weird kind of or different

7

vehicle. (Inaudible) we run — one of the problems we have being a public private equity firm we have an inordinate disadvantage versus these private private equity firms and that they give the securities that they get to their limited partners incur no corporate level tax.

We have to think hard, structure hard, dance around to avoid that corporate level tax because it is a 40% drag on our profits relative to them. So while we enormous advantages, I think, in some ways about our willingness to be more of an operative one space, we think TMT where we focused, hopefully some good relationships, some good businesses to build on, we also run this kind of negative aspect where our structure is not perfect compared to those guys.

John Malone — Liberty Media Corporation - Chairman

But in our willingness to use leverage. We look a lot like private equity.

Unidentified Speaker

(Inaudible-microphone inaccessible)

John Malone. We have permanent capital.

Greg Maffei — Liberty Media Corporation - President, CEO

But increasingly, those guys are moving towards permanent capital too right? I mean Apollo, KKR are effectively public entities. So, that advantage has dissipated to a degree.

Greg Maffei — Liberty Media Corporation - President, CEO

Well, I think the Live Nation business is a great long-term opportunity. Michael Rapino, Irving Azzof are two of the smartest guys in the music business with a great model around the ticket, around the opportunity to monetize — as the music business has changed a lot of additional ways that people got paid — albums. There is no such thing as an album anymore. Those have gone away. The tour, the events have been a huge part of the way people get paid and they are at the center of that and with lots of opportunity to add things on.

The merger created interesting opportunity but it also had some restrictions. It had — incurred some costs as they had not only merger things to clean up, but they had restrictions on what they were allowed to do and they were forced to sell certain things off that are going to impact early results.

So I think if you look at it, it is not a stock that is well covered by analysts and the few analysts that were out there had some very high estimates for 2010. Pro r ou aer offemaerget
