

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► THE RECAPITALIZATION IS INTENDED TO BE A REORGANIZATION UNDER IRC SECTION 368(a)(1)(E). UNDER IRC SECTION 358, THE AGGREGATE BASIS OF THE LMCA SHARES RECEIVED BY A HOLDER IN THE RECAPITALIZATION (INCLUDING ANY FRACTIONAL SHARE THAT IS DEEMED TO BE RECEIVED AND THEN EXCHANGED FOR CASH) SHOULD BE THE SAME AS THE AGGREGATE BASIS OF THE LSTZA SHARES EXCHANGED THEREFOR.

18 Can any resulting loss be recognized? ► IF THE HOLDER RECEIVED CASH IN LIEU OF A FRACTIONAL SHARE OF LMCA IN THE RECAPITALIZATION, THE TAX BASIS SHOULD BE ALLOCATED TO THE FRACTIONAL SHARE WHICH COULD RESULT IN A LOSS ON THE DEEMED DISPOSITION OF THE FRACTIONAL SHARE. NO LOSS MAY BE RECOGNIZED BY A HOLDER UPON THE RECEIPT OF LMCA SHARES IN THE RECAPITALIZATION IN EXCHANGE FOR LSTZA SHARES.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► _____

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ►  Date ► 1/12/12

Paid Preparer Use Only	Print your name ► <u>TIM LENNEMAN</u>	Preparer's signature	Title ► <u>VICE PRESIDENT</u>	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ►	Firm's EIN ►		Phone no.		
	Firm's address ►					

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name LIBERTY MEDIA CORPORATION		2 Issuer's employer identification number (EIN) 20-8988475	
3 Name of contact for additional information INVESTOR RELATIONS		4 Telephone No. of contact 877-772-1518	5 Email address of contact MARLENE@LIBERTYMEDIA.COM
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 12300 LIBERTY BOULEVARD		7 City, town, or post office, state, and Zip code of contact ENGLEWOOD, CO 80112	
8 Date of action 11/28/11		9 Classification and description RECAPITALIZATION - LSTZB EXCHANGED FOR LMCB	
10 CUSIP number 530322403/530322205	11 Serial number(s)	12 Ticker symbol LSTZB/LMCB	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **ON NOVEMBER 28, 2011 LIBERTY MEDIA CORPORATION RECAPITALIZED ITS COMMON STOCK (THE "RECAPITALIZATION"). SERIES B LIBERTY STARZ COMMON STOCK (LSTZB) SHAREHOLDERS RECEIVED .88129 OF A SHARE OF LIBERTY MEDIA CORPORATION'S SERIES B LIBERTY CAPITAL COMMON STOCK (LMCB) FOR EACH SHARE OF LSTZB STOCK OWNED BY THEM. CASH WAS PAID IN LIEU OF FRACTIONAL SHARES.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **THE TAX BASIS OF EACH .88129 OF A LMCB SHARE RECEIVED IN THE RECAPITALIZATION IS THE SAME AS THE TAX BASIS OF THE LSTZB SHARE EXCHANGED THEREFOR.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **N/A**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► THE RECAPITALIZATION IS INTENDED TO BE A REORGANIZATION UNDER IRC SECTION 368(a)(1)(E). UNDER IRC SECTION 358, THE AGGREGATE BASIS OF THE LM CB SHARES RECEIVED BY THE HOLDER IN THE RECAPITALIZATION (INCLUDING ANY FRACTIONAL SHARE THAT IS DEEMED TO BE RECEIVED AND THEN EXCHANGED FOR CASH) SHOULD BE THE SAME AS THE AGGREGATE BASIS OF THE LSTZB SHARES EXCHANGED THEREFOR.

18 Can any resulting loss be recognized? ► IF THE HOLDER RECEIVED CASH IN LIEU OF A FRACTIONAL A SHARE OF LM CB IN THE RECAPITALIZATION THE BASIS SHOULD BE ALLOCATED TO THE FRACTIONAL SHARE WHICH COULD RESULT IN A LOSS ON THE DEEMED DISPOSITION OF THE FRACTIONAL SHARE. NO LOSS MAY BE RECOGNIZED BY THE HOLDER UPON THE RECEIPT OF LM CB SHARES IN THE RECAPITALIZATION IN EXCHANGE FOR LSTZB SHARES.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► _____

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ►  Date ► 1/12/12

Print your name ► TIM LENNEMAN Title ► VICE PRESIDENT

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ►	Firm's EIN ►		Phone no.	
Firm's address ►				