

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): **December 22, 2006**

**LIBERTY MEDIA CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**000-51990**  
(Commission  
File Number)

**84-1288730**  
(I.R.S. Employer  
Identification No.)

**12300 Liberty Boulevard  
Englewood, Colorado 80112**  
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(720) 875-5400**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 1.01. Entry into a Material Definitive Agreement.**

On December 22, 2006, Liberty Media Corporation (the "Company") entered into a Share Exchange Agreement (the "Agreement") with News Corporation ("News"), pursuant to which News will transfer to the Company all the outstanding shares of stock of a wholly owned subsidiary of News which, at the time of closing of the proposed transaction would own (i) 470,420,752 shares of common stock, par value \$0.01 per share, of The DirecTV Group, Inc. (the "DTV Shares"), which DTV Shares will represent approximately 38% of the outstanding shares of capital stock of The DirecTV Group, Inc.; (ii) all the issued and outstanding equity interests of each of Fox Sports Net Rocky Mountain, LLC, Fox Sports Net Pittsburgh, LLC, and Fox Sports Net Northwest, LLC, which conduct a business consisting of regional sports programming cable networks (the "RSN Business"); and (iii) approximately \$550,000,000 in cash, in exchange for which the Company will transfer to News 324,637,067 shares of Class A Common Stock, par value \$0.01 per share, of News, and 188,000,000 shares of Class B Common Stock, par value \$0.01 per share, of News, (the "Transaction").

Consummation of the Transaction is subject to various conditions, including (i) approval of the Transaction by News' shareholders, (ii) expiration or termination of the applicable Hart-Scott-Rodino waiting period and (iii) consent of the Federal Communications Commission.

A copy of the press release announcing the transaction is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

**Additional Exhibits**

99.1 Press release of Liberty Media Corporation, dated December 22, 2006.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 22, 2006

LIBERTY MEDIA CORPORATION

By: /s/ Mark E. Burton

Name: Mark E. Burton

Title: Vice President

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**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Document</u>
99.1	Press release of Liberty Media Corporation, dated December 22, 2006.

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**FOR IMMEDIATE RELEASE**  
**December 22, 2006**

**LIBERTY MEDIA TO ACQUIRE LARGEST STAKE IN DIRECTV**  
**Liberty's stake in News to be exchanged for 38.5% of DIRECTV, Three Regional Sports Networks, and Cash**

Englewood, CO — Liberty Media Corporation (Nasdaq: LINTA, LCAPA) (“Liberty”) announced today that it has entered into a definitive agreement with News Corporation (“News”) to exchange Liberty’s 16.3% stake in News for News’s 38.5% stake in DIRECTV Group, Inc. (NYSE: DTV) (“DIRECTV”), regional sports networks in Denver, Pittsburgh, and Seattle, and cash.

“We are happy to become the largest shareholder in the world’s largest satellite television provider. Chase Carey and the DIRECTV team have done a fantastic job, and we look forward to the strategic benefits of them joining the Liberty family,” said Liberty President and CEO Greg Maffei who added, “During 2006 we converted many passive investments into strategic operating businesses, but this transaction is the largest and most important. DIRECTV and the regional sports networks represent a critical step in our efforts to transform Liberty Media into a well-positioned, focused operating company.”

“We are extremely pleased with the successful, tax-efficient conversion of our News holding. Our investment in DIRECTV will create financial, operating, and strategic flexibility,” said Liberty Chairman John Malone. “Liberty’s ownership of News has created tremendous value for our shareholders, and we are grateful to Rupert Murdoch and News management.”

DIRECTV President and CEO Chase Carey stated, “We are very excited about welcoming Liberty to DIRECTV. They bring a wealth of expertise in media and technology that will be invaluable. I have known both John Malone and Greg Maffei for over 10 years which gives me great confidence this transition will be smooth, and we will move forward without missing a beat. I also want to take advantage of this opportunity to thank Rupert Murdoch and News for their contributions to DIRECTV’s success over the last three years.”

It is expected that Chase Carey will continue to serve as DIRECTV’s President and CEO, and Liberty will appoint directors to fill the board seats currently held by News representatives.

Under the agreement, pursuant to §355 of the IRC, Liberty will transfer to News 188,000,000 NWS shares and 324,637,067 NWS.A shares, and News will transfer to Liberty the stock of a subsidiary that holds 470,420,752 shares of DIRECTV common stock, the Fox Sports Rocky Mountain, Northwest and Pittsburgh regional sports networks, and \$550 million in cash.

The transaction, which was unanimously approved by the boards of News and Liberty, is expected to close in mid-2007, and is subject to regulatory and News Corp shareholder approvals and the receipt of a private letter ruling from the Internal Revenue Service.

Liberty was represented in the transaction by the investment banking firm of Bear Stearns and the law firm of Baker Botts.

**About Liberty Media Corporation**

Liberty Media Corporation owns a broad range of electronic retailing, media, communications and entertainment businesses and investments. Those interests are attributed to two tracking stock groups: the Liberty Interactive group, which includes Liberty’s interests in QVC, Provide Commerce, IAC/InterActiveCorp, and Expedia, and the Liberty Capital group includes Liberty’s interests in Starz Entertainment, News Corporation, and Time Warner. For more information, please see [www.libertymedia.com](http://www.libertymedia.com).

**About DIRECTV**

DIRECTV, Inc., the nation’s leading satellite television service provider, presents the finest television experience available to more than 15.6 million customers through exclusive content, industry-leading customer service (which has surpassed cable for six years running) and superior technologies. Each day, DIRECTV subscribers enjoy over 250 channels of 100% digital picture and sound; exclusive programming and the most comprehensive collection of sports programming available anywhere including NFL SUNDAY TICKET(TM), and MLB EXTRA INNINGS(TM). DIRECTV (NYSE:DTV) also leads the digital television technology revolution with exclusives such as NFL SUNDAY TICKET SuperFan(TM), US Open Interactive, and YES Network Interactive and will soon have the capacity to offer over 150 channels in HD. For the most up-to-date information on the Company, please visit [www.directv.com](http://www.directv.com).

**Forward-Looking Statements:** This press release contains forward-looking statements within the meaning of the Federal securities laws, including the anticipated completion date of the proposed transaction. These forward looking statements involve certain risks and uncertainties that could cause

actual results to differ materially from those expressed or implied by these statements. For a description of these risks and uncertainties, please see the most recently filed Form 10-Q and Form 10-K for Liberty filed with the Securities and Exchange Commission.

CONTACT:

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