Authorized 2,000,000,000 shares; issued and outstanding 622,007,367 shares at March 31, 2007 and 623,061,760 shares at December 31, 2006	6	6
Liberty Interactive Series B common stock, $.01 par value. Authorized 125,000,000 shares; issued and outstanding 29,965,039 shares at March 31, 2007 and 29,971,039 shares at December 31, 2006	--	--
Additional paid-in-capital	28,101	28,112
Accumulated other comprehensive earnings, net of taxes	6,234	5,952
Accumulated deficit	(11,847)	(12,438)
Total stockholders' equity	22,495	21,633
Commitments and contingencies (note 14)		
Total liabilities and stockholders' equity	$ 47,623	47,638

</Table>

See accompanying notes to condensed consolidated financial statements.

<Page>

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

<Table>
<Caption>

<S>	THREE MONTHS ENDED MARCH 31, 2007 <C>	2006 <C>
	AMOUNTS IN MILLIONS, EXCEPT PER SHARE AMOUNTS	
Revenue:		
Net retail sales	$1,771	1,608
Communications and programming services	352	293
	2,123	1,901
Operating costs and expenses:		
Cost of sales	1,110	1,000
Operating	384	345
Selling, general and administrative, including stock-based compensation (note 4)	229	191
Depreciation and amortization	151	141

Liberty Interactive common stock..........................	91	--
	------	-----
	$ 369	(26)
	======	=====
Basic and diluted earnings from continuing operations per common share (note 5):		
Liberty Series A and Series B common stock...............	$ --	.02
Liberty Capital common stock.............................	$ 1.68	--
Liberty Interactive common stock..........................	$ .14	--
Basic and diluted net earnings (loss) per common share (note 5):		
Liberty Series A and Series B common stock...............	$ --	(.01)
Liberty Capital common stock.............................	$ 1.98	--
Liberty Interactive common stock..........................	$ .14	--

</Table>

See accompanying notes to condensed consolidated financial statements.

<Page>

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

(UNAUDITED)

<Table>
<Caption>

	THREE MONTHS ENDED MARCH 31,	
	2007	2006
	AMOUNTS IN MILLIONS	
<S>	<C>	<C>
Net earnings (loss)..	$369	(26)
	----	---
Other comprehensive earnings (loss), net of taxes:		
Foreign currency translation adjustments..................	11	20
Unrealized holding gains arising during the period........	275	461
Recognition of previously unrealized gains on available-for-sale securities, net.....................	(4)	(15)
	----	---
Other comprehensive earnings.............................	282	466
	----	---
Comprehensive earnings....................................	$651	440
	====	===
Comprehensive earnings:		
Liberty Series A and Series B common stock...............	$ --	440
Liberty Capital common stock.............................	531	--
Liberty Interactive common stock..........................	120	--
	----	---
	$651	440
	====	===

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Cumulative effects of accounting changes, net (notes 11 and 12)..............	--	--	--	--	--	--	--
Issuance of common stock upon exercise of stock options..........	--	--	--	--	--	12	--
Liberty Interactive Series A stock repurchases......	--	--	--		--	(34)	--
Stock compensation.....	--	--	--	--	--	13	--
Other..............	--	--	--	--	--	(2)	--
Balance at March 31, 2007...............	$ --	1	--	6	--	28,101	6,234

<Caption>

	ACCUMULATED DEFICIT	TOTAL STOCKHOLDERS' EQUITY
	AMOUNTS IN MILLIONS	
<S>	<C>	<C>
Balance at January 1, 2007....	(12,438)	21,633
Net earnings.......	369	369
Other comprehensive earnings.........	--	282
Cumulative effects of accounting changes, net (notes 11 and 12)..............	222	222
Issuance of common stock upon exercise of stock options..........	--	12
Liberty Interactive Series A stock		

a

awards using the Black-Scholes Model. Prior to 2007, the Company calculated the expected term of the Awards using the methodology included in SEC Staff Accounting Bulletin No. 107.

	(000'S)	OPTIONS	LIFE	(000'S)	(000'S)	OPTIONS	(000'S)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Capital S ¾ apital S							

Motorola, Inc.(3)	1,308	1,522
Other available-for-sale equity securities(4)	847	830
Other available-for-sale debt securities	299	135
Other cost investments and related receivables	34	34
Total attributed Capital Group	19,627	19,058
Interactive Group		
IAC/InterActiveCorp	2,610	2,572
Total attributed Interactive Group	2,610	2,572
Consolidated Liberty	22,237	21,630
Less short-term investments	--	(8)
	$22,237	21,622

</Table>

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(1) Includes $179 million and a a a a Ďí r

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</Table>

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(1) Other for QVC relates to the reversal of certain tax reserves in connection with the adoption of FIN 48 (see note 12). Such tax reserves were established prior to Liberty's acquisition of a controlling interest in QVC in 2003. Accordingly, the offset to the reversal of the tax reserves is a reduction of goodwill.

AMORTIZABLE INTANGIBLE ASSETS

Amortization of intangible assets with finite useful lives was $116 million and $114 million for the three months ended March 31, 2007 and 2006, respectively. Based on its current amortizable intangible assets, Liberty expects that amortization expense will be as follows for the neb ῃ2Ďŏ7 an----

in the accompanying condensed consolidated statements of operations and aggregated $170 million for the three months ended March 31, 2007.

The impact--increase/(decrease)--on Liberty's balance sheet of the adoption of Statement 155 is as follows (amounts in millions):

<Table>

<S>	<C>
Long-term financial instrument liabilities..................	$(1,280)
Long-term debt..	$ 1,848
Deferred income tax liabilities.............................	$ (216)
Accumulated deficit...	$ 352

</Table>

QVC BANK CREDIT FACILITIES

QVC is party to an unsecured $3.5 billion bank credit facility dated March 3, 2006 (the "March 2006 Credit Agreement"). The March 2006 Credit Agreement is comprised of an $800 million U.S. dollar term loan that was drawn at closing, an $800 million U.S. dollar term loan that was drawn on September 18, 2006, a $600 million multi-currency term loan that was drawn in U.S. dollars on September 18, 2006, a $650 million U.S. dollar revolving loan and a $650 million multi-currency revolving loan. The foregoing multi-currency loans can be made, at QVC's option, in U.S. dollars, Japanese yen, U.K. pound sterling or euros. All loans are due and payable on March 3, 2011.

QVC is party to a second credit agreement dated October 4, 2006, as amended on March 20, 2007 (the "October 2006 Credit Agreement"), which provides for an additional unsecured $1.75 billion credit facility, consisting of an $800 million initial term loan made on October 13, 2006, and $950 million of delayed draw term loans to be made from time to time upon the request of QVC. The delayed draw term loans are available until December 31, 2007 and are subject to reductions in the principal amount available. The loans are scheduled to mature on October 4, 2011.

All loans under the March 2006 Credit Agreement and E[illegible] 2006 Credit

<Table>

<S>	<C>
Fixed rate senior notes....................................	$1,727
Senior debentures..	$1,457

</Table>

Liberty believes that the carrying amount of its subsidiary debt approximated fair value at March 31, 2007.

(12) Income Taxes

Effective January 1, 2007, Liberty adopted FASB Interpretation No. 48, "ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES, AN INTERPRETATION OF FASB STATEMENT NO. 109" ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In instances where the Company has taken or expects to take a tax position in its tax return and the Company believes it is more likely than not that such tax position will be upheld by the relevant taxing authority, the Company may record a benefit for such tax position in its consolidated financial statements.

The impact--increase/(decrease)--on Liberty's balance sheet of the adoption of FIN 48 is as follows (amounts in millions):

<Table>

<S>	<C>
Tax liabilities (including interest and penalties)..........	$(634)
Goodwill..	$ (31)
Deferred tax liabilities..................................	$ 36
Accumulated deficit.......................................	$(574)
Other assets..	$ 7

</Table>

As of January 1, 2007, the Company had recorded tax reserves of $422 million related to unrecognized tax benefits for uncertain tax positions. If such tax benefits were to be recognized for financial statement purposes, $360 million would be reflected in the Company's tax expense and affect its effective tax rate. Liberty's estimate of its unrecognized tax benefits related to uncertain tax positions requires a high degree of judgment, which may be subject to change in the future. However, based on information currently available to it, Liberty does not believe it is reasonably possible that its judgments will change significantly in the next 12 months.

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market for aggregate cash consideration of $34.4 million. Such shares were repurchased pursuant to a previously announced share repurchase program and have been retired and returned to the status of authorized and available for issuance.

Liberty commenced a tender offer on March 7, 2007 that it subsequently amended on March 20, 2007. Pursuant to the tender offer, as amended, Liberty sought to purchase up to 8,849,500 shares of Liberty Capital Series A common stock at a price not greater than $113.00 or less than $105.00 per share. The tender offer expired on April 5, 2007, and 11,858,343 shares of Liberty Capital Series A common stock were properly tendered. Liberty exercised its right to purchase an additional 2% of its outstanding Liberty Capital Series A common stock and accepted for purchase 11,540,680 shares at a price of $113.00 per share or aggregate cash consideration of $1,304 million.

(14) Commitments and Contingencies

FILM RIGHTS

Starz Entertainment, a wholly-owned subsidiary of Liberty, provides video programming distributed by cable operators, direct-to-home satellite providers, other distributors and via the Internet throughout the United States. Starz Entertainment has entered into agreements with a number of motion picture producers which obligate Starz Entertainment to pay fees ("Programming Fees") for the rights to exhibit certain films that are released by these producers. The unpaid balance of Programming Fees for films that were available for exhibition by Starz Entertainment at March 31, 2007 is reflected as a liability in the accompanying condensed consolidated balance sheet. The balance due as of March 31, 2007 is payable as follows: $89 million in 2007, $13 million in 2008 and $17 million thereafter.

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Starz Entertainment has also contracted to pay Programming Fees for the rights to exhibit films that have been released theatrically, but are not available for exhibition by Starz Entertainment until some future date. These amounts have not been accrued at March 31, 2007. Starz Entertainment's estimate of amounts payable under these agreements is as follows: $384 million in 2007; $284 million in 2008; $89 million in 2009; $82 million in 2010; $31 million in 2011; and $68 million thereafter.

In addition, Starz Entertainment is also obligated to pay Programming Fees for all qualifying films that are released theatrically in the United States by studios owned by The Walt Disney Company ("Disney") through 2009, all qualifying films that are released theatrically in the United States by studios owned by Sony Pictures Entertainment ("Sony") through 2010 and all qualifying films produced for theatrical release in the United States by Revolution Studios through 200wEr fib havSt typically retains liabilities that relate to events occurring prior to its sale, such as tax, environmental, litigation and employment matters. Liberty generally indemnifies the purchaser in the event that a third party asserts a claim against the purchaser that relates to a liability retained by Liberty. These types of indemnification guarantees typically extend for a number of years. Liberty is unable to estimate the maximum potential liability for these types of indemnification guarantees as the sale agreements typically do not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, Liberty has not made any significant indemnification payments under such agreements and no amount has been accrued in the accompanying condensed consolidated financial statements with respect to these indemnification guarantees.

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OPERATING LEASES

Liberty and its subsidiaries lease business offices, have entered into satellite transponder lease agreements and use certain equipment under lease arrangements.

LITIGATION

Liberty has contingent liabilities related to legal and tax proceedings and other matters arising in the ordinary course of business. Although it is reasonably possible Liberty may incur losses upon conclusion of such matters, an estimate of any loss or range of loss cannot be made. In the opinion of management, it is expected that amounts, if any, which may be required to satisfy such contingencies will not be material in relation to the accompanying condensed consolidated financial statements.

INCOME TAXES

Since the date Liberty issued its exchangeable debentures, it has claimed interest deductions on such exchangeable debentures for federal income tax purposes based on the "comparable yield" at which it could have issued a fixed-rate debenture with similar terms and conditions. In all instances, this policy has resulted in Liberty claiming interest deductions significantly in excess of the cash interest currently paid on its exchangeable debentures. In this regard, Liberty has deducted $2,445 million in cumulative interest expense associated with the exchangeable debentures since the Company's 2001 split-off from AT&T. Of that amount, $768 million represents cash interest payments. Interest deducted in prior years on its exchangeable debentures has contributed to net operating losses ("NOLs") that may be carried to offset taxable income in 2006 and later years. These NOLs and current interest deductions on the exchangeable debentures are being used to offset taxable income currently being generated.

The IRS has issued Technical Advice Memorandums (the "TAMs") challenging the current deductibility of interest expense claimed on exchangeable debentures issued by other companies. The TAMs conclude that such interest expense must be capitalized as basis to the shares referenced in the exchangeable debentures. If the IRS were to similarly challenge Liberty's tax treatment of these interest deductions, and ultimately win such challenge, there would be no impact to Liberty's reported total tax expense as the resulting increase in current tax expense would be offset by a decrease in deferred tax expense. However, Liberty would be required to make current federal incnal E,

and the notes thereto and our Annual Report on Form 10-K for the year ended December 31, 2006.

OVERVIEW

We own controlling and noncontrolling interests in a broad range of video and on-line commerce, media, communications and entertainment companies. Our more significant operating subsidiaries, which are also our reportable segments, are QVC and Starz Entertainment. QVC markets and sells a wide variety of consumer p

DIVIDEND AND INTEREST INCOME. Interest income for the Capital Group increased in 2007 due to higher invested cash balances. Interest and dividend income attributable to the Capital Group for the three months ended March 31, 2007 was comprised of interest income earned on invested cash ($27 million), dividends on News Corp. common stock ($29 million), dividends on other AFS securities ($6 million), and other ($2 million).

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SHARE OF EARNINGS OF AFFILIATES. Our 2007 share of earnings (losses) of affiliates are $15 million for the Interactive Group and ($6) million for the Capital Group. In December 2006, we announced that we had entered into an exchange agreement with News Corporation pursuant to which, if completed, we would exchange our approximate 16% ownership interest in News Corporation for a subsidiary of News Corporation, which would own News Corporation's approximate 38% interest in The DIRECTV Group, Inc., three regional sports television networks and approximately $588 million in cash. Consummation of the exchange, which is subject to various closing conditions, including regulatory approval and receipt of a favorable ruling from the IRS that the exchange is tax free, is expected in mid-2007. Upon consummation, if completed, we will account for our interest in The DIRECTV Group using the equity method of accounting, which could result in a significant increase in our share of earnings of affiliates in future periods. In this regard, The DIRECTV Group reported net income for the year ended December 31, 2006 of $1,420 million.

REALIZED AND UNREALIZED GAINS (LOSSES) ON FINANCIAL INSTRUMENTS. Realized and unrealized gains (losses) on financial instruments are comprised of changes in the fair value of the following:

<Table>
<Caption>

	THREE MONTHS ENDED MARCH 31,	
	2007	2006
	AMOUNTS IN MILLIONS	
<S>	<C>	<C>
Senior exchangeable debentures............................	$170	--
Equity collars..	64	(157)
Borrowed shares...	161	(37)
Exchangeable debenture call option obligations.............	--	(17)
Other derivatives...	(51)	18
	$344	(193)

</Table>

INCOME TAXES. Our effective tax rate was 38.2% for three months ended March 31, 2007. Such rate is greater than the U.S. federal income tax rate of 35% due primarily to state tax expense.

NET EARNINGS. Our net earnings (loss) was $369 million and ($26) million for three months ended March 31, 2007 and 2006, respectively. Such change is due to the aforementioned fluctuations in revenue and expenses. In addition, we recognized $42 million and ($6) million of earnings (loss) from discontinued operations in 2007 and 2006, respectively. The 2007 earnings from discontinued operations include a pre-tax gain of $65 million from the disposition of OpenTV. In 2006, we also recognized a transition adjustment of $89 million related to the adoption of Statement 123R.

MATERIAL CHANGES IN FINANCIAL CONDITION

While the Interactive Group and the Capital Group are not separate legal entities and the assets and liabilities attributed to each group remain assets and liabilities of our consolidated company, we manage the liquidity and financial resources of each group separately. Keeping in mind that assets attributed to one group may be used to satisfy liabilities attributed to the other group, the following discussion assumes that future liquidity needs of each group will be funded by the financial resources attributed to each respective group.

The following are potential sources of liquidity for each group to the extent the identified asset or transaction has been attributed to such group: available cash balances, cash generated by the operating activities of our privately-owned subsidiaries (to the extent such cash exceeds the working capital needs of the subsidiaries and is not otherwise restricted), proceeds from asset sales, monetization of our

<Page>

public investment portfolio (including derivatives), debt and equity issuances,

Capital Group with an additional source of liquidity. Based on the put price and assuming we deliver owned or borrowed shares to settle each of the AFS Derivatives and excluding any provision for income taxes, the Capital Group would have attributed to it cash proceeds of approximately $245 million in 2007, zero in 2008, $1,181 million in 2009, $1,677 million in 2010, $446 million in 2011 and $866 million in 2013 upon settlement of its AFS Derivatives.

Prior to the maturity of the equity collars, the terms of certain of these instruments allow borrowings against the future put option proceeds at LIBOR or LIBOR plus an applicable spread, as the case may be. As of March 31, 2007, such borrowing capacity aggregated approximately $4,415 million. Such borrowings would reduce the cash proceeds upon settlement noted in the preceding paragraph. In the event we complete our exchange transaction with News Corporation as currently contemplated, such borrowing capacity would be reduced by $916 million.

Subsequent to March 31, 2007, we secured $750 million of bank financing with an interest rate of LIBOR plus 5bp. We intend to invest such proceeds in a portfolio of selected debt and mezzanine-level instruments of companies in the telecommunications, media and technology sectors that we believe have favorable risk/return profiles. Although no assurance can be given, we expect to make such investments over the next 18-24 months.

See note 14 to the accompanying condensed consolidated financial statements for a discussion of our commitments and contingencies.

RECENT ACCOUNTING PRONOUNCEMENTS

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, "FAIR VALUE MEASUREMENTS,"which defines fair value, establishes a framework for measuring fair value under GAAP and expands disclosures about fair value measurements. Statement 157 applies to other accounting pronouncements that require or permit fair value measurements. The new guidance is effective for financial statements issued for fiscal years beginning after November 15, 2007, and for interim periods within those fiscal years. We are currently evaluating the potential impact of the adoption of Statement 157 on our financial statements.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, "THE FAIR VALUE OPTION FOR FINANCIAL ASSETS AND FINANCIAL LIABILITIES, INCLUDING AN AMENDMENT OF FASB STATEMENT NO. 115". Statement 159 permits entities to choose to measure many financial instruments, such as available-for-sale securities, and certain other items at fair value and to recognize the changes in fair value of such instruments in the entity's statement of operations. Currently under Statement of Financial Accounting Standards No. 115, entities are required to recognize changes in fair value of available-for-sale securities in the balance sheet in accumulated other comprehensive earnings. Statement 159 is effective as of the beginning of an entity's fiscal year that begins after November 15,

<Page>

2007. We are currently evaluating the potential impacts of Statement 159 on our financial statements and have not made a determination as to which of our financial instruments, if any, we will choose to apply the provisions of Statement 159.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk in the normal course of business due to our ongoing investing and financing activities and our subsidiaries in different foreign countries. Market risk refers to the risk of loss arising from adverse changes in stock prices, interest rates and foreign currency exchange rates. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. We have established policies, procedures and internal processes governing our management of market risks and the use of financial instruments to manage our exposure to such risks.

We are exposed to changes in interest rates primarily as a result of our borrowing and investment activities, which include investments in fixed and floating rate debt instruments and borrowings used to maintain liquidity and to fund business operations. The nature and amount of our long-term and short-term debt are expected to vary as a result of future requirements, market conditions and other factors. We manage our exposure to interest rates by maintaining what we believe is anĎþolicies, arket cos ïnÅ5to

Each of the Interactive Group and the Capital Group are exposed to changes in stock prices primarily as a result of our significant holdings in publicly traded securities. We continually monitor changes in stock markets, in general, and changes in the stock prices of our holdings, specifically. We believe that changes in stock prices can be expected to vary as a result of general market conditions, technological changes, specific industry changes and other factors. We use equity collars, written put and call options and other financial instruments to manage market risk associated with certain investment positions. These instruments are recorded at fair value based on option pricing models.

Among other factors, changes in the market prices of the securities underlying our AFS Derivatives affect the fair market value of such AFS Derivatives. The following table illustrates the impact that changes in the market price of the securities underlying our equity collars that have been attributed to the Capital Group would have on the fair market value of such derivatives. Such changes in fair market value would be included in realized and unrealized gains (losses) on financial instruments in our statement of operations.

	ESTIMATED AGGREGATE FAIR VALUE		
	EQUITY COLLARS	OTHER	TOTAL
	AMOUNTS IN MILLIONS		
Fair value at March 31, 2007	$ 789	174	963

	2007	2006
<S>	<C>	<C>
QVC-US...	91.2	90.7
QVC-UK...	20.2	19.4
QVC-Germany..	37.6	37.5
QVC-Japan..	19.6	18.7

</Table>

The QVC service is already received by substantially all of the cable television and direct broadcast satellite homes in the U.S. and Germany. In addition, the rate of growth in households is expected to diminish in the UK and Japan. As these markets continue to mature, QVC also expects its consolidated rate of growth in revenue to diminish. Future sales growth will primarily depend on continued additions of new customers from homes already receiving the QVC service and continued growth in sales to existing customers. QVC's future sales may also be affected by (i) the willingness of cable and satellite distributors to continue carrying QVC's programming service, (ii) QVC's ability to maintain favorable channel positioning, which may become more difficult as distributors convert analog customers to digital, (iii) changes in television viewing habits because of personal video recorders, video-on-demand and IP television and (iv) general economic conditions.

As noted above, during the three months ended March 31, 2007, the changes in revenue and expenses were also impacted by fluF dthe three Ec3 and $4,482 million principal amount (as of March 31, 2007) of our existing publicly-traded debt.

We acquired Starz Media from IDT Corporation in the third quarter of 2006. Starz Media's operations include animated feature film production, proprietary live action and animated series production, contracted 2D animation production and DVD distribution.

The following discussion and analysis provides information concerning the attributed results of operations and financial condition of the Capital Group. Although our restructuring was not completed until May 9, 2006, the following discussion is presented as though the restructuring had been completed on January 1, 2006. This discussion should be read in conjunction with (1) our condensed consolidated financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q and (2) the Attributed Financial Information for Tracking Stock Groups filed as Exhibit 99.1 to this Quarterly Report on Form 10-Q.

MATERIAL CHANGES IN RESULTS OF OPERATIONS

<Table>
<Caption>

	THREE MONTHS ENDED MARCH 31, 2007	2006
	AMOUNTS IN MILLIONS	
<S>	<C>	<C>
REVENUE		
Starz Entertainment	$265	259
Corporate and Other	87	34
	$352	293
OPERATING CASH FLOW (DEFICIT)		
Starz Entertainment	$ 73	41
Corporate and Other	(33)	(11)
	$ 40	30
OPERATING INCOME (LOSS)		
Starz Entertainment	$ 60	33
Corporate and Other	(55)	(27)
	$ 5	6

</Table>

REVENUE. The Capital Group's combined revenue increased $59 million or 20.1% for the three months ended March 31, 2007, as compared to the corresponding prior year period. In addition to the

<Page>

increase for Starz Entertainment, Starz Media, which we acquired in August 2006, generated $61 million and FUN increased $12 million. These increases were partially offset by a $24 million decrease for TruePosition. In November 2006, TruePosition signed an amendment to its existing services contract with Cingular Wireless that requires TruePosition to develop and deliver additional software features. Because vendor specific objective evidence related to the value of these additional features does not exist, TruePosition is required to defer revenue recognition until all of the features have been delivered. TruePosition estimates that these features will be delivered in the first quarter of 2008. Accordingly, absent any further contractual changes, TruePosition will not recognize any revenue under this contract until 2008.

OPERATING CASH FLOW. The Capital Group's Operating Cash Flow increased $10 million or 33.3% during the three months ended March 31, 2007, as compared to the corresponding prior year period. This increase is due primarily to Starz Entertainment partially offset by an $18 million decrease at TruePosition and an operating cash flow deficit generated by Starz Media of $10 million.

OPERATING INCOME. The Capital Group's operating income decreased $1 million for the three months ended March 31, 2007, as compared to the corresponding prior year period. The improvement in operating income for Starz Entertainment was more than offset by operating losses for TruePosition and Starz Media.

STARZ ENTERTAINMENT. Historically, Starz Entertainment has provided premium programming distributed by cable operators, direct-to-home satellite providers and other distributors throughout the United States. In addition, Starz

[illegible] a subscription internet service which is
comprised of Starz and other movie and entertainment content. Vongo also offers
content on a pay-per-view basis. Substantially all of Starz Entertainment's
revenue continues to be derived from the delivery of movies to subscribers under
affiliation agreements with television video programming distributors. Some of
Starz Entertainment's affiliation agreements provide for payments to Starz
Entertainment based on the number of subscribers that receive Starz
Entertainment's services. Starz Entertainment also has fixed-rate affiliation
agreements with certain of its customers. Pursuant to these agreements, the
customers generally pay an agreed-upon rate regardless of the number of
subscribers. The agreed-upon rate is contractually increased annually or
semi-annually as the case may be, and these agreements expire in 2007 through
2012. During the three months ended March 31, 2007, 70.3% of Starz
Entertainment's revenue was generated [illegible]

actually becoming available to Starz Entertainment and their ultimate box office performance. Accordingly, the actual amount of costs experienced by Starz Entertainment may differ from the amounts noted above.

Starz Entertainment's SG&A expenses decreased 13.8% for the three months ended March 31, 2007, as compared to the corresponding prior year period. The three-month decrease is due primarily to lower sales and marketing expenses of $3 million due to fewer national marketing campaigns and lower marketing support payments in 2007. To a certain extent, the timing of such campaigns and support payments are determined by Starz Entertainment's affiliates, and Starz Entertainment currently expects its full year 2007 sales and marketing expeaa was approved by its board of dir

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*   Filed herewith

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EXHIBIT 99.1

ATTRIBUTED FINANCIAL INFORMATION FOR TRACKING STOCK GROUPS

Our Liberty Interactive common stock is intended to reflect the separate performance of our Interactive Group which is comprised of our businesses engaged in video and on-line commerce, including our subsidiaries, QVC, Inc., Provide Commerce, Inc. and BuySeasons, Inc. and our interests in IAC/InterActiveCorp and Expedia, Inc. Our Liberty Capital common stock is intended to reflect the separate performance of our Capital Group which is comprised of all of our assets and businesses not attributed to the Interactive Group.

The following tables present our assets, liabilities, revenue, expenses and cash flows as of and for the three months ended March 31, 2007 and 2006. The tables further present our assets, liabilities, revenue, expenses and cash flows that are attributed to the Interactive Group and the Capital Group, respectively. The financial information should be read in conjunction with our unaudited financial statements for the three months ended March 31, 2007 included in this Quarterly Report on Form 10-Q. The attributed financial information presented in the tables has been prepared assuming the restructuring had been completed as of January 1, 2006.

Notwithstanding the following attribution of assets, liabilities, revenue, expenses and cash flows to the Interactive Group and the Capital Group, the restructuring does not affect the ownership or the respective legal title to our assets or responsibility for our liabilities. We and our subsidiaries each continue to be responsible for our respective liabilities. Holders of Liberty Interactive common stock and Liberty Capital common stock are holders of our common stock and continue to be subject to risks associated with an investment in our company and all of our businesses, assets and liabilities. The issuance of Liberty Interactive common stock and Liberty Capital common stock does not affect the rights of our creditors or creditors of our subsidiaries.

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SUMMARY ATTRIBUTED FINANCIAL DATA

INTERACTIVE GROUP

<Table>
<Caption>

	MARCH 31, 2007	DECEMBER 31, 2006
	AMOUNTS IN MILLIONS	
<S>	<C>	<C>
SUMMARY BALANCE SHEET DATA:		
Current assets	$ 2,805	2,984
Cost investments	$ 2,610	2,572
Equity investments	$ 1,372	1,358
Total assets	$19,647	19,820
Long-term debt, including current portion	$ 6,334	6,383
Deferred income tax liabilities	$ 3,068	3,057
Attributed net assets	$ 8,739	8,561

</Table>

<Table>
<Caption>

	THREE MONTHS ENDED MARCH 31, 2007	2006
	AMOUNTS IN MILLIONS	
<S>	<C>	<C>
SUMMARY OPERATIONS DATA:		
Revenue	$ 1,771	1,608
Cost of goods sold	(1,110)	(1,000)
Operating expenses	(144)	(132)
Selling, general and administrative expenses(1)	(148)	(138)
Depreciation and amortization	(125)	(120)
Operating income	244	218
Interest expense	(114)	(93)
Other income, net	28	34
Income tax expense	(60)	(76)
Minority interests in earnings of subsidiaries	(7)	(8)
Earnings before cumulative effect of accounting change	91	75
Cumulative effect of accounting change, net of taxes	--	(87)
Net earnings (loss)	$ 91	(12)

	=======	======

</Table>

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(1) Includes stock-based compensation of $13 million and $27 million for the three months ended March 31, 2007 and 2006, respectively.

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SUMMARY ATTRIBUTED FINANCIAL DATA

CAPITAL GROUP

<Table>
<Caption>

<S>	MARCH 31, 2007 <C>	DECEMBER 31, 2006 <C>
	AMOUNTS IN MILLIONS	
SUMMARY BALANCE SHEET DATA:		
Current assets	$ 3,593	3,776
Cost investments	$19,627	19,050
Equity investments	$ 500	484
Total assets	$28,127	27,849

Interactive Group and Capital Group, respectively (notes 1 and 3)	148	81	229
Depreciation and amortization	125	26	151
	1,527	347	1,874
Operating income	244	5	249
Other income (expense):			
Interest expense	(114)	(36)	(150)
Dividend and interest income	11	64	75
Share of earnings (losses) of affiliates, net	15	(6)	9
Realized and unrealized gains on financial instruments, net	2	342	344
Gains on dispositions, net	--	6	6
	(86)	370	284
Earnings from continuing operations before income taxes and minority interests	158	375	533
Income tax expense (note 5)	(60)	(142)	(202)
Minority interests in losses (earnings) of subsidiaries	(7)	3	(4)
Earnings from continuing operations	91	236	327
Earnings from discontinued operations, net of taxes	--	42	42
Net earnings	$ 91	278	369
Other comprehensive earnings (loss), net of taxes:			
Foreign currency translation adjustments	12	(1)	11
Unrealized holding gains arising during the period	17	258	275
Recognition of previously unrealized gains on available-for-sale securities, net	--	(4)	(4)
Other comprehensive earnings	29	253	282
Comprehensive earnings	$ 120	531	651

</Table>

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STATEMENT OF OPERATIONS AND COMPREHENSIVE EARNINGS INFORMATION

THREE MONTHS ENDED MARCH 31, 2006

(UNAUDITED)

<Table>
<Caption>

	ATTRIBUTED (NOTE 1)		
	INTERACTIVE GROUP	CAPITAL GROUP	CONSOLIDATED LIBERTY
	AMOUNTS IN MILLIONS		
<S>	<C>	<C>	<C>
Revenue:			
Net retail sales	$1,608	--	1,608
Communications and programming services	--	293	293
	1,608	293	1,901
Operating costs and expenses:			
Cost of sales	1,000	--	1,000
Operating	132	213	345
Selling, general and administrative (including stock-based compensation of $27 million and $3 million for Interactive Group and Capital Group, respectively) (notes 1 and 3)	138	53	191
Depreciation and amortization	120	21	141
	1,390	287	1,677
Operating income	218	6	224
Other income (expense):			
Interest expense	(93)	(55)	(148)
Dividend and interest income	9	47	56
Share of earnings of affiliates, net	4	4	8
Realized and unrealized gains (losses) on financial instruments, net	20	(213)	(193)
Gains on dispositions of assets, net	--	24	24

Other, net...	1	3	4
	------	----	-----
	(59)	(190)	(249)
	------	----	-----

Earnings (loss) from co ḩ Ď¾

Repurchases of Liberty common stock	(34)	--	(34)
Other financing activities, net	(11)	(8)	(19)
Net cash used by financing activities	(94)	(157)	(251)
Effect of foreign currency rates on cash	2	--	2
Net cash provided to discontinued operations:			
Cash provided by operating activities	--	10	10
Cash used by investing activities	--	(9)	(9)
Cash provided by financing activities	--	--	--
Change in available cash held by discontinued operations	--	(1)	(1)
Net cash provided to discontinued operations	--	--	--
Net decrease in cash and cash equivalents	(61)	(76)	(137)
Cash and cash equivalents at beginning of period	946	2,161	3,107
Cash and cash equivalents at end period	$ 885	2,085	2,970

</Table>

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STATEMENT OF CASH FLOWS INFORMATION

THREE MONTHS ENDED MARCH 31, 2006

(UNAUDITED)

<Table>
<Caption>

	ATTRIBUTED (NOTE 1)		
	INTERACTIVE GROUP	CAPITAL GROUP	CONSOLIDATED LIBERTY
	AMOUNTS IN MILLI· E		MILLI· E

<S>	AMOUNTS IN MILLIONS <C>	<C>
Interactive Group		
7.875% Senior Notes due 2009	$ 670	667
7.75% Senior Notes due 2009	234	234
5.7% Senior Notes due 2013	802	800
8.5% Senior Debentures due 2029	500	495
8.25% Senior Debentures due 2030	902	895
QVC bank credit facilities	3,175	3,175
Other subsidiary debt	68	68
Total Interactive Group debt	6,351	6,334
Capital Group		
4% Senior Exchangeable Debentures due 2029	869	589
3.75% Senior Exchangeable Debentures due 2030	810	502
3.5% Senior Exchangeable Debentures due 2031	502	486
3.25% Senior Exchangeable Debentures due 2031	551	447
0.75% Senior Exchangeable Debentures due 2023	1,750	2,039
Subsidiary debt	107	107
Total Capital Group debt	4,589	4,170
Total debt	$10,940	10,504

</Table>

(4) Cash compensation expense for our corporate employees has been allocated between the Interactive Group and the Capital Group based on the estimated percentage of time spent providing services for each group. Stock-based compensation expense for our corporate employees has been allocated between the Interactive Group and the Capital Group based on the compensation derived from the equity awards for the respective tracking stock. Other general and administrative expenses are charged directly