
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE TO

**TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1) OF THE
SECURITIES EXCHANGE ACT OF 1934**

LIBERTY MEDIA CORPORATION

(Name of Subject Company (Issuer))

LIBERTY MEDIA CORPORATION

(Name of Filing Person (Offeror/Issuer))

**LIBERTY CAPITAL SERIES A COMMON STOCK, PAR VALUE \$0.01 PER SHARE
LIBERTY CAPITAL SERIES B COMMON STOCK, PAR VALUE \$0.01 PER SHARE**
(Title of Class of Securities)

**53071M302 (SERIES A COMMON STOCK)
53071M401 (SERIES B COMMON STOCK)**
(CUSIP Number of Class of Securities)

Charles Y. Tanabe
Executive Vice President and Secretary
LIBERTY MEDIA CORPORATION
12300 Liberty Boulevard
Englewood, Colorado 80112
(720) 875-5400

(Name, address, and telephone numbers of person authorized to receive notices and communications on behalf of filing persons)

Copy to:
Robert W. Murray Jr.
Baker Botts L.L.P.
30 Rockefeller Plaza
New York, New York 10112-4498
(212) 408-2500

CALCULATION OF FILING FEE

Transaction Valuation*	Amount of Filing Fee**
\$999,993,500	\$ 30,699.80

* Estimated for the purposes of calculating the filing fee only, this amount is based on the purchase of 8,849,500 shares of Liberty Capital Series A and Series B common stock at the maximum tender offer price of \$113.00 per share.

** The amount of the filing fee, calculated in accordance with Rule 0-11 under the Securities Exchange Act of 1934, as amended, equals \$30.70 per million of the value of the transaction.

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, of the Form or Schedule and the date of its filing.

Amount Previously Paid: N/A
Form or Registration No.: N/A
Filing Party: N/A
Date Filed: N/A

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

TABLE OF CONTENTS

- [Item 1. Summary Term Sheet.](#)
- [Item 2. Subject Company Information.](#)
- [Item 3. Identity and Background of Filing Person.](#)
- [Item 4. Terms of the Transaction.](#)
- [Item 5. Past Contacts, Transactions, Negotiations and Agreements.](#)
- [Item 6. Purposes of the Transaction and Plans and Proposals.](#)
- [Item 7. Source and Amount of Funds or Other Consideration.](#)
- [Item 8. Interest in Securities of the Subject Company.](#)
- [Item 9. Persons/assets, retained, employed, compensated, or used.](#)
- [Item 10. Financial Statements.](#)
- [Item 11. Additional Information.](#)
- [Item 12. Exhibits.](#)
- [Item 13. Information Required By Schedule 13e-3.](#)

[SIGNATURE](#)

[EXHIBIT INDEX](#)

[Offer to Purchase](#)

[Letter of Transmittal](#)

[Notice of Guaranteed Delivery](#)

[Letter from Information Agent to Brokers](#)

[Letter from Brokers to Clients](#)

[Form of Letter to Liberty Media 401\(k\) Savings Plan Participants](#)

[Form of Summary Advertisement](#)

Table of Contents

This Issuer Tender Offer Statement on Schedule TO is filed by Liberty Media Corporation, a Delaware corporation, in connection with its offer to purchase up to 8,849,500 shares of its Liberty Capital Series A common stock, par value \$0.01 per share (“LCAPA”), and its Liberty Capital Series B common stock, par value \$0.01 per share (“LCAPB”) or, such lesser number of shares as are properly tendered and not properly withdrawn, from its stockholders. The tender offer will be conducted upon the terms and subject to the conditions set forth in the offer to purchase dated March 7, 2007, a copy of which is attached hereto as Exhibit (a)(1)(i) (the “Offer to Purchase”) and the related letter of transmittal (which together, as may be amended or supplemented from time to time, constitute the tender offer).

On the terms and subject to the conditions listed in the Offer to Purchase, Liberty Media is inviting stockholders to tender LCAPA and LCAPB shares at a price per share no greater than \$113.00 and no less than \$105.00, net to the seller in cash, less any applicable withholding taxes, without interest.

This Issuer Tender Offer Statement on Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4(c)(2) under the Securities Exchange Act of 1934, as amended.

Item 1. Summary Term Sheet.

The information set forth in the section of the Offer to Purchase entitled “Summary Term Sheet” is incorporated herein by reference.

Item 2. Subject Company Information.

- (a) The name of the subject company is Liberty Media Corporation. Liberty Media’s principal executive offices are located at 12300 Liberty Boulevard, Englewood, Colorado 80112, and its telephone number at that address is (720) 875-5400.
- (b) The name and title of the subject classes of securities are Liberty Media’s Liberty Capital Series A common stock, par value \$0.01 per share, and Liberty Media’s Liberty Capital Series B common stock, par value \$0.01 per share. The information set forth in the first sentence of section 11 of the Offer to Purchase entitled “The Tender Offer—Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares” is incorporated by reference herein.
- (c) The information set forth in section 8 of the Offer to Purchase entitled “The Tender Offer—Price Range of Shares” is incorporated by reference herein.

Item 3. Identity and Background of Filing Person.

- (a) The filing person is the subject company. For information regarding the subject company, see Item 2(a) above. Pursuant to Instruction C to Schedule TO, the following persons comprise all the directors and executive officers of the subject company:

Name	Title
John C. Malone	Chairman of Board of Directors
Gregory B. Maffei	President, Chief Executive Officer and Director
Robert R. Bennett	Director
Donne F. Fisher	Director
Paul A. Gould	Director
David E. Rapley	Director
M. LaVoy Robison	Director
Larry E. Romrell	Director
David J.A. Flowers	Senior Vice President and Treasurer
Albert E. Rosenthaler	Senior Vice President
Christopher W. Shean	Senior Vice President and Controller
Charles Y. Tanabe	Executive Vice President, General Counsel and Secretary

Table of Contents

The information set forth in section 11 of the Offer to Purchase entitled “The Tender Offer—Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares” is incorporated by reference herein.

Item 4. Terms of the Transaction.

- (a) The information set forth in the Offer to Purchase is incorporated by reference herein.
- (b) The information set forth in section 11 of the Offer to Purchase entitled “The Tender Offer—Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares” is incorporated by reference herein.

Item 5. Past Contacts, Transactions, Negotiations and Agreements.

- (c) The information set forth in section 11 of the Offer to Purchase entitled “The Tender Offer—Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares” is incorporated by reference herein.

Item 6. Purposes of the Transaction and Plans and Proposals.

- (a) The information set forth in section 2 of the Offer to Purchase entitled “The Tender Offer—Background and Purpose of the Offer” is incorporated by reference herein.
- (b) The information set forth in section 2 of the Offer to Purchase entitled “The Tender Offer—Background and Purpose of the Offer” is incorporated by reference herein.
- (c) The information set forth in section 11 of the Offer to Purchase entitled “The Tender Offer—Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares” is incorporated by reference herein.

Item 7. Source and Amount of Funds or Other Consideration.

- (a) The information set forth in section 9 of the Offer to Purchase entitled “The Tender Offer—Source and Amount of Funds” is incorporated by reference herein.
- (b) The information set forth in section 9 of the Offer to Purchase entitled “The Tender Offer—Source and Amount of Funds” is incorporated by reference herein.
- (d) Not applicable.

Item 8. Interest in Securities of the Subject Company.

- (a) The information set forth in section 11 of the Offer to Purchase entitled “The Tender Offer—Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares” is incorporated by reference herein.
- (b) The information set forth in section 11 of the Offer to Purchase entitled “The Tender Offer—Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares” is incorporated by reference herein.

In addition to the information incorporated by reference into this Item 8(b), the transactions listed below were effected by certain of the Company’s executive officers and/or directors during the 60 days prior to the date hereof:

- On March 2, 2007, Larry Romrell, a member of the Company’s Board of Directors, effected the following transactions in LCAPA shares:
 - Mr. Romrell exercised previously granted SARs with respect to 14,294 LCAPA shares for cash at an exercise price of \$30.26 per share; and
 - Mr. Romrell exercised previously granted SARs with respect to 2,853 LCAPA shares for cash at an exercise price of \$34.00 per share.
-

Table of Contents

In addition to the information incorporated by reference into this Item 8(b), the transactions listed below were effected by certain executive officers and/or directors of subsidiaries of the Company during the 60 days prior to the date hereof:

- Neal Grabell, Executive Vice President and General Counsel of the Company's subsidiary QVC, Inc., sold 5,291 LCAPA shares on January 3, 2007 in an open market transaction for \$97.268 per share;
- Dan O'Connell, Executive Vice President and Chief Financial Officer of QVC, Inc., effected the following transactions involving LCAPA shares
 - On January 3, 2007, Mr. O'Connell sold 959 LCAPA shares in an open market transaction for \$97.268 per share;
 - On February 16, 2007, Mr. O'Connell sold 2 covered call options, each of which entitled the holder to purchase 100 LCAPA shares at \$110 per share, for a price of \$450 per option; and
 - On February 20, 2007, Mr. O'Connell sold 3 call options, each of which option entitled the holder to purchase 100 LCAPA shares at \$110 per share, for a price of \$470 per option.

Item 9. Persons/assets, retained, employed, compensated, or used.

- (a) The information set forth in section 14 of the Offer to Purchase entitled "The Tender Offer—Fees and Expenses" is incorporated by reference herein.

Item 10. Financial Statements.

- (a) Not applicable.
- (b) Not applicable.

Item 11. Additional Information.

- (a)(1) The information set forth in section 11 of the Offer to Purchase entitled "The Tender Offer—Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares" is incorporated by reference herein.
- (a)(2) The information set forth in section 12 of the Offer to Purchase entitled "The Tender Offer—Certain Legal Matters; Regulatory and Foreign Approvals" is incorporated by reference herein.
- (a)(3) Not applicable.
- (a)(4) Not applicable.
- (a)(5) Not applicable.
- (b) The information set forth in the Offer to Purchase and the letter of transmittal attached to this Schedule TO as Exhibit (a)(1)(ii) are incorporated herein by reference.
-

Table of Contents

Item 12. Exhibits.

Exhibit Number	Description
(a)(1)(i)	Offer to Purchase dated March 7, 2007.
(a)(1)(ii)	Letter of Transmittal (including Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9).
(a)(1)(iii)	Notice of Guaranteed Delivery.
(a)(2)	Not Applicable.
(a)(3)	Not Applicable.
(a)(4)	Not Applicable.
(a)(5)(i)	Letter from Information Agent to Brokers.
(a)(5)(ii)	Letter from Brokers to Clients.
(a)(5)(iii)	Form of Letter to Liberty Media 401(k) Savings Plan Participants.
(a)(5)(iv)	Form of Summary Advertisement.
(b)	Not Applicable.
(d)(1)	Liberty Media Corporation 2000 Incentive Plan (As Amended and Restated Effective February 22, 2007) (the "2000 Incentive Plan") (incorporated by reference to Exhibit 10.16 to the Registrant's Annual Report on 10-K for the year ending December 31, 2006 as filed March 1, 2007 (the "2006 10-K")).
(d)(2)	Liberty Media Corporation 2007 Incentive Plan (the "2007 Incentive Plan") (incorporated by reference to Exhibit 10.17 to the 2006 10-K).
(d)(3)	Form of Non-Qualified Stock Option Agreement under the 2000 Incentive Plan and the 2007 Incentive Plan [for certain designated award recipients] (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of Liberty Media LLC ("Old Liberty") for the quarter ended March 31, 2006 as filed on May 8, 2006 (the "Old Liberty 10-Q")).
(d)(4)	Form of Non-Qualified Stock Option Agreement under the 2000 Incentive Plan and the 2007 Incentive Plan [for all other award recipients] (incorporated by reference to Exhibit 10.3 of the Old Liberty 10-Q).
(d)(5)	Form of Restricted Stock Award Agreement under the 2000 Incentive Plan and the 2007 Incentive Plan [for certain designated award recipients] (incorporated by reference to Exhibit 10.4 to the Old Liberty 10-Q).
(d)(6)	Form of Stock Appreciation Rights Agreement under the 2000 Incentive Plan and the 2007 Incentive Plan (incorporated by reference to Exhibit 10.18 to the Annual Report on Form 10-K of Old Liberty for the year ended December 31, 2004 as filed on March 15, 2005 (the "Old Liberty 2005 10-K")).
(d)(7)	Liberty Media Corporation 2002 Nonemployee Director Incentive Plan (As Amended and Restated Effective May 9, 2006) (the "Director Plan") (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed on May 9, 2006).
(d)(8)	Form of Stock Appreciation Rights Agreement under the Director Plan (incorporated by reference to Exhibit 10.21 to the Old Liberty 2005 10-K).
(d)(9)	Call Agreement, dated as of February 9, 1998 (the "Call Agreement"), between Liberty (as successor of Old Liberty which was the assignee of Tele-Communications, Inc.) and the Malone Group (incorporated by reference to Exhibit 7(n) to Mr. Malone's Amendment No. 8 to Schedule 13D filed in respect of Tele-Communications, Inc. on February 19, 1998).
(d)(10)	Letter, dated as of March 5, 1999, from Tele-Communications, Inc. and Old Liberty addressed to Mr. Malone and Leslie Malone relating to the Call Agreement (incorporated by reference to Exhibit 7(f) to Mr. Malone's Schedule 13D filed in respect of AT&T Corp. on March 30, 1999).
(g)	Not Applicable.
(h)	Not Applicable.

Item 13. Information Required By Schedule 13e-3.

Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

LIBERTY MEDIA CORPORATION

By: /s/ Charles Y. Tanabe

Name: Charles Y. Tanabe

Title: Executive Vice President, General
Counsel and Secretary

Date: March 7, 2007

EXHIBIT INDEX

Exhibit Number	Description
(a)(1)(i)	Offer to Purchase dated March 7, 2007.
(a)(1)(ii)	Letter of Transmittal (including Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9).
(a)(1)(iii)	Notice of Guaranteed Delivery.
(a)(2)	Not Applicable.
(a)(3)	Not Applicable.
(a)(4)	Not Applicable.
(a)(5)(i)	Letter from Information Agent to Brokers.
(a)(5)(ii)	Letter from Brokers to Clients.
(a)(5)(iii)	Form of Letter to Liberty Media 401(k) Savings Plan Participants.
(a)(5)(iv)	Form of Summary Advertisement.
(b)	Not Applicable.
(d)(1)	Liberty Media Corporation 2000 Incentive Plan (As Amended and Restated Effective February 22, 2007) (the "2000 Incentive Plan") (incorporated by reference to Exhibit 10.16 to the Registrant's Annual Report on 10-K for the year ending December 31, 2006 as filed March 1, 2007 (the "2006 10-K").
(d)(2)	Liberty Media Corporation 2007 Incentive Plan (the "2007 Incentive Plan") (incorporated by reference to Exhibit 10.17 to the 2006 10-K.
(d)(3)	Form of Non-Qualified Stock Option Agreement under the 2000 Incentive Plan and the 2007 Incentive Plan [for certain designated award recipients] (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of Liberty Media LLC ("Old Liberty") for the quarter ended March 31, 2006 as filed on May 8, 2006 (the "Old Liberty 10-Q").
(d)(4)	Form of Non-Qualified Stock Option Agreement under the 2000 Incentive Plan and the 2007 Incentive Plan [for all other award recipients] (incorporated by reference to Exhibit 10.3 of the Old Liberty 10-Q).
(d)(5)	Form of Restricted Stock Award Agreement under the 2000 Incentive Plan and the 2007 Incentive Plan [for certain designated award recipients] (incorporated by reference to Exhibit 10.4 to the Old Liberty 10-Q).
(d)(6)	Form of Stock Appreciation Rights Agreement under the 2000 Incentive Plan and the 2007 Incentive Plan (incorporated by reference to Exhibit 10.18 to the Annual Report on Form 10-K of Old Liberty for the year ended December 31, 2004 as filed on March 15, 2005 (the "Old Liberty 2005 10-K").
(d)(7)	Liberty Media Corporation 2002 Nonemployee Director Incentive Plan (As Amended and Restated Effective May 9, 2006) (the "Director Plan") (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed on May 9, 2006).
(d)(8)	Form of Stock Appreciation Rights Agreement under the Director Plan (incorporated by reference to Exhibit 10.21 to the Old Liberty 2005 10-K).
(d)(9)	Call Agreement, dated as of February 9, 1998 (the "Call Agreement"), between Liberty (as successor of Old Liberty which was the assignee of Tele-Communications, Inc.) and the Malone Group (incorporated by reference to Exhibit 7(n) to Mr. Malone's Amendment No. 8 to Schedule 13D filed in respect of Tele-Communications, Inc. on February 19, 1998).
(d)(10)	Letter, dated as of March 5, 1999, from Tele-Communications, Inc. and Old Liberty addressed to Mr. Malone and Leslie Malone relating to the Call Agreement (incorporated by reference to Exhibit 7(f) to Mr. Malone's Schedule 13D filed in respect of AT&T Corp. on March 30, 1999).
(g)	Not Applicable.
(h)	Not Applicable.

LIBERTY MEDIA CORPORATION
OFFER TO PURCHASE FOR CASH
UP TO 8,849,500 SHARES OF ITS
LIBERTY CAPITAL SERIES A COMMON STOCK
AND
LIBERTY CAPITAL SERIES B COMMON STOCK,
AT A PURCHASE PRICE NOT GREATER THAN \$113.00 OR LESS
THAN \$105.00 PER SHARE

THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS
EXPIRE AT 5:00 PM, NEW YORK CITY TIME, ON APRIL 5, 2007,
UNLESS THE TENDER OFFER IS EXTENDED.

Liberty Media Corporation, a Delaware corporation, is offering to purchase, for cash, up to 8,849,500 shares of its Liberty Capital Series A common stock, par value \$0.01 per share, which we refer to as "LCAPA", and Liberty Capital Series B common stock, par value \$0.01 per share, which we refer to as "LCAPB", from its stockholders, at a price not greater than \$113.00 or less than \$105.00 per share, upon the terms and subject to the conditions described in this Offer to Purchase and the Letter of Transmittal (which together, as they may be amended and supplemented from time to time, constitute the "tender offer"). In this Offer to Purchase, we refer to the shares of LCAPA and LCAPB as the "Shares".

On the terms and subject to the conditions of the tender offer, we will determine the single per share price, not greater than \$113.00 or less than \$105.00 per Share, net to the seller in cash, less any applicable withholding taxes and without interest, that we will pay for Shares properly tendered and not properly withdrawn in the tender offer, taking into account the total number of Shares so tendered and the prices specified by the tendering stockholders. We will select the lowest purchase price that will allow us to purchase 8,849,500 Shares pursuant to the tender offer, or such fewer number of Shares as are properly tendered and not properly withdrawn. We refer to the purchase price we select within the range indicated for our Shares as the "purchase price".

THE TENDER OFFER IS NOT CONDITIONED ON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE TENDER OFFER IS, HOWEVER, SUBJECT TO CERTAIN CONDITIONS. SEE SECTION 7.

All Shares that we acquire in the tender offer will be acquired at the purchase price, regardless of whether the stockholder tendered at a lower price. We will purchase only Shares properly tendered at prices at or below the purchase price we determine and not properly withdrawn prior to the expiration date of the tender offer. However because of the "odd lot" priority, proration and conditional tender provisions described in this offer to purchase, we may not purchase all of the Shares tendered even if stockholders tendered at or below the purchase price, if more than the number of Shares that we seek are properly tendered. We reserve the right, in our sole discretion, to purchase more than 8,849,500 Shares pursuant to the tender offer, subject to applicable law. We will not purchase Shares tendered at prices greater than the purchase price. Shares tendered but not purchased in the tender offer will be returned to the tendering stockholders at our expense promptly after the expiration of the tender offer.

The LCAPA and LCAPB shares trade on the Nasdaq Global Select Market under the symbols "LCAPA" and "LCAPB", respectively. On February 27, 2007, the last full trading day before the initial public announcement of the tender offer, the closing sale price on the Nasdaq Global Select Market for the LCAPA and LCAPB shares was \$103.71 and \$105.70, respectively. **Stockholders are urged to obtain current market quotations for the Shares.** See Section 8.

OUR BOARD OF DIRECTORS HAS APPROVED THE TENDER OFFER. HOWEVER, NONE OF LIBERTY MEDIA, ITS BOARD OF DIRECTORS, THE DEPOSITARY OR THE INFORMATION AGENT MAKES ANY RECOMMENDATION TO YOU AS TO WHETHER YOU SHOULD TENDER OR REFRAIN FROM TENDERING YOUR SHARES. YOU MUST MAKE YOUR OWN DECISION AS TO WHETHER TO TENDER YOUR SHARES AND, IF SO, HOW MANY SHARES TO TENDER AND THE PRICE AT WHICH YOU WILL TENDER THEM. IN DOING SO, YOU SHOULD READ CAREFULLY THE INFORMATION IN THIS OFFER TO PURCHASE AND IN THE RELATED LETTER OF TRANSMITTAL, INCLUDING OUR REASONS FOR MAKING THE TENDER OFFER.

March 7, 2007

IMPORTANT

If you wish to tender all or any part of your Shares pursuant to the tender offer, then prior to the expiration date of the tender offer, which is 5:00 p.m., New York City time, on April 5, 2007 or such later time to which we may extend the tender offer, you must either:

(1) (a) complete and sign the letter of transmittal, or a facsimile of it, according to the instructions in the letter of transmittal and mail or deliver it, together with any required signature guarantee and any other required documents, to Computershare Shareholder Services, Inc., the depositary for the tender offer, and mail or deliver the certificates for your tendered Shares to the depositary together with any other documents required by the letter of transmittal or (b) tender your Shares according to the procedure for book-entry transfer described in Section 3; or

(2) request a broker, dealer, commercial bank, trust company or other nominee to effect the transaction for you.

If your Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you should contact that person promptly if you desire to tender your Shares in the tender offer. If you desire to tender your Shares but prior to the expiration date:

(1) the certificates for the Shares you wish to tender cannot be delivered to the depositary; or

(2) you cannot comply with the procedure for book-entry transfer; or

(3) your other required documents cannot be delivered to the depositary;

you may tender your Shares according to the guaranteed delivery procedure described in Section 3.

TO TENDER SHARES, YOU MUST PROPERLY COMPLETE AND DULY EXECUTE THE LETTER OF TRANSMITTAL.

Questions and requests for assistance may be directed to D.F. King & Co., Inc., the information agent for the tender offer, at its address and telephone number set forth on the back cover page of this offer to purchase. Requests for additional copies of this offer to purchase, the related letter of transmittal or the notice of guaranteed delivery may also be directed to the information agent.

We are not making the tender offer to, and will not accept any tendered shares from, stockholders in any jurisdiction where it would be illegal to do so. However, we may, at our discretion, take any actions necessary for us to make the tender offer to stockholders in any such jurisdiction.

WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION ON OUR BEHALF AS TO WHETHER YOU SHOULD TENDER OR REFRAIN FROM TENDERING YOUR SHARES IN THE TENDER OFFER. WE HAVE NOT AUTHORIZED ANY PERSON TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE TENDER OFFER OTHER THAN THOSE CONTAINED IN THIS DOCUMENT OR IN THE LETTER OF TRANSMITTAL. IF GIVEN OR MADE, ANY RECOMMENDATION OR ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY US, THE DEPOSITARY OR THE INFORMATION AGENT.

TABLE OF CONTENTS

Section	Page
<u>SUMMARY TERM SHEET</u>	1
<u>FORWARD-LOOKING STATEMENTS</u>	6
<u>THE TENDER OFFER</u>	7
1. <u>NUMBER OF SHARES; PRORATION</u>	7
2. <u>BACKGROUND AND PURPOSE OF THE TENDER OFFER</u>	10
3. <u>PROCEDURES FOR TENDERING SHARES</u>	11
4. <u>WITHDRAWAL RIGHTS</u>	15
5. <u>PURCHASE OF SHARES AND PAYMENT OF PURCHASE PRICE</u>	16
6. <u>CONDITIONAL TENDER OF SHARES</u>	17
7. <u>CERTAIN CONDITIONS OF THE TENDER OFFER</u>	17
8. <u>PRICE RANGE OF SHARES</u>	19
9. <u>SOURCE AND AMOUNT OF FUNDS</u>	20
10. <u>CERTAIN INFORMATION ABOUT US</u>	20
11. <u>INTERESTS OF DIRECTORS AND EXECUTIVE OFFICERS; TRANSACTIONS AND ARRANGEMENTS CONCERNING THE SHARES</u>	22
12. <u>CERTAIN LEGAL MATTERS; REGULATORY AND FOREIGN APPROVALS</u>	27
13. <u>CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES</u>	27
14. <u>EXTENSION OF TENDER OFFER; TERMINATION; AMENDMENTS</u>	31
15. <u>FEES AND EXPENSES</u>	32
16. <u>MISCELLANEOUS</u>	32

SUMMARY TERM SHEET

This summary term sheet highlights material information which can be found elsewhere in this offer to purchase, but you should understand that it does not describe all of the details of the tender offer to the same extent as we do later in this offer to purchase. We urge you to read this entire offer to purchase, and the related letter of transmittal, because they contain the full details of the tender offer. For your convenience, we have included below references to the sections of this offer to purchase where you will find a more complete discussion.

Who is offering to purchase my LCAPA and LCAPB shares?

Liberty Media Corporation.

What will the purchase price for the LCAPA and LCAPB shares be?

We are conducting the tender offer through a procedure commonly called a modified "Dutch Auction." This procedure allows you to select the price per Share (in increments of \$0.10) within a price range specified by us at which you are willing to sell your Shares. The lowest price that may be specified is \$105.00. The prices that may be specified increase in increments of \$0.10 up to \$113.00 and the highest price that may be specified is \$113.00. The price range for the tender offer is \$105.00 to \$113.00 per Share. We will determine the purchase price that we will pay per Share promptly after the tender offer expires and the purchase price for the LCAPA and LCAPB shares will be identical. The purchase price will be the lowest price at which, based on the number of LCAPA and LCAPB shares tendered and the prices specified by the tendering stockholders, we can purchase 8,849,500 Shares (or such fewer number of Shares as are properly tendered and not properly withdrawn prior to the expiration date for the tender offer).

On February 27, 2007, the last full trading day before the initial public announcement of the tender offer, the closing sale prices on the Nasdaq Global Select Market for an LCAPA share and an LCAPB share were \$103.77 and \$105.70, respectively. We will pay the same per Share in cash, less any applicable withholding taxes and without interest, for all the Shares we purchase in the tender offer, even if some of the Shares are tendered at a price below the purchase price. See Section 1. Under no circumstances will we pay interest on the purchase price, even if there is a delay in making payment.

If you wish to maximize the chance that your Shares will be purchased in the tender offer, you should check the box in the section of the letter of transmittal captioned "Shares Tendered at Price Determined Pursuant to the Tender Offer". If you agree to accept the purchase price determined in the tender offer, your Shares will be deemed to be tendered at the minimum price of \$105.00 per share. You should understand that this election could have the effect of decreasing the purchase price determined by us, which may result in your Shares being purchased at the minimum price per share. See Section 3.

How many Shares will Liberty Media purchase in the tender offer?

We will purchase up to 8,849,500 LCAPA and LCAPB shares, in the aggregate, pursuant to the tender offer, or such lesser number of shares as may be properly tendered and not properly withdrawn, on the terms and subject to the conditions of the tender offer. The 8,849,500 Shares represent approximately 6.3% of our outstanding LCAPA and LCAPB shares combined, as of January 31, 2007. If more than 8,849,500 Shares are properly tendered, the Shares tendered at or below the purchase price will be purchased on a pro rata basis, except for "odd lots" (lots held by beneficial owners of less than 100 Shares), which will be purchased on a priority basis, and except for each conditional tender whose condition was not met, which we will not purchase (except as described in Section 6).

We expressly reserve the right to purchase a number of additional Shares representing up to 2% of the outstanding Shares without extending the tender offer. We also reserve the right to purchase more LCAPA and LCAPB shares, subject to applicable legal requirements. The tender offer is not conditioned on any minimum number of Shares being tendered, but the tender offer is subject to certain other conditions. See Section 7.

What happens if more than 8,849,500 Shares are properly tendered at or below the purchase price?

If more than 8,849,500 Shares (or such greater number of shares as we may elect to accept for payment, subject to applicable law) are properly tendered at or below the purchase price and not properly withdrawn prior to the expiration date for the tender offer, we will purchase shares:

first, from all holders of “odd lots” of less than 100 Shares who properly tender all of their Shares at or below the purchase price and do not properly withdraw them before the expiration date for the tender offer;

second, from all other stockholders who properly tender Shares at or below the purchase price and do not properly withdraw them before the expiration date, on a pro rata basis (except for stockholders who tendered Shares conditionally if the condition was not satisfied); and

third, only if necessary to permit us to purchase 8,849,500 Shares (or such greater number of shares as we may elect to accept for payment, subject to applicable law), from stockholders who have conditionally tendered Shares at or below the purchase price (if the condition was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, stockholders whose Shares are conditionally tendered must have tendered all of their Shares.

Because of the “odd lot” priority, proration and conditional tender provisions described above, we may not purchase all of the Shares that you tender even if you tender them at or below the purchase price. See Section 1.

If I own fewer than 100 shares of LCAPA and LCAPB and I tender all of my Shares, will I be subject to proration?

If you beneficially own fewer than 100 LCAPA and LCAPB shares, in the aggregate, you properly tender *all* of your Shares at or below the purchase price and do not properly withdraw them prior to the expiration date for the tender offer and you complete the section entitled “Odd Lots” in the letter of transmittal and, if applicable, in the notice of guaranteed delivery, we will purchase all of your Shares without subjecting them to the proration procedure. See Section 1.

What is the market price of my Shares as of a recent date?

On February 27, 2007, the last full trading day before the initial public announcement of the tender offer, the closing sale price on the Nasdaq Global Select Market of the LCAPA shares was \$103.71 per share and of the LCAPB shares was \$105.70 per share. You are urged to obtain current market quotations for your Shares before deciding whether and at what price to tender your Shares. See Section 8.

Why is Liberty Media making the tender offer?

We are making the tender offer because we believe that the stock prices of the LCAPA shares and the LCAPB shares do not accurately reflect the value of the businesses and assets currently attributed to Liberty Capital, or the long-term prospects for that group. We believe that purchasing our LCAPA shares and our LCAPB shares, in conjunction with our strategy of exchanging non-strategic investments attributed to Liberty Capital for large or controlling interests in cash flow generating operating businesses and assets, is an effective way to create value for the holders of our LCAPA shares and our LCAPB shares.

The tender offer provides holders of LCAPA and LCAPB (particularly those who, because of the size of their shareholdings, might not be able to sell their shares without potential disruption to the applicable share price) with an opportunity to obtain liquidity with respect to all or a portion of their LCAPA and/or LCAPB shares, without potential disruption to the applicable share price and the usual transaction costs associated with market sales. The tender offer also provides the opportunity for holders of LCAPA and LCAPB to sell their shares without the usual transaction costs associated with open market sales. Furthermore, “odd lot” holders who hold shares registered in their names and tender their shares directly to the depositary and whose shares are purchased pursuant to the tender offer will avoid any applicable odd lot discounts that might be payable on sales of their shares. See Section 2.

How will Liberty Media pay for the shares?

We will purchase Shares in the tender offer, and pay related fees and expenses, with our available cash resources. Financing is not a condition of the tender offer. See Section 9.

How long do I have to tender my Shares?

You may tender your Shares until the tender offer expires. The tender offer will expire on April 5, 2007, at 5:00 p.m., New York City time, unless we extend it. See Section 1. If a broker, dealer, commercial bank, trust company or other nominee holds your Shares, it is possible the nominee has established an earlier deadline for you to act to instruct the nominee to accept the tender offer on your behalf. We may choose to extend the tender offer for any reason, subject to applicable laws. We cannot assure you that we will extend the tender offer or indicate the length of any extension we may provide. See Section 14.

How will I be notified if Liberty Media extends or amends the tender offer?

If we decide to extend the tender offer, we will issue a press release announcing the extension and the new expiration date by 9:00 a.m., New York City time, on the first business day after the previously scheduled expiration date. We will announce any amendment to the tender offer by making a public announcement of the amendment. See Section 14.

Are there any conditions to the tender offer?

Yes. The tender offer is subject to conditions, such as the absence of court or governmental action prohibiting the tender offer and the absence of changes in general market conditions that, in our judgment, are or may be materially adverse to us. See Section 7.

Following the tender offer, will Liberty Media continue as a public company?

Yes, the completion of the tender offer in accordance with the conditions in this offer to purchase will not cause Liberty Media to stop being subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or result in the LCAPA or LCAPB shares being delisted from the Nasdaq Global Select Market.

How do I tender my Shares?

If you wish to tender all or a portion of your LCAPA and/or LCAPB shares, then before 5:00 p.m., New York City time, on April 5, 2007, unless the tender offer is extended:

- you must deliver your share certificate(s) and a properly completed and duly executed letter of transmittal to the depository at the address appearing on the back cover page of this offer to purchase; or
- the depository must receive a confirmation of receipt of your Shares by book-entry transfer and a properly completed and duly executed letter of transmittal; or
- you must request a broker, dealer, commercial bank, trust company or other nominee to effect the transaction for you; or
- you must comply with the guaranteed delivery procedure outlined in Section 3.

You may contact the information agent or your broker for assistance. The contact information for the information agent is set forth on the back cover page of this offer to purchase. See Section 3.

How do participants in the Liberty Media 401(k) Plan participate in the tender offer?

Participants in our 401(k) Savings Plan (the "401(k) Plan") may not use the letter of transmittal to direct the tender of their LCAPA shares in the 401(k) plan, but instead must follow the separate instructions related to those shares in the letter from the 401(k) Plan trustee sent to participants in the 401(k) Plan along with this offer to purchase. Those participants who wish to withdraw any such shares tendered pursuant to the tender offer must effect

such withdrawal in accordance with the terms of the tender offer and the separate instructions described above. If you are a participant in the 401(k) Plan and wish to have the trustee tender some or all LCAPA shares held in such plan, you must complete, execute, and return the separate direction form included in the applicable "Letter to Liberty Media 401(k) Savings Plan Participants" within the time period set forth in that letter.

Once I have tendered Shares in the tender offer, can I withdraw my tender?

You may withdraw any Shares you have tendered pursuant to the tender offer at any time before the expiration of the tender offer, which will occur at 5:00 p.m., New York City time, on April 5, 2007, or the new expiration date if we extend the tender offer. If we have not accepted for payment the Shares you have tendered to us, you may also withdraw your Shares after 12:00 Midnight, New York City time, on May 1, 2007. See Section 4.

How do I withdraw Shares I previously tendered?

You must deliver, on a timely basis, a written or facsimile notice of your withdrawal to the depository at the address appearing on the back cover page of this document. Your notice of withdrawal must specify your name, the number of Shares to be withdrawn and the name of the registered holder of these Shares. Some additional requirements apply if Shares have been tendered under the procedure for book-entry transfer set forth in Section 3, or if the share certificates to be withdrawn have been delivered to the depository. See Section 4.

Has Liberty Media or its board of directors adopted a position on the tender offer?

Our board of directors has approved the tender offer. However, neither we nor our board of directors, the depository or information agent makes any recommendation to you as to whether you should tender or refrain from tendering your Shares. You must make your own decision as to whether to tender your Shares and, if so, how many Shares to tender and the price at which you will tender them. See Section 11.

Voting Power of our Chairman.

If the tender offer is fully subscribed, our Chairman, John C. Malone, who beneficially owned Shares of our common stock (including shares purchasable upon exercise of options) representing approximately 31.5% of our aggregate voting power as of January 31, 2007, could beneficially own shares of our common stock representing as much as approximately 31.9% of our aggregate voting power. The actual effect on Mr. Malone's voting power will depend on the number of LCAPA shares as compared to LCAPB shares we purchase in the tender offer. Mr. Malone has informed us that he does not intend to tender any of his Shares into the tender offer. See Section 2.

When will Liberty Media pay for the Shares I tender?

We will pay the purchase price to you in cash, less any applicable withholding taxes and without interest, for the Shares we purchase promptly after the expiration of the tender offer and the acceptance of the Shares for payment. See Section 5.

Will I have to pay brokerage commissions if I tender my Shares?

If you are a registered stockholder and you tender your Shares directly to the depository, you will not incur any brokerage commissions. If you hold Shares through a broker or bank, you will need to consult your broker or bank to determine whether transaction costs apply. See Section 3.

I am a U.S. stockholder. What are the U.S. federal income tax consequences if I tender my Shares?

Generally, you will be subject to U.S. federal income taxation when you receive cash from us in exchange for the Shares you tender. Your receipt of cash for your tendered shares will generally be treated as either (1) consideration received in a sale or exchange or (2) a dividend. See Section 13.

EACH STOCKHOLDER IS URGED TO CONSULT ITS OWN TAX ADVISOR TO DETERMINE THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO IT OF THE OFFER TO PURCHASE.

I am a foreign stockholder. What are the U.S. federal income tax consequences if I tender my Shares?

The receipt of cash for your tendered shares will be treated as either (1) consideration received in a sale or exchange or (2) a dividend. If the receipt of cash by you is treated as consideration received in a sale or exchange, and you are a foreign stockholder who is not engaged in a trade or business in the United States, you will generally not be subject to U.S. federal income taxation on the receipt of such cash. However, if the receipt of cash is treated as a dividend distribution you may be subject to withholding tax on such distribution at a rate of 30% (or a lower rate pursuant to an applicable income tax treaty). The treatment of the receipt of cash depends upon facts which may be unique as to each shareholder. See Section 13. Therefore, as to all foreign stockholders, U.S. tax will be withheld at 30% (or a lower rate pursuant to an applicable income tax treaty) unless the receipt of cash is effectively connected with such foreign stockholder's conduct of a trade or business within the United States. If the receipt of cash for your tendered shares is treated as consideration received in a sale or exchange, then you may apply for a refund of such withheld amount.

EACH STOCKHOLDER IS URGED TO CONSULT ITS OWN TAX ADVISOR TO DETERMINE THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO IT OF THE OFFER TO PURCHASE.

Who can I talk to if I have questions?

The information agent can help answer your questions. The information agent is D.F. King & Co., Inc. Contact information for the information agent is set forth on the back cover of this offer to purchase.

FORWARD-LOOKING STATEMENTS

Certain statements in this offer to purchase or in the documents incorporated by reference herein, to the extent they are not recitations of historical fact, constitute forward looking statements within the meaning of the Federal securities laws. Forward looking statements, by definition, involve risks, uncertainties and assumptions. Where, in any forward looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. In addition to the risk factors described in our most recent Annual Report on Form 10-K, the following include some but not all of the factors that could cause actual results or events to differ materially from anticipated results or events:

- customer demand for our products and services and our ability to adapt to changes in demand;
- competitor responses to our products and services, and the products and services of the entities in which we have interests;
- uncertainties inherent in the development and integration of new business lines and business strategies;
- uncertainties associated with product and service development and market acceptance, including the development and provision of programming for new television and telecommunications technologies;
- our future financial performance, including availability, terms and deployment of capital;
- our ability to successfully integrate and recognize anticipated efficiencies and benefits from the businesses we acquire;
- the ability of suppliers and vendors to deliver products, equipment, software and services;
- the outcome of any pending or threatened litigation;
- availability of qualified personnel;
- changes in, or failure or inability to comply with, government regulations, including, without limitation, regulations of the Federal Communications Commission, and adverse outcomes from regulatory proceedings;
- changes in the nature of key strategic relationships with partners and joint venturers;
- general economic and business conditions and industry trends;
- consumer spending levels, including the availability and amount of individual consumer debt;
- the regulatory and competitive environment of the industries in which we, and the entities in which we have interests, operate;
- continued consolidation of the broadband distribution and movie studio industries;
- changes in distribution and viewing of television programming, including the expanded deployment of personal video recorders, video on demand and IP television and their impact on home shopping networks;
- increased digital TV penetration and the impact on channel positioning of our networks;
- rapid technological changes;
- capital spending for the acquisition and/or development of telecommunications networks and services;
- threatened terrorists attacks and ongoing military action in the Middle East and other parts of the world; and
- fluctuations in foreign currency exchange rates and political unrest in international markets.

We caution you not to place undue reliance on the forward-looking statements contained or incorporated by reference in this offer to purchase. These forward-looking statements speak only as of the date on which the statements were made. We are not obligated to update or revise any forward-looking statement, whether as a result of new information, future results or any other reason, except as may be required by the federal securities laws. Notwithstanding the foregoing, at any time prior to the expiration date for the tender offer, we are obligated to update this offer to purchase to reflect material changes in the information contained herein. Notwithstanding anything in this offer to purchase, the letter of transmittal or any document incorporated by reference into this offer to purchase, the safe harbor protections of the Private Securities Litigation Reform Act of 1995 do not apply to statements made in connection with the tender offer.

THE TENDER OFFER

1. NUMBER OF SHARES; PRORATION

General. Upon the terms and subject to the conditions of the tender offer, we will purchase 8,849,500 LCAPA and LCAPB shares, in the aggregate, or such lesser number of LCAPA and LCAPB shares as are properly tendered and not properly withdrawn in accordance with Section 4, before the scheduled expiration date of the tender offer, at a purchase price (determined in the manner set forth below) not greater than \$113.00 or less than \$105.00 per LCAPA or LCAPB share, net to the seller in cash, less any applicable withholding taxes and without interest.

The term “expiration date,” when used with reference to the tender offer, means 5:00 p.m., New York City time, on April 5, 2007, unless and until we, in our sole discretion, shall have extended the period of time during which the tender offer will remain open. Should the tender offer be extended, the term “expiration date” shall refer to the latest time and date at which the tender offer, as so extended by us, shall expire. See Section 14 for a description of our right to extend, delay, terminate or amend the tender offer. The proration period and withdrawal rights for the tender offer expire on the expiration date for the tender offer.

In accordance with the rules of the Securities and Exchange Commission (the “SEC”), we may, and we expressly reserve the right to, purchase in the tender offer an additional amount of Shares not to exceed 2% of each of the outstanding LCAPA and LCAPB shares, without amending or extending the tender offer. See Section 14. In the event of an over-subscription of the tender offer as described below, Shares tendered at prices at or below the purchase price (determined as provided herein) will be subject to proration, except for “Odd Lots” (as defined below).

If we

- increase the price to be paid for the Shares above \$113.00 per share, or decrease the price to be paid for the Shares below \$105.00 per share,
- increase the number of shares we seek in the tender offer by a number in excess of 2% of the outstanding shares of each LCAPA and LCAPB, or
- decrease the number of Shares we seek and

in any such case the tender offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day (as defined below) from, and including, the date that notice of any such increase or decrease is first published, sent or given in the manner specified in Section 14, we will extend the tender offer until the expiration of such period of ten business days. For the purposes of the tender offer, a “business day” means any day other than Saturday, Sunday or a United States federal holiday and consists of the time period from 12:01 a.m. through 12:00 Midnight, New York City time.

THE TENDER OFFER IS NOT CONDITIONED ON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE TENDER OFFER IS, HOWEVER, SUBJECT TO CERTAIN CONDITIONS. SEE SECTION 7.

In accordance with Instruction 6 of the letter of transmittal, stockholders desiring to tender Shares must specify the price or prices, not greater than \$113.00 or less than \$105.00 per Share, at which they are willing to sell their Shares to us in the tender offer. The lowest price that may be specified for Shares is \$105.00. The prices that may be specified for Shares increase in increments of \$0.10 up to \$113.00 and a stockholder who desires to tender Shares at more than one price must complete a separate letter of transmittal for each price. See Section 3. Alternatively, stockholders desiring to tender Shares can choose not to specify a price and, instead, specify that they will sell their Shares at the purchase price (determined as provided herein) we pay for Shares properly tendered and not properly withdrawn pursuant to the tender offer, in which case the stockholder will be deemed to have tendered such Shares at the minimum price of \$105.00 per share. Choosing the second option will maximize the chance that we will purchase a tendering stockholder’s Shares, may lower the purchase price paid for all purchased Shares in the tender offer and could result in the tendering stockholder receiving a price per Share as low as \$105.00 for the Shares.

TO TENDER SHARES PROPERLY, STOCKHOLDERS MUST SPECIFY THE PRICE THEY ARE WILLING TO ACCEPT FOR SHARES THEY TENDER OR, ALTERNATIVELY, SPECIFY THAT THEY WILL SELL THEIR TENDERED SHARES AT THE PURCHASE PRICE FOR SUCH SHARES DETERMINED AS PROVIDED HEREIN. IF YOU SPECIFY MORE THAN ONE PRICE FOR YOUR SHARES IN A SINGLE LETTER OF TRANSMITTAL YOU WILL NOT HAVE VALIDLY TENDERED YOUR SHARES. SEE SECTION 3.

Promptly after the expiration date for the tender offer, we will determine the purchase price within the price range that we will pay for LCAPA and LCAPB shares properly tendered and not properly withdrawn, taking into account the number of Shares tendered and the prices specified by tendering stockholders. The purchase price will be the lowest price at which, based on the number of LCAPA and LCAPB shares tendered and the prices specified by the tendering stockholders, we can purchase 8,849,500 LCAPA and LCAPB shares, in the aggregate (or such fewer number of Shares as are properly tendered and not properly withdrawn prior to the expiration date). The purchase price for the LCAPA and LCAPB shares will be identical. The purchase price will be the net amount payable to the seller in cash, less any applicable withholding taxes and without interest. Shares properly tendered pursuant to the tender offer at prices at or below the purchase price and not properly withdrawn will be purchased at the purchase price, upon the terms and subject to the conditions of the tender offer, including the odd lot priority, proration and conditional tender provisions.

We will not purchase LCAPA or LCAPB shares tendered at prices greater than the purchase price, nor will we purchase Shares that we do not accept in the tender offer because of "odd lot" priority, proration and conditional tender provisions. We will return to the tendering stockholders Shares that we do not purchase in the tender offer at our expense promptly after the expiration date.

Stockholders also can specify the order in which we will purchase the specified portions in the event that, as a result of the proration provisions or otherwise, we purchase some but not all of the tendered Shares pursuant to the tender offer. In the event a stockholder does not designate the order and fewer than all Shares are purchased due to proration, the depository will select the order of Shares purchased.

If the number of Shares properly tendered and not properly withdrawn prior to the expiration date of the tender offer is less than or equal to 8,849,500 LCAPA shares and LCAPB shares, in the aggregate, or such greater number of Shares as we may elect to purchase pursuant to the tender offer, subject to applicable law, we will, upon the terms and subject to the conditions of the tender offer, purchase all LCAPA and LCAPB shares so tendered at the purchase price.

Priority of Purchases.

Upon the terms and subject to the conditions of the tender offer, if more than 8,849,500 LCAPA and LCAPB shares, in the aggregate, or such greater number of LCAPA and LCAPB shares as we may elect to accept for payment, subject to applicable law, have been properly tendered at prices at or below the purchase price and not properly withdrawn prior to the expiration date for the tender offer, we will purchase properly tendered and not properly withdrawn Shares on the basis set forth below:

- First, upon the terms and subject to the conditions of the tender offer, we will purchase all Shares tendered by any Odd Lot Holder (as defined below) who:
 - tenders all LCAPA and LCAPB shares beneficially owned by such Odd Lot Holder at a price at or below the purchase price (tenders of less than all of the Shares owned by such odd lot holder will not qualify for this preference); and
 - completes the section entitled "Odd Lots" in the letter of transmittal and, if applicable, in the appropriate notice of guaranteed delivery.
- Second, subject to the conditional tender provisions described in Section 6, we will purchase all other LCAPA and LCAPB shares tendered at prices at or below the purchase price on a pro rata basis with appropriate adjustments to avoid purchases of fractional shares, as described below.
- Third, if necessary to permit us to purchase 8,849,500 LCAPA and LCAPB shares, in the aggregate (or such greater number of LCAPA and LCAPB shares as we may elect to accept for payment), Shares conditionally

tendered (for which the condition requiring us to purchase a specified number of Shares was not initially satisfied) at or below the purchase price determined in the tender offer, will, to the extent feasible, be selected for purchase by random lot. To be eligible for purchase by random lot, stockholders whose Shares are conditionally tendered must have tendered all of their Shares.

As a result of the foregoing priorities, it is possible that all of the Shares that a stockholder tenders in the tender offer may not be purchased even if they are tendered at prices at or below the purchase price. In addition, if a tender is conditioned upon the purchase of a specified number of Shares, it is possible that none of those Shares will be purchased even though those Shares were tendered at prices at or below the purchase price.

Odd Lots. The term “odd lots” means all shares of LCAPA and LCAPB properly tendered prior to the expiration date at prices at or below the purchase price and not properly withdrawn by any person (an “Odd Lot Holder”) who beneficially owned fewer than 100 LCAPA and LCAPB shares, in the aggregate, and so certified in the appropriate place in the letter of transmittal and, if applicable, in the appropriate notice of guaranteed delivery.

To qualify for the odd lot preference with respect to the tender offer, an Odd Lot Holder must tender all LCAPA and LCAPB shares owned by the Odd Lot Holder in accordance with the procedures described in Section 3. Odd Lots will be accepted for payment before any proration of the purchase of other tendered shares. This preference is not available to partial tenders or to beneficial or record holders of an aggregate of 100 or more LCAPA and LCAPB shares, even if these holders have separate accounts or certificates representing fewer than 100 Shares. By tendering in the tender offer, an Odd Lot Holder who holds Shares in its name and tenders its Shares directly to the depository would not only avoid the payment of brokerage commissions, but also would avoid any applicable odd lot discounts in a sale of the holder’s shares. Any Odd Lot Holder wishing to tender all of its Shares pursuant to the tender offer should complete the section entitled “Odd Lots” in the letter of transmittal and, if applicable, in the appropriate notice of guaranteed delivery.

Proration. Upon the terms and subject to the conditions of the tender offer (including the odd lot preference discussed above and the conditional tender provisions discussed in Section 6), if more than 8,849,500 LCAPA and LCAPB shares, in the aggregate, or such greater number of Shares as we may elect to purchase, subject to applicable law, have been properly tendered at prices at or below the purchase price, and not properly withdrawn before the expiration date, we will purchase such properly tendered and not properly withdrawn Shares on a pro rata basis, with appropriate adjustments to avoid purchases of fractional shares.

If proration of tendered Shares is required, we will determine the proration factor for those Shares promptly after the expiration date of the tender offer. The proration factor will be determined by dividing the maximum number of Shares sought by us to be purchased in the tender offer (minus the number of Shares tendered by Odd Lot Holders) by the total number of Shares that are properly tendered pursuant to the tender offer, and not properly withdrawn, at or below the purchase price (minus the number of Shares tendered by Odd Lot Holders). We will then determine the number of Shares we will purchase from each stockholder (other than Odd Lot Holders) from whom we purchase Shares in the tender offer by multiplying the number of Shares properly tendered by that stockholder in the tender offer at prices at or below the purchase price, and not properly withdrawn, by the proration factor. Because of the difficulty in determining the number of Shares properly tendered, including shares tendered by guaranteed delivery procedures, and not properly withdrawn, and because of the odd lot priority described above and the conditional tender procedure described in Section 6, we do not expect to be able to announce the final proration factor or commence payment for any Shares purchased under the tender offer until approximately five to seven business days after the expiration date for the tender offer. The final results of any proration will be announced by press release promptly after the determination thereof.

As described in Section 13, the number of Shares that we will purchase from a stockholder under the tender offer may affect the United States federal income tax consequences to that stockholder and, therefore, may be relevant to a stockholder’s decision whether or not to tender Shares and whether to condition any tender upon our purchase of a stated number of shares held by such stockholder.

This offer to purchase and the related letter of transmittal will be mailed to record holders of LCAPA and LCAPB shares and will be furnished to brokers, dealers, commercial banks and trust companies whose names, or the names of whose nominees, appear on Liberty Media’s stockholder list or, if applicable, who are listed as

participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of LCAPA or LCAPB shares, as applicable.

2. BACKGROUND AND PURPOSE OF THE TENDER OFFER

Background and Purpose of the Tender Offer. Our management and board of directors have evaluated our operations, strategy and expectations and have determined that repurchasing a portion of our LCAPA and our LCAPB shares is a prudent use of our financial resources. We are making the tender offer because we believe that the stock prices of the LCAPA shares and the LCAPB shares do not accurately reflect the value of the businesses and the assets currently attributed to Liberty Capital, or the long-term prospects for that group. We believe that purchasing our LCAPA shares and our LCAPB shares thereby shrinking the equity base of Liberty Capital, in conjunction with our strategy of exchanging non-strategic investments attributed to Liberty Capital for large or controlling interests in cash flow generating operating businesses and assets, is an effective way to create value for the holders of our LCAPA shares and our LCAPB shares.

Our board of directors has previously authorized the repurchase of up to \$2 billion of outstanding Liberty Interactive common stock and up to \$1 billion of Liberty Capital common stock in the open market or in privately negotiated transactions, subject to market conditions. To date, we have repurchased 53 million shares of our Liberty Interactive Series A common stock for aggregate cash consideration of \$986 million pursuant to our stock repurchase program. The stock repurchase program with respect to Liberty Capital shares will be suspended during the period of the tender offer and for such longer period as may be required by law.

We believe that the modified "Dutch Auction" tender offer provides stockholders (particularly those who, because of the size of their shareholdings, might not be able to sell their Shares without potential disruption to the share price) with an opportunity to obtain liquidity with respect to all or a portion of their Shares, without potential disruption to the share price and the usual transaction costs associated with market sales.

The tender offer also provides those of our stockholders that desire to sell their Shares with the opportunity to do so without the usual transaction costs associated with open market sales. Furthermore, "odd lot" holders who hold shares registered in their names and tender their Shares directly to the depository and whose Shares are purchased pursuant to the tender offer will avoid any applicable odd lot discounts that might be payable on sales of their Shares.

Certain Effects of the Tender Offer. The tender offer may present some potential risks and disadvantages to our continuing stockholders, including:

- The tender offer will increase the relative voting power of holders of outstanding LCAPB shares that do not tender their LCAPB shares in the tender offer or don't have LCAPB shares purchased in the tender offer as a result of the proration provisions, and shares of our Liberty Interactive Series B common stock relative to the voting power of holders of our LCAPA shares and Liberty Interactive Series A common stock. Our LCAPB shares and shares of Liberty Interactive Series B common stock provide holders with ten votes per share with respect to the election of directors and matters generally subject to a stockholders vote, whereas LCAPA shares and shares of our Liberty Interactive Series A common stock provide holders with one vote per share. The LCAPB shares are also convertible on a one-for-one basis into LCAPA shares and the shares of Liberty Interactive Series B common stock are convertible on a one-for-one basis into shares of Liberty Interactive Series A common stock. The extent of the increase in the relative voting power of the LCAPB shares and shares of Liberty Interactive Series B common stock will depend on the amount of LCAPA shares we purchase in the tender offer compared to the amount of LCAPB shares we purchase. The maximum effect on the relative voting power would occur if only LCAPA shares were tendered in the tender offer, the tender offer was fully subscribed and we purchase 8,849,500 LCAPA shares. In such event, the combined voting power of holders of our outstanding LCAPB shares and shares of Liberty Interactive Series B common stock would increase from 32.2% (as of January 31, 2007) to 32.5%.
- The tender offer will increase the voting power of our Chairman, John C. Malone, who has advised us that he does not intend to tender any of his shares into the tender offer. The extent of the increase will depend on the amount of LCAPB shares held by others that we purchase in the tender offer. As of January 31, 2007, there

were approximately 650,000 LCAPB shares outstanding and beneficially owned by persons other than Mr. Malone or our other directors and executive officers (who have advised us that they do not intend to tender any of their Shares in the tender offer). The maximum effect on Mr. Malone's relative voting power would occur if all of the LCAPB shares not beneficially owned by him or our other directors or executive officers were tendered in the tender offer, the tender offer was fully subscribed and we purchased all of such LCAPB shares. In such event, Mr. Malone's aggregate voting power would increase from approximately 31.5% as of January 31, 2007 (which is attributable primarily to his beneficial ownership of approximately 90.1% of our LCAPB shares and approximately 90.4% of our Liberty Interactive Series B shares) to approximately 31.9% of our aggregate voting power.

Our directors and executive officers have each advised us that they do not intend to tender any of their Shares in the tender offer. If the directors and executive officers do not tender any of their Shares in the tender offer and we complete the tender offer, the proportional holdings of our directors and executive officers in our company will increase. However, our directors and executive officers may, in compliance with applicable law, sell their shares in open market transactions at prices that may or may not be more favorable than the applicable purchase price to be paid to our stockholders in the tender offer. See Section 11.

The tender offer will reduce our "public float" (the number of shares owned by non-affiliate stockholders and available for trading in the securities markets), and is likely to reduce the number of our stockholders.

Stockholders who do not tender their Shares pursuant to the tender offer and stockholders who otherwise retain an equity interest in Liberty Media and our Liberty Capital as a result of a partial tender of Shares or proration will continue to be stockholders of Liberty Media. As a result, if we complete the tender offer, those stockholders will realize a proportionate increase in their relative equity interest in Liberty Media and will bear the attendant risks associated with owning our equity securities, including risks resulting from our purchase of Shares. Stockholders may be able to sell non-tendered shares in the future on The Nasdaq Global Select Market, or otherwise, at a net price significantly higher or lower than the purchase price in the tender offer. We can give no assurance as to the price at which a stockholder may be able to sell its Shares in the future.

We may in the future purchase additional LCAPA or LCAPB shares on the open market, in private transactions, through tender offers or otherwise. Any additional purchases may be on the same terms or on terms that are more or less favorable to stockholders than the terms of the tender offer. However, SEC Rule 13e-4(f)(6) prohibits us and our affiliates from purchasing any LCAPA or LCAPB shares, other than pursuant to the tender offer, until at least ten business days after the expiration or earlier termination of the tender offer.

Shares acquired pursuant to the tender offer will be retired and returned to the status of authorized and available for issuance.

OUR BOARD OF DIRECTORS HAS APPROVED THE TENDER OFFER. HOWEVER, NONE OF LIBERTY MEDIA, ITS BOARD OF DIRECTORS, THE DEPOSITARY OR THE INFORMATION AGENT MAKES ANY RECOMMENDATION TO YOU AS TO WHETHER YOU SHOULD TENDER OR REFRAIN FROM TENDERING YOUR SHARES. YOU MUST MAKE YOUR OWN DECISION AS TO WHETHER TO TENDER YOUR SHARES AND, IF SO, HOW MANY SHARES TO TENDER AND THE PRICE AT WHICH YOU WILL TENDER THEM.

3. PROCEDURES FOR TENDERING SHARES

Proper Tender of Shares. For Shares to be tendered properly under the tender offer, (1) the certificates for such Shares (or confirmation of receipt of such Shares under the procedure for book-entry transfer set forth below), together with a properly completed and duly executed letter of transmittal (or a manually signed facsimile thereof), including any required signature guarantees, or an "agent's message" (as defined below), and any other documents required by the letter of transmittal, must be received before 5:00 p.m., New York City time, on the expiration date by the depositary at its address set forth on the back cover page of this offer to purchase or (2) the tendering stockholder must comply with the guaranteed delivery procedure set forth below.

Stockholders who hold Shares through brokers or banks are urged to consult the brokers or banks to determine whether transaction costs are applicable if stockholders tender shares through the brokers or banks and not directly to the depository.

In accordance with Instruction 6 of the letter of transmittal, each stockholder desiring to tender Shares pursuant to the tender offer must either (1) check the box in the section of the letter of transmittal captioned “Shares Tendered at Price Determined Pursuant to the Tender Offer,” in which case you will be deemed to have tendered your Shares at the minimum price of \$105.00 per share (**YOU SHOULD UNDERSTAND THAT THIS ELECTION MAY LOWER THE PURCHASE PRICE PAID FOR ALL PURCHASED SHARES IN THE TENDER OFFER AND COULD RESULT IN THE TENDERED SHARES BEING PURCHASED AT THE MINIMUM PRICE OF \$105.00 PER SHARE**) or (ii) check one, and only one, of the boxes corresponding to the price at which Shares are being tendered in the section of the letter of transmittal captioned “Shares Tendered at Price Determined by Stockholder.” A tender of Shares will be proper if one, and only one, of these boxes is checked on the letter of transmittal.

If tendering stockholders wish to maximize the chance that we will purchase their Shares, they should check the box in the section of the letter of transmittal captioned “Shares Tendered at Price Determined Pursuant to the Tender Offer”. Note that this election could result in the tendered Shares being purchased at the minimum price of \$105.00 per share. The closing sale prices for LCAPA and LCAPB shares on February 27, 2007, the last full trading day before the initial public announcement of the tender offer, were \$103.71 and \$105.70, respectively.

Stockholders also can specify the order in which we will purchase the specified portions in the event that, as a result of the proration provisions or otherwise, we purchase some but not all of the tendered Shares pursuant to the tender offer. In the event a stockholder does not designate the order and fewer than all Shares are purchased due to proration, the depository will select the order of Shares purchased.

Odd Lot Holders must tender all of their Shares and also complete the section titled “Odd Lots” in the letter of transmittal and, if applicable, in the appropriate notice of guaranteed delivery, to qualify for the preferential treatment available to Odd Lot Holders as set forth above.

A stockholder who desires to tender Shares at more than one price must complete a separate letter of transmittal for the tender offer for each price, provided that a stockholder may not tender the same Shares (unless properly withdrawn previously in accordance with Section 4) at more than one price. In the event a stockholder has submitted multiple letters of transmittal in order to tender Shares at more than one price, a separate notice of withdrawal must be submitted in accordance with the terms of the tender offer with respect to each separate letter of transmittal in order for such withdrawals to be effective.

TO TENDER SHARES PROPERLY, STOCKHOLDERS MUST CHECK ONE AND ONLY ONE PRICE BOX IN THE APPROPRIATE SECTION OF THE LETTER OF TRANSMITTAL. IF YOU CHECK MORE THAN ONE BOX OR IF YOU FAIL TO CHECK ANY BOX AT ALL YOU WILL NOT HAVE VALIDLY TENDERED YOUR SHARES.

Signature Guarantees and Method of Delivery. No signature guarantee is required: (1) if the letter of transmittal is signed by the registered holder of the Shares (which term, for purposes of this Section 3, shall include any participant in The Depository Trust Company, referred to as the “book-entry transfer facility”, whose name appears on a security position listing as the owner of the Shares) tendered therewith and such holder has not completed either the box captioned “Special Delivery Instructions” or the box captioned “Special Payment Instructions” on the letter of transmittal; or (2) if Shares are tendered for the account of a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agents Medallion Program or a bank, broker, dealer, credit union, savings association or other entity which is an “eligible guarantor institution”, as such term is defined in Rule 17Ad-15 under the Exchange Act. If a certificate for Shares is registered in the name of a person other than the person executing a letter of transmittal, or if payment is to be made to a person other than the registered holder, then the certificate must be endorsed or accompanied by an appropriate stock power, in either case signed exactly as the name of the registered holder appears on the certificate, with the signature guaranteed by an eligible guarantor institution.

Payment for Shares tendered and accepted for payment under the tender offer will be made only after timely receipt by the depository of certificates for such shares or a timely confirmation of the book-entry transfer of such shares into the depository's account at the book-entry transfer facility as described above, a properly completed and duly executed letter of transmittal or a manually signed facsimile thereof, or an agent's message in the case of a book-entry transfer, and any other documents required by the letter of transmittal. THE METHOD OF DELIVERY OF ALL DOCUMENTS, INCLUDING CERTIFICATES FOR SHARES, THE LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS, IS AT THE ELECTION AND RISK OF THE TENDERING STOCKHOLDER. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED.

Book-Entry Delivery. The depository will establish an account with respect to the Shares for purposes of the tender offer at the book-entry transfer facility within two business days after the date of this offer to purchase, and any financial institution that is a participant in the book-entry transfer facility's system may make book-entry delivery of LCAPA or LCAPB shares by causing the book-entry transfer facility to transfer those shares into the depository's account in accordance with the book-entry transfer facility's procedures for transfer. Although delivery of Shares may be effected through a book-entry transfer into the depository's account at the book-entry transfer facility, either (1) a properly completed and duly executed letter of transmittal or a manually signed facsimile thereof with any required signature guarantees, or an agent's message, and any other required documents must, in any case, be transmitted to and received by the depository at its address set forth on the back cover page of this offer to purchase before the expiration date or (2) the guaranteed delivery procedure described below must be followed. DELIVERY OF THE LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS TO THE BOOK-ENTRY TRANSFER FACILITY DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

The term "agent's message" means a message transmitted by the book-entry transfer facility to, and received by, the depository, which states that the book-entry transfer facility has received an express acknowledgment from the participant in the book-entry transfer facility tendering the Shares that such participant has received and agrees to be bound by the terms of the letter of transmittal and that we may enforce such agreement against such participant.

U.S. Federal Backup Withholding Tax. Under the U.S. federal income tax backup withholding rules, unless an exemption applies under the applicable law and regulations, 28% of the gross proceeds payable to a stockholder or other payee pursuant to the tender offer must be withheld and remitted to the IRS, unless the stockholder or other payee provides its taxpayer identification number (employer identification number or social security number) to the depository (as payer) and certifies under penalties of perjury that the number is correct. Therefore, each tendering stockholder that is a United States Holder (as defined in Section 13) should complete and sign the Substitute Form W-9 included as part of the letter of transmittal so as to provide the information and certification necessary to avoid backup withholding unless the stockholder otherwise establishes to the satisfaction of the depository that the stockholder is not subject to backup withholding. If a United States Holder does not provide the depository with the correct taxpayer identification number, the United States Holder may be subject to penalties imposed by the IRS. If backup withholding results in an overpayment of taxes, a refund may be obtained from the IRS in accordance with its refund procedures. Certain "exempt recipients" (including, among others, all corporations and certain Non-United States Holders (as defined in Section 13)) are not subject to backup withholding. In order for a Non-United States Holder to qualify as an exempt recipient, that stockholder must submit an IRS Form W-8BEN or W-8ECI (or in the case of certain foreign partnerships and other foreign intermediaries, Form W-8IMY), signed under penalties of perjury, attesting to that stockholder's exempt status. This statement can be obtained from the depository. See Instruction 11 of the letter of transmittal.

TO PREVENT U.S. FEDERAL INCOME TAX BACKUP WITHHOLDING EQUAL TO 28% OF THE GROSS PAYMENT MADE TO STOCKHOLDERS FOR SHARES PURCHASED PURSUANT TO THE TENDER OFFER, EACH STOCKHOLDER THAT IS A UNITED STATES HOLDER AND DOES NOT OTHERWISE ESTABLISH AN EXEMPTION FROM THE BACKUP WITHHOLDING MUST PROVIDE THE DEPOSITARY WITH THE STOCKHOLDER'S CORRECT TAXPAYER IDENTIFICATION NUMBER AND PROVIDE OTHER INFORMATION BY COMPLETING THE SUBSTITUTE FORM W-9 INCLUDED AS PART OF THE LETTER OF TRANSMITTAL.

For a discussion of United States federal income tax consequences to tendering stockholders, see Section 13.

Withholding for Non-United States Holders. Even if a Non-United States Holder has provided the required certification to avoid backup withholding, the depository will withhold U.S. federal income taxes equal to 30% of the gross payments payable to a Non-United States Holder or his agent unless the depository determines that a reduced rate of withholding is available under a tax treaty or that an exemption from withholding is applicable because the gross proceeds are effectively connected with the conduct of a trade of business within the United States (and, if a treaty applies, the gross proceeds are generally attributable to a United States permanent establishment maintained by such Non-United States Holder). To obtain a reduced rate of withholding under a tax treaty, a Non-United States Holder must deliver to the depository a properly completed and executed IRS Form W-8BEN before the payment is made. To obtain an exemption from withholding on the grounds that the gross proceeds paid pursuant to the tender offer are effectively connected with the conduct of a trade or business within the United States, a Non-United States Holder must deliver to the depository a properly completed and executed IRS Form W-8ECI. In the case of a Holder that is a foreign partnership (or other foreign intermediary), Form W-8IMY should be filed. A Non-United States Holder that qualifies for an exemption from withholding by delivering IRS Form W-8ECI will generally be required to file a U.S. federal income tax return and generally will be subject to U.S. federal income tax on income derived from the sale of shares pursuant to the tender offer in the manner and to the extent described in Section 13 as if it were a United States Holder, and in the case of a foreign corporation, such income may be subject to the branch profit tax at a rate of 30% (or a lower rate specified in an applicable income tax treaty). The depository will determine a stockholder's status as a Non-United States Holder and eligibility for a reduced rate of, or exemption from, withholding by reference to any outstanding, valid certificates or statements concerning eligibility for a reduced rate of, or exemption from, withholding (e.g., IRS Form W-8BEN, IRS Form W-8ECI or IRS Form W-8IMY) unless facts and circumstances indicate that reliance is not warranted.

A Non-United States Holder may be eligible to obtain a refund of all or a portion of any tax withheld if the Non-United States Holder meets the "complete termination," "substantially disproportionate" or "not essentially equivalent to a dividend" tests described in Section 13 that would characterize the exchange as a sale (as opposed to a dividend) with respect to which the Non-United States Holder is not subject to tax or is otherwise able to establish that no tax or a reduced amount of tax is due.

NON-UNITED STATES HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE APPLICATION OF U.S. FEDERAL INCOME TAX WITHHOLDING, INCLUDING ELIGIBILITY FOR A WITHHOLDING TAX REDUCTION OR EXEMPTION, AND THE REFUND PROCEDURE.

Guaranteed Delivery. If a stockholder desires to tender LCAPA or LCAPB shares under the tender offer and the stockholder's share certificates are not immediately available or cannot be delivered to the depository before the expiration date, or the procedure for book-entry transfer cannot be completed on a timely basis, or if time will not permit all required documents to reach the depository before the expiration date, the Shares may nevertheless be tendered, provided that all of the following conditions are satisfied:

- (a) the tender is made by or through an eligible guarantor institution;
- (b) the depository receives by hand, mail, overnight courier, telegram or facsimile transmission, before the expiration date, a properly completed and duly executed notice of guaranteed delivery in the form we have provided with this document, including (where required) a signature guarantee by an eligible guarantor institution in the form set forth in such notice of guaranteed delivery; and
- (c) the certificates for all tendered Shares, in proper form for transfer, or confirmation of book-entry transfer of such shares into the depository's account at the book-entry transfer facility, together with a properly completed and duly executed letter of transmittal, or a manually signed facsimile thereof, and any required signature guarantees, or an agent's message, or other documents required by the letter of transmittal, are received by the depository within three Nasdaq Global Select Market trading days after the date of receipt by the depository of the notice of guaranteed delivery.

Return of Unpurchased Shares. If any tendered Shares are not purchased under the tender offer or are properly withdrawn before the expiration date, or if less than all Shares evidenced by a stockholder's certificates are tendered, certificates for unpurchased Shares will be returned promptly after the expiration or termination of the

tender offer or the proper withdrawal of the Shares, as applicable, or, in the case of Shares tendered by book-entry transfer at the book-entry transfer facility, the Shares will be credited to the appropriate account maintained by the tendering stockholder at the book-entry transfer facility, in each case without expense to the stockholder.

Determination of Validity; Rejection of Shares; Waiver of Defects; No Obligation to give Notice of Defects. All questions as to the number of LCAPA and/or LCAPB shares to be accepted, the price that we will pay for the Shares that we accept and the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of Shares will be determined by us, in our sole discretion, and our determination will be final and binding on all parties (absent manifest error). We reserve the absolute right to reject any or all tenders of any Shares that we determine are not in proper form or the acceptance for payment of or payment for which we determine may be unlawful. We also reserve the absolute right to waive any of the conditions of the tender offer or any defect or irregularity in any tender; provided, that we will not waive any condition of the tender offer with respect to a tender unless we waive that condition for all tenders made in the tender offer. Our interpretation of the terms of the tender offer will be final and binding on all parties. No tender of Shares will be deemed to have been properly made until all defects or irregularities have been cured by the tendering stockholder or waived by us. None of Liberty Media, the depositary, the information agent, or any other person will be under any duty to give notification of any defects or irregularities in any tender or incur any liability for failure to give any such notification.

Tendering Stockholder's Representation and Warranty; Liberty Media's Acceptance Constitutes an Agreement. A tender of LCAPA or LCAPB shares under any of the procedures described above will constitute the tendering stockholder's acceptance of the terms and conditions of the tender offer, as well as the tendering stockholder's representation and warranty to us that (1) the stockholder has a net long position in the Shares or equivalent securities at least equal to the Shares tendered within the meaning of Rule 14e-4 promulgated by the SEC under the Exchange Act and (2) the tender of Shares complies with Rule 14e-4. It is a violation of Rule 14e-4 for a person, directly or indirectly, to tender shares for that person's own account unless, at the time of tender and at the end of the proration period or period during which shares are accepted by lot (including any extensions thereof), the person so tendering (1) has a net long position equal to or greater than the amount tendered in (x) the subject securities or (y) securities immediately convertible into, or exchangeable or exercisable for, the subject securities and (2) will deliver or cause to be delivered the shares in accordance with the terms of the tender offer. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person. Our acceptance for payment of shares tendered under the tender offer will constitute a binding agreement between the tendering stockholder and us upon the terms and conditions of the tender offer.

Lost or Destroyed Certificates. If the share certificates which a registered stockholder wants to surrender have been lost, destroyed or stolen, the stockholder should follow the instructions set forth in the letter of transmittal. See Instruction 15 of the letter of transmittal.

CERTIFICATES FOR TENDERED SHARES, TOGETHER WITH A PROPERLY COMPLETED AND DULY EXECUTED LETTER OF TRANSMITTAL OR FACSIMILE THEREOF, OR AN AGENT'S MESSAGE, AND ANY OTHER DOCUMENTS REQUIRED BY THE LETTER OF TRANSMITTAL, MUST BE DELIVERED TO THE DEPOSITARY AND NOT TO LIBERTY MEDIA OR THE INFORMATION AGENT. ANY SUCH DOCUMENTS DELIVERED TO LIBERTY MEDIA OR THE INFORMATION AGENT WILL NOT BE FORWARDED TO THE DEPOSITARY AND THEREFORE WILL NOT BE DEEMED TO BE PROPERLY TENDERED.

4. WITHDRAWAL RIGHTS

Except as otherwise provided in this Section 4, tenders of Shares under the tender offer are irrevocable. Shares tendered under the tender offer may be withdrawn at any time before the expiration date of the tender offer and, unless theretofore accepted for payment by us under the tender offer, may also be withdrawn at any time after 12:00 Midnight, New York City time, on May 1, 2007.

For a withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the depositary at its address set forth on the back cover page of this offer to purchase. Any such notice of withdrawal must specify the name of the tendering stockholder, the number of Shares to be withdrawn and the name of the registered holder of such Shares. If the certificates for Shares to be withdrawn have been delivered or

otherwise identified to the depository, then, before the release of such certificates, the serial numbers shown on such certificates must be submitted to the depository and the signature(s) on the notice of withdrawal must be guaranteed by an eligible guarantor institution, unless such Shares have been tendered for the account of an eligible guarantor institution.

If Shares have been tendered under the procedure for book-entry transfer set forth in Section 3, any notice of withdrawal also must specify the name and the number of the account at the book-entry transfer facility to be credited with the withdrawn Shares and must otherwise comply with such book-entry transfer facility's procedures. All questions as to the form and validity (including the time of receipt) of any notice of withdrawal will be determined by us, in our sole discretion, which determination will be final and binding. None of us, the depository, the information agent or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give any such notification.

Withdrawals may not be rescinded and any Shares properly withdrawn will thereafter be deemed not properly tendered for purposes of the tender offer unless the withdrawn Shares are properly re-tendered before the expiration date by following one of the procedures described in Section 3.

If we extend the tender offer, we are delayed in our purchase of Shares or we are unable to purchase shares under the tender offer for any reason, then, without prejudice to our rights under the tender offer, the depository may, subject to applicable law, retain tendered Shares on our behalf, and such shares may not be withdrawn except to the extent tendering stockholders are entitled to withdrawal rights as described in this Section 4.

5. PURCHASE OF SHARES AND PAYMENT OF PURCHASE PRICE

Upon the terms and subject to the conditions of the tender offer, promptly after the expiration date, we will determine the purchase price we will pay for the Shares properly tendered and not properly withdrawn before the expiration date of the tender offer, taking into account the number of Shares so tendered and the prices specified by tendering stockholders, and will accept for payment and pay for, and thereby purchase, Shares properly tendered at prices at or below the purchase price so determined and not properly withdrawn prior to such expiration date.

For purposes of the tender offer, we will be deemed to have accepted for payment, and therefore purchased, Shares that are properly tendered at prices at or below the purchase price and are not properly withdrawn, subject to the "odd lot" priority, proration and conditional tender provisions of the tender offer, only when, as and if we give oral or written notice to the depository of our acceptance of such Shares for payment under the tender offer.

Upon the terms and subject to the conditions of the tender offer, promptly after the expiration date, we will accept for payment and pay a single per share purchase price not greater than \$113.00 or less than \$105.00 per share for 8,849,500 LCAPA and LCAPB shares, subject to increase or decrease as provided in Section 14, if properly tendered and not properly withdrawn, or such fewer number of shares as are properly tendered and not properly withdrawn.

We will pay for Shares purchased under the tender offer by depositing the aggregate purchase price for such Shares with the depository, which will act as agent for tendering stockholders for the purpose of receiving payment from us and transmitting payment to the tendering stockholders.

In the event of proration in connection with the tender offer, we will determine the proration factor and pay for those tendered Shares accepted for payment pursuant to the tender offer promptly after the expiration date; however, we do not expect to be able to announce the final results of any proration and commence payment for Shares purchased until approximately five to seven business days after such expiration date. Certificates for all Shares tendered and not purchased, including all Shares tendered at prices greater than the purchase price and Shares not purchased due to proration or conditional tender, will be returned to the tendering stockholder, or, in the case of Shares tendered by book-entry transfer, will be credited to the account maintained with the book-entry transfer facility by the participant therein who so delivered the Shares, at our expense, promptly after the expiration date or termination of the tender offer without expense to the tendering stockholders. **UNDER NO CIRCUMSTANCES WILL INTEREST ON THE PURCHASE PRICE BE PAID BY US REGARDLESS OF ANY DELAY IN MAKING SUCH PAYMENT.** In addition, if certain events occur prior to the expiration date for the tender offer, we may not be obligated to purchase Shares under the tender offer. See Section 7.

We will pay all stock transfer taxes, if any, payable on the transfer to us of Shares purchased under the tender offer. If, however, payment of the purchase price is to be made to any person other than the registered holder, or if tendered certificates are registered in the name of any person other than the person signing the letter of transmittal, the amount of all stock transfer taxes, if any (whether imposed on the registered holder or the other person), payable on account of the transfer to the person will be deducted from the purchase price unless satisfactory evidence of the payment of the stock transfer taxes, or exemption therefrom, is submitted.

ANY TENDERING STOCKHOLDER OR OTHER PAYEE WHO FAILS TO COMPLETE FULLY, SIGN AND RETURN TO THE DEPOSITARY THE SUBSTITUTE FORM W-9 INCLUDED WITH THE LETTER OF TRANSMITTAL MAY BE SUBJECT TO FEDERAL INCOME TAX BACKUP WITHHOLDING OF 28% OF THE GROSS PROCEEDS PAID TO THE STOCKHOLDER OR OTHER PAYEE UNDER THE TENDER OFFER. SEE SECTION 3. ALSO SEE SECTION 13 REGARDING UNITED STATES FEDERAL INCOME TAX CONSEQUENCES FOR FOREIGN STOCKHOLDERS.

6. CONDITIONAL TENDER OF SHARES.

Subject to the limited exception for holders of odd lots, in the event of an over-subscription of the tender offer, LCAPA and LCAPB shares tendered at or below the purchase price prior to the expiration date will be subject to proration. See Section 1. In order to avoid (in full or in part) possible proration, a stockholder may tender Shares subject to the condition that we must purchase a specified minimum number of the stockholder's Shares tendered pursuant to a letter of transmittal if we purchase any Shares tendered. Any stockholder desiring to make a conditional tender must so indicate in the box entitled "Conditional Tender" in the letter of transmittal and indicate the minimum number of Shares that we must purchase if we purchase any Shares. We urge each stockholder to consult with his or her own financial or tax advisors with respect to such election.

After the expiration date, if more than 8,849,500 LCAPA and LCAPB shares, in the aggregate (or such greater number of Shares as we may elect to purchase, subject to applicable law), are properly tendered and not properly withdrawn, so that we must prorate our acceptance of and payment for such tendered Shares, we will calculate a preliminary proration percentage with respect to such Shares based upon all of such Shares properly tendered, conditionally or unconditionally. If the effect of this preliminary proration would be to reduce the number of Shares that we purchase from any stockholder below the minimum number specified, the Shares conditionally tendered will automatically be regarded as withdrawn (except as provided in the next paragraph). All Shares tendered by a stockholder subject to a conditional tender that are withdrawn as a result of proration will be returned at our expense to the tendering stockholder.

After giving effect to these withdrawals, we will accept the remaining Shares properly tendered, conditionally or unconditionally, on a pro rata basis, if necessary. If conditional tenders that would otherwise be regarded as withdrawn would cause the total number of LCAPA and LCAPB shares, in the aggregate, that we purchase to fall below 8,849,500 (or such greater number of Shares as we may elect to purchase, subject to applicable law) then, to the extent feasible, we will select enough of the Shares conditionally tendered that would otherwise have been withdrawn to permit us to purchase such number of Shares. In selecting among the conditional tenders, we will select by random lot, treating all tenders by a particular taxpayer as a single lot, and will limit our purchase in each case to the designated minimum number of Shares to be purchased. To be eligible for purchase by random lot, stockholders whose Shares are conditionally tendered must have tendered all of their shares.

7. CERTAIN CONDITIONS OF THE TENDER OFFER

Notwithstanding any other provision of the tender offer, and in addition to (and not in limitation of) our rights to extend and/or amend the tender offer at any time, we will not be required to accept for payment, purchase or pay for any Shares tendered, and may terminate the tender offer or may postpone the acceptance for payment of, or the purchase of and the payment for Shares tendered, subject to Rule 13e-4(f) under the Exchange Act, if at any time on or after the date of this offer to purchase and at or before the expiration date for the tender offer, any of the following events shall have occurred (or have been reasonably determined by us to have occurred):

- (a) there shall have been threatened, instituted or pending any action or proceeding by any governmental, regulatory or administrative agency or authority or tribunal, domestic or foreign, or by any other person,

domestic or foreign, before any court or governmental, regulatory, or administrative authority or agency or tribunal, domestic or foreign, that:

(1) challenges or seeks to make illegal, or to delay or otherwise directly or indirectly to restrain or prohibit the making of the tender offer, the acquisition of any shares pursuant to the tender offer, or consummation of the tender offer; or

(2) could reasonably be expected to (i) have a material adverse effect on the business, condition (financial or other), assets, income, operations or prospects of (x) our company and our subsidiaries, taken as a whole, (y) those assets and businesses attributed to Liberty Capital, taken as a whole, or (z) those assets and businesses attributed to Liberty Interactive, taken as a whole, or (ii) materially impair the contemplated benefits of the tender offer to us;

(b) there shall have been any action threatened, pending or taken, or any approval withheld, or any statute, rule, regulation, judgment, order or injunction threatened, invoked, proposed, sought, promulgated, enacted, entered, amended, enforced or deemed to apply to the tender offer or to our company or any of its subsidiaries by any court or any government or governmental, regulatory, or administrative agency or authority or tribunal, domestic or foreign, which, in our sole judgment, acting reasonably, would or might directly or indirectly result in any of the consequences referred to in clause (1) or (2) of paragraph (a) above;

(c) there shall have occurred:

(1) the declaration of any banking moratorium or suspension of payments in respect of banks by federal or state authorities in the United States (whether or not mandatory);

(2) any general suspension of trading in, or a limitation on prices for, securities on any national securities exchange or market in the United States for more than three hours;

(3) the commencement of a war, act of terrorism, armed hostilities, or any other national or international crisis directly or indirectly involving the United States or any other country in which any of our subsidiaries does business;

(4) any limitation (whether or not mandatory) by any governmental, regulatory, or administrative agency or authority on the extension of credit by banks or other lending institutions in the United States or any other country in which any of our subsidiaries do business;

(5) any change in the general political, market, economic, or financial conditions in the United States or any other country in which any of our subsidiaries do business that could reasonably be expected to have a material adverse effect on the business, condition (financial or otherwise), income, operations, or prospects of (x) our company and our subsidiaries, taken as a whole, (y) those assets and businesses attributed to Liberty Capital, taken as a whole, or (z) those assets and businesses attributed to Liberty Interactive, taken as a whole;

(6) any suspension of, or limitation on, the markets for U.S. dollars or other currency in which any material bank loan of Liberty Media or any of its subsidiaries is denominated, or any material change in the exchange rates of such currencies that could reasonably be expected to have a material adverse effect on the business, condition (financial or otherwise), income, operations, or prospects of (x) our company and our subsidiaries, taken as a whole, (y) those assets and businesses attributed to Liberty Capital, taken as a whole, or (z) those assets and businesses attributed to Liberty Interactive, taken as a whole;

(7) in the case of any of the above conditions existing at the date of this offer to purchase, in our reasonable judgment, a material acceleration or worsening of it; or

(8) any decrease (i) in the market price of the LCAPA or LCAPB shares on the Nasdaq Global Select Market or (ii) in the Nasdaq Composite Index, the New York Stock Exchange Index, the Dow Jones Industrial Average, or the S&P 500 Composite Index, in each case by an amount in excess of 10% during any period between the commencement of the tender offer on March 7, 2007 and the expiration date of the tender offer;

(d) any change or changes shall have occurred or been threatened or anticipated in the business, condition (financial or otherwise), assets, liabilities, income, operations, share ownership, or prospects of our company or any of our subsidiaries, that could reasonably be expected to have a material adverse effect on (x) us and our subsidiaries, taken as a whole, (y) those assets and businesses attributed to Liberty Capital, taken as a whole or (z) those assets and businesses attributed to Liberty Interactive, taken as a whole;

(e) a tender or exchange offer for any or all of the shares of our common stock (other than this tender offer), or any merger, business combination, or other similar transaction with or involving our company, shall have been publicly proposed, announced or made by any person;

(f) any entity, "group" (as that term is used in Section 13(d)(3) of the Exchange Act) or person (other than entities, groups or persons who have filed with the Commission before March 7, 2007 a Schedule 13G or a Schedule 13D with respect to any of the shares of our common stock) shall have acquired, or proposed to acquire, beneficial ownership of more than 5% of the outstanding shares of our common stock;

(g) any entity, group, or person who has filed with the SEC on or before the date of this offer to purchase a Schedule 13G or a Schedule 13D with respect to any shares of our common stock shall have acquired, or proposed to acquire, beneficial ownership of additional shares constituting more than 2% of the outstanding shares of our common stock or shall have been granted any option or right to acquire beneficial ownership of more than 2% of the outstanding shares of our common stock;

(h) any entity, person or group shall have filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or made a public announcement reflecting an intent to acquire shares of our common stock; or

(i) any approval, permit, authorization, favorable review or consent of any United States or foreign governmental, regulatory, or administrative agency or authority or any third party consents required to be obtained in connection with the tender offer shall not have been obtained on terms satisfactory to us, in our sole judgment, acting reasonably.

The foregoing conditions are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any such condition, and may be waived by us, in whole or in part at any time prior to the expiration date, in our sole discretion. Our failure at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right, and each such right shall be deemed an ongoing right, which may be asserted by us at any time, in our sole discretion, prior to the expiration date. Any determination or judgment by us concerning the events described above will be final and binding on all parties.

8. PRICE RANGE OF SHARES

On May 9, 2006, we completed a restructuring pursuant to which we were organized as a new holding company, and we became the new publicly traded parent company of Liberty Media LLC, which was formerly known as Liberty Media Corporation, and which we refer to as "Old Liberty". As a result of the restructuring, all of the Old Liberty outstanding common stock was exchanged for our two new tracking stocks, Liberty Interactive common stock and Liberty Capital common stock. Each tracking stock issued in the restructuring is intended to track and reflect the economic performance of one of two designated groups, Liberty Interactive and Liberty Capital, respectively. We are the successor reporting company to Old Liberty.

Pursuant to the restructuring, we issued our tracking stocks, Liberty Capital Series A and Series B common stock (LCAPA and LCAPB) and Liberty Interactive Series A and Series B common stock (LINTA and LINTB), on May 10, 2006. Holders of our common stock received .25 of a share of LINTA and .05 of a share of LCAPA for each share of Old Liberty Series A common stock held and .25 of a share of LINTB and .05 of a share of LCAPB for each share of Old Liberty Series B common stock held.

Our LCAPA and LCAPB shares trade on the Nasdaq Global Select Market under the symbols "LCAPA" and "LCAPB," respectively. Regular trading in the shares began on May 10, 2006. Prior to May 10, 2006, Old Liberty's Series A common stock and Series B common stock traded on the New York Stock Exchange under the symbols "L" and "LMC.B", respectively. The following table sets forth the range of high and low sales prices of LCAPA and

[Table of Contents](#)

LCAPB shares and Old Liberty Series A common stock and Series B common stock for the years ended December 31, 2006 and 2005.

	Old Liberty Series A Common Stock		Old Liberty Series B Common Stock	
	High	Low	High	Low
Year Ended December 31, 2005				
First Quarter	\$ 10.93	9.97	11.60	10.30
Second Quarter	\$ 10.64	10.01	11.06	10.20
Third Quarter (through July 20, 2005)	\$ 10.28	9.89	10.75	10.00
July 21 through September 30, 2005	\$ 8.90	7.98	10.15	8.12
Fourth Quarter	\$ 8.18	7.59	8.56	7.55
Year Ended December 31, 2006				
First Quarter	\$ 8.44	7.73	8.50	7.80
Second Quarter (through May 9, 2006)	\$ 8.76	8.20	8.90	8.20

	Liberty Capital Series A Common Stock		Liberty Capital Series B Common Stock	
	High	Low	High	Low
Year Ended December 31, 2006				
Second Quarter (May 10, 2006, through June 30, 2006)	\$ 83.95	77.00	87.99	79.26
Third Quarter	\$ 87.02	80.01	87.25	80.73
Fourth Quarter	\$ 98.80	83.32	99.46	84.34

On February 27, 2007, the last full trading day prior to our initial public announcement of the tender offer, the closing sale prices for the LCAPA and LCAPB shares on the Nasdaq Global Select Market were \$103.71 and \$105.70, respectively. Stockholders are urged to obtain current market quotations for their LCAPA and LCAPB shares.

9. SOURCE AND AMOUNT OF FUNDS

Assuming that 8,849,500 LCAPA and LCAPB shares, in the aggregate, are purchased in the tender offer at a price between \$105.00 and \$113.00 per share, the aggregate purchase price for the Shares purchased in the tender offer will be between \$929,197,500 and \$999,993,500.

We anticipate that we will pay for Shares tendered in the tender offer and accepted by us, and all expenses attributable to the tender offer, from our cash on hand or other cash resources that are readily available to us and which are attributed to Liberty Capital. The tender offer is not conditioned on the receipt of financing.

10. CERTAIN INFORMATION ABOUT US

Through our ownership of interests in subsidiaries and other companies, we are primarily engaged in the video and on-line commerce, media, communications and entertainment industries. Through our subsidiaries, we operate in North America, Europe and Asia. Our principal businesses and assets include QVC, Inc. and Starz, LLC, and interests in IAC/InterActiveCorp, Expedia, Inc. and News Corporation.

On May 9, 2006, we completed a restructuring pursuant to which we were organized as a new holding company, and we became the new publicly traded parent company of Old Liberty. As a result of the restructuring, all of the Old Liberty outstanding common stock was exchanged for our two new tracking stocks, Liberty Interactive common stock and Liberty Capital common stock. Each tracking stock issued in the restructuring is intended to track and reflect the economic performance of one of two newly designated groups, the Interactive Group and the Capital Group, respectively. We are the successor reporting company to Old Liberty.

A tracking stock is a type of common stock that the issuing company intends to reflect or “track” the economic performance of a particular business or “group,” rather than the economic performance of the company as a whole. While Liberty Capital and Liberty Interactive have separate collections of businesses, assets and liabilities attributed to them, neither group is a separate legal entity and therefore cannot own assets, issue securities or enter into legally binding agreements. Holders of tracking stocks have no direct claim to the group’s stock or assets and are not represented by separate boards of directors. Instead, holders of tracking stock are stockholders of the parent corporation, with a single board of directors and subject to all of the risks and liabilities of the parent corporation.

The term “Liberty Capital” does not represent a separate legal entity, rather it represents those businesses, assets and liabilities which we have attributed to that group. The assets and businesses attributed to Liberty Capital include our subsidiaries: Starz Entertainment, LLC, Starz Media, LLC, TruePosition, Inc., FUN Technologies, Inc. and On Command Corporation; our equity affiliates: GSN, LLC and WildBlue Communications, Inc.; and our interests in News Corporation, Time Warner Inc. and Sprint Nextel Corporation, and hereafter will include such other businesses, assets and liabilities that our board of directors may in the future determine to attribute to Liberty Capital, including such other businesses and assets as we may acquire for Liberty Capital. In addition, we have attributed \$4.58 billion principal amount (as of December 31, 2006) of our existing publicly traded debt to Liberty Capital.

The term “Liberty Interactive” also does not represent a separate legal entity, rather it represents all of our businesses, assets and liabilities other than those which have been attributed to Liberty Capital. The assets and businesses we have attributed to Liberty Interactive are those engaged in video and on-line commerce, and include our interests in subsidiaries QVC, Inc., Provide Commerce, Inc., and BuyCustomes, Inc., and our interests in Expedia, Inc. and IAC/InterActiveCorp, and hereafter will include such other businesses, assets and liabilities that our board of directors may in the future determine to attribute to Liberty Interactive, including such other businesses and assets as we may acquire for Liberty Interactive. In addition, we have attributed \$3.11 billion principal amount (as of December 31, 2006) of our existing publicly traded debt to Liberty Interactive.

Our principal executive offices are located at 12300 Liberty Boulevard, Englewood, Colorado 80112, and our telephone number at that address is (720) 875-5400.

Where you can find more information about us. We have filed with the SEC a Tender Offer Statement on Schedule TO, which includes additional information about the tender offer. This offer to purchase does not contain all the information included in the Schedule TO. We are subject to the information and reporting requirements of the Exchange Act and, in accordance with the Exchange Act, file periodic reports and other information with the SEC. You may read and copy any document that we file with the SEC at the Public Reference Room of the SEC at 100 F Street, NE, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at (800) SEC-0330. You may also inspect such filings on the Internet website maintained by the SEC at www.sec.gov.

Incorporation by reference. The rules of the SEC allow us to “incorporate by reference” information into this offer to purchase, which means that we can disclose important information about us to you by referring you to other documents that we file with the SEC. The information incorporated by reference is an important part of this offer to purchase, and is deemed to be part hereof except to the extent any such information is modified or superseded by information in this offer to purchase or in any other document expressly incorporated herein (whether specified below or in any amendment to the Schedule TO) that has a later date. We incorporate by reference the following documents, previously filed with the SEC by us:

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2006, filed on March 1, 2007; and
- our Current Report on Form 8-K filed on January 5, 2007.

You can obtain any of the documents incorporated by reference in this offer to purchase from the SEC’s website at the Internet address provided above. You may also obtain any of the foregoing documents from us without charge, excluding any exhibits to those documents, by requesting them in writing at 12300 Liberty Boulevard, Englewood, CO 80112, attention: Investor Relations, or by calling Investor Relations at (720) 875-5400. Please be sure to include your complete name and address in your request.

11. INTERESTS OF DIRECTORS AND EXECUTIVE OFFICERS; TRANSACTIONS AND ARRANGEMENTS CONCERNING THE SHARES

As of January 31, 2007, we had outstanding 134,503,546 LCAPA shares, 6,014,680 LCAPB shares, 622,365,227 shares of Liberty Interactive Series A common stock and 29,971,039 shares of Liberty Interactive Series B common stock. The 8,849,500 LCAPA and LCAPB shares that we are offering to purchase in the tender offer represent approximately 6.3% of the aggregate outstanding LCAPA and LCAPB shares on that date. In the aggregate, the shares we are offering to purchase in the tender offer represent approximately 1.1% of our total outstanding shares of common stock. As of January 31, 2007, 2,256,275 LCAPA shares, 1,498,263 LCAPB shares, 21,484,911 shares of Liberty Interactive Series A common stock and 7,491,314 shares of Liberty Interactive Series B common stock were subject to outstanding awards of stock options and stock appreciation rights.

Shares Ownership by Directors and Executive Officers. Our directors and executive officers have advised us that they do not intend to tender any LCAPA or LCAPB shares beneficially owned by them in the tender offer. Because the directors and executive officers will not be tendering any of their LCAPA or LCAPB shares in the tender offer if we complete the tender offer, the proportional holdings of our directors and executive officers in our company will increase. However, our directors and executive officers may, in compliance with applicable law, sell their LCAPA or LCAPB shares in open market transactions at prices that may or may not be more favorable than the purchase price to be paid to our stockholders in the tender offer. The following table sets forth information with respect to the beneficial ownership by each of our directors and each of the executive officers named below and by all of our directors and executive officers as a group of (1) LCAPA shares, (2) LCAPB shares, (3) shares of LINTA and (4) shares of LINTB. The security ownership information is given as of January 31, 2007, and, in the case of percentage ownership information, is based upon (1) 134,503,546 LCAPA shares, (2) 6,014,680 LCAPB shares, (3) 622,365,227 LINTA shares and (4) 29,971,039 LINTB shares, in each case outstanding on that date. Our LCAPA shares and LINTA shares entitle holders to one vote per share and our LCAPB shares and LINTB shares entitle holders to ten votes per share.

Shares of common stock issuable on or within 60 days after January 31, 2007, upon exercise of options, conversion of convertible securities or exchange of exchangeable securities, are deemed to be outstanding and to be beneficially owned by the person holding the options, convertible or exchangeable securities for the purpose of computing the percentage ownership of that person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. For purposes of the following presentation, beneficial ownership of shares of our LCAPB and LINTB, though convertible on a one-for-one basis into shares of LCAPA and LINTA, respectively, is reported as beneficial ownership of shares of LCAPB or LINTB, as the case may be, only, and not as beneficial ownership of shares of LCAPA or LINTA.

So far as is known to us, the persons indicated below have sole voting power with respect to the shares indicated as owned by them, except as otherwise stated in the notes to the table. The number of shares indicated as owned by our executive officers and directors include interests in shares held by the 401(k) Plan as of January 31, 2007. The shares held by the trustee of the 401(k) Plan for the benefit of these persons are voted as directed by such persons.

Name and Principal Occupation with Our Company	Title of Series	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Series	Voting Power
John C. Malone Chairman of the Board	LCAPA	807(1)(2)(3)(4)(5)	*	31.5%
	LCAPB	5,964(1)(5)(6)	90%	
	LINTA	3,999(1)(2)(3)(4)(5)	*	
	LINTB	29,820(1)(5)(6)	90%	
Robert R. Bennett Director	LCAPA	291(7)(8)(9)	*	4.4%
	LCAPB	834(8)(9)	12.2%	
	LINTA	1,453(7)(8)(9)	*	
	LINTB	4,170(8)(9)	*	

[Table of Contents](#)

Name and Principal Occupation with Our Company	Title of Series	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Series	Voting Power
Donne F. Fisher Director	LCAPA	16(10)	*	*
	LCAPB	30	*	
	LINTA	81(10)	*	
	LINTB	149	*	
Paul A. Gould Director	LCAPA	76(11)	*	*
	LCAPB	30	*	
	LINTA	401(11)	*	
	LINTB	150	*	
Gregory B. Maffei Director, President and Chief Executive Officer	LCAPA	86(4)(12)(13)	*	*
	LCAPB	—	*	
	LINTA	493(4)(12)(13)	*	
	LINTB	—	*	
David E. Rapley Director	LCAPA	2(10)	*	*
	LCAPB	—	*	
	LINTA	10(10)	*	
	LINTB	—	*	
M. LaVoy Robison Director	LCAPA	2(10)	*	*
	LCAPB	—	*	
	LINTA	10(10)	*	
	LINTB	—	*	
Larry E. Romrell Director	LCAPA	13(10)	*	*
	LCAPB	—	*	
	LINTA	65(10)	*	
	LINTB	—	*	
David J.A. Flowers Senior Vice President and Treasurer	LCAPA	116(14)(15)(16)	*	*
	LCAPB	—	*	
	LINTA	574(14)(15)(16)	*	
	LINTB	—	*	
Albert E. Rosenthaler Senior Vice President	LCAPA	49(17)(18)(19)	*	*
	LCAPB	—	*	
	LINTA	237(17)(18)(19)	*	
	LINTB	—	*	
Christopher W. Shean Senior Vice President, Controller	LCAPA	43(20)(21)(22)	*	*
	LCAPB	—	*	
	LINTA	206(20)(21)(22)	*	
	LINTB	—	*	
Charles Y. Tanabe Executive Vice President, Secretary and General Counsel	LCAPA	140(23)(24)(25)(26)	*	*
	LCAPB	—	*	
	LINTA	688(23)(24)(25)(26)	*	
	LINTB	—	*	
All directors and executive officers as a group (12 persons)	LCAPA	1,639(3)(9)(27)(28)(29)(30)	1.2%	34.9%
	LCAPB	6,859(6)(9)(28)(30)	92.0%	
	LINTA	8,217(3)(9)(27)(28)(29)(30)	1.3%	
	LINTB	34,290(6)(9)(28)(30)	92.3%	

* Less than one percent

(1) Includes 75,252 LCAPA shares, 170,471 LCAPB shares, 376,260 LINTA shares and 852,358 LINTB shares, held by Mr. Malone's wife, Mrs. Leslie Malone, as to which shares Mr. Malone has disclaimed beneficial ownership.

Table of Contents

- (2) Includes 38,405 LCAPA shares and 192,034 LINTA shares and held by the Liberty 401(k) Savings Plan.
- (3) Includes 165 LCAPA shares and 825 LINTA shares held by a trust with respect to which Mr. Malone is the sole trustee and, with his wife, retains a unitrust interest in the trust.
- (4) Includes 12,672 restricted LCAPA shares and 29,078 restricted LINTA shares, none of which were vested on January 31, 2007.
- (5) Includes beneficial ownership of 3,333 LCAPA shares, 604,267 LCAPB shares, 16,665 LINTA shares and 3,021,336 LINTB shares, which may be acquired upon exercise of stock options exercisable within 60 days after January 31, 2007. Mr. Malone has the right to convert the options to purchase LCAPB shares and LINTB shares into options to purchase LCAPA shares and LINTA shares, respectively.
- (6) In February 1998, in connection with the settlement of certain legal proceedings relative to the Estate of Bob Magness, the late founder and former Chairman of the Board the former parent company, TCI, of our predecessor company, TCI entered into a call agreement with Mr. Malone and Mr. Malone's wife. In connection with AT&T's acquisition of TCI, TCI assigned to our predecessor its rights under this call agreement. We succeeded to these rights in connection with the 2006 restructuring. As a result, we have the right, under certain circumstances, to acquire LCAPB shares and LINTB shares owned by the Malones. The call agreement also prohibits the Malones from disposing of their LCAPB shares and LINTB shares, except for certain exempt transfers (such as transfers to related parties or to the other group or public sales of up to an aggregate of 5% of their shares of LCAPB or LINTB after conversion to shares of LCAPA or LINTA, respectively) and except for a transfer made in compliance with our call rights.
- (7) Includes 1,720 LCAPA shares and 8,598 LINTA shares held by the Liberty 401(k) Savings Plan.
- (8) Includes beneficial ownership of 101,282 LCAPA shares, 833,993 LCAPB shares, 506,410 LINTA shares and 4,169,963 LINTB shares, which may be acquired upon exercise of, or which relate to, stock options and stock appreciation rights exercisable within 60 days after January 31, 2007. Mr. Bennett has the right to convert the options to purchase LCAPB shares and LINTB shares into options to purchase LCAPA shares and LINTA shares, respectively.
- (9) Includes 62,329 LCAPA shares, 20 LCAPB shares, 311,649 LINTA shares and 100 LINTB shares, owned by Hilltop Investments, Inc. which is jointly owned by Mr. Bennett and his wife, Mrs. Deborah Bennett.
- (10) Includes beneficial ownership of 1,650 LCAPA shares and 8,250 LINTA shares, which may be acquired upon exercise of, or which relate to, stock options and stock appreciation rights exercisable within 60 days after January 31, 2007.
- (11) Includes beneficial ownership of 2,088 LCAPA shares and 10,438 LINTA shares, which may be acquired upon exercise of, or which relate to, stock options and stock appreciation rights exercisable within 60 days after January 31, 2007.
- (12) Includes beneficial ownership of 72,656 LCAPA shares and 363,281 LINTA shares, which may be acquired upon exercise of stock options exercisable within 60 days after January 31, 2007.
- (13) Includes 359 LCAPA shares and 592 LINTA shares held by the Liberty 401(k) Savings Plan.
- (14) Includes 792 LCAPA shares and 3,967 LINTA shares held by the Liberty 401(k) Savings Plan.
- (15) Includes 1,871 restricted LCAPA shares and 4,300 restricted LINTA shares, none of which were vested on January 31, 2007.
- (16) Includes beneficial ownership of 92,691 LCAPA shares and 463,643 LINTA shares, which may be acquired upon exercise of, or which relate to, stock options and stock appreciation rights exercisable within 60 days after January 31, 2007.
- (17) Includes 438 LCAPA shares and 2,194 LINTA shares held by the Liberty 401(k) Savings Plan.
- (18) Includes 2,152 restricted LCAPA shares and 4,965 restricted LINTA shares, none of which were vested on January 31, 2007.
- (19) Includes beneficial ownership of 46,026 LCAPA shares and 230,127 LINTA shares, which may be acquired upon exercise of, or which relate to, stock options and stock appreciation rights exercisable within 60 days after January 31, 2007.

- (20) Includes 914 LCAPA shares and 4,570 LINTA shares held by the Liberty 401(k) Savings Plan.
- (21) Includes 4,286 restricted LCAPA shares and 14,557 restricted LINTA shares, none of which were vested on January 31, 2007.
- (22) Includes beneficial ownership of 36,849 LCAPA shares and 182,248 LINTA shares, which may be acquired upon exercise of, or which relate to, stock options and stock appreciation rights exercisable within 60 days after January 31, 2007.
- (23) Includes 491 LCAPA shares and 2,454 LINTA shares held by the Liberty 401(k) Savings Plan.
- (24) Includes 5,805 restricted LCAPA shares and 18,059 restricted LINTA shares, none of which were vested on January 31, 2007.
- (25) Includes 153 LCAPA shares and 767 LINTA shares held by Mr. Tanabe's wife, Arlene Bobrow, as to which shares Mr. Tanabe has disclaimed beneficial ownership.
- (26) Includes beneficial ownership of 118,260 LCAPA shares and 591,299 LINTA shares, which may be acquired upon exercise of, or which relate to, stock options and stock appreciation rights exercisable within 60 days after January 31, 2007.
- (27) Includes 43,119 LCAPA shares and 214,409 LINTA shares held by the Liberty 401(k) Savings Plan.
- (28) Includes 75,405 LCAPA shares, 170,471 LCAPB shares, 377,027 LINTA shares and 852,358 LINTB shares, held by relatives of certain directors and executive officers, as to which shares beneficial ownership by such directors and executive officers has been disclaimed.
- (29) Includes 39,458 restricted LCAPA shares and 100,037 restricted LINTA shares, none of which were vested on January 31, 2007.
- (30) Includes beneficial ownership of 479,785 LCAPA shares, 1,438,260 LCAPB shares, 2,397,111 LINTA shares and 7,191,299 LINTB shares, which may be acquired upon exercise of, or which relate to, stock options and stock appreciation rights exercisable within 60 days after January 31, 2007.

Change in Control. We know of no arrangements, including any pledge by any person of our securities, the operation of which may at a subsequent date result in a change in control of our company.

Stock Repurchase Programs. Our board of directors has authorized the repurchase of up to \$2 billion of outstanding Liberty Interactive common stock and up to \$1 billion of Liberty Capital common stock in the open market or in privately negotiated transactions, subject to market conditions. As of the date of this offer to purchase, we have repurchased 53 million LINTA shares for aggregate cash consideration of \$986 million pursuant to our stock repurchase program. The stock repurchase program with respect to Liberty Capital shares will be suspended during the period the tender offer is outstanding and for such longer period as may be required by law.

During the past 60 days we have not repurchased any LCAPA or LCAPB shares.

Transactions in Last 60 Days by Directors and Executive Officers. In addition to routine transactions in our common stock effected under the 401(k) Plan, and except as otherwise disclosed in the Tender Offer Statement on Schedule TO (which is incorporated herein by reference), none of our executive officers or directors, or the executive officers or directors of our subsidiaries, have effected any transaction involving LCAPA shares or LCAPB shares during the 60 days prior to our initial public announcement of the tender offer on February 28, 2007.

401(k) Plan. We maintain for the benefit of our employees (including our executive officers) the 401(k) Plan, which allows participating employees (including our executive officers) to make contributions of their eligible compensation up to statutory limits. Under the 401(k) Plan we make matching contributions (100% of employee contributions up to 10% of their compensation, subject to statutory limits) at the end of each calendar quarter which may be in the form of LCAPA and LINTA shares, which are valued at the closing sale price of such shares on the last day of the applicable calendar quarter.

Except as set forth in "*Transactions in Last 60 Days by Directors and Executive Officers*" above or otherwise disclosed in this Section 11, based upon our records and upon information provided to us, neither we nor our subsidiaries, nor, to our knowledge, any of our executive officers or directors, or any affiliate of the foregoing, has

effected any transactions involving our common stock during the 60 days prior to our initial public announcement of the tender offer.

Plans or Proposals. Except as disclosed in this offer to purchase (or in the documents incorporated by reference herein), neither we nor, to our knowledge, any of our directors, executive officers or affiliates have any current plans or proposals which relate to or would result in:

- (a) any extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving our company or any of our subsidiaries that would be material to us and our subsidiaries, taken as a whole;
- (b) any purchase, sale or transfer of a material amount of our assets or the assets of any of our subsidiaries that would be material to us and our subsidiaries, taken as a whole;
- (c) any material change in our present dividend rate or policy, or indebtedness or capitalization;
- (d) any change in our present board of directors or senior management;
- (e) any other material change in our corporate structure or business;
- (f) our equity securities being delisted from the Nasdaq Global Select Market or ceasing to be authorized to be quoted in an automated quotations system operated by a national securities association;
- (g) our equity securities becoming eligible for termination of registration under Section 12(g)(4) of the Exchange Act;
- (h) the suspension of our obligation to file reports under Section 15(d) of the Exchange Act;
- (i) the acquisition by any person of additional securities, or the disposition of our securities; or
- (j) any changes in our charter, bylaws or other governing instruments or other actions that could impede the acquisition of control of our company.

While we have no definitive plans or proposals regarding any of the foregoing as of the date of this offer to purchase (except as set forth above or in the documents incorporated by reference herein), our management continually assesses and reassesses possible acquisitions, divestitures, restructurings, and other extraordinary corporate transactions and possible changes to our capitalization and other matters. We may pursue any such matter at any time after the date of this offer to purchase, subject to our obligation to update this offer to purchase to reflect material changes in the information contained herein.

Equity Compensation Plan Information

Incentive Plans.

LMC 2000 Incentive Plan. The 2000 incentive plan is administered by the incentive plan committee, which is a subcommittee of the compensation committee of our board of directors. The 2000 incentive plan committee may grant non-qualified stock options, stock appreciation rights (SARs), restricted shares, stock units, cash awards, performance awards or any combination of the foregoing under the incentive plan (collectively, awards). The maximum number of shares of any series of our common stock with respect to which awards may be issued under the 2000 incentive plan is 48 million, subject to anti-dilution adjustments. With the exception of certain awards that have been accelerated, no person may be granted in any calendar year awards covering more than 7.5 million shares of our common stock. In addition, no person may receive payment for performance awards during any calendar year in excess of \$10 million or the equivalent value thereof in shares of our common stock. Our 2000 incentive plan had 1,460,000 million shares available for grant as of March 7, 2007. We amended and restated our 2000 incentive plan effective February 22, 2007, which is subject to shareholder approval.

LMC 2007 Incentive Plan. The 2007 incentive plan is also administered by the incentive plan committee. Its terms are substantially similar to those of our 2000 incentive plan. The maximum number of shares of any series of our common stock with respect to which awards may be issued under the 2007 incentive plan is 30 million, subject to anti-dilution adjustments. Our 2007 incentive plan had 29,673,203 million shares available for grant as of March 7, 2007 and is subject to shareholder approval.

Non-Employee Director Incentive Plan. The director plan is administered by our full board of directors. The board may grant stock options, stock appreciation rights, restricted shares, stock units, any combination of the foregoing or cash under the director plan, and nonemployee directors may elect to receive stock in lieu of cash compensation otherwise payable to the director (collectively, awards). Only nonemployee members of our board of directors are eligible to receive awards under the director plan. The maximum number of shares of any series of our common stock with respect to which awards may be issued under the director plan is five million, subject to antidilution adjustments. Our director plan had 1,389,000 shares available for grant as of March 7, 2007.

John Malone Call Agreement

In February 1998, the former parent company of our predecessor company entered into a Call Agreement with Mr. Malone and Mr. Malone's wife. The rights under this call agreement were assigned to our predecessor company, and we succeeded to these rights in connection with the 2006 restructuring. As a result, we have the right, under certain circumstances, to acquire shares of our LCAPB shares or shares of LINTB owned by the Malones, at a price equal to the market price of the LCAPA shares or shares of LINTA, as applicable, plus a 10% premium or, in the event of a sale, the lesser of such price or the price offered by such third parties. In addition, the call agreement provides that, in connection with a sale of shares to a third party resulting in a change in control of us, the maximum premium the Malones may receive for their LCAPB shares and shares of LINTB would be the price paid for LCAPA shares or shares of LINTA, as applicable, by said third party, plus a 10% premium. The call agreement also prohibits the Malones from disposing of their LCAPB shares or shares of LINTB, except for certain exempt transfers (such as transfers to related parties or to the other group or public sales of up to an aggregate of 5% of their LCAPB shares or shares of LINTB, as applicable, after conversion to LCAPA shares or shares of LINTA, as applicable), and except for a transfer made in compliance with our call rights.

12. CERTAIN LEGAL MATTERS; REGULATORY AND FOREIGN APPROVALS

We are not aware of any license or regulatory permit material to our business that might be adversely affected by our acquisition of Shares as contemplated by the tender offer. We are not aware of any approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, that would be required for our acquisition or ownership of Shares as contemplated by the tender offer. Should any such action or approval be required, we presently contemplate that we would seek that action or approval. There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial cost or conditions or that the failure to obtain the action or approval might not result in adverse consequences to our business and financial condition. Our obligations under the tender offer to accept for payment and pay for Shares is subject to certain conditions, including that any approval, permit, authorization, favorable review or consent of any United States or foreign governmental, regulatory, or administrative agency or authority required to be obtained in connection with the tender offer shall have been obtained on terms satisfactory to us, in our sole judgment, acting reasonably. See Section 7.

13. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a summary of certain U.S. federal income tax consequences to our stockholders of an exchange of shares for cash pursuant to the tender offer. This discussion is general in nature and does not discuss all aspects of U.S. federal income taxation that may be relevant to a particular stockholder in light of the stockholder's particular circumstances, or to certain types of stockholders subject to special treatment under U.S. federal income tax laws (such as insurance companies, tax-exempt organizations, regulated investment companies, real estate investment trusts, United States Holders, as defined below, whose "functional currency" is not the United States dollar, partnerships or other entities treated as partnerships for federal income tax purposes, persons holding shares as part of a hedging, integrated, conversion or constructive sale transaction or a straddle, financial institutions, brokers, dealers in securities or currencies and traders that elect to mark-to-market their securities). In addition, the discussion does not consider the effect of any alternative minimum taxes or foreign, state, local or other tax laws, or any U.S. tax considerations (e.g., estate or gift tax) other than U.S. federal income tax considerations, that may be applicable to particular stockholders. Further, this summary assumes that stockholders hold their shares as "capital assets" (generally, property held for investment) within the meaning of

section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”) and generally assumes that they did not receive their shares through the exercise of employee stock options or otherwise as compensation.

If a partnership or other entity treated as a partnership for U.S. federal income tax purposes holds shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. A partnership holding shares and partners in such partnership should consult their tax advisors about the U.S. federal income tax consequences of an exchange of shares for cash pursuant to the tender offer.

This summary is based on the Code and applicable U.S. Treasury regulations, rulings, administrative pronouncements and judicial decisions thereunder as of the date hereof, all of which are subject to change or differing interpretations at any time with possible retroactive effect.

We have not sought, nor will we seek, any ruling from the IRS with respect to the matters discussed below. There can be no assurances that the IRS will not take a different position concerning tax consequences of the sale of shares to us pursuant to the tender offer or that any such position would not be sustained.

As used herein, a “United States Holder” means a beneficial owner of Shares that is for U.S. federal income tax purposes (1) a citizen or resident of the United States, (2) a corporation or other entity taxed as a corporation created or organized in or under the laws of the United States or any political subdivision thereof, (3) an estate the income of which is subject to United States federal income taxation regardless of its source or (4) a trust if (x) the administration of the trust is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust, or (y) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

As used herein, a “Non-United States Holder” means a beneficial owner of Shares that is not (i) a United States Holder and (ii) a partnership or other entity classified as a partnership for U.S. federal income tax purposes.

EACH STOCKHOLDER IS ADVISED TO CONSULT ITS OWN TAX ADVISOR TO DETERMINE THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO IT OF THE TENDER OFFER.

Consequences to United States Holders. An exchange of Shares for cash pursuant to the tender offer will be a taxable transaction to a United States Holder for U.S. federal income tax purposes. If the receipt of cash by a United States Holder in exchange for the tender of Shares pursuant to the tender offer is treated as a sale or exchange (as described below) of such Shares for U.S. federal income tax purposes, the United States Holder will recognize capital gain or loss equal to the difference between (1) the amount of cash received by the United States Holder for such Shares and (2) the United States Holder’s “adjusted tax basis” for such Shares at the time of the sale. Generally, a United States Holder’s adjusted tax basis for the Shares will be equal to the cost of the Shares to the United States Holder. This gain or loss will be characterized as long-term capital gain or loss if the United States Holder’s holding period for the Shares that were sold exceeds one year as of the date we are treated as purchasing the Shares in the tender offer for U.S. federal income tax purposes. In the case of a United States Holder that is an individual, trust or estate, the maximum rate of U.S. federal income tax applicable to net capital gain on Shares held for more than one year is generally 15%. A United States Holder’s ability to deduct capital losses may be limited. A United States Holder must calculate gain or loss separately for each block of Shares (generally, Shares acquired at the same cost in a single transaction) we purchase from the United States Holder under the tender offer.

A United States Holder’s exchange of Shares for cash pursuant to the tender offer will be treated as a sale or exchange of the Shares for federal income tax purposes pursuant to Section 302 of the Code if the sale:

- results in a “complete termination” of the stockholder’s stock interest in us under Section 302(b)(3) of the Code;
- is a “substantially disproportionate” redemption with respect to the stockholder under Section 302(b)(2) of the Code; or
- is “not essentially equivalent to a dividend” with respect to the stockholder under Section 302(b)(1) of the Code.

In determining whether any of these tests have been met, a United States Holder must take into account not only the stock that the stockholder actually owns, but also the stock that it constructively owns within the meaning of Section 318 of the Code (as modified by Section 302(c) of the Code). Under the constructive ownership rules of Section 318 of the Code, a stockholder will be considered to own those shares of stock owned, directly or indirectly, by certain members of the stockholder's family and certain entities (such as corporations, partnerships, trusts and estates) in which the stockholder has an equity interest, as well as shares of stock the stockholder has an option to purchase.

One of the following tests must be satisfied with respect to the United States Holder in order for the exchange of Shares for cash to be treated as a sale or exchange by that stockholder for federal income tax purposes. Due to the factual nature of these tests, stockholders should consult their tax advisers to determine whether the purchase of their Shares in the tender offer qualifies for sale or exchange treatment in their particular circumstances.

Satisfaction of the "complete termination" and "substantially disproportionate" exceptions is dependent upon compliance with the objective tests set forth in Section 302(b)(3) and Section 302(b)(2) of the Code, respectively. A distribution to a stockholder will result in a "complete termination" of the stockholder's equity interest in us if either (1) all of the shares of stock of Liberty Media actually and constructively owned by the stockholder are exchanged for cash pursuant to the tender offer or (2) all of the shares of stock of Liberty Media actually owned by the stockholder are exchanged for cash pursuant to the tender offer and the stockholder is eligible to waive, and effectively waives, the attribution of shares of stock of Liberty Media constructively owned by the stockholder in accordance with the procedures described in Section 302(c)(2) of the Code. United States Holders wishing to satisfy the "complete termination" test through waiver of attribution in accordance with the procedures described in Section 302(c)(2) of the Code should consult their tax advisers concerning the mechanics and desirability of such a waiver. A distribution to a stockholder will be "substantially disproportionate" if (a) the voting percentage of the outstanding shares of Liberty Media actually and constructively owned by the stockholder immediately following the exchange of Shares pursuant to the tender offer is less than 80% of the voting percentage of the outstanding shares of Liberty Media actually and constructively owned by the stockholder immediately before the exchange (treating as outstanding all Shares purchased in the tender offer from the particular stockholder and all other stockholders) and (b) the percentage of the outstanding shares of stock of Liberty Media actually and constructively owned by the stockholder immediately following the exchange of Shares pursuant to the tender offer is less than 80% of the percentage of the outstanding shares of stock of Liberty Media actually and constructively owned by the stockholder immediately before the exchange (treating as outstanding all Shares purchased in the tender offer from the particular stockholder and all other stockholders).

A distribution to a stockholder is "not essentially equivalent to a dividend" if it results in a "meaningful reduction" in the stockholder's stock interest in us. Whether a stockholder meets this test will depend on the stockholder's particular facts and circumstances. The IRS has indicated that even a small reduction in the percentage interest of a stockholder whose relative stock interest in a publicly held corporation is minimal and who exercises no control over corporate affairs should constitute a "meaningful reduction." Stockholders should consult their tax advisers as to the application of this test to their particular circumstances.

Contemporaneous dispositions or acquisitions of shares of stock of Liberty Media by a stockholder or related individuals or entities may be deemed to be part of a single integrated transaction and may be taken into account in determining whether any of the three tests under Section 302(b) of the Code has been satisfied. Each stockholder should be aware that because proration may occur in the tender offer, even if all the shares actually and constructively owned by a stockholder are tendered pursuant to the tender offer, fewer than all of the Shares tendered may be purchased by us. Thus, proration may affect whether the surrender by a stockholder pursuant to the tender offer will meet any of the three tests under Section 302 of the Code.

If a United States Holder's receipt of cash attributable to an exchange of Shares for cash pursuant to the tender offer does not meet one of the tests of Section 302 of the Code described above, then the full amount of cash received by the United States Holder with respect to our purchase of Shares under the tender offer will be treated as a distribution to the United States Holder with respect to the United States Holder's Shares and will be treated as ordinary dividend income to the United States Holder to the extent of such stockholder's ratable share of our current or accumulated earnings and profits as determined under U.S. federal income tax principles. Provided certain

holding period requirements are satisfied, non-corporate United States Holders generally will be subject to U.S. federal income tax at a maximum rate of 15% with respect to such dividend income. To the extent that the amount of the distribution exceeds our current and accumulated earnings and profits, the excess first will be treated as a return of capital that will reduce the United States Holder's adjusted tax basis in the Shares exchanged in the tender offer. Any amount remaining after the United States Holder's adjusted tax basis has been reduced to zero will be taxable to the United States Holder as capital gain. Any such gain will be long-term capital gain if the United States Holder has held the Shares for more than one year as of the date we are treated as purchasing the Shares in the tender offer for U.S. federal income tax consequences. The redeemed stockholder's basis in the redeemed Shares (after any reduction as noted above) will be allocated to other shares of stock of Liberty Media held by the redeemed stockholder. A dividend received by a corporate United States Holder may be (1) eligible for a dividends-received deduction (subject to applicable exceptions and limitations) and (2) subject to the "extraordinary dividend" provisions of Section 1059 of the Code. Corporate stockholders should consult their own tax advisors regarding (1) whether a dividends-received deduction will be available to them, and (2) the application of Section 1059 of the Code to the ownership and disposition of their Shares.

Consequences to Non-United States Holders. Gain realized by a Non-United States Holder on an exchange of Shares for cash pursuant to the tender offer generally will not be subject to U.S. federal income tax if the sale is treated as a sale or exchange for tax purposes pursuant to the tests of Section 302 of the Code described above unless (1) such gain is effectively connected with the conduct by such Non-United States Holder of a trade or business in the United States (and, if a treaty applies, the gain is generally attributable to a United States permanent establishment maintained by such Non-United States Holder), (2) in the case of gain realized by a Non-United States Holder that is an individual, such Non-United States Holder is present in the United States for 183 days or more in the taxable year of the sale or redemption and certain other conditions are met or (3) our shares constitute a United States real property interest and the Non-United States Holder held, actually or constructively, at any time during the five-year period preceding the exchange more than 5% of our shares. Our shares will constitute a United States real property interest with respect to a Non-United States Holder if we are or have been a "United States real property holding corporation" for U.S. federal income tax purposes at any time during the shorter of (i) the period during which the Non-United States Holder held shares or (ii) the 5-year period ending on the date the Non-United States Holder exchanges shares pursuant to the tender offer. We believe that we are not and have not been a United States real property holding corporation at any time during the past five years and do not expect to become one before our shares are exchanged for cash pursuant to the tender offer.

If a Non-United States Holder does not satisfy any of the Section 302 tests explained above, the full amount received by the Non-United States Holder with respect to our purchase of Shares under the tender offer will be treated as a distribution to the Non-United States Holder with respect to the Non-United States Holder's Shares, rather than as a sale or exchange of such shares. Because satisfaction of the Section 302 tests is dependent on matters of fact we will presume that all amounts paid in exchange for the Shares are distributions. The treatment, for U.S. federal income tax purposes, of such distribution as a dividend, a tax-free return of capital or a capital gain from the sale of Shares, and the reallocation of the basis of the redeemed shares, will be determined in the manner described above (see "Certain U.S. Federal Income Tax Consequences — Consequences to United States Holders"). To the extent that amounts received by a Non-United States Holder with respect to our purchase of Shares under the tender offer are treated as dividends and not as tax-free returns of capital or capital gains distributions, such dividends will generally be subject to withholding of United States federal income tax at the rate of 30% or such lower rate as may be specified by an applicable income tax treaty, provided we have received proper certification of the application of such income tax treaty. Non-United States Holders should consult their tax advisors regarding their entitlement to benefits under an applicable income tax treaty and the manner of claiming the benefits of such treaty. If any amount is withheld and the Non-United States Holder is not liable for such amount of tax, such Non-United States Holder may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for a refund with the IRS. Amounts treated as dividends that are effectively connected with a Non-United States Holder's conduct of a trade or business in the United States or, if provided in an applicable income tax treaty, dividends that are attributable to a permanent establishment in the United States, are not subject to the U.S. federal withholding tax, but generally are instead taxed in the manner applicable to U.S. persons, as described above. In that case, we will not have to withhold U.S. federal withholding tax if the Non-United States Holder complies with applicable certification and disclosure requirements. In addition, dividends received by a

foreign corporation that are effectively connected with the conduct of a trade or business in the United States may be subject to a branch profits tax at a 30% rate, or a lower rate specified in an applicable income tax treaty. See Section 3 “Procedures For Tendering Shares” with respect to the application of U.S. federal income tax withholding to payments made to Non-United States Holders.

United States Federal Income Tax Backup Withholding. See Section 3 “Procedures For Tendering Shares” with respect to the U.S. federal income tax backup withholding requirements.

THE TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY. YOU ARE URGED TO CONSULT WITH YOUR TAX ADVISOR TO DETERMINE THE PARTICULAR TAX CONSEQUENCES TO YOU OF THE TENDER OFFER, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL AND FOREIGN TAX LAWS.

14. EXTENSION OF TENDER OFFER; TERMINATION; AMENDMENTS

We expressly reserve the right, in our sole discretion, at any time and from time to time, and regardless of whether or not any of the events set forth in Section 7 shall have occurred or shall be determined by us to have occurred, to extend the period of time during which the tender offer is open and thereby delay acceptance for payment of, and payment for, shares by giving oral or written notice of such extension to the depository and making a public announcement of such extension. We also expressly reserve the right, in our sole discretion, to terminate the tender offer and not accept for payment or pay for Shares not theretofore accepted for payment or paid for or, subject to applicable law, to postpone payment for shares upon the occurrence of any of the conditions specified in Section 7 hereof by giving oral or written notice of such termination or postponement to the depository and making a public announcement of such termination or postponement. Our reservation of the right to delay payment for Shares which we have accepted for payment is limited by Rule 13e-4(f)(5) promulgated under the Exchange Act, which requires that we pay the consideration offered or return the Shares tendered promptly after termination or withdrawal of the tender offer.

Subject to compliance with applicable law, we further reserve the right, in our sole discretion, and regardless of whether any of the events set forth in Section 7 shall have occurred or shall be deemed by us to have occurred, to amend the tender offer in any respect, including, without limitation, by decreasing or increasing the consideration offered in the tender offer to holders of Shares or by decreasing or increasing the number of Shares being sought in the tender offer. Amendments to the tender offer may be made at any time and from time to time effected by public announcement, such announcement, in the case of an extension, to be issued no later than 9:00 a.m., New York City time, on the next business day after the last previously scheduled or announced expiration date. Any public announcement made under the tender offer will be disseminated promptly to stockholders in a manner reasonably designed to inform stockholders of such change. Without limiting the manner in which we may choose to make a public announcement, except as required by applicable law, we shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release through a national newswire service.

If we change the terms of the tender offer or the information concerning the tender offer, we will extend the tender offer to the extent required by Rules 13e-4(d)(2), 13e-4(e)(3) and 13e-4(f)(1) promulgated under the Exchange Act. These rules and certain related releases and interpretations of the SEC provide that the minimum period during which the tender offer must remain open following material changes in the terms of the tender offer or information concerning the tender offer (other than a change in price or a change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of such terms or information. If we (1) increase the price to be paid for the Shares above \$113.00, decrease the price to be paid for the Shares below \$105.00, increase the number of shares we seek in the tender offer by a number in excess of 2% of the outstanding LCAPA shares or LCAPB shares or decrease the number of Shares we seek, and (2) the tender offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that such notice of an increase or decrease is first published, sent or given to security holders in the manner specified in this Section 14, the tender offer will be extended until the expiration of such period of ten business days.

15. FEES AND EXPENSES

We have retained D.F. King & Co., Inc. to act as information agent and Computershare Shareholder Services, Inc. to act as depository in connection with the tender offer. The information agent may contact holders of Shares by mail, telephone and in person and may request brokers, dealers, commercial banks, trust companies and other nominee stockholders to forward materials relating to the tender offer to beneficial owners. The information agent and the depository will receive reasonable and customary compensation for their services, will be reimbursed by us for specified out-of-pocket expenses and will be indemnified against certain liabilities in connection with the tender offer, including certain liabilities under the federal securities laws.

No fees or commissions will be payable by us to brokers, dealers, commercial banks or trust companies (other than fees to the information agent as described above) for soliciting tenders of Shares under the tender offer. Stockholders holding Shares through brokers or banks are urged to consult the brokers or banks to determine whether transaction costs are applicable if stockholders tender Shares through such brokers or banks and not directly to the depository. We, however, upon request, will reimburse brokers, dealers, commercial banks and trust companies for customary mailing and handling expenses incurred by them in forwarding the tender offer and related materials to the beneficial owners of Shares held by them as a nominee or in a fiduciary capacity. No broker, dealer, commercial bank or trust company has been authorized to act as the agent of our company, the information agent or the depository for purposes of the tender offer. We will pay or cause to be paid all stock transfer taxes, if any, on our purchase of Shares except as otherwise provided in this document.

16. MISCELLANEOUS

We are not aware of any jurisdiction where the making of the tender offer is not in compliance with applicable law. If we become aware of any jurisdiction where the making of the tender offer or the acceptance of shares pursuant thereto is not in compliance with applicable law, we will make a good faith effort to comply with the applicable law. If, after such good faith effort, we cannot comply with the applicable law, the tender offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of shares in such jurisdiction.

Pursuant to Rule 13e-4(c)(2) under the Exchange Act, we have filed with the SEC a Tender Offer Statement on Schedule TO which contains additional information with respect to the tender offer. The Schedule TO, including the exhibits and any amendments and supplements thereto, may be examined, and copies may be obtained, at the same places and in the same manner as is set forth in Section 10 with respect to information concerning us.

WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION ON BEHALF OF US, THE DEPOSITARY OR THE INFORMATION AGENT AS TO WHETHER YOU SHOULD TENDER OR REFRAIN FROM TENDERING YOUR SHARES IN THE TENDER OFFER. WE HAVE NOT AUTHORIZED ANY PERSON TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE TENDER OFFER OTHER THAN THOSE CONTAINED IN THIS DOCUMENT OR IN THE RELATED LETTER OF TRANSMITTAL. IF GIVEN OR MADE, ANY RECOMMENDATION OR ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY US.

March 7, 2007

LIBERTY MEDIA CORPORATION

March 7, 2007

The depositary will accept legible copies of the letter of transmittal. You or your broker, dealer, commercial bank, trust company or other nominee should send the letter of transmittal and certificates for the shares and any other required documents to the depositary at one of its addresses set out below:

The Depositary:

Computershare Shareholder Services, Inc.

By Mail:

Computershare Shareholder Services, Inc.
Attn: Corporate Actions
P.O. Box 859208
Braintree MA 02185-9208

By Overnight Delivery:

Computershare Shareholder Services, Inc.
Attn: Corporate Actions
161 Bay State Drive
Braintree MA 02184

By Facsimile Transmission (For Eligible Institutions Only):

Facsimile Transmission:
781-380-3388

To Confirm Facsimile Transmissions (For Eligible Institutions Only):

Confirm Receipt of Facsimile
By Telephone:
781-930-4900

Please contact the information agent at the telephone numbers and address below with any questions or requests for assistance or additional copies of the offer to purchase and the letter of transmittal and the notice of guaranteed delivery. You may also contact your broker, dealer, commercial bank or trust company for assistance concerning the tender offer. To confirm delivery of your shares, please contact the depositary.

The Information Agent:

D. F. King & Co., Inc.
48 Wall Street
22nd Floor
New York, New York 10005

Banks and Brokers Call:
212-269-5550

All others call Toll Free:
1-888-628-1041

**LETTER OF TRANSMITTAL
OF
LIBERTY MEDIA CORPORATION**

**Pursuant to the Offer to Purchase
Dated March 7, 2007
Offer to Purchase for Cash
up to 8,849,500 Shares of Its
Liberty Capital Series A Common Stock
and
Liberty Capital Series B Common Stock,
At a Purchase Price Not Greater Than \$113.00
Or Less Than \$105.00 Per Share**

Liberty Media Corporation ("Liberty Media") is offering to purchase up to 8,849,500 shares of its Liberty Capital Series A common stock, par value \$0.01 per share ("LCAPA"), and Liberty Capital Series B common stock, par value \$0.01 per share ("LCAPB"), from its stockholders, upon the terms and subject to the conditions set forth in the offer to purchase, dated March 7, 2007 (the "Offer to Purchase"), and this letter of transmittal (the "Letter of Transmittal") (which together, as each of which may be amended or supplemented from time to time, constitute the "Tender Offer"). The shares of LCAPA and LCAPB are referred to together as the "Shares". Liberty Media is inviting stockholders to tender their Shares at a price per share not greater than \$113.00 or less than \$105.00 and Liberty Media will select the lowest purchase price that will allow it to purchase 8,849,500 Shares or such fewer number of Shares as are properly tendered and not properly withdrawn prior to the Expiration Date. The Tender Offer, proration period and withdrawal rights will expire at 5:00 pm, New York City time, on April 5, 2007, unless extended or earlier terminated by Liberty Media (the "Expiration Date").

The Depository for the Offer is:
COMPUTERSHARE SHAREHOLDER SERVICES, INC.

If by Mail:
Computershare
Shareholder Services, Inc.
P.O. Box 859208
Braintree MA 02185-9208
Attn: Corporate Actions

By facsimile:
(For Eligible Institutions only)
(781) 380-3388
Confirmation:
(781) 930-4900

By Overnight Delivery:
Computershare Shareholder Services, Inc.
161 Bay State Drive
Braintree MA 02184
Attn: Corporate Actions

Name(s) and Address(es) of Registered Stockholder(s) or Name of DTC Participant and Participant's DTC Account Number in which Shares are Held (Please fill in, if blank, exactly as name(s) appear(s) on Certificate(s))	Description of Shares Tendered			
	Certificate Number(s)*	Number of LCAPA Shares represented by Certificate(s)	Number of LCAPB Shares represented by Certificate(s)	Number of Shares Tendered**

* Need not complete if Shares are delivered by book-entry transfer.
** If you desire to tender fewer than all Shares evidenced by any certificate(s) listed above, please indicate in this column the number of Shares you wish to tender. Otherwise, all Shares evidenced by such certificate(s) will be deemed to have been tendered. See Instruction 5.

Indicate below the order (by certificate number) in which Shares are to be purchased in the event of proration. If you do not designate an order, if less than all Shares tendered are purchased due to proration, Shares will be selected for purchase by the Depository.

1st _____ 2nd _____ 3rd _____ 4th _____ 5th _____

DELIVERY OF THIS LETTER OF TRANSMITTAL BY ANY MEANS OTHER THAN AS PROVIDED HEREIN WILL NOT CONSTITUTE A VALID DELIVERY. YOU MUST DELIVER THIS LETTER OF TRANSMITTAL TO THE DEPOSITARY. DELIVERIES TO LIBERTY MEDIA OR D.F. KING & CO., INC. (THE INFORMATION AGENT FOR THE TENDER OFFER) WILL NOT BE FORWARDED TO THE DEPOSITARY AND THEREFORE WILL NOT CONSTITUTE VALID DELIVERY TO THE DEPOSITARY. DELIVERY OF THE LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS TO THE BOOK-ENTRY TRANSFER FACILITY WILL NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

YOU SHOULD USE THIS LETTER OF TRANSMITTAL IF YOU ARE CAUSING THE SHARES TO BE DELIVERED BY BOOK-ENTRY TRANSFER TO THE DEPOSITARY'S ACCOUNT AT THE DEPOSITARY TRUST COMPANY ("DTC," WHICH IS HEREINAFTER REFERRED TO AS THE "BOOK-ENTRY TRANSFER FACILITY") PURSUANT TO THE PROCEDURES SET FORTH IN SECTION 3 OF THE OFFER TO PURCHASE. ONLY FINANCIAL INSTITUTIONS THAT ARE PARTICIPANTS IN THE BOOK-ENTRY TRANSFER FACILITY'S SYSTEM MAY MAKE BOOK-ENTRY DELIVERY OF THE SHARES.

THE INFORMATION AGENT FOR THE TENDER OFFER IS:

D.F. KING & CO., INC.

Banks and Brokers Call: 212-269-5550
All others call Toll Free: 1-888-628-1041

BEFORE COMPLETING THIS LETTER OF TRANSMITTAL, YOU SHOULD READ THIS LETTER OF TRANSMITTAL AND THE ACCOMPANYING INSTRUCTIONS CAREFULLY.

You should use this Letter of Transmittal only if (1) you are also enclosing certificates for LCAPA shares or LCAPB shares you desire to tender, or (2) you intend to deliver certificates for such Shares under a notice of guaranteed delivery previously sent to the Depository, or (3) you are delivering LCAPA shares or LCAPB shares through a book-entry transfer into the Depository's account at the Depository Trust Company (*i.e.*, the book-entry transfer facility) in accordance with Section 3 of the Offer to Purchase.

If you desire to tender Shares in the Tender Offer, but you cannot deliver the certificates for such shares and all other required documents to the Depository by the Expiration Date, or cannot comply with the procedures for book-entry transfer on a timely basis, then you may tender your Shares according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase. See Instruction 2. Delivery of the Letter of Transmittal and any other required documents to the book-entry transfer facility does not constitute delivery to the Depository.

CHECK HERE IF YOU ARE DELIVERING TENDERED SHARES PURSUANT TO A NOTICE OF GUARANTEED DELIVERY THAT YOU PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING:

Name(s) of Tendering Stockholder(s): _____

Date of Execution of Notice of Guaranteed Delivery: _____

Name of Institution that Guaranteed Delivery: _____

CHECK HERE IF ANY CERTIFICATES EVIDENCING THE SHARES YOU ARE TENDERING WITH THIS LETTER OF TRANSMITTAL HAVE BEEN LOST, STOLEN, DESTROYED OR MUTILATED. YOU SHOULD CALL COMPUTERSHARE SHAREHOLDER SERVICES, INC., THE TRANSFER AGENT, AT 1-888-218-4391 (OR, IF CALLING FROM OUTSIDE THE UNITED STATES, 781-575-4579) TO GET INFORMATION ABOUT THE REQUIREMENTS FOR REPLACEMENT. YOU MAY BE REQUIRED TO POST A BOND TO SECURE AGAINST THE RISK THAT CERTIFICATES MAY BE SUBSEQUENTLY RECIRCULATED. PLEASE CALL COMPUTERSHARE SHAREHOLDER SERVICES IMMEDIATELY TO OBTAIN AN AFFIDAVIT OF LOSS, TO RECEIVE FURTHER INSTRUCTIONS ON HOW TO PROCEED, AND TO DETERMINE WHETHER YOU WILL NEED TO POST A BOND, SO THAT THE TIMELY PROCESSING OF THIS LETTER OF TRANSMITTAL WILL NOT BE IMPEDED. SEE INSTRUCTION 15.

CHECK HERE IF YOU ARE A FINANCIAL INSTITUTION THAT IS A PARTICIPATING INSTITUTION IN THE BOOK-ENTRY TRANSFER FACILITY'S SYSTEM AND YOU ARE DELIVERING THE TENDERED SHARES BY BOOK-ENTRY TRANSFER TO AN ACCOUNT MAINTAINED BY THE DEPOSITARY AT THE BOOK-ENTRY TRANSFER FACILITY, AND COMPLETE THE FOLLOWING:

Name(s) of Tendering Institution: _____

Account Number: _____

Transaction Code Number: _____

**NOTE: SIGNATURES MUST BE PROVIDED BELOW
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY**

CHECK EXACTLY ONE BOX ON THIS PAGE. IF YOU CHECK MORE THAN ONE BOX, OR IF YOU DO NOT CHECK ANY BOX, YOU WILL HAVE FAILED TO VALIDLY TENDER ANY SHARES

SHARES TENDERED AT PRICE DETERMINED PURSUANT TO THE TENDER OFFER

(See Instruction 6)

- The undersigned wants to maximize the chance of having Liberty Media purchase all Shares the undersigned is tendering (subject to the possibility of proration). Accordingly, by checking this one box instead of one of the price boxes below, the undersigned hereby tenders Shares and is willing to accept the purchase price determined by Liberty Media pursuant to the Tender Offer. If you agree to accept the purchase price determined by Liberty, your Shares will be deemed to be tendered at the minimum price of \$105.00 per share. You should understand that this election may lower the purchase price paid for all purchased Shares in the Tender Offer and could result in your Shares being purchased at the minimum price of \$105.00 per share.

—OR—

SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER

(See Instruction 6)

By checking one of the boxes below instead of the box above, the undersigned hereby tenders Shares at the price checked. This action could result in none of the Shares being purchased if the purchase price for the Shares is less than the price checked below. A stockholder

Price (in dollars) per Share at which Shares are being tendered:

<input type="checkbox"/> \$105.00	<input type="checkbox"/> \$ 106.30	<input type="checkbox"/> \$ 107.60	<input type="checkbox"/> \$ 108.90	<input type="checkbox"/> \$ 110.20	<input type="checkbox"/> \$ 111.50	<input type="checkbox"/> \$ 112.80
<input type="checkbox"/> \$105.10	<input type="checkbox"/> \$ 106.40	<input type="checkbox"/> \$ 107.70	<input type="checkbox"/> \$ 109.00	<input type="checkbox"/> \$ 110.30	<input type="checkbox"/> \$ 111.60	<input type="checkbox"/> \$ 112.90
<input type="checkbox"/> \$105.20	<input type="checkbox"/> \$ 106.50	<input type="checkbox"/> \$ 107.80	<input type="checkbox"/> \$ 109.10	<input type="checkbox"/> \$ 110.40	<input type="checkbox"/> \$ 111.70	<input type="checkbox"/> \$ 113.00
<input type="checkbox"/> \$105.30	<input type="checkbox"/> \$ 106.60	<input type="checkbox"/> \$ 107.90	<input type="checkbox"/> \$ 109.20	<input type="checkbox"/> \$ 110.50	<input type="checkbox"/> \$ 111.80	
<input type="checkbox"/> \$105.40	<input type="checkbox"/> \$ 106.70	<input type="checkbox"/> \$ 108.00	<input type="checkbox"/> \$ 109.30	<input type="checkbox"/> \$ 110.60	<input type="checkbox"/> \$ 111.90	
<input type="checkbox"/> \$105.50	<input type="checkbox"/> \$ 106.80	<input type="checkbox"/> \$ 108.10	<input type="checkbox"/> \$ 109.40	<input type="checkbox"/> \$ 110.70	<input type="checkbox"/> \$ 112.00	
<input type="checkbox"/> \$105.60	<input type="checkbox"/> \$ 106.90	<input type="checkbox"/> \$ 108.20	<input type="checkbox"/> \$ 109.50	<input type="checkbox"/> \$ 110.80	<input type="checkbox"/> \$ 112.10	
<input type="checkbox"/> \$105.70	<input type="checkbox"/> \$ 107.00	<input type="checkbox"/> \$ 108.30	<input type="checkbox"/> \$ 109.60	<input type="checkbox"/> \$ 110.90	<input type="checkbox"/> \$ 112.20	
<input type="checkbox"/> \$105.80	<input type="checkbox"/> \$ 107.10	<input type="checkbox"/> \$ 108.40	<input type="checkbox"/> \$ 109.70	<input type="checkbox"/> \$ 111.00	<input type="checkbox"/> \$ 112.30	
<input type="checkbox"/> \$105.90	<input type="checkbox"/> \$ 107.20	<input type="checkbox"/> \$ 108.50	<input type="checkbox"/> \$ 109.80	<input type="checkbox"/> \$ 111.10	<input type="checkbox"/> \$ 112.40	
<input type="checkbox"/> \$106.00	<input type="checkbox"/> \$ 107.30	<input type="checkbox"/> \$ 108.60	<input type="checkbox"/> \$ 109.90	<input type="checkbox"/> \$ 111.20	<input type="checkbox"/> \$ 112.50	
<input type="checkbox"/> \$106.10	<input type="checkbox"/> \$ 107.40	<input type="checkbox"/> \$ 108.70	<input type="checkbox"/> \$ 110.00	<input type="checkbox"/> \$ 111.30	<input type="checkbox"/> \$ 112.60	
<input type="checkbox"/> \$106.20	<input type="checkbox"/> \$ 107.50	<input type="checkbox"/> \$ 108.80	<input type="checkbox"/> \$ 110.10	<input type="checkbox"/> \$ 111.40	<input type="checkbox"/> \$ 112.70	

You will not have validly tendered your Shares unless you check one and only one box in this frame.

CONDITIONAL TENDER
(See Instruction 7)

A tendering stockholder may condition his or her tender of Shares upon Liberty Media purchasing a specified minimum number of the Shares tendered by the tendering stockholder, all as described in Section 6 of the Offer to Purchase "Conditional Tender of Shares." Unless

- The minimum number of Shares that must be purchased from the tendering stockholder, if any are purchased, is: _____ shares.
If, because of proration, the minimum number of Shares designated will not be purchased, Liberty Media may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering stockholder must have tendered all of his
- The tendered Shares represent all Shares held by the undersigned.

ODD LOTS
(See Instruction 11)

To be completed only if the Shares are being tendered by or on behalf of a person owning beneficially or of record an aggregate of fewer than 100 Shares. The undersigned either **(check one box)**:

- is the beneficial or record owner of an aggregate of fewer than 100 Shares, all of which are being tendered; or
- is a broker, dealer, commercial bank, trust company or other nominee that (a) is tendering for the beneficial owner(s) thereof, shares with respect to which it is record holder and (b) believes, based upon representations made to it by such beneficial owner(s), that each such person is the beneficial or record owner of an aggregate of fewer than 100 Shares and is tendering all of such shares.
In addition, the undersigned is tendering Shares either **(check one box)**:
 - at the price determined by Liberty Media pursuant to the Tender Offer (persons checking this box need not indicate the price per share above); or
 - at the price per share indicated above under "Shares Tendered At Price Determined By Stockholder" in this Letter of Transmittal.

Ladies and Gentlemen:

Upon the terms and subject to the conditions of the Tender Offer, the undersigned hereby tenders to Liberty Media the Shares indicated above. The tender of the Shares is being made at the price per Share indicated in this Letter of Transmittal, net to the seller in cash. Subject to, and effective upon, acceptance for purchase of the Shares tendered in accordance with the terms and subject to the conditions of the Tender Offer, including, if the Tender Offer is extended or amended, the terms and conditions of the extension or amendment:

1. deliver certificates for Shares or transfer ownership of such shares on the account books maintained by the book-entry transfer facility, together in either such case with all accompanying evidences of transfer and authenticity, to or upon the order of Liberty Media;
2. present certificates for such Shares for cancellation and transfer on Liberty Media's books; and
3. receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares, subject to the next paragraph, all in accordance with the terms of the Tender Offer.

The undersigned understands that Liberty Media will, upon the terms and subject to the conditions of the Tender Offer, determine a single per share price, not greater than \$113.00 or less than \$105.00 per Share (the "Purchase Price"), which it will pay for Shares tendered. The undersigned further understands and acknowledges that the Tender Offer will expire on the Expiration Date for the Tender Offer, unless extended or earlier terminated by Liberty Media.

The undersigned covenants, represents and warrants to Liberty Media that, in connection with its tender of the Shares indicated in the box above:

1. the undersigned has a net long position in the Shares at least equal to the number of Shares being tendered within the meaning of Rule 14e-4 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is tendering the Shares in cash;
2. the undersigned has received a copy of this document and the Offer to Purchase and agrees to be bound by all the terms and conditions of the Tender Offer;
3. the undersigned has full power and authority to tender, sell, assign and transfer the Shares;
4. when and to the extent Liberty Media accepts the Shares for purchase, Liberty Media will acquire good and marketable title to them, free and clear of all security interests, charges, liens, restrictions, claims and encumbrances; and

5. the undersigned will, upon Liberty Media's request or the request of the Depositary, as applicable, execute and deliver any additional documents necessary or desirable to complete the tender of such Shares.

The undersigned understands that Liberty Media's acceptance of the Shares tendered pursuant to the procedures described in Section 3 of the Offer to Purchase and in the instructions to this Letter of Transmittal will constitute a binding agreement between the undersigned and Liberty Media. The undersigned recognizes that under the circumstances set forth in the Offer to Purchase, Liberty Media may terminate or amend the Tender Offer, or may postpone the acceptance for payment of, or the payment for, Shares tendered, or may accept for payment fewer Shares than are tendered. THE NAMES AND ADDRESSES OF THE REGISTERED STOCKHOLDERS SHOULD BE PRINTED, IF THEY ARE NOT ALREADY PRINTED ABOVE, EXACTLY AS THEY APPEAR ON THE CERTIFICATES REPRESENTING SHARES TENDERED. Unless otherwise indicated above in the box entitled "Special Payment Instructions," please issue the check for the aggregate purchase price with respect to any Shares purchased (less the amount of any federal income or backup withholding tax required to be withheld) to the registered stockholder of record as of the record date for the tender. The undersigned recognizes that Liberty Media has no obligation, under the Special Payment Instructions, to transfer any certificate for Shares from the name of its registered stockholder, or to order the registration or transfer of Shares tendered by book-entry transfer. For purposes of the Tender Offer, the undersigned understands that Liberty Media will be deemed to have accepted for purchase validly tendered Shares, or defectively tendered Shares with respect to which Liberty Media has waived such defect, if, as and when Liberty Media so determines. All authority conferred or agreed to be conferred by this Letter of Transmittal will survive the death or incapacity of the undersigned, and all obligations of the undersigned hereunder will be binding on the heirs, personal representatives, executors, administrators, successors and assigns of the undersigned.

PLEASE SIGN HERE — To Be Completed By All Tendering Stockholders
(Please Complete and Return With the Attached Substitute Form W-9,
or The Appropriate Form W-8)

This Letter of Transmittal must be signed by registered holder(s) exactly as name(s) appear(s) on Share certificate(s) or on a security position listing or by person(s) authorized to become registered holder(s) by Share certificate(s) and documents transmitted herewith

(Signature(s) of Stockholder(s) or Authorized Signatory)

Dated: _____, 2007.

Name(s): _____

(Please Print)

Capacity: _____

Address: _____

(Including Zip Code)

Area Code and Telephone No.: _____

SIGNATURE GUARANTEE (See Instructions 1 and 8 below)

Certain Signatures Must be Guaranteed by a Medallion Signature Guarantor

(Name of Medallion Signature Guarantor Guaranteeing Signature)

(Address (including zip code) and Telephone Number (including area code) of Firm)

(Authorized Signature)

(Printed Name)

(Title)

Dated: _____, 2007.

INSTRUCTIONS

Forming Part of the Terms and Conditions of the Tender Offer

1. **Guarantee of Signatures.** Except as otherwise provided in this Instruction, all signatures on this Letter of Transmittal must be guaranteed by a financial institution that is a participant in the Securities Transfer Agents Medallion Program or a bank, broker, dealer.
2. **Delivery of Letter of Transmittal and Certificates; Guaranteed Delivery Procedures.** You should use this Letter of Transmittal only if you are (a) forwarding certificates with this Letter of Transmittal, (b) going to deliver certificates under a notice of guaranteed delivery. The term "Agent's Message" means a message transmitted by the book-entry transfer facility to, and received by, the Depository, which states that the book-entry transfer facility has received an express acknowledgment from the participant in the book-entry transfer facility. **Guaranteed Delivery.** If you cannot deliver your Shares and all other required documents to the Depository by the Expiration Date, or the procedure for book-entry transfer cannot be completed on a timely basis, you may tender your Shares, pursuant to the guaranteed delivery procedure. The notice of guaranteed delivery may be delivered by hand, facsimile transmission or mail to the Depository and must include, if necessary, a guarantee by an eligible guarantor institution in the form set forth in such notice. For Shares to be tendered validly under this Instruction, THE METHOD OF DELIVERY OF ALL DOCUMENTS, INCLUDING CERTIFICATES FOR SHARES, IS AT THE OPTION AND RISK OF THE TENDERING STOCKHOLDER. IF YOU CHOOSE TO DELIVER THE DOCUMENTS BY MAIL, WE RECOMMEND THAT YOU USE REGISTERED MAIL WITH RETURN RECEIPT REQUESTED.

RECEIPT REQUESTED, PROPERLY INSURED. IN ALL CASES, PLEASE ALLOW SUFFICIENT TIME TO ASSURE DELIVERY.

Except as provided herein or in the Offer to Purchase, Liberty Media will not accept any alternative, conditional or contingent tenders, nor will it purchase any fractional Shares. By executing this Letter of Transmittal, you waive any right to receive any notice of the

3. **Withdrawal of Tenders.** A tender of Shares may be withdrawn at any time prior to the Expiration Date, but no consideration shall be payable in respect of the Shares so withdrawn.

For a withdrawal of Shares to be effective, the Depository must timely receive either an Agent's Message or a written or faxed notice of withdrawal specifying the name of the tendering stockholder, a description of the Shares to be withdrawn, the amount of Shares to

Any permitted withdrawal of tendered Shares may not be rescinded by the stockholder and any Shares properly withdrawn will thereafter be deemed not validly tendered; *provided, however*, that properly withdrawn Shares may be re-tendered, by again following on Stockholders can withdraw the tender of their Shares only in accordance with the foregoing procedures.

All questions as to the validity, form and eligibility (including time of receipt) of notices of withdrawal will be determined by Liberty Media, in Liberty Media's sole discretion (whose determination shall be final and binding). None of Liberty Media, the Depository

4. **Inadequate Space.** If the space provided in the box captioned "Description of Shares Tendered" is inadequate, then you should list the certificate numbers, the number of Shares represented by the certificate(s) and the number of Shares tendered with respect to each

5. **Partial Tenders and Unpurchased Shares.** (Not applicable to stockholders who tender by book-entry transfer.) If you wish to tender (*i.e.*, offer to sell) fewer than all of the Shares evidenced by any certificate(s) that you deliver to the Depository, fill in the number

6. **Indication of Price at Which Shares are Being Tendered.** In order to validly tender your Shares by this Letter of Transmittal, you must either:

- a. check the box under "**Shares Tendered at Price Determined Pursuant to the Tender Offer**" in order to maximize the chance of having Liberty Media purchase all of the Shares that you tender (subject to the possibility of proration); **or**

b. check one of the boxes indicating the price per Share at which you are tendering such Shares in the section entitled "Shares Tendered at Price Determined by Stockholder." YOU MUST CHECK ONE, AND ONLY ONE, BOX. If you check more than one box or no boxes, then you will be deemed not to have validly tendered your Shares. IF YOU WISH TO TENDER PORTIONS OF YOUR DIFFERENT SHARES HOLDING AT DI By checking the box under "Shares Tendered at Price Determined Pursuant to the Tender Offer" you agree to accept the purchase price for Shares resulting from the tender offer process. If you agree to accept the purchase price determined by Liberty Media, your SI

7. **Conditional Tender.** As described in Sections 3 and 6 of the Offer to Purchase, stockholders may condition their tenders on all or a minimum number of their tendered Shares being purchased. To make a conditional tender, a stockholder must indicate this in the box captioned "Conditional Tender" in this Letter of Transmittal or, if applicable, the notice of guaranteed delivery. In the box in this Letter of Transmittal or the notice of guaranteed delivery, a st As discussed in Sections 3 and 6 of the Offer to Purchase, proration may affect whether Liberty Media accepts conditional tenders and may result in Shares tendered pursuant to a conditional tender at or below the purchase price not being purchased if the minimum All tendered Shares will be deemed unconditionally tendered unless the "Conditional Tender" box is completed.

8. **Signatures on Letter of Transmittal; Signature Guarantees.**

- **Exact Signature.** If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, the signature(s) must correspond with the name(s) written on the face of the certificate(s) without any change whatsoever.
- **Joint Holders.** If the Shares tendered are registered in the names of two or more persons, each such person must sign this Letter of Transmittal.
- **Signatures of Fiduciaries.** If this Letter of Transmittal is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or any other person acting in a fiduciary or representative capacity, that person should so indicate when signing and must submit to the Depository proper evidence satisfactory to Liberty Media of his or her authority to so act.
- **Endorsements.** If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, no endorsements of certificate(s) representing such Shares or separate stock powers are required unless payment of the purchase price for Shares is to be made, or the certificates for Shares not tendered or tendered but not purchased are to be issued, to a person other than the registered holder(s).

SIGNATURE(S) ON ANY SUCH CERTIFICATE(S) OR STOCK POWERS MUST BE GUARANTEED BY AN ELIGIBLE INSTITUTION.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Shares tendered hereby, or if payment is to be made to a person other than the registered holder(s), the certificate(s) for the Shares must be endorsed or accompanied by approval of the registered holder(s).

9. **Transfer Taxes.** Except as set forth in this Instruction 9, Liberty Media will pay or cause to be paid any transfer taxes with respect to the transfer and sale of Shares to it, or to its order, pursuant to the Tender Offer. If payment is to be made to, or if Shares not tendered, the transferee shall be responsible for payment of any such taxes.

10. **Special Payment and Delivery Instructions.** If any of the following conditions holds:

- a. check(s) for the purchase price for Shares purchased pursuant to the Tender Offer are to be issued to a person other than the person(s) signing this Letter of Transmittal; or
- b. check(s) for the purchase price of Shares are to be sent to any person other than the person signing this Letter of Transmittal, or to the person signing this Letter of Transmittal, but at a different address;
- c. certificates for any Shares not tendered, or tendered but not purchased, are to be returned to and in the name of a person other than the person(s) signing this Letter of Transmittal; or
- d. certificates for shares not tendered, or tendered but not purchased, are to be returned to the person signing this Letter of Transmittal at a different address,

then, in each such case, you must complete the boxes captioned "Special Payment Instructions" and/or "Special Delivery Instructions" as applicable in this Letter of Transmittal and make sure that the signatures herein are guaranteed as described in Instructions 1 and 8.

11. **Odd Lots.** As described in Section 1 of the Offer to Purchase "Number of Shares; Proration", if Liberty Media is to purchase fewer than all Shares properly tendered on or before the Expiration Date and not properly withdrawn, the Shares purchased first will constitute the odd lot.

12. **Tax Identification Number and Withholding.** Under the federal income tax laws, the Depository will be required to withhold 28% of the amount of any payments made to certain stockholders pursuant to the Tender Offer. In order to avoid such backup withholding, certain stockholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order to satisfy the Depository that a foreign stockholder qualifies as an exempt recipient, such stockholder must provide a valid tax identification number to the Depository.

connected income," certain foreign partnerships and other foreign intermediaries may obtain an exemption from withholding by filing a Form W-8IMY, and other persons may be able to claim an exemption form, or a reduction in, withholding pursuant to an applicable income tax treaty. For further information concerning backup withholding and instructions for completing the Substitute Form W-9 (including how to obtain a taxpayer identification number if you do not have one and how to complete the Substitute Form W-9 if Shares are held in multiple accounts), please refer to the instructions for Form W-9.

13. **Irregularities.** Liberty Media will determine, in its sole discretion, all questions as to the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of Shares and its determination shall be final and binding on all parties. Liberty Media reserves the right to accept or reject any tender of Shares.

14. **Waiver of Conditions.** Liberty Media expressly reserves the absolute right, in its sole discretion, to waive any of the conditions to the Tender Offer in the case of any Shares tendered, in whole or in part, at any time and from time to time.

15. **Lost, Stolen, Destroyed or Mutilated Certificates.** If any certificate representing any Shares has been lost, stolen, destroyed or mutilated, you should notify Computershare Shareholder Services, Inc., the transfer agent for the Shares, by calling 1-888-218-4391 (toll free). We cannot process this Letter of Transmittal and related documents until you have followed the procedures for replacing lost, stolen, destroyed or mutilated certificates. We urge you to contact the transfer agent, Computershare Shareholder Services, Inc., immediately if you believe you have a lost, stolen, destroyed or mutilated certificate.

16. **Requests for Assistance or Additional Copies.** Questions relating to the procedure for tendering Shares and requests for assistance or additional copies of the Offer to Purchase and this Letter of Transmittal may be directed to, and additional information about the Offer to Purchase may be obtained from, the Information Agent for the Tender Offer.

The Information Agent for the Tender Offer is:

D.F. KING & CO., INC.
48 Wall Street
New York, NY 10005
Banks and Brokers call: (212) 269-5550
Toll free (888) 628-1041

**GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9**

Guidelines for Determining the Proper Identification Number to Give the Payor. A Social Security Number (SSN) has nine digits separate by two hyphens: i.e. 000-00-0000. An Employer Identification Number (EIN) has nine digits separated by only one hyphen, i.e. 12-34567890.

For this type of account:	Give the SOCIAL SECURITY number of —
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account.(1)
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)
4. a. The usual revocable savings trust account (grantor is also trustee)	The grantor-trustee(1)
b. So-called trust account that is not a legal or valid trust under state law	The actual owner(1)
5. Sole proprietorship or single-owner LLC	The owner(3)

For this type of account:	Give the EMPLOYER IDENTIFICATION number of —
6. Sole proprietorship or single-owner LLC account	The owner(3)
7. A valid trust, estate, or pension trust	The legal entity(4)
8. Corporation or LLC electing corporate status on Form 8832	The corporation or LLC
9. Association, club, religious, charitable, educational or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership or LLC
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

- (1) List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number should be furnished.
- (2) Circle the minor's name and furnish the minor's SSN.
- (3) You must show your individual name, but you may also enter your business or "doing business as" name. You may use either your SSN or EIN (if you have one).
- (4) List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the identifying number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

NOTE: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

**GUIDELINES FOR CERTIFICATION OF TAXPAYER
IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9
Page 2**

Obtaining a Number

If you don't have a taxpayer identification number or you don't know your number, obtain Form SS-5, Application for a Social Security Card, or Form SS-4, Application for Employer Identification Number, or Form W-7, Application for Individual Taxpayer Identification Number at the local office of th

Payees Exempt from Backup Withholding

Payees specifically exempted from backup withholding on ALL payments include the following:

- An organization exempt from tax under section 501(a), an IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2).
- The United States or any agency or instrumentality thereof.
- A state, the District of Columbia, a possession of the United States, or any political subdivision or instrumentality thereof.
- A foreign government or any political subdivision, agency or instrumentality thereof.
- An international organization or any agency or instrumentality thereof.

Other payees that may be exempt from backup withholding include:

- A corporation.
- A financial institution.
- A middleman known in the investment community as a nominee or custodian.
- A dealer in securities or commodities registered in the United States or a possession of the United States
- A real estate investment trust.
- A common trust fund operated by a bank under section 584(a).
- A trust exempt from tax under section 664 or described in section 4947.
- An entity registered at all times during the tax year under the Investment Company Act of 1940.
- A foreign central bank of issue.

Exempt payees described above should file Form W-9 to avoid possible erroneous backup withholding. FILE THIS FORM WITH THE PAYOR, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, CHECK "EXEMPT" ON THE FACE OF THE FORM, SIGN AND DATE THE FORM AN

Privacy Act Notice.

Section 6109 requires most recipients of dividends, interest, or other payments to give taxpayer identification numbers to payors who must report the payments to the IRS. The IRS uses the numbers for identification purposes. Payors must be given the numbers whether or not recipients are required to file

Penalties

(1) Penalty for Failure to Furnish Taxpayer Identification Number. If you fail to furnish your taxpayer identification number to a payor, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) Civil Penalty for False Information With Respect to Withholding. If you make a false statement with no reasonable basis that results in no imposition of backup withholding, you are subject to a penalty of \$500.

(3) Criminal Penalty for Falsifying Information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

(4) Misuse of Taxpayer Identification Number. If the requester discloses or uses taxpayer identification numbers in violation of federal law, the requester may be subject to civil and criminal penalties.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE

THIS LETTER OF TRANSMITTAL (OR FACSIMILE THEREOF), PROPERLY COMPLETED AND DULY EXECUTED (TOGETHER WITH ANY REQUIRED SIGNATURE GUARANTEES AND CONFIRMATION OF BOOK-ENTRY TRANSFER AND

The Depository for the Tender Offer is:

COMPUTERSHARE SHAREHOLDER SERVICES, INC.

If by Mail:
Computershare Shareholder
Services, Inc.
P.O. Box 859208
Braintree MA 02185-9208
Attn: Corporate Actions

By Overnight Delivery:
Computershare Shareholder
Services, Inc.
161 Bay State Drive
Braintree MA 02184
Attn: Corporate Actions

Requests for additional copies of the Offer to Purchase, this Letter of Transmittal and all other tender offer materials may be directed to the Information Agent as set forth below and will be furnished promptly at the Liberty Media's expense. Questions regarding the

The Information Agent for the Tender Offer is:

D.F. King & Co., Inc.
48 Wall Street
22nd Floor
New York, NY 10005
Banks and Brokers call: (212) 269-5550
Toll free (888) 628-1041

**NOTICE OF GUARANTEED DELIVERY FOR
LIBERTY MEDIA CORPORATION
OFFER TO PURCHASE FOR CASH
UP TO 8,849,500 SHARES OF ITS
LIBERTY CAPITAL SERIES A COMMON STOCK
AND
LIBERTY CAPITAL SERIES B COMMON STOCK,
AT A PURCHASE PRICE NOT GREATER THAN \$113.00
OR LESS THAN \$105.00 PER SHARE**

As set forth in Section 3 of the offer to purchase dated March 7, 2007 of Liberty Media Corporation (the "Offer to Purchase"), this notice of guaranteed delivery, or a facsimile hereof, must be used to accept the tender offer if:

- (a) certificates representing shares of Liberty Capital Series A common stock, par value \$0.01 per share, and/or certificates representing shares of Liberty Capital Series B common stock, par value \$0.01 per share, in each case, of Liberty Media Corporation, a Delaware corporation, cannot be delivered prior to the "expiration date" (as defined in Section 1 of the Offer to Purchase); or
- (b) the procedure for book-entry transfer cannot be completed before the expiration date; or
- (c) time will not permit a properly completed and duly executed letter of transmittal, or manually signed facsimile thereof, and all other required documents to reach the depositary referred to below before the expiration date.

This form or a facsimile of it, signed and properly completed, may be delivered by hand or transmitted by facsimile transmission or mailed to the Depository so that it is received by the Depository before the expiration date. See Section 3 of the Offer to Purchase.

The Depository for the Offer is:

COMPUTERSHARE SHAREHOLDER SERVICES, INC.

By Mail:

Computershare Shareholder Services, Inc.
Attn: Corporate Actions
P.O. Box 859208
Braintree MA 02185-9208

By Overnight Delivery:

Computershare Shareholder Services, Inc.
Attn: Corporate Actions
161 Bay State Drive
Braintree MA 02184

By Facsimile Transmission (For Eligible Institutions Only):

Facsimile Transmission:
781-380-3388

To Confirm Facsimile Transmissions (For Eligible Institutions Only):

Confirm Receipt of Facsimile
By Telephone:
781-930-4900

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN THOSE SHOWN ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN THE ONE LISTED ABOVE DOES NOT CONSTITUTE A VALID DELIVERY. DELIVERIES TO LIBERTY MEDIA CORPORATION OR THE INFORMATION AGENT FOR THE TENDER OFFER WILL NOT BE FORWARDED TO THE DEPOSITARY AND THEREFORE WILL NOT CONSTITUTE VALID DELIVERY. DELIVERIES TO THE BOOK-ENTRY TRANSFER FACILITY (AS DEFINED IN THE OFFER TO PURCHASE) WILL NOT CONSTITUTE VALID DELIVERY TO THE DEPOSITARY.

This notice of guaranteed delivery form is not to be used to guarantee signatures. If a signature on the letter of transmittal is required to be guaranteed by an "eligible guarantor institution" (as defined in Section 3 of the Offer to Purchase) under the instructions thereto, such signature must appear in the applicable space provided in the signature box on the letter of transmittal.

Ladies and Gentlemen:

The undersigned hereby tenders to Liberty Media Corporation the number of shares of Liberty Capital Series A common stock and/or Liberty Capital Series B common stock indicated below at a price per share not greater than \$113.00 or less than \$105.00, net to the seller in cash, less any applicable withholding taxes, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase and the related letter of transmittal which as may be amended and supplemented from time to time together constitute the tender offer, receipt of which are hereby acknowledged.

Number of shares of Liberty Capital Series A common stock: _____

Certificate No(s). (if available): _____

Number of shares of Liberty Capital Series B common stock: _____

Certificate No(s). (if available): _____

Name(s): _____

(Please Type or Print)

Address(es) including Zip Code: _____

Area Code and Telephone Number(s): _____

Signature(s): _____

Dated: _____, 2007

If shares of Liberty Capital Series A and/or Series B common stock will be tendered by book-entry transfer, provide the following information:

Account Number at Book-Entry Transfer Facility: _____

CHECK EXACTLY ONE BOX ON THIS PAGE. IF YOU CHECK MORE THAN ONE BOX, OR IF YOU DO NOT CHECK ANY BOX, YOU WILL HAVE FAILED TO VALIDLY TENDER ANY SHARES

SHARES TENDERED AT PRICE DETERMINED PURSUANT TO THE TENDER OFFER
(See Instruction 6 of the Letter of Transmittal)

- The undersigned wants to maximize the chance of having Liberty Media purchase all Shares the undersigned is tendering (subject to the possibility of proration). Accordingly, by checking this **one** box **instead of one of the price boxes below**, the undersigned hereby tenders Shares and is willing to accept the purchase price determined by Liberty Media pursuant to the Tender Offer. If you agree to accept the purchase price determined by Liberty, your Shares will be deemed to be tendered at the minimum price of \$105.00 per share. You should understand that this election may lower the purchase price paid for all purchased Shares in the Tender Offer and could result in your Shares being purchased at the minimum price of \$105.00 per share.
-

—OR—

SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER
(See Instruction 6 of the Letter of Transmittal)

By checking **one** of the boxes below **instead of the box above**, the undersigned hereby tenders Shares at the price checked. This action could result in none of the Shares being purchased if the purchase price for the Shares is less than the price checked below. **A stockholder who desires to tender Shares at more than one price must complete a separate letter of transmittal for each price at which the stockholder tenders such shares.** You cannot tender the same LCAPA or LCAPB shares at more than one price, unless you have previously validly withdrawn those shares tendered at a different price in accordance with Section 4 of the Offer to Purchase.

Price (in dollars) per Share at which Shares are being tendered:

<input type="checkbox"/> \$105.00	<input type="checkbox"/> \$106.30	<input type="checkbox"/> \$107.60	<input type="checkbox"/> \$108.90	<input type="checkbox"/> \$110.20	<input type="checkbox"/> \$111.50	<input type="checkbox"/> \$112.80
<input type="checkbox"/> \$105.10	<input type="checkbox"/> \$106.40	<input type="checkbox"/> \$107.70	<input type="checkbox"/> \$109.00	<input type="checkbox"/> \$110.30	<input type="checkbox"/> \$111.60	<input type="checkbox"/> \$112.90
<input type="checkbox"/> \$105.20	<input type="checkbox"/> \$106.50	<input type="checkbox"/> \$107.80	<input type="checkbox"/> \$109.10	<input type="checkbox"/> \$110.40	<input type="checkbox"/> \$111.70	<input type="checkbox"/> \$113.00
<input type="checkbox"/> \$105.30	<input type="checkbox"/> \$106.60	<input type="checkbox"/> \$107.90	<input type="checkbox"/> \$109.20	<input type="checkbox"/> \$110.50	<input type="checkbox"/> \$111.80	
<input type="checkbox"/> \$105.40	<input type="checkbox"/> \$106.70	<input type="checkbox"/> \$108.00	<input type="checkbox"/> \$109.30	<input type="checkbox"/> \$110.60	<input type="checkbox"/> \$111.90	
<input type="checkbox"/> \$105.50	<input type="checkbox"/> \$106.80	<input type="checkbox"/> \$108.10	<input type="checkbox"/> \$109.40	<input type="checkbox"/> \$110.70	<input type="checkbox"/> \$112.00	
<input type="checkbox"/> \$105.60	<input type="checkbox"/> \$106.90	<input type="checkbox"/> \$108.20	<input type="checkbox"/> \$109.50	<input type="checkbox"/> \$110.80	<input type="checkbox"/> \$112.10	
<input type="checkbox"/> \$105.70	<input type="checkbox"/> \$107.00	<input type="checkbox"/> \$108.30	<input type="checkbox"/> \$109.60	<input type="checkbox"/> \$110.90	<input type="checkbox"/> \$112.20	
<input type="checkbox"/> \$105.80	<input type="checkbox"/> \$107.10	<input type="checkbox"/> \$108.40	<input type="checkbox"/> \$109.70	<input type="checkbox"/> \$111.00	<input type="checkbox"/> \$112.30	
<input type="checkbox"/> \$105.90	<input type="checkbox"/> \$107.20	<input type="checkbox"/> \$108.50	<input type="checkbox"/> \$109.80	<input type="checkbox"/> \$111.10	<input type="checkbox"/> \$112.40	
<input type="checkbox"/> \$106.00	<input type="checkbox"/> \$107.30	<input type="checkbox"/> \$108.60	<input type="checkbox"/> \$109.90	<input type="checkbox"/> \$111.20	<input type="checkbox"/> \$112.50	
<input type="checkbox"/> \$106.10	<input type="checkbox"/> \$107.40	<input type="checkbox"/> \$108.70	<input type="checkbox"/> \$110.00	<input type="checkbox"/> \$111.30	<input type="checkbox"/> \$112.60	
<input type="checkbox"/> \$106.20	<input type="checkbox"/> \$107.50	<input type="checkbox"/> \$108.80	<input type="checkbox"/> \$110.10	<input type="checkbox"/> \$111.40	<input type="checkbox"/> \$112.70	

You will not have validly tendered your Shares unless you check one and only one box in this frame.

CONDITIONAL TENDER
(See Instruction 7 of the Letter of Transmittal)

A tendering stockholder may condition his or her tender of Shares upon Liberty Media purchasing a specified minimum number of the Shares tendered by the tendering stockholder, all as described in Section 6 of the Offer to Purchase "Conditional Tender of Shares." Unless at least that minimum number of Shares indicated below is purchased by Liberty Media from the tendering stockholder pursuant to the terms of the Tender Offer, none of the Shares tendered by the tendering stockholder will be purchased. It is the tendering stockholder's responsibility to calculate that minimum number of Shares that must be purchased from the tendering stockholder if any are purchased, and each stockholder is urged to consult his or her own tax advisor. Unless this box has been checked and a minimum specified, the tender will be deemed unconditional.

- The minimum number of Shares that must be purchased from the tendering stockholder, if any are purchased, is: _____ shares.

If, because of proration, the minimum number of Shares designated will not be purchased, Liberty Media may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering stockholder must have tendered all of his or her Shares and, if true, checked the following box:

- The tendered Shares represent all Shares held by the undersigned.

ODD LOTS
(See Instruction 11 of the Letter of Transmittal)

To be completed only if the Shares are being tendered by or on behalf of a person owning beneficially or of record an aggregate of fewer than 100 Shares. The undersigned either **(check one box)**:

- is the beneficial or record owner of an aggregate of fewer than 100 Shares, all of which are being tendered; or
- is a broker, dealer, commercial bank, trust company or other nominee that (a) is tendering for the beneficial owner(s) thereof, shares with respect to which it is record holder and (b) believes, based upon representations made to it by such beneficial owner(s), that each such person is the beneficial or record owner of an aggregate of fewer than 100 Shares and is tendering all of such shares.

In addition, the undersigned is tendering Shares either **(check one box)**:

- at the price determined by Liberty Media pursuant to the Tender Offer (persons checking this box need not indicate the price per share above); or
- at the price per share indicated above under "Shares Tendered At Price Determined By Stockholder".

GUARANTEE
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

THE UNDERSIGNED, A BANK, BROKER, DEALER, CREDIT UNION, SAVINGS ASSOCIATION OR OTHER ENTITY WHICH IS A MEMBER IN GOOD STANDING OF THE SECURITIES TRANSFER AGENTS MEDALLION PROGRAM OR AN "ELIGIBLE GUARANTOR INSTITUTION," AS SUCH TERM IS DEFINED IN RULE 17Ad-15 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EACH OF THE FOREGOING CONSTITUTING AN "ELIGIBLE GUARANTOR INSTITUTION," GUARANTEES THE DELIVERY TO THE DEPOSITARY OF THE SHARES TENDERED HEREBY, IN PROPER FORM FOR TRANSFER, OR A CONFIRMATION THAT THE SHARES TENDERED HEREBY HAVE BEEN DELIVERED UNDER THE PROCEDURE FOR BOOK-ENTRY TRANSFER SET FORTH IN THE OFFER TO PURCHASE INTO THE DEPOSITARY'S ACCOUNT AT THE BOOK-ENTRY TRANSFER FACILITY, TOGETHER WITH A PROPERLY COMPLETED AND DULY EXECUTED LETTER OF TRANSMITTAL, OR A MANUALLY SIGNED FACSIMILE THEREOF, AND ANY OTHER REQUIRED DOCUMENTS, ALL WITHIN THREE NASDAQ GLOBAL SELECT MARKET TRADING DAYS OF THE DATE HEREOF.

Name of Firm: _____

AUTHORIZED SIGNATURE

Name: _____
(Please Type or Print)

Title: _____

Address: _____ Zip Code

Area Code and Telephone Number: _____

Dated: _____, 2007

DO NOT SEND SHARE CERTIFICATES WITH THIS NOTICE OF GUARANTEED DELIVERY. SHARE CERTIFICATES SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL.

LIBERTY MEDIA CORPORATION
OFFER TO PURCHASE FOR CASH
UP TO 8,849,500 SHARES OF ITS
LIBERTY CAPITAL SERIES A COMMON STOCK
AND
LIBERTY CAPITAL SERIES B COMMON STOCK,
AT A PURCHASE PRICE NOT GREATER THAN \$113.00
OR LESS THAN \$105.00 PER SHARE

THE TENDER OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS
EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON APRIL 5, 2007,
UNLESS THE TENDER OFFER IS EXTENDED.

March 7, 2007

To Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees:

Liberty Media Corporation, a Delaware corporation, has appointed us to act as information agent in connection with its offer to purchase for cash up to 8,849,500 shares of its Liberty Capital Series A common stock, par value \$0.01 per share ("LCAPA"), and Liberty Capital Series B common stock, par value \$0.01 per share ("LCAPB"), from its stockholders. The shares of LCAPA and LCAPB are referred to together as the "Shares". The tender offer will be conducted upon the terms and subject to the conditions set forth in the offer to purchase, dated March 7, 2007, and the related letter of transmittal of Liberty Media. Liberty Media is inviting stockholders to tender Shares at a purchase price not greater than \$113.00 per share or less than \$105.00 per share, net to the seller in cash, less any applicable withholding taxes, without interest, upon the terms and subject to the conditions of the tender offer.

On the terms and subject to the conditions of the tender offer, Liberty Media will determine the single per share price, not greater than \$113.00 or less than \$105.00 per Share, that Liberty Media will pay for Shares properly tendered and not properly withdrawn in the tender offer, taking into account the total number of Shares so tendered and the prices specified by the tendering stockholders. Liberty Media will select the lowest purchase price that will allow it to purchase 8,849,500 Shares pursuant to the tender offer, or such fewer number of Shares as are properly tendered and not properly withdrawn. The purchase price for the LCAPA and LCAPB shares will be identical.

Liberty Media will purchase at the purchase price all Shares properly tendered before the expiration date (as specified in the Offer to Purchase) at prices at or below the purchase price and not validly withdrawn, net to the seller in cash, without interest, upon the terms and subject to the conditions of the tender offer, including the "odd lot," proration and conditional tender provisions thereof. See Section 1 of the Offer to Purchase. Shares tendered at prices in excess of the purchase price and Shares that Liberty Media does not accept for purchase because of the odd lot priority, proration and conditional tender provisions will be returned at Liberty Media's expense to the stockholders who tendered such Shares, as promptly as practicable after the expiration date. Liberty Media expressly reserves the right, in its sole discretion, to purchase more than 8,849,500 Shares in the tender offer, subject to applicable law.

If, at the expiration date, more than 8,849,500 Shares (or such greater number of Shares as Liberty Media may elect to purchase) are properly tendered and not properly withdrawn at or below the purchase price for the Shares, Liberty Media will purchase 8,849,500 Shares (or such greater number), on the following basis:

- *first*, from all of the holders of "odd lots" of less than 100 Shares who properly tender all of their Shares at or below the purchase price and do not properly withdraw them before the expiration date;
 - *second*, from all other stockholders who properly tender Shares at or below the purchase price and do not properly withdraw them, on a pro rata basis (except for stockholders who tendered Shares conditionally if the condition was not satisfied); and
 - *third*, only if necessary to permit Liberty Media to purchase 8,849,500 Shares (or such greater number of Shares as Liberty Media may elect to accept for payment, subject to applicable law), from stockholders who have conditionally tendered Shares at or below the purchase price and do not properly withdraw them (if the condition was not initially
-

satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, stockholders whose Shares are conditionally tendered must have tendered all of their Shares.

THE TENDER OFFER IS NOT CONDITIONED ON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE TENDER OFFER IS, HOWEVER, SUBJECT TO OTHER CONDITIONS. SEE SECTION 7 OF THE OFFER TO PURCHASE.

For your information and for forwarding to your clients for whom you hold Shares registered in your name or in the name of your nominee, we are enclosing the following documents:

1. Offer to purchase, dated March 7, 2007;
2. Letter to clients that you may send to your clients for whose accounts you hold Shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the tender offer;
3. Letter of transmittal for your use and for the information of your clients (together with accompanying instructions and Substitute Form W-9); and
4. Notice of guaranteed delivery to be used to accept the tender offer if the share certificates and all other required documents cannot be delivered to the depository before the expiration date or if the procedure for book-entry transfer cannot be completed before the expiration date.

WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. THE TENDER OFFER, PRORATION PERIODS AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON APRIL 5, 2007, UNLESS THE TENDER OFFER IS EXTENDED.

No fees or commissions will be payable to brokers, dealers, commercial banks, trust companies or any person for soliciting tenders of Shares under the tender offer other than fees paid to the information agent, as described in the offer to purchase. Liberty Media will, however, upon request, reimburse you for customary mailing and handling expenses incurred by you in forwarding any of the enclosed materials to the beneficial owners of Shares held by you as a nominee or in a fiduciary capacity. Liberty Media will pay or cause to be paid any stock transfer taxes applicable to its purchase of Shares, except as otherwise provided in the offer to purchase.

In order to take advantage of the tender offer, a properly completed and duly executed letter of transmittal, or a manually signed facsimile thereof, including any required signature guarantees and any other required documents, should be sent to the depository with either a certificate or certificates representing the tendered Shares or confirmation of their book-entry transfer, all in accordance with the instructions set forth in the offer to purchase and letter of transmittal.

Holders of Shares whose certificate(s) for such Shares are not immediately available, holders who cannot deliver such certificate(s) and all other required documents to the depository or holders who cannot complete the procedures for book-entry transfer before the applicable expiration date must tender their shares according to the procedure for guaranteed delivery set forth in Section 3 of the offer to purchase.

Any inquiries you may have with respect to the tender offer should be addressed to the information agent, D.F. King & Co., Inc., at the address and telephone number set forth on the back cover page of the offer to purchase.

Additional copies of the enclosed material may be obtained from us, by calling: (212) 269-5550.

Very truly yours,

D.F. KING & CO., INC.

ENCLOSURES

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON AS AN AGENT OF LIBERTY MEDIA, THE INFORMATION AGENT OR THE DEPOSITARY OR ANY AFFILIATE OF THE FOREGOING, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE TENDER OFFER OTHER THAN THE DOCUMENTS ENCLOSED HERewith AND THE STATEMENTS CONTAINED THEREIN.

LIBERTY MEDIA CORPORATION
OFFER TO PURCHASE FOR CASH
UP TO 8,849,500 SHARES OF ITS
LIBERTY CAPITAL SERIES A COMMON STOCK
AND
LIBERTY CAPITAL SERIES B COMMON STOCK,
AT A PURCHASE PRICE NOT GREATER THAN \$113.00
OR LESS THAN \$105.00 PER SHARE
THE TENDER OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS
EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON APRIL 5, 2007,
UNLESS THE TENDER OFFER IS EXTENDED.

To Our Clients:

Enclosed for your consideration is an offer to purchase, dated March 7, 2007, and related letter of transmittal in connection with a tender offer being conducted by Liberty Media Corporation, a Delaware corporation ("Liberty Media"). Liberty Media is offering (the "Tender Offer") to purchase for cash up to 8,849,500 shares of its Liberty Capital Series A and Series B common stock from its stockholders at a purchase price not greater than \$113.00 per share or less than \$105.00 per share, net to the seller in cash, less any applicable withholding taxes, without interest, upon the terms and subject to the conditions of the Tender Offer. The Tender Offer will be conducted upon the terms and subject to the conditions set forth in the offer to purchase, dated March 7, 2007, and the letter of transmittal. The shares of Liberty Capital Series and Series B common stock are referred to as the "Shares".

On the terms and subject to the conditions of the Tender Offer, Liberty Media will determine the single per share price, not greater than \$113.00 or less than \$105.00 per Share, net to the seller in cash, less any applicable withholding taxes and without interest, that Liberty Media will pay for Shares properly tendered and not properly withdrawn in the Tender Offer, taking into account the total number of Shares so tendered and the prices specified by the tendering stockholders. Liberty Media will select the lowest purchase price that will allow it to purchase 8,849,500 Shares pursuant to the Tender Offer, or such fewer number of Shares as are properly tendered and not properly withdrawn. The purchase price for the shares of Liberty Capital Series A and Series B common stock will be identical.

Liberty Media will purchase at the purchase price all shares of Liberty Capital Series A and Series B common stock properly tendered before the expiration date (as specified in the offer to purchase) at prices at or below the purchase price and not validly withdrawn, net to the seller in cash, without interest, upon the terms and subject to the conditions of the Tender Offer, including the "odd lot," proration and conditional tender provisions thereof. See Section 1 of the offer to purchase. Shares tendered at prices in excess of the purchase price and Shares that Liberty Media does not accept for purchase because of the odd lot priority, proration and conditional tender provisions will be returned at Liberty Media's expense to the stockholders who tendered such Shares, as promptly as practicable after the expiration date. Liberty Media expressly reserves the right, in its sole discretion, to purchase more than 8,849,500 Shares in the Tender Offer, subject to applicable law.

If, at the expiration date, more than 8,849,500 Shares (or such greater number of Shares as Liberty Media may elect to purchase) are properly tendered and not properly withdrawn at or below the purchase price for the Shares, Liberty Media will purchase 8,849,500 Shares (or such greater number), on the following basis:

first, from all of the holders of "odd lots" of less than 100 Shares who properly tender all of their Shares at or below the purchase price and do not properly withdraw them before the expiration date;

second, from all other stockholders who properly tender Shares at or below the purchase price and do not properly withdraw them, on a pro rata basis (except for stockholders who tendered Shares conditionally if the condition was not satisfied); and

third, only if necessary to permit Liberty Media to purchase 8,849,500 Shares (or such greater number of Shares as Liberty Media may elect to accept for payment, subject to applicable law), from stockholders who have conditionally tendered Shares at or below the purchase price and do not properly withdraw them (if the condition was not initially

satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, stockholders whose Shares are conditionally tendered must have tendered all of their Shares.

We are the owner of record of Liberty Capital Series A shares and/or Series B shares held for your account. As such, we are the only ones who can tender your Liberty Capital Series A shares and/or Series B shares, and we may do so only pursuant to your instructions. WE ARE SENDING YOU THE LETTER OF TRANSMITTAL FOR YOUR INFORMATION ONLY; YOU CANNOT USE THEM TO TENDER SHARES WE HOLD FOR YOUR ACCOUNT.

Please instruct us as to whether you wish us to tender any or all of the Liberty Capital Series A shares and/or Series B shares we hold for your account on the terms and subject to the conditions of the Tender Offer.

We call your attention to the following:

1. The purchase price will be no greater than \$113.00 per Share nor less than \$105.00 per Share, net to you in cash, without interest.
2. The Tender Offer is not conditioned upon any minimum number of Shares being tendered. The Tender Offer is, however, subject to certain other conditions set forth in Section 7 of the offer to purchase.
3. The Tender Offer, proration period and withdrawal rights will expire at 5:00 p.m., New York City time, on April 5, 2007, unless Liberty Media extends the Tender Offer.
4. The Tender Offer is for 8,849,500 shares of Liberty Capital Series A and Series B common stock, constituting approximately 6.3% and 1.1% of Liberty Media's outstanding shares of Liberty Capital common stock and common stock of all series of Liberty Media, respectively, outstanding as of January 31, 2007.
5. If you hold beneficially or of record an aggregate of fewer than 100 Shares, and you instruct us to tender on your behalf all such shares at or below the purchase price before the expiration date, Liberty Media, upon the terms and subject to the conditions of the Tender Offer, will accept all such Shares for purchase before proration, if any, of the purchase of other Shares, properly tendered at or below the purchase price. To make such an instruction, complete the section captioned "Odd Lots" in the attached Instruction Form.
6. If you wish to tender portions of your Shares at different prices, you must complete a separate Instruction Form for each price at which you wish to tender each such portion of your Shares, as the case may be. We must submit separate letters of transmittal on your behalf for each price you will accept for each portion tendered.
7. If you wish to condition your tender upon the purchase of all Shares tendered by you or upon Liberty Media's purchase of a specified minimum number of such Shares that you tender, you may elect to do so and thereby avoid possible proration of your tender. Liberty Media's purchase of Shares from all tenders which are so conditioned, to the extent necessary, will be determined by random lot. To elect such a condition, complete the section captioned "Conditional Tender" in the attached Instruction Form. To be eligible for purchase by random lot, beneficial holders whose Shares (as the case may be) are conditionally tendered must have tendered all of their Shares.
8. The board of directors of Liberty Media has approved the Tender Offer. However, neither Liberty Media nor its board of directors makes any recommendation to stockholders as to whether to tender or refrain from tendering their Shares. Stockholders must make their own decision as to whether to tender their Shares and, if so, how many Shares to tender and at what price.

If you wish to have us tender any or all of your Liberty Capital Series A and/or Series B shares, please so instruct us by completing, executing, detaching and returning to us the attached instruction form. If you authorize us to tender your Shares, we will tender all such Shares unless you specify otherwise on the attached instruction form.

YOUR INSTRUCTION FORM FOR SHOULD BE FORWARDED TO US IN AMPLE TIME TO PERMIT US TO SUBMIT A TENDER ON YOUR BEHALF BEFORE THE EXPIRATION DATE. THE TENDER OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON APRIL 5, 2007, UNLESS LIBERTY MEDIA EXTENDS THE TENDER OFFER.

The Tender Offer is being made solely under the offer to purchase and the letter of transmittal and is being made to all record holders of shares of Liberty Capital Series A common stock and all record holders of shares of Liberty Capital Series B common stock. The Tender Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares residing in any jurisdiction in which the making of the Tender Offer or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. However, Liberty Media may, in its discretion, take any actions necessary for it to make the Tender Offer to its stockholders in any such jurisdiction.

LIBERTY MEDIA CORPORATION
OFFER TO PURCHASE FOR CASH
UP TO 8,849,500 SHARES OF ITS
LIBERTY CAPITAL SERIES A COMMON STOCK
AND
LIBERTY CAPITAL SERIES B COMMON STOCK,
AT A PURCHASE PRICE NOT GREATER THAN \$113.00
OR LESS THAN \$105.00 PER SHARE

The undersigned acknowledge(s) receipt of the enclosed offer to purchase dated March 7, 2007, and the related letter of transmittal, which, as may be amended and supplemented from time to time, together constitute the tender offer (the "Tender Offer") by Liberty Media Corporation, a Delaware corporation ("Liberty Media"), to purchase up to 8,849,500 shares of its Liberty Capital Series A common stock, par value \$0.01 per share, and Liberty Capital Series B common stock, par value \$0.01 per share, at a purchase price not greater than \$113.00 per share or less than \$105.00 per share, net to the seller in cash, less any applicable withholding taxes, without interest, upon the terms and subject to the conditions of the Tender Offer. The shares of Liberty Capital Series and Series B common stock are referred to as the "Shares".

The undersigned understands that, on the terms and subject to the conditions of the Tender Offer, Liberty Media will determine the single per share price, not greater than \$113.00 or less than \$105.00 per Share, net to the seller in cash, less any applicable withholding taxes and without interest, that Liberty Media will pay for Shares properly tendered and not properly withdrawn in the Tender Offer, taking into account the total number of Shares so tendered and the prices specified by the tendering stockholders. Liberty Media will select the lowest purchase price that will allow it to purchase 8,849,500 Shares pursuant to the Tender Offer, or such fewer number of Shares as are properly tendered and not properly withdrawn. The purchase price for the shares of Liberty Capital Series A and Series B common stock will be identical.

Shares tendered at prices in excess of the purchase price and shares that Liberty Media does not accept for purchase because of the odd lot priority, proration and conditional tender provisions will be returned at Liberty Media's expense to the stockholders who tendered such shares, as promptly as practicable after the applicable expiration date.

The undersigned hereby instruct(s) you to tender to Liberty Media the number of shares of Liberty Capital Series A and/or Series B common stock indicated below or, if no number is indicated, all shares of Liberty Capital Series A and Series B common stock you hold for the account of the undersigned, at a purchase price per share indicated below, under the terms and subject to the conditions of the Tender Offer.

Aggregate number of Shares to be tendered by you for the account of the undersigned:

_____ Shares*

* UNLESS OTHERWISE INDICATED, ALL OF THE SHARES OF COMMON STOCK HELD FOR THE ACCOUNT WILL BE TENDERED.

CHECK EXACTLY ONE BOX ON THIS PAGE. IF YOU CHECK MORE THAN ONE BOX, OR IF YOU DO NOT CHECK ANY BOX, YOU WILL HAVE FAILED TO VALIDLY TENDER ANY SHARES

**SHARES TENDERED AT PRICE DETERMINED PURSUANT TO THE TENDER OFFER
(See Instruction 6 of the Letter of Transmittal)**

The undersigned wants to maximize the chance of having Liberty Media purchase all Shares the undersigned is tendering (subject to the possibility of proration). Accordingly, by checking this **one box instead of one of the price boxes below**, the undersigned hereby tenders Shares and is willing to accept the purchase price determined by Liberty Media pursuant to the Tender Offer. If you agree to accept the purchase price determined by Liberty, your Shares will be deemed to be tendered at the minimum price of \$105.00 per share. You should understand that this election may lower the purchase price paid for all purchased Shares in the Tender Offer and could result in your Shares being purchased at the minimum price of \$105.00 per share.

— OR —

**SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER
(See Instruction 6 of the Letter of Transmittal)**

By checking **one** of the boxes below **instead of the box above**, the undersigned hereby tenders Shares at the price checked. This action could result in none of the Shares being purchased if the purchase price for the Shares is less than the price checked below. **A stockholder who desires to tender Shares at more than one price must complete a separate letter of transmittal for each price at which the stockholder tenders such shares.** You cannot tender the same LCAPA or LCAPB shares at more than one price, unless you have previously validly withdrawn those shares tendered at a different price in accordance with Section 4 of the Offer to Purchase.

Price (in dollars) per Share at which Shares are being tendered:

<input type="checkbox"/> \$ 105.00	<input type="checkbox"/> \$ 106.30	<input type="checkbox"/> \$ 107.60	<input type="checkbox"/> \$ 108.90	<input type="checkbox"/> \$ 110.20	<input type="checkbox"/> \$ 111.50	<input type="checkbox"/> \$ 112.80
<input type="checkbox"/> \$ 105.10	<input type="checkbox"/> \$ 106.40	<input type="checkbox"/> \$ 107.70	<input type="checkbox"/> \$ 109.00	<input type="checkbox"/> \$ 110.30	<input type="checkbox"/> \$ 111.60	<input type="checkbox"/> \$ 112.90
<input type="checkbox"/> \$ 105.20	<input type="checkbox"/> \$ 106.50	<input type="checkbox"/> \$ 107.80	<input type="checkbox"/> \$ 109.10	<input type="checkbox"/> \$ 110.40	<input type="checkbox"/> \$ 111.70	<input type="checkbox"/> \$ 113.00
<input type="checkbox"/> \$ 105.30	<input type="checkbox"/> \$ 106.60	<input type="checkbox"/> \$ 107.90	<input type="checkbox"/> \$ 109.20	<input type="checkbox"/> \$ 110.50	<input type="checkbox"/> \$ 111.80	
<input type="checkbox"/> \$ 105.40	<input type="checkbox"/> \$ 106.70	<input type="checkbox"/> \$ 108.00	<input type="checkbox"/> \$ 109.30	<input type="checkbox"/> \$ 110.60	<input type="checkbox"/> \$ 111.90	
<input type="checkbox"/> \$ 105.50	<input type="checkbox"/> \$ 106.80	<input type="checkbox"/> \$ 108.10	<input type="checkbox"/> \$ 109.40	<input type="checkbox"/> \$ 110.70	<input type="checkbox"/> \$ 112.00	
<input type="checkbox"/> \$ 105.60	<input type="checkbox"/> \$ 106.90	<input type="checkbox"/> \$ 108.20	<input type="checkbox"/> \$ 109.50	<input type="checkbox"/> \$ 110.80	<input type="checkbox"/> \$ 112.10	
<input type="checkbox"/> \$ 105.70	<input type="checkbox"/> \$ 107.00	<input type="checkbox"/> \$ 108.30	<input type="checkbox"/> \$ 109.60	<input type="checkbox"/> \$ 110.90	<input type="checkbox"/> \$ 112.20	
<input type="checkbox"/> \$ 105.80	<input type="checkbox"/> \$ 107.10	<input type="checkbox"/> \$ 108.40	<input type="checkbox"/> \$ 109.70	<input type="checkbox"/> \$ 111.00	<input type="checkbox"/> \$ 112.30	
<input type="checkbox"/> \$ 105.90	<input type="checkbox"/> \$ 107.20	<input type="checkbox"/> \$ 108.50	<input type="checkbox"/> \$ 109.80	<input type="checkbox"/> \$ 111.10	<input type="checkbox"/> \$ 112.40	
<input type="checkbox"/> \$ 106.00	<input type="checkbox"/> \$ 107.30	<input type="checkbox"/> \$ 108.60	<input type="checkbox"/> \$ 109.90	<input type="checkbox"/> \$ 111.20	<input type="checkbox"/> \$ 112.50	
<input type="checkbox"/> \$ 106.10	<input type="checkbox"/> \$ 107.40	<input type="checkbox"/> \$ 108.70	<input type="checkbox"/> \$ 110.00	<input type="checkbox"/> \$ 111.30	<input type="checkbox"/> \$ 112.60	
<input type="checkbox"/> \$ 106.20	<input type="checkbox"/> \$ 107.50	<input type="checkbox"/> \$ 108.80	<input type="checkbox"/> \$ 110.10	<input type="checkbox"/> \$ 111.40	<input type="checkbox"/> \$ 112.70	

You will not have validly tendered your Shares unless you check one and only one box in this frame.

ODD LOTS
(See Instruction 11 of the Letter of Transmittal)

To be completed only if the Shares are being tendered by or on behalf of a person owning beneficially or of record an aggregate of fewer than 100 Shares. The undersigned either **(check one box)**:

- is the beneficial or record owner of an aggregate of fewer than 100 Shares, all of which are being tendered; or
- is a broker, dealer, commercial bank, trust company or other nominee that (a) is tendering for the beneficial owner(s) thereof, Shares with respect to which it is record holder and (b) believes, based upon representations made to it by such beneficial owner(s), that each such person is the beneficial or record owner of an aggregate of fewer than 100 Shares and is tendering all of such shares.

In addition, the undersigned is tendering Shares either **(check one box)**:

- at the price determined by Liberty Media pursuant to the Tender Offer (persons checking this box need not indicate the price per share above); or
- at the price per share indicated under the heading "Shares Tendered At Price Determined By Stockholder."

CONDITIONAL TENDER
(See Instruction 7 of the Letter of Transmittal)

A tendering stockholder may condition his or her tender of Shares upon Liberty Media purchasing a specified minimum number of the Shares tendered by the tendering stockholder, all as described in Section 6 of the Offer to Purchase "Conditional Tender of Shares." Unless at least the minimum number of Shares indicated below is purchased by Liberty Media from the tendering stockholder pursuant to the terms of the Tender Offer, none of the Shares tendered by the tendering stockholder will be purchased. It is the tendering stockholder's responsibility to calculate the minimum number of Shares that must be purchased from the tendering stockholder if any are purchased, and each stockholder is urged to consult his or her own tax advisor. Unless this box has been checked and a minimum specified, the tender will be deemed unconditional.

- The minimum number of Shares that must be purchased from the tendering stockholder, if any are purchased, is: Shares.

If, because of proration, the minimum number of Shares designated will not be purchased, Liberty Media may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering stockholder must have tendered all of his or her Shares and, if true, checked the following box:

- The tendered Shares represent all Shares held by the undersigned.

THIS DOCUMENT SHOULD BE FORWARDED TO US (AND NOT THE DEPOSITARY). THE METHOD OF DELIVERY OF THIS DOCUMENT IS AT THE OPTION AND RISK OF THE TENDERING STOCKHOLDER. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, AMPLE TIME SHOULD BE ALLOWED TO ASSURE THAT WE HAVE SUFFICIENT TIME TO SUBMIT A TENDER ON YOUR BEHALF BEFORE THE EXPIRATION DATE.

SIGNATURE BOX

Signature(s) _____

Dated: _____, 2007

Name(s) and address(es): _____

(Please Print)

Area Code and Telephone Number: _____

Taxpayer Identification or Social Security Number: _____

IMMEDIATE ATTENTION REQUIRED**Re:** Liberty Media 401(k) Savings Plan

Dear Plan Participant:

Our records reflect that, as a participant in the Liberty Media 401(k) Savings Plan (the "Plan"), a portion of your individual account is invested in shares of Liberty Capital Series A common stock, par value \$0.01 per share ("LCAPA"), through the Liberty Capital Group Stock Fund "TRXL". Liberty Media Corporation (the "Purchaser") has made an offer to purchase (the "Offer") up to 8,849,500 shares of its Liberty Capital Series A common stock ("LCAPA") and Liberty Capital Series B common stock ("LCAPB") at a purchase price not greater than \$113.00 per share or less than \$105.00 per share in cash, as described in the enclosed Offer to Purchase, dated March 7, 2007, as it may be amended (the "Offer to Purchase"). The LCAPA shares and LCAPB shares together are referred to as the "Shares".

The Purchaser will select the lowest purchase price (the "Purchase Price") that is produced by the tender offer process (within the range of share prices specified above) that will allow it to purchase 8,849,500 Shares, or such lesser number of Shares as are properly tendered and not properly withdrawn pursuant to the Offer. The Purchaser will pay the same Purchase Price for all Shares purchased in the Offer. All Shares properly tendered at prices at or below the Purchase Price and not properly withdrawn will be purchased, subject to the conditions of the Offer and the "odd lot," proration and conditional tender provisions described in the Offer to Purchase. The Purchaser reserves the right, in its sole discretion, to purchase more than 8,849,500 Shares pursuant to the Offer, subject to compliance with applicable law.

Enclosed are Offer materials and a Trustee Direction Form that require your immediate attention. As described below, as a participant under the Plan, you have the right to instruct Fidelity Management Trust Company ("Fidelity"), as Trustee of the Plan, concerning whether to tender all or a portion of the LCAPA shares attributable to your individual account under the Plan, and at what price or prices.

If you wish to instruct Fidelity with respect to the Offer, you will need to complete the enclosed Trustee Direction Form and return it to Fidelity's tabulator in the enclosed return envelope so that it is RECEIVED by 4:00 p.m., New York City time, on April 2, 2007. NO FACSIMILES OF THE TRUSTEE DIRECTION FORM WILL BE ACCEPTED.

As described in the Offer to Purchase, the Purchaser has the right to extend the Offer for certain periods. In the event that the Offer is extended, if administratively feasible, the deadline for receipt of your Trustee Direction Form will be 4:00 p.m., New York City time, on the third business day prior to the expiration of the Offer, as extended. If the deadlines set forth in this letter change, you may call Fidelity at 1-800-428-4015 to obtain updated information on the Plan participant direction deadline.

The remainder of this letter summarizes your rights under the Plan and the procedures for directing Fidelity. The enclosed Offer to Purchase sets forth the objectives, terms and conditions of the Offer and is being provided to all of the stockholders of Liberty Capital Series A and Series B common stock; please carefully read the Offer to Purchase in its entirety to fully understand the Offer.

PARTICIPANT RIGHTS UNDER THE PLAN

The Purchaser's Offer extends to the LCAPA shares held by the Plan. As of March 1, 2007, the Plan held approximately 175,208 LCAPA shares. Only Fidelity, as Trustee of the Plan, can tender these LCAPA shares in the Offer. Nonetheless, as a participant in the Plan, you have the right to direct Fidelity to tender all, a portion or none of the LCAPA shares attributable to your individual account under the Plan, and at what price or prices. Unless otherwise required by applicable law, Fidelity will tender LCAPA shares in accordance with participant instructions that are received by our deadline described above and Fidelity will not tender LCAPA shares attributable to participant accounts for which it does not receive timely instructions. Fidelity will tender LCAPA shares in the Plan that have not been allocated to an individual account in the same proportion and at the same prices as they tender LCAPA shares for which they receive participant directions, unless otherwise required by applicable law.

Fidelity makes no recommendation as to whether to direct the tender of LCAPA shares or whether to refrain from directing the tender of LCAPA shares. EACH PARTICIPANT OR BENEFICIARY MUST MAKE HIS OR HER OWN DECISIONS.

LIMITATIONS ON FOLLOWING YOUR DIRECTION

The enclosed Trustee Direction Form allows you to specify the percentage of the LCAPA shares attributable to your account that you wish to tender and the price or prices at which you want to tender LCAPA shares attributable to your account. As detailed below, when Fidelity tenders LCAPA shares on behalf of the Plan, they may be required to tender LCAPA shares on terms different than those set forth on your Trustee Direction Form.

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the trust agreement between Liberty Media LLC and Fidelity prohibit the sale of LCAPA shares to the Purchaser for less than "adequate consideration" which is defined by ERISA for a publicly traded security as the price of the security prevailing on a national securities exchange. Fidelity will determine "adequate consideration," based on the prevailing market price of the LCAPA shares on NASDAQ on or about the date the LCAPA shares are tendered by Fidelity (the "prevailing market price"). To determine the prevailing market price, Fidelity will look to the NASDAQ Official Close Price as listed on Nasdaq.com. Accordingly, depending on the prevailing market price of the LCAPA shares on such date, Fidelity may be unable to follow participant directions to tender LCAPA shares to the Purchaser at certain prices within the offered range. Fidelity will tender or not tender LCAPA shares as follows:

- If the prevailing market price is greater than the maximum tender price offered by the Purchaser (\$113.00 per Share), notwithstanding your direction to tender LCAPA shares in the Offer, the LCAPA shares will not be tendered.
-

- If the prevailing market price is equal to or lower than the price at which you direct the LCAPA shares to be tendered, Fidelity will follow your direction both as to the percentage of LCAPA shares to tender and as to the price at which such LCAPA shares are tendered.
- If the prevailing market price is greater than the price at which you direct the LCAPA shares to be tendered but within the range of \$105.00 to \$113.00, Fidelity will follow your direction regarding the percentage of LCAPA shares to be tendered, but will increase the price at which such LCAPA shares are to be tendered to the lowest tender price that is not less than prevailing market price.
- If the prevailing market price is within the range of \$105.00 to \$113.00, for all shares directed to be tendered at the “per share purchase price to be determined pursuant to the tender offer,” Fidelity will tender such LCAPA shares at the lowest tender price that is not less than the prevailing market price.

CONFIDENTIALITY

To assure the confidentiality of your decision, Fidelity’s tabulator will tabulate the Trustee Direction Forms. The tabulator will not make the results of your individual direction available to the Purchaser.

PROCEDURE FOR DIRECTING TRUSTEE

Enclosed is a Trustee Direction Form that should be completed and returned in the enclosed envelope. The number of LCAPA shares attributable to your individual Plan account as of March 1, 2007, is indicated on the Trustee Direction Form. Please note that Fidelity will apply your instructions to the number of LCAPA shares attributable to your account as of April 2, 2007, unless the Offer is extended, in which case Fidelity will apply your directions to the number of LCAPA shares attributable to your account as of a later date, if administratively feasible.

If you do not properly complete and return the Trustee Direction Form by the deadline specified, subject to any extensions of the Offer, the LCAPA shares attributable to your account will be considered uninstructed and will not be tendered in the Offer, unless otherwise required by applicable law.

To properly complete your Trustee Direction Form, you must do the following:

- (1) On the face of the Trustee Direction Form, check Box 1 or 2. CHECK ONLY ONE BOX:
 - CHECK BOX 1 if you do not want the LCAPA shares attributable to your individual account tendered for sale in accordance with the terms of the Offer and simply want the Plan to continue holding such LCAPA shares.
 - CHECK BOX 2 in all other cases and complete the table immediately below Box 2. Specify the percentage (in whole numbers) of LCAPA shares attributable to your individual account that you want to tender at each price indicated.

You may direct the tender of LCAPA shares attributable to your account at different prices. To do so, you must state the percentage (in whole numbers) of LCAPA shares to be sold at each price by filling in the percentage of such LCAPA shares on the line

immediately before the price. Also, you may elect to accept the per Share purchase price to be determined pursuant to the tender offer, which will result in receiving a price per LCAPA share as low as \$105.00 or as high as \$113.00. Leave a given line blank if you want no LCAPA shares tendered at that particular price. The total of the percentages you provide on the Trustee Direction Form may not exceed 100%, but it may be less than 100%. If this amount is less than 100%, you will be deemed to have instructed Fidelity NOT to tender the balance of the LCAPA shares attributable to your individual account.

- (2) Date and sign the Trustee Direction Form in the space provided.
- (3) Return the Trustee Direction Form in the enclosed return envelope so that it is received by Fidelity's tabulator at the address on the return envelope (P.O. Box 9142, Hingham, MA 02043) not later than 4:00 P.M., New York City time, on April 2, 2007, unless the Offer is extended, in which case the participant deadline shall be three business days prior to the expiration date of the Offer, if feasible. If you wish to return the form by overnight courier, please send it to Fidelity's tabulator at Tabulator, 60 Research Road, Hingham, MA 02043. Directions via facsimile will not be accepted.

Your direction will be deemed irrevocable unless withdrawn by 4:00 p.m., New York City time, on April 2, 2007. In order to make an effective withdrawal, you must submit a new Trustee Direction Form, which may be obtained by calling Fidelity at 1-800-428-4015. Upon receipt by Fidelity's tabulation agent of a new, completed, signed and dated Trustee Direction Form by the deadline, your previous direction will be deemed cancelled. Please note that the last timely, properly completed direction received by Fidelity's tabulation agent from a participant will be followed.

After the deadline for returning the Trustee Direction Form, the tabulator will complete the tabulation of all properly completed and timely delivered directions and, unless otherwise required by law, Fidelity, as Trustee, will tender the appropriate number of LCAPA shares on behalf of the Plan.

Purchaser will then buy all LCAPA and LCAPB shares, up to 8,849,500 Shares, that were properly tendered through the Offer. If there is an excess of Shares tendered over the exact number desired by the Purchaser, Shares tendered pursuant to the Offer may be subject to proration, as described in the Offer to Purchase. Any LCAPA shares attributable to your account that are not purchased in the Offer will remain allocated to your individual account under the Plan.

The preferential treatment of holders of fewer than 100 Shares, as described in the Offer to Purchase, will not apply to participants in the Plan, regardless of the number of LCAPA shares held within their individual accounts. Likewise, the conditional tender of Shares, as described in the Offer to Purchase, will not apply to the participants in the Plan.

EFFECT OF THE OFFER ON YOUR PLAN ACCOUNT

If you direct Fidelity to tender some or all of the LCAPA shares attributable to your account, as of 4:00 p.m., New York City time, on April 2, 2007, certain transactions involving the LCAPA shares attributable to your Plan account, including all exchanges out, loans, withdrawals and distributions, will be suspended until all processing related to the Offer has been completed, unless the Offer is extended or terminated. (LCAPA share balances in your

account will be utilized to calculate amounts eligible for loans and withdrawals throughout this freeze.) We currently anticipate that this freeze will last until approximately April 19, 2007. In the event that the Offer is extended, this freeze on certain transactions will, if administratively feasible, be temporarily lifted until three business days prior to the new completion date of the Offer, as extended, at which time a new freeze on all transactions involving the LCAPA shares attributable to your account will commence. You can call Fidelity at 1-800-428-4015 to obtain updated information on expiration dates, deadlines and freezes.

During the period of the freeze, you will be unable to direct or diversify the assets in your account attributable to LCAPA shares. For this reason, it is very important that you review and consider the appropriateness of your current investments in light of your inability to direct or diversify those investments during the freeze period. For your long-term retirement security, you should give careful consideration to the importance of a well-balanced and diversified investment portfolio, taking into account all your assets, income and investments. You should be aware that there is a risk to holding substantial portions of your assets in the securities of any one company, as individual securities tend to have wider price swings, up and down, in short periods of time, than investments in diversified funds. Stocks that have wide price swings might have a large loss during the freeze period. Be aware that if you elect to tender some but not all of your LCAPA shares, you will not be able direct the sale of the remaining LCAPA shares until the end of the freeze period.

The period of the freeze is considered a "blackout period" under Federal law. Federal law generally requires that you be furnished notice of a blackout period at least 30 days in advance of the last date on which you could exercise your affected rights immediately before the commencement of any blackout period in order to provide you with sufficient time to consider the effect of the blackout period on your retirement and financial plans. In this case, the tender offer was publicly announced on February 28, 2007 and is scheduled to end on April 5, 2007. Fidelity requires that in order to process tender directions the blackout period must begin on April 2, 2007. As the administratively required blackout period for the plan will begin less than 30 days after this notice, it was not possible to give you notice at least 30 days in advance of the commencement of the blackout period.

If you direct Fidelity to NOT tender any of the LCAPA shares attributable to your account or you do not return your Trustee Direction Form in a timely manner, you will continue to have access to all transactions normally available to you under the Plan and your LCAPA shares will not be subject to the blackout period.

INVESTMENT OF PROCEEDS

For any LCAPA shares in the Plan that are tendered and purchased by the Purchaser, the Purchaser will pay cash to the Plan. INDIVIDUAL PARTICIPANTS IN THE PLAN WILL NOT, HOWEVER, RECEIVE ANY CASH TENDER PROCEEDS DIRECTLY. ALL SUCH PROCEEDS WILL REMAIN IN THE PLAN AND MAY BE WITHDRAWN ONLY IN ACCORDANCE WITH THE TERMS OF THE PLAN.

Fidelity will invest all cash proceeds received by the Plan as soon as administratively feasible after receipt of these proceeds. This cash will be invested in the Fidelity Money Market Trust: Retirement Money Market Portfolio. You may call Fidelity at 1-800-428-4015 (or access your account via Net Benefits) after the reinvestment is complete to learn more about these and any additional

effects of the Offer on your Plan account. Once the freeze period described above is completed, you will be able to direct the investment of these proceeds into any other investment option available under the Plan.

LCAPA AND LCAPB SHARES OUTSIDE THE PLAN

If you hold LCAPA and/or LCAPB shares directly (*i.e.*, outside the Plan), you will receive, under separate cover, tender offer materials which can be used to tender such LCAPA and/or LCAPB shares. **Those materials may not be used to direct Fidelity to tender LCAPA shares attributable to your individual account under the Plan.** The direction to tender LCAPA shares attributable to your individual account under the Plan may only be made by means of the Trustee Direction Form in accordance with the procedures in this letter and the enclosed Trustee Direction Form. Similarly, the enclosed Trustee Direction Form may not be used to tender non-Plan LCAPA or LCAPB shares.

FURTHER INFORMATION

If you require additional information concerning the procedure to direct Fidelity to tender LCAPA shares attributable to your individual account under the Plan, please contact Fidelity toll free at 1-800-428-4015. If you require additional information concerning the terms and conditions of the Offer, please contact D.F. King & Co., Inc., the information agent, toll free at 1-888-628-1041.

Sincerely,
Fidelity Management Trust Company

1. You can mail this form in the enclosed postage-paid return envelope to Fidelity's tabulation agent at P.O. Box 9142, Hingham, MA 02043; or
2. You can overnight the form to Fidelity's tabulation agent at Tabulator, 60 Research Road, Hingham, MA 02043

PLEASE NOTE, that any mailed form must be RECEIVED, not just postmarked, by the deadline, in order to be valid.

**TRUSTEE DIRECTION FORM
LIBERTY MEDIA CORPORATION TENDER OFFER
LIBERTY MEDIA 401(K) SAVINGS PLAN
BEFORE COMPLETING THIS FORM, PLEASE READ CAREFULLY THE
ACCOMPANYING OFFER TO PURCHASE AND ALL OTHER ENCLOSED MATERIALS.**

PLEASE NOTE THAT IF YOU DO NOT SEND IN A PROPERLY COMPLETED, SIGNED TRUSTEE DIRECTION FORM, OR IF SUCH TRUSTEE DIRECTION FORM IS NOT RECEIVED BY 4:00 P.M., NEW YORK CITY TIME ON APRIL 2, 2007, UNLESS THE TENDER OFFER IS EXTENDED, THE LIBERTY CAPITAL SERIES A SHARES ATTRIBUTABLE TO YOUR ACCOUNT UNDER THE PLAN WILL NOT BE TENDERED IN ACCORDANCE WITH THE TENDER OFFER, UNLESS OTHERWISE REQUIRED BY LAW.

Fidelity Management Trust Company ("Fidelity") makes no recommendation to any participant in the Liberty Media 401(k) Savings Plan (the "Plan") as to whether to tender or not, or at which prices. Your direction to Fidelity will be kept confidential.

This Trustee Direction Form, if properly signed, completed and received by Fidelity's tender offer tabulator in a timely manner, will supersede any previous Trustee Direction Form.

Date

Please Print Name

Signature

As of March 1, 2007, the number of shares attributable to your account in the Plan is shown to the right of your address.

In connection with the Offer to Purchase made by Liberty Media Corporation, dated March 7, 2007, I hereby instruct Fidelity to tender the Liberty Capital Series A Shares attributable to my account under the Plan as of April 2, 2007, unless a later deadline is announced, as follows (check only one box and complete):

(CHECK BOX ONE OR TWO)

1. Please refrain from tendering and continue to HOLD all Liberty Capital Series A Shares attributable to my individual account under the Plan.
2. Please TENDER Liberty Capital Series A Shares attributable to my individual account under the Plan in the percentage indicated below for each of the prices provided. A blank space before a given price will be taken to mean that no shares attributable to my account are to be tendered at that price. FILL IN THE TABLE BELOW ONLY IF YOU HAVE CHECKED BOX 2.

Percentage of Liberty Capital Series A Shares to be Tendered (The total of all percentages must be less than or equal to 100%. If the total is less than 100%, you will be deemed to have directed Fidelity NOT to tender the remaining percentage.)

___ % at \$105.00	___ % at \$106.40	___ % at \$107.80	___ % at \$109.20	___ % at \$110.60	___ % at \$112.00
___ % at \$105.10	___ % at \$106.50	___ % at \$107.90	___ % at \$109.30	___ % at \$110.70	___ % at \$112.10
___ % at \$105.20	___ % at \$106.60	___ % at \$108.00	___ % at \$109.40	___ % at \$110.80	___ % at \$112.20
___ % at \$105.30	___ % at \$106.70	___ % at \$108.10	___ % at \$109.50	___ % at \$110.90	___ % at \$112.30
___ % at \$105.40	___ % at \$106.80	___ % at \$108.20	___ % at \$109.60	___ % at \$111.00	___ % at \$112.40
___ % at \$105.50	___ % at \$106.90	___ % at \$108.30	___ % at \$109.70	___ % at \$111.10	___ % at \$112.50
___ % at \$105.60	___ % at \$107.00	___ % at \$108.40	___ % at \$109.80	___ % at \$111.20	___ % at \$112.60
___ % at \$105.70	___ % at \$107.10	___ % at \$108.50	___ % at \$109.90	___ % at \$111.30	___ % at \$112.70
___ % at \$105.80	___ % at \$107.20	___ % at \$108.60	___ % at \$110.00	___ % at \$111.40	___ % at \$112.80
___ % at \$105.90	___ % at \$107.30	___ % at \$108.70	___ % at \$110.10	___ % at \$111.50	___ % at \$112.90
___ % at \$106.00	___ % at \$107.40	___ % at \$108.80	___ % at \$110.20	___ % at \$111.60	___ % at \$113.00
___ % at \$106.10	___ % at \$107.50	___ % at \$108.90	___ % at \$110.30	___ % at \$111.70	___ % at TBD**
___ % at \$106.20	___ % at \$107.60	___ % at \$109.00	___ % at \$110.40	___ % at \$111.80	
___ % at \$106.30	___ % at \$107.70	___ % at \$109.10	___ % at \$110.50	___ % at \$111.90	

** By entering a percentage on the % line at TBD, the undersigned is willing to accept the Purchase Price resulting from the Dutch Auction, for the percentage of Liberty Capital Series A shares elected. This could result in receiving a price per share as low as \$105.00 or as high as \$113.00 per share.

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares (as defined below). The Offer (as defined below) is made solely by the Offer to Purchase, dated March 7, 2007, and the related Letter of Transmittal, and any amendments or supplements to the Offer to Purchase or Letter of Transmittal, which are being distributed to registered holders of Shares. The Offer is not being made to, nor will tenders be accepted from or on behalf of, stockholders of the Company residing in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the laws of that jurisdiction. However, we may, at our sole discretion, take any actions necessary for us to make the Offer to stockholders in any of these jurisdictions.

Liberty Media Corporation

**OFFER TO PURCHASE FOR CASH
UP TO 8,849,500 SHARES OF ITS
LIBERTY CAPITAL SERIES A COMMON STOCK
AND
LIBERTY CAPITAL SERIES B COMMON STOCK,
AT A PURCHASE PRICE NOT GREATER THAN \$113.00
OR LESS THAN \$105.00 PER SHARE**

THE OFFER, WITHDRAWAL RIGHTS AND PRORATION PERIODS WILL EXPIRE AT 5:00 PM, NEW YORK CITY TIME, ON APRIL 5, 2007, UNLESS THE OFFER IS EXTENDED.

Liberty Media Corporation, a Delaware corporation (the "Company"), is offering (the "Offer") to purchase for cash up to 8,849,500 shares of its Liberty Capital Series A common stock, par value \$0.01 per share ("LCAPA"), and Liberty Capital Series B common stock, par value \$0.01 per share ("LCAPB"), from its stockholders (or such lesser number of LCAPA and LCAPB Shares as are properly tendered and not properly withdrawn). The shares of LCAPA and LCAPB are referred to together as the "Shares". The Offer will be conducted upon the terms and subject to the conditions set forth in the Offer to Purchase, dated March 7, 2007 (the "Offer to Purchase"), and in the related Letter of Transmittal (as they may be amended and supplemented from time to time).

The Company is inviting its stockholders to tender their Shares at a purchase price not greater than \$113.00 per share or less than \$105.00 per share, net to the seller in cash, less any applicable withholding taxes, without interest, upon the terms and subject to the conditions of the Offer. The Offer is not conditioned on any minimum number of Shares being tendered. However, the Offer is subject to other conditions described in Section 7 of the Offer to Purchase.

The Company's Board of Directors has approved the Offer. However, none of the Company, its Board of Directors, the Information Agent or the Depositary are making any recommendation to the Company's stockholders as to whether to tender or refrain from tendering their Shares. Stockholders must make their own decision as to whether to tender their Shares and, if so, how many Shares to tender and at what price.

Based upon the number of Shares tendered and the prices specified by the tendering stockholders, the Company will determine, upon the terms and subject to the conditions of the Offer, the lowest single price within the \$105.00 to \$113.00 range that will allow it to buy 8,849,500 Shares or such fewer number of Shares as are properly tendered and not properly withdrawn.

Stockholders must follow the procedures set forth in Section 3 of the Offer to Purchase and in the Letter of Transmittal in order to tender their Shares. All Shares properly tendered at or below the purchase price and not properly withdrawn prior to the Expiration Date will be purchased at the applicable purchase price, upon the terms and subject to the conditions of the Offer, including the "odd lot," proration and conditional tender provisions. The Expiration Date for the Offer is 5:00 PM, New York City time, on April 5, 2007, unless and until the Company, in its sole discretion, shall have extended the period of time during which the Offer will remain open, in which case the Expiration Date shall be the latest time and date at which the Offer, as so extended by the Company, shall expire.

Under no circumstances will interest be paid on the purchase price for the Shares, regardless of any delay in making payment for the Shares. In the event that more than 8,849,500 Shares are tendered in the Offer, the Company expressly reserves the right to purchase a number of additional Shares equal to up to 2% of its outstanding Shares, and could decide to purchase more Shares subject to applicable legal requirements. For purposes of the Offer, the Company will be deemed to have accepted for payment (and therefore purchased) Shares properly tendered and not properly withdrawn at or below the purchase price for the Offer, subject to the "odd lot," conditional tender and proration provisions of the Offer, only when, as and if the Company gives oral or written notice to Computershare Shareholder Services, Inc., the Depository for the Offer (the "Depository"), of its acceptance for payment of such Shares in the Offer.

Payment for Shares tendered and accepted for payment under the Offer will be made only after timely receipt by the Depository of certificates for such Shares or a timely confirmation of a book-entry transfer of such Shares into the Depository's account at the "book-entry transfer facility" (as defined in the Offer to Purchase), a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile of the Letter of Transmittal), or an "agent's message" (as defined in the Offer to Purchase) in the case of a book-entry transfer, and any other documents required by the Letter of Transmittal.

Upon the terms and subject to the conditions of the Offer, if at the Expiration Date more than 8,849,500 Shares (or such greater number of Shares as the Company may elect to purchase) are properly tendered and not properly withdrawn at or below the applicable purchase price, the Company will purchase 8,849,500 Shares (or such greater number), on the following basis: *first*, from all of the holders of "odd lots" of less than 100 Shares who properly tender all of their Shares at or below the purchase price for the Shares and do not properly withdraw them before the Expiration Date for the Offer; *second*, from all other stockholders who properly tender Shares at or below the purchase price for the Shares and do not properly withdraw them, on a pro rata basis (except stockholders who tendered Shares conditionally if the condition was not satisfied); and *third*, only if necessary to permit the Company to purchase 8,849,500 Shares (or such greater number of Shares as the Company may elect to accept for payment, subject to applicable law), from stockholders who have conditionally tendered Shares at or below the purchase price and do not properly withdraw them (if the condition was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, stockholders whose Shares are conditionally tendered must have tendered all of their Shares.

The Company expressly reserves the right, in its sole discretion, at any time and from time to time, to extend the period of time during which the Offer is open and thereby delay acceptance for payment of, and payment for, any Shares by giving oral or written notice of such extension to the Depository and making a public announcement thereof no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. During any such extension, all Shares previously tendered and not properly withdrawn will remain subject to the Offer and to the right of a tendering stockholder to withdraw such stockholder's Shares.

Tenders of Shares under the Offer are irrevocable, except that tendered Shares may be withdrawn at any time prior to the Expiration Date and, unless previously accepted for payment by the Company under the Offer prior to such withdrawal, may also be withdrawn at any time after 12:00 Midnight, New York City time, on May 1, 2007. For withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Depository at its address set forth on the back cover of the Offer to Purchase. Any such notice of withdrawal must specify the name of the tendering stockholder, the series and number of Shares to be withdrawn and the name of the registered holder of such Shares. If the certificates for Shares to be withdrawn have been delivered or otherwise identified to the Depository, then, before the release of such certificates, the serial numbers shown on such certificates must be submitted to the Depository and the signature(s) on the notice of withdrawal must be guaranteed by an "eligible guarantor institution" (as defined in the Offer to Purchase), unless such Shares have been tendered for the account of an eligible guarantor institution. If Shares have been tendered pursuant to the procedure for book-entry transfer set forth in the Offer to Purchase, any notice of withdrawal also must specify the name and the number of the account at the book-entry transfer facility to be credited with the withdrawn Shares and must otherwise comply with such book-entry transfer facility's procedures. All questions as to the form and validity of any notice of withdrawal, including the time of receipt, will be determined by the Company, in its sole discretion, whose determinations will be final and binding. None of the Company, Computershare Shareholder Services, Inc., as the Depository, and D. F. King & Co., Inc., as the Information Agent, or any other person will be under any duty to give notification of any defects or irregularities in any tender or notice of withdrawal or incur any liability for failure to give any such notification.

Depending on various factors described in the Offer to Purchase, tendering stockholders whose Shares are purchased in the Offer may be treated for U.S. federal income tax purposes as having received an amount taxable as a distribution or dividend

rather than as recognizing a gain or loss. Stockholders are strongly encouraged to read the Offer to Purchase for additional information regarding the U.S. federal income tax consequences of participating in the Offer and to consult their own tax advisors.

The information required to be disclosed by Rule 13e-4(d)(1) under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

The Offer to Purchase and the Letter of Transmittal are being mailed to record holders of Shares whose names appear on the Company's stockholder list and will be furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares.

The Offer to Purchase and the Letters of Transmittal contain important information. Stockholders should read them carefully before making any decision regarding the Offer.

Any questions or requests for assistance may be directed to the Information Agent at the telephone numbers and address set forth below. Additional copies of the Offer to Purchase, the Letters of Transmittal and the Notices of Guaranteed Delivery may be obtained from the Information Agent at the address and telephone numbers set forth below and will be promptly furnished by the Company at its expense. Stockholders may also contact their broker, dealer, commercial bank, trust company or nominee for assistance concerning the Offer. To confirm delivery of Shares, stockholders are directed to contact the Depositary.

The Information Agent for the Offer is:

D. F. KING & CO., INC.

48 Wall Street

22nd Floor

New York, New York 10005

Banks and Brokers Call: (212) 269-5550

All others call Toll-Free: (888) 628-1041

March 7, 2007