

November 4, 2015



Liberty Media Corporation Reports Third Quarter 2015 Financial Results

ENGLEWOOD, Colo.--(BUSINESS WIRE)-- Liberty Media Corporation ("Liberty Media") (NASDAQ: LMCA, LMCB, LMCK) today reported third quarter 2015 results. Highlights include ⁽¹⁾:

- SiriusXM reported strong third quarter results
 - Subscriber base grew to nearly 29 million
 - Record third quarter revenue up 11% to \$1.17 billion
 - Net income of \$167 million, an increase of 22%
 - Adjusted EBITDA⁽²⁾ climbed 17% to record \$447 million
 - Free cash flow⁽²⁾ per fully-diluted share increased 54% to 6.9 cents
- Liberty Media's ownership of SiriusXM stood at 60.7% as of October 20th
- Completed hedging period for forward purchase of Live Nation Entertainment shares
 - Acquiring 15.9 million shares at average share price of \$24.91; upon settlement will own 34.4%
- From August 1st through October 31st, repurchased 1.0 million LMCK shares at an average price per share of \$36.87 and a total cost of \$38.3 million

"SiriusXM had another outstanding quarter, reaching record revenue, adjusted EBITDA and adjusted EBITDA margin. Subscribers reached an all-time high of almost 29 million, and SiriusXM continues to extend its lead in exclusive, valuable content," stated Greg Maffei, President and CEO of Liberty Media. "At Liberty, we continued to repurchase our shares and completed the hedging period on our forward purchase of Live Nation shares. Upon settlement, our ownership of Live Nation will increase to 34.4%."

Liberty Media

Liberty Media's revenue increased \$100 million to \$1.3 billion in the third quarter. Adjusted OIBDA⁽²⁾ increased \$81 million to \$473 million and operating income increased \$72 million to \$321 million. The increases in revenue, adjusted OIBDA and operating income were primarily due to operating results at SiriusXM.

SiriusXM

SiriusXM is a separate publicly traded company and additional information about SiriusXM can be obtained through its website and filings with the Securities and Exchange Commission. SiriusXM reported its stand-alone third quarter results on October 22, 2015. For presentation purposes in this release, we include below the results of SiriusXM, as reported by SiriusXM, without regard to the purchase accounting adjustments applied by us for purposes of our financial statements. Liberty Media believes the presentation of financial results as reported by SiriusXM is useful to investors as the comparability of those results is best understood in the context of SiriusXM's historical financial presentation. For a reconciliation of revenue, adjusted OIBDA (as defined by Liberty Media) and operating income for SiriusXM's stand-alone operating results as reported by SiriusXM to those results as reported by Liberty Media, see Liberty Media's Form 10-Q for the quarter ended September 30, 2015.

Highlights of SiriusXM's earnings release included the following:

- Record third quarter revenue up 11% to \$1.17 billion
- Third quarter net income climbed 22% to \$167 million
- Adjusted EBITDA⁽²⁾ climbed 17% to a record \$447 million
- Free cash flow⁽²⁾ per fully-diluted share increased 54% to 6.9 cents
- SiriusXM's cumulative share repurchases now exceed \$6 billion

Share Repurchases

Between the reclassification of the original Liberty Capital tracking stock on March 3, 2008 and July 23, 2014, Liberty Media repurchased shares of Series A common stock for aggregate cash consideration of approximately \$2.9 billion, representing 51% of shares outstanding⁽³⁾. From August 1, 2015 through October 31, 2015, Liberty Media repurchased approximately 1.0 million shares of Series C common stock at an average cost per share of \$36.87 for total cash consideration of \$38.3 million. For the period covering the creation of the Liberty Media Series C common stock on July 23, 2014 through October 31, 2015, Liberty Media repurchased approximately 8.9 million shares of Series A and

Series C common stock collectively at an average cost per share of \$37.92 for total cash consideration of \$338 million, representing 2.6% of shares outstanding⁽⁴⁾. The total remaining repurchase authorization for Liberty Media stock is approximately \$1.3 billion.

FOOTNOTES

- 1) Liberty Media's President and CEO, Greg Maffei, will discuss these highlights and other matters in Liberty Media's earnings conference call which will begin at 4:30 p.m. (E.S.T.) on November 4, 2015. For information regarding how to access the call, please see "Important Notice" later in this document.
- 2) For definitions of adjusted OIBDA (as defined by Liberty Media), adjusted EBITDA (as defined by SiriusXM) and free cash flow (as defined by SiriusXM) and applicable reconciliations see the accompanying schedules.
- 3) Based on shares outstanding at the time of the introduction of the original Liberty Capital stock.
- 4) Based on shares outstanding as of October 31, 2014. There were no share repurchases from July 23, 2014 through December 31, 2014.

NOTES

Unless otherwise noted, the foregoing discussion compares financial information for the three months ended September 30, 2015 to the same period in 2014.

The following financial information with respect to Liberty Media's equity affiliates and available for sale securities is intended to supplement Liberty Media's condensed consolidated balance sheet and statement of operations to be included in its Form 10-Q for the period ended September 30, 2015.

Fair Value of Corporate Public Holdings

<i>(amounts in millions)</i>	<u>6/30/2015</u>	<u>9/30/2015</u>
Live Nation Debt and Equity ⁽¹⁾	\$ 1,501	1,316
Other Public Holdings ⁽²⁾	580	461
Total Liberty Media	\$ 2,081	1,777

(1) Represents the fair value of Liberty Media's debt and equity investments. In accordance with GAAP, Liberty Media accounts for its investment in the equity of Live Nation using the equity method of accounting and includes it in its consolidated balance sheet at its historical carrying value of \$375 million and \$395 million as of June 30, 2015 and September 30, 2015, respectively.

(2) Represents the carrying value of other public holdings which are accounted for at fair value.

Cash and Debt

The following presentation is provided to separately identify cash and liquid investments and debt information.

<i>(amounts in millions)</i>	<u>6/30/2015</u>	<u>9/30/2015</u>
Cash and liquid investments ⁽¹⁾⁽²⁾	\$ 841	607
Less: Short-term marketable securities	51	19
Total Liberty Media Cash (GAAP)	\$ 790	588
Debt:		
SiriusXM senior notes ⁽³⁾	\$ 5,150	5,150
Liberty 1.375% cash convertible notes due 2023 ⁽⁴⁾	1,000	1,000
Margin loans	250	250
Atlanta Braves debt ⁽⁵⁾	185	175
Other subsidiary debt ⁽⁶⁾	16	305
Total Liberty Media Debt	\$ 6,601	6,880
Unamortized discount and fair market value adjustment	(99)	(78)
Total Liberty Media Debt (GAAP)	\$ 6,502	6,802

(1) Includes \$51 million and \$19 million of short-term marketable securities with an original maturity greater than 90 days as of June 30, 2015 and September 30, 2015, respectively.

(2) Includes \$294 million and \$153 million of cash and liquid investments held at SiriusXM as of June 30, 2015 and September 30, 2015, respectively.

(3) Outstanding principal amount of Senior Notes with no reduction for the net unamortized discount.

(4) Face amount of the cash convertible notes with no adjustment for the fair market value adjustment.

(5) Includes Atlanta National League Baseball Club, Inc. borrowings largely to fund the construction of a new stadium in Cobb County, Georgia; Atlanta Braves' construction financing obligations as of 6/30/2015 have been reclassified as Other long-term liabilities for comparative purposes.

(6) Includes SiriusXM capital leases and borrowings under the SiriusXM revolving credit facility.

Total Liberty Media cash and liquid investments decreased \$234 million during the quarter. Cash from operations at SiriusXM and additional borrowings at SiriusXM were more than offset by shares repurchased by SiriusXM, shares repurchased by Liberty Media and capital expenditures. Included in the consolidated cash and liquid investments balance at September 30, 2015 is \$153 million at SiriusXM. Although SiriusXM is a consolidated subsidiary, it is a separate public company with a significant non-controlling interest, therefore Liberty Media does not have ready access to SiriusXM's cash balance. Excluding cash held at SiriusXM, Liberty Media's cash and liquid investments balance at September 30, 2015 was \$454 million.

Total Liberty Media debt increased by \$0.3 billion primarily as a result of borrowings under the SiriusXM revolving credit facility.

Important Notice: Liberty Media Corporation (Nasdaq: LMCA, LMCB, LMCK) President and CEO, Greg Maffei, will discuss Liberty Media's earnings release in a conference call which will begin at 4:30 p.m. (E.S.T.) on November 4, 2015. The call can be accessed by dialing (844) 838-8043 or (678) 509-7480 at least 10 minutes prior to the start time. The call will also be broadcast live across the Internet and archived on our website. To access the webcast go to <http://www.libertymedia.com/events>. Links to this press release will also be available on the Liberty Media website.

This press release includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about business strategies, market potential, future financial prospects, growth of SiriusXM's subscriber base, the future financial performance of SiriusXM, the continuation of our stock repurchase plan, the repurchase activity of SiriusXM, the construction of the new stadium for the Atlanta Braves and the associated mixed use development, the settlement of our forward purchase of Live Nation shares and other matters that are not historical facts. These forward-looking statements involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including, without limitation, possible changes in market acceptance of new products or services, regulatory matters affecting our businesses, the competitive position of SiriusXM versus other radio and audio entertainment providers, the ability of SiriusXM to attract and retain subscribers, the dependence of SiriusXM upon the auto industry, general economic conditions, the failure of SiriusXM's satellites (which, in most cases, are not insured), the interruption or failure of SiriusXM's information and communication systems, the security of personal customer information, royalties SiriusXM pays for music rights (which increase over time), the unfavorable outcome of pending or future litigation, the failure to realize benefits of acquisitions, rapid technological and industry change, failure of third parties to perform, changes in consumer protection laws and their enforcement, continued access to capital on terms acceptable to Liberty Media, changes in law and market conditions conducive to stock repurchases. These forward-looking statements speak only as of the date of this presentation, and Liberty Media expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in Liberty Media's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Please refer to the publicly filed documents of Liberty Media, including the most recent Forms 10-K and 10-Q, for additional information about Liberty Media and about the risks and uncertainties related to Liberty Media's business which may affect the statements made in this

	9/30/2014	9/30/2015	9/30/2014	9/30/2015
	amounts in millions			
Revenue:				
Subscriber revenue	\$ 892	969	2,602	2,812
Other revenue	292	315	753	775
Total revenue	<u>1,184</u>	<u>1,284</u>	<u>3,355</u>	<u>3,587</u>
Operating costs and expenses:				
Cost of subscriber services				
Revenue share and royalties	204	239	600	783
Programming and content ⁽¹⁾	66	68	194	191
Customer service and billing ⁽¹⁾	94	94	276	280
Other ⁽¹⁾	33	33	97	98
Subscriber acquisition cost	120	133	367	392
Other operating expense ⁽¹⁾	119	93	274	226
Selling, general and administrative ⁽¹⁾	209	207	640	608
Depreciation and amortization	90	96	272	272
	<u>935</u>	<u>963</u>	<u>2,720</u>	<u>2,850</u>
Operating income (loss)	249	321	635	737
Other income (expense):				
Interest expense	(70)	(84)	(185)	(244)
Share of earnings (losses) of affiliates, net	(6)	29	(53)	(8)
Realized and unrealized gains (losses) on financial instruments, net	(15)	(200)	(55)	(188)
Other, net	(8)	4	(46)	12
	<u>(99)</u>	<u>(251)</u>	<u>(339)</u>	<u>(428)</u>
Earnings (loss) before income taxes	150	70	296	309
Income tax (expense) benefit	(63)	(29)	(31)	(150)
Net earnings (loss)	87	41	265	159
Less net earnings (loss) attributable to the non-controlling interests	54	63	160	139
Net earnings (loss) attributable to Liberty stockholders	<u>\$ 33</u>	<u>(22)</u>	<u>105</u>	<u>20</u>
(1) Includes stock based compensation as follows:				
Programming and content	\$ 4	5	13	13
Customer service and billing	2	1	4	4
Other costs of subscriber services	2	2	6	6
Operating	4	5	12	13
Selling, general and administrative	41	43	116	111
	<u>\$ 53</u>	<u>56</u>	<u>151</u>	<u>147</u>

LIBERTY MEDIA CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)

	Nine Months Ended	
	9/30/2014	9/30/2015
	amounts in millions	
Cash flows from operating activities:		
Net earnings	\$ 265	159
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	272	272
Stock-based compensation	151	147
Excess tax benefit from stock-based compensation	(11)	(18)
Share of (earnings) losses of affiliates, net	53	8
Realized and unrealized (gains) losses on financial instruments, net	55	188
Losses (gains) on dilution of investment in affiliate	67	1
Deferred income tax expense (benefit)	9	98

Other, net	(16)	19
Changes in operating assets and liabilities		
Current and other assets	(72)	(141)
Payables and other liabilities	28	142
Net cash provided (used) by operating activities	801	875
Cash flows from investing activities:		
Investments in and loans to cost and equity investees	(169)	—
Cash proceeds from sale of investments	247	175
Cash (paid) for acquisitions, net of cash acquired	(47)	—
Proceeds (payments) on financial instruments, net	(30)	(88)
Capital expended for property and equipment	(153)	(176)
Purchases of short term investments and other marketable securities	(349)	(51)
Sales of short term investments and other marketable securities	68	231
Other investing activities, net	32	(40)
Net cash provided (used) by investing activities	(401)	51
Cash flows from financing activities:		
Borrowings of debt	2,218	1,779
Repayments of debt	(1,660)	(818)
Repurchases of Liberty common stock	—	(303)
Subsidiary shares repurchased by subsidiary	(1,650)	(1,648)
Excess tax benefit from stock-based compensation	11	18
Taxes paid in lieu of shares issued for stock-based compensation	(30)	(51)
Other financing activities, net	—	4
Net cash provided (used) by financing activities	(1,111)	(1,019)
Net increase (decrease) in cash and cash equivalents	(711)	(93)
Cash and cash equivalents at beginning of period	1,088	681
Cash and cash equivalents at end of period	\$ 377	588

NON-GAAP FINANCIAL MEASURES

SCHEDULE 1

This press release includes a presentation of adjusted OIBDA, which is a non-GAAP financial measure, for Liberty Media, together with a reconciliation to operating income, as determined under GAAP. Liberty Media defines adjusted OIBDA as revenue less operating expenses, and selling, general and administrative expenses, excluding all stock based compensation, and excludes from that definition depreciation and amortization, restructuring and impairment charges and separately reported legal settlements that are included in the measurement of operating income pursuant to GAAP.

Liberty Media believes adjusted OIBDA is an important indicator of the operational strength and performance of its businesses, including each business' ability to service debt and fund capital expenditures. In addition, this measure allows management to view operating results and perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. Because adjusted OIBDA is used as a measure of operating performance, Liberty Media views operating income as the most directly comparable GAAP measure. Adjusted OIBDA is not meant to replace or supersede operating income or any other GAAP measure, but rather to supplement such GAAP measures in order to present investors with the same information that Liberty Media's management considers in assessing the results of operations and performance of its assets. Please see the attached schedules for applicable reconciliations.

The following table provides a reconciliation of adjusted OIBDA for Liberty Media to operating income calculated in accordance with GAAP for the three months ended September 30, 2014, December 31, 2014, March 31, 2015, June 30, 2015 and September 30, 2015, respectively.

QUARTERLY SUMMARY

<i>(amounts in millions)</i>	<u>3Q14</u>	<u>4Q14</u>	<u>1Q15</u>	<u>2Q15</u>	<u>3Q15</u>
Liberty Media					
Revenue	\$1,184	\$1,095	\$1,081	\$1,222	\$1,284
Adjusted OIBDA	392	359	373	418	473
Depreciation and amortization	(90)	(87)	(84)	(92)	(96)
Stock compensation expense	(53)	(66)	(44)	(47)	(56)
Legal settlement ⁽¹⁾	—	—	—	(108)	—
Operating Income	<u>\$ 249</u>	<u>\$ 206</u>	<u>\$ 245</u>	<u>\$ 171</u>	<u>\$ 321</u>

(1) SiriusXM recognized \$108 million during June 2015 for the portion of the \$210 million Capitol Settlement related to SiriusXM's use of pre-1972 sound recordings for the periods prior to the Capitol Records lawsuit settlement during June 2015. The \$108 million expense is included in the Revenue share and royalties line item in the accompanying condensed consolidated financial statements for the nine months ended September 30, 2015 but has been excluded from Adjusted OIBDA for the corresponding period as this expense was not incurred as a part of SiriusXM's normal operations for the period, and this lump sum amount does not relate to the on-going performance of the business. SiriusXM recognized approximately \$9 million to Revenue share and royalties within the unaudited condensed consolidated statement of operations with respect to the Capitol Settlement during the three months ended September 30, 2015 related to SiriusXM's use of pre-1972 sound recordings during the period and is included as a component of Adjusted OIBDA. Of the remaining \$93 million of the settlement, approximately \$40 million was recorded to Other current assets and approximately \$53 million was recorded to Other long-term assets within the unaudited condensed consolidated balance sheets as of September 30, 2015, which will be amortized to Revenue share and royalties within the unaudited condensed consolidated statement of operations over the future service period through December 2017.

SCHEDULE 2

This press release also includes a presentation of Adjusted EBITDA, which is a non-GAAP financial measure used by SiriusXM, together with a reconciliation to SiriusXM's stand-alone net income, as determined under GAAP. SiriusXM defines Adjusted EBITDA as follows: EBITDA is defined as net income before interest expense, net of amounts capitalized; income tax expense and depreciation and amortization. SiriusXM adjusts EBITDA to exclude the impact of other income, loss on change in value of derivatives as well as certain other charges discussed below. This measure is one of the primary Non-GAAP financial measures on which SiriusXM (i) evaluates the performance of its on-going core operating results period over period, (ii) bases its internal budgets and (iii) compensated management. As such, adjusted EBITDA is a Non-GAAP financial performance measure that excludes (if applicable): (i) certain adjustments as a result of the purchase price accounting for the Sirius and XM merger, (ii) depreciation and amortization, (iii) share-based payment expense and (iv) other significant operating expense (income) that does not relate to the on-going performance of SiriusXM's business. The purchase price accounting adjustments include: (i) the elimination of deferred revenue associated with the investment in XM Canada, (ii) recognition of deferred subscriber revenues not recognized in purchase price accounting, and (iii) elimination of the benefit of deferred credits on executory contracts, which are primarily attributable to third party arrangements with programming providers. SiriusXM believes adjusted EBITDA is a useful measure of the underlying trend of its operating performance, which provides useful information about its business apart from the costs associated with its physical plant, capital structure and purchase price accounting. SiriusXM

believes investors find this Non-GAAP financial measure useful when analyzing its results and comparing its operating performance to the performance of other communications, entertainment and media companies. SiriusXM believes investors use current and projected adjusted EBITDA to estimate its current and prospective enterprise value and to make investment decisions. Because SiriusXM funds and builds-out its satellite radio system through the periodic raising and expenditure of large amounts of capital, its results of operations reflect significant charges for depreciation expense. The exclusion of depreciation and amortization expense is useful given significant variation in depreciation and amortization expense that can result from the potential variations in estimated useful lives, all of which can vary widely across different industries or among companies within the same industry. SiriusXM believes the exclusion of share-based payment expense is useful given share-based payment expense is not directly related to the operational conditions of its business. SiriusXM also believes the exclusion of the portion of the pre-1972 sound recordings legal settlement recognized in June 2015 is useful as it does not represent an expense incurred as part of normal operations for the period. The portion of the pre-1972 sound recordings legal settlement related to the period of July 2015 through December 2017 is not excluded from adjusted EBITDA as the royalty expense relates to the on-going performance of SiriusXM's business.

Adjusted EBITDA has certain limitations in that it does not take into account the impact to SiriusXM's statements of comprehensive income of certain expenses, including share-based payment expense and certain purchase price accounting for the merger of Sirius and XM. SiriusXM endeavors to compensate for the limitations of the non-GAAP measure presented by also providing the comparable GAAP measure with equal or greater prominence and descriptions of the reconciling items, including quantifying such items, to derive the non-GAAP measure. Investors that wish to compare and evaluate SiriusXM's operating results after giving effect for these costs, should refer to net income as disclosed in its unaudited consolidated statements of comprehensive income. Since adjusted EBITDA is a non-GAAP financial performance measure, SiriusXM's calculation of adjusted EBITDA may be susceptible to varying calculations; may not be comparable to other similarly titled measures of other companies; and should not be considered in isolation, as a substitute for, or superior to measures of financial performance prepared in accordance with GAAP. The reconciliation of SiriusXM's stand-alone net income to adjusted EBITDA is calculated as follows:

	Unaudited	
	For the Three Months Ended	
	September 30,	
	2015	2014
(\$ in thousands)		
Net income (GAAP):	\$ 166,550	136,170
Add back items excluded from Adjusted EBITDA:		
Purchase price accounting adjustments:		
Revenues	1,813	1,813
Operating expenses	—	(945)
Share-based payment expense (GAAP)	23,393	21,805
Depreciation and amortization (GAAP)	70,404	64,550
Interest expense, net of amounts capitalized (GAAP)	76,624	75,416
Other income (GAAP)	(4,133)	(6,602)
Income tax expense (GAAP)	112,543	89,044
Adjusted EBITDA	<u>\$ 447,194</u>	<u>381,251</u>

SCHEDULE 3

SiriusXM's free cash flow derives from cash flow provided by operating activities, capital expenditures and restricted and other investment activity. The calculation for free cash flow is as follows (in thousands).

	Unaudited	
	For the Three Months Ended	
	September 30,	
	2015	2014
(\$ in thousands)		
Cash flow information		
Net cash provided by operating activities	\$ 188,613	296,096
Net cash used in investing activities	\$ (29,714)	(28,827)
Net cash used in financing activities	\$ (300,407)	(333,664)
Free cash flow		
Net cash provided by operating activities	\$ 188,613	296,096
Additions to property and equipment	(29,714)	(28,827)
Pre-1972 sound recordings legal settlement	210,000	—
Free cash flow	<u>\$ 368,899</u>	<u>267,269</u>

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Liberty Media Corporation

Courtnee Ulrich, 720-875-5420

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