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**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): **November 25, 2008**

**LIBERTY MEDIA CORPORATION**

(Exact name of registrant as specified in its charter)

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

**001-33982**  
(Commission  
File Number)

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

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

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

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))
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**Item 8.01. Other Events.**

On November 25, 2008, Liberty Media Corporation issued a press release announcing its voluntary partial unwind of its DIRECTV equity collar arrangement and the resulting debt repayment related thereto. The terms of the collar unwind and debt repayment are described in the press release filed herewith as Exhibit 99.1.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

99.1 Press release dated November 25, 2008

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**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: November 25, 2008

LIBERTY MEDIA CORPORATION

By: /s/ Mark E. Burton  
Name: Mark E. Burton  
Title: Vice President

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**EXHIBIT INDEX**

**Exhibit No.**

**Name**

99.1

Press release dated November 25, 2008



**LIBERTY MEDIA CORPORATION ANNOUNCES PARTIAL UNWIND OF DIRECTV  
EQUITY COLLAR ARRANGEMENT**

Englewood, Colorado, November 25, 2008 - Liberty Media Corporation ("Liberty") (NASDAQ: LMDIA, LMDIB) today announced that it has chosen to unwind 50% of the first tranche of a DIRECTV equity collar it entered into in April 2008. The previously disclosed equity collar consists of a series of puts and calls in tranches with a range of maturities. The first tranche expires in 2009 and originally had 22.5 million DIRECTV shares underlying it. As a result of the partial unwind, this tranche now has 11.25 million DIRECTV shares underlying it. As part of this transaction, Liberty repaid the portion of a loan associated with the equity collar arrangement using funds drawn down on the remaining capacity of that loan and proceeds generated from the partial collar unwind. 98.75 million DIRECTV shares now underlie the collar and total borrowings against the collar arrangement are approximately \$1.96 billion. Liberty had a net cash outflow of \$1.8 million as a result of the partial collar unwind and loan repayment. Liberty's ownership interest in DIRECTV was not impacted by this transaction.

The collar and loan are attributed to the Liberty Entertainment tracking stock group.

**About Liberty Media Corporation**

Liberty Media Corporation owns interests in a broad range of electronic retailing, media, communications and entertainment businesses. Those interests are attributed to three tracking stock groups: (1) the Liberty Interactive group (Nasdaq: LINTA), which includes Liberty's interests in QVC, Provide Commerce, Backcountry.com, BUYSEASONS, Bodybuilding.com, IAC/InterActiveCorp, and Expedia, (2) the Liberty Entertainment group (Nasdaq: LMDIA), which includes Liberty's interests in The DIRECTV Group, Inc., Starz Entertainment, FUN Technologies, Inc., GSN, LLC, WildBlue Communications, Inc., and Liberty Sports Holdings LLC, and (3) the Liberty Capital group (Nasdaq: LCAPA), which includes all businesses, assets and liabilities not attributed to the Interactive group or the Entertainment group including its subsidiaries Starz Media, LLC, Atlanta National League Baseball Club, Inc., and TruePosition, Inc., and minority equity investments in Time Warner Inc. and Sprint Nextel Corporation.

Contact:           Courtnee Ulrich  
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