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**LIBERTY MEDIA REPORTS FIRST QUARTER 2011 FINANCIAL RESULTS**

Englewood, Colorado, May 6, 2011 — Liberty Media Corporation (“Liberty”) (Nasdaq: <sup>~</sup> 4



due primarily to lower obsolescence expense and freight savings.

QVC Germany's revenue grew 13% in local currency for the quarter through increased sales in apparel, health and fitness and accessories. QVC Germany's average selling price in local currency increased 3% for the quarter with units sold increasing 13%. QVC Germany's adjusted OIBDA increased 18% in local currency and the adjusted OIBDA margin increased 78 basis points for the quarter due primarily to lower inventory obsolescence expense.

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QVC Japan's revenue and adjusted OIBDA decreased 9% and 19%, respectively, in local currency for the quarter due to the suspension of operations related to the earthquake and related disasters. In addition, the results were impacted by QVC's decision to pay all employees during the off-air period and the negative leverage impact of QVC's fixed fee broadcasting distribution arrangements. QVC Japan also contributed close to \$2 million to local charitable restoration efforts.

QVC Italy continues to ramp up its operations with its sales coming primarily from the beauty and home product categories. QVC Italy's revenue for the quarter was \$4 million with an adjusted OIBDA loss of \$10 million as mentioned above.

QVC's outstanding bank and bond debt was \$2.8 billion at March 31, 2011.

#### **eCommerce Businesses**

In the aggregate, the eCommerce businesses increased revenue 21% to \$324 million for the quarter as each company reported an increase in revenue for the three-month period. Adjusted OIBDA increased 61% to \$29 million for the quarter and operating income increased 100% to \$8 million. The three months ended March 31, 2010 included the results of a start-up that was deconsolidated in the third quarter of 2010. Excluding the results of the start-up for the three months ended March 31, 2010, adjusted OIBDA increased 32%, and operating income was flat due to the revenue increase and leveraging of fixed costs.

#### **Share Repurchases**

There were no repurchases of Liberty Interactive stock from February 1, 2011 through April 29, 2011. Liberty has approximately \$740 million remaining under its Liberty Interactive stock repurchase authorization.

The businesses and assets attributed to Liberty Interactive group are engaged in, or are ownership interests in companies that are engaged in, video and on-line commerce, and currently include Liberty's subsidiaries QVC, Provide Commerce, Backcountry.com, Bodybuilding.com, Celebrate Interactive, CommerceHub, and The Right Start, and its interests in, HSN, Tree.com, Interval Leisure Group, Expedia and Lockerz. Liberty has identified wholly-owned QVC as the principal operating segment of the Liberty Interactive group.

**LIBERTY STARZ GROUP** — Results for Liberty Starz group primarily represent results of Starz, LLC. The following discussion regarding the results of Starz, LLC include the legacy Starz Entertainment and the legacy Starz Media businesses for the three months ended March 31, 2011. The historical results for Starz for the three months ended March 31, 2010 only include the historical results for the legacy Starz

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Entertainment business, as the change in attribution of Starz Media from Liberty Capital to Liberty Starz became effective as of September 30, 2010.

Starz, LLC's revenue increased 28% to \$391 million for the first quarter, an increase of \$86 million. The additional revenue from the legacy Starz Media businesses contributed approximately \$65 million of such increase. The remaining increase in the period can be attributed to the legacy Starz Entertainment business as a result of a \$4 million increase due to higher effective rates for the channels and \$6 million due to growth in the average number of subscriptions. Additionally, there was approximately \$11 million in additional ancillary revenue related to television rights and home video for STARZ original content. Revenue associated with the legacy Starz Media businesses was significantly less than the corresponding prior year period primarily due to the wide release of two theatrical films in the first quarter of 2010 and no theatrical releases in the current period along with the release on home video of three significant theatrical films in the prior year as compared to only one in the current period.

Starz, LLC's adjusted OIBDA increased 24% to \$131 million, a \$25 million increase and operating income increased 25% to \$124 million. Approximately \$15 million of the adjusted OIBDA increase was contributed by the legacy Starz Media businesses. As discussed above, the reduced theatrical and home video releases resulted in lower revenue which was more than offset by no current period spending on marketing, advertising, production and acquisition costs associated with the theatrical exhibition of such productions. STARZ' subscription units increased 10% and ENCORE subscriptions increased 6% compared to the first quarter of 2010.

"The first quarter marked another period of solid results and new highs in subscriptions to the STARZ and ENCORE flagship channels," said Chris Albrecht, Starz, LLC, President and CEO. "Performance of our current original dramatic series, *Camelot*, has surpassed expectations and continued our momentum with successful original programming. The legacy Starz Media businesses had positive results in the first quarter, with Anchor Bay benefitting from improved operational performance. Anchor Bay is positioned for the future to benefit from a home video distribution pipeline that now includes content from The Weinstein Company, Starz Originals, and such titles as *The Walking Dead*, which we are distributing for AMC."

#### **Share Repurchases**

There were no repurchases of Liberty Starz stock from February 1, 2011 through April 29, 2011. Liberty has approximately \$447 million remaining under its Liberty Starz stock repurchase authorization.

The businesses and assets attributed to Liberty Starz group are primarily engaged in the production and distribution of video programming and related businesses.

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**LIBERTY CAPITAL GROUP** — Liberty Capital group's revenue increased to \$581 million while adjusted OIBDA and operating income increased to \$358 million and \$343 million, respectively, for the first quarter. The increase in revenue is primarily due to the impact of a one-time recognition of previously deferred revenue and cost at TruePosition, partially offset by the change in attribution of Starz Media from Liberty Capital to Liberty Starz which was effective September 30, 2010. The increase in adjusted OIBDA is primarily due to the one-time recognition of previously deferred revenue and cost at TruePosition.

#### **Share Repurchases**

From February 1, 2011 through April 29, 2011, Liberty repurchased approximately 430,000 shares of Series A Liberty Capital common stock at an average cost per share of

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<b>Operating Income</b>	<u>4</u>	<u>8</u>	<u>—</u>	<u>28</u>	<u>8</u>
<b>Liberty Starz Group</b>					
<b>Starz, LLC(1)</b>					
Adjusted OIBDA	106	107	92	110	131
Depreciation and amortization	(4)	(4)	(3)	(5)	(5)
Stock compensation expense	(3)	(1)	(2)	(35)	(2)
<b>Operating Income</b>	<u>99</u>	<u>102</u>	<u>87</u>	<u>70</u>	<u>124</u>

- (1) Includes the legacy Starz Entertainment and the legacy Starz Media businesses for the three months ended December 31, 2010 and March 31, 2011 and only legacy Starz Entertainment results for the three months ended March 31, 2010, June 30, 2010, and September 30, 2010 as the change in attribution of Starz Media from Liberty Capital to Liberty Starz became effective as of September 30, 2010..



Looking at Liberty Starz, we had strong revenue and adjusted OIBDA results with solid performance from our Starz Media businesses, and particularly home video. We were very pleased in addition with the audience response to Camelot, which set a viewership record for a Starz premiere. And we increased subscribers at Starz and Encore 10% and 6% respectively.

Lastly looking at Liberty Capital, SiriusXM posted very strong financial results, driven by excellent operating performance, and ended the quarter with 20.6 million subscribers. Adjusted EBITDA was up 15% year-over-year and the company continues to decrease its financial leverage. SIRS, the stock, last time I looked this morning was at 2.21 per share, which values our equity stake at about \$5.7 billion, which is about \$68 a share of LCAPA — \$68 of value per LCAPA share. Also during the quarter, we repurchased \$31 million worth of LCAPA stock from February 1 to April 29.

... Our other priorities for 2011 are included first at Liberty Media itself, completing the split off of the Liberty Capital and Liberty Starz traE zdelhls nar

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