



Liberty Media Investor Meeting 9.21.2007



Today's Agenda

09:00 – 09:15	Liberty Interactive	Greg Maffei
09:15 – 09:45	QVC	Michael George
09:45 – 10:00	Provide Commerce	Jonathan Sills
10:00 – 10:10	BUYSEASONS	Jalem Getz
10:10 – 10:20	Backcountry.com	Jim Holland
10:20 – 10:40	Break	
10:40 – 11:10	Liberty Capital/ Liberty Entertainment	Greg Maffei
11:10 – 11:30	Starz	Bob Clasen
11:30 – 11:45	FUN/GSN	David Goldhill
11:45 – 12:15	DirecTV	Chase Carey
12:15 – 1:00	Conclusion and Q&A	John Malone/Greg Maffei

Forward-Looking Statements

This presentation includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about financial guidance, business strategies, market potential, future financial performance, new service and product launches 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, competitive issues, regulatory issues, continued access to capital on terms acceptable to Liberty Media and the satisfaction of the conditions to the reclassification of Liberty's existing tracking stock structure. 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 Form 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 presentation.

At today's meeting we will discuss certain non-GAAP financial measures. Please refer to the Appendix at the end of this presentation for definitions of EBITDA and OCF as well as applicable GAAP reconciliations. The Appendix will also be available on our website www.libertymedia.com throughout this conference.

Additional Information

Nothing herein shall constitute a solicitation to buy or an offer to sell shares of the reclassified Liberty Capital tracking stock or Liberty Entertainment tracking stock. The offer and sale of Liberty's tracking stocks in the proposed reclassification will only be made pursuant to its effective registration statement. Liberty stockholders and other investors are urged to read the registration statement, including the proxy statement/prospectus contained therein, filed by Liberty with the SEC on September 7, 2007, because it contains important information about the transaction. A copy of the registration statement including the proxy statement/prospectus is available free of charge at the SEC's website (<http://www.sec.gov>).

Participants in Solicitation

The directors and executive officers of Liberty and other persons may be deemed to be participants in the solicitation of proxies in respect of proposals to approve the reclassification. Information regarding Liberty's directors and executive officers and other participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, are available in the proxy statement/prospectus filed by Liberty with the SEC.



Liberty Evolves

Gregory B. Maffei
President and CEO



2004 Status

- Liberty Media – holding company
 - Complex story
 - US and international assets
 - Distribution, content, telecom, media, and technology
 - Controlled and non-controlled assets
 - Wide discount to NAV
 - Low tax basis
 - Complexity = challenge to analyze
 - Difficult strategic story
-

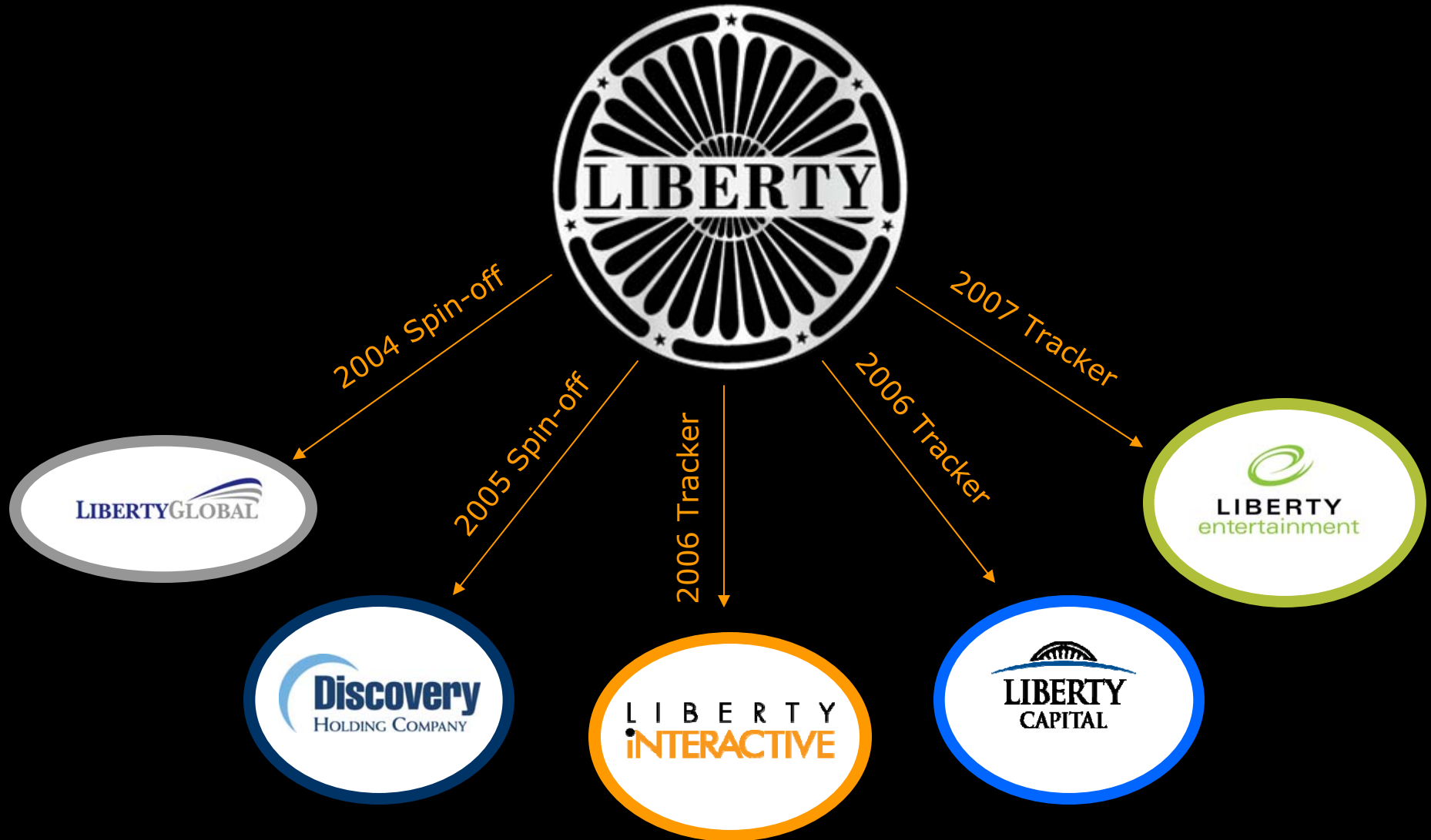
2004 - Plethora of Brands



Ch, Ch, Changes...

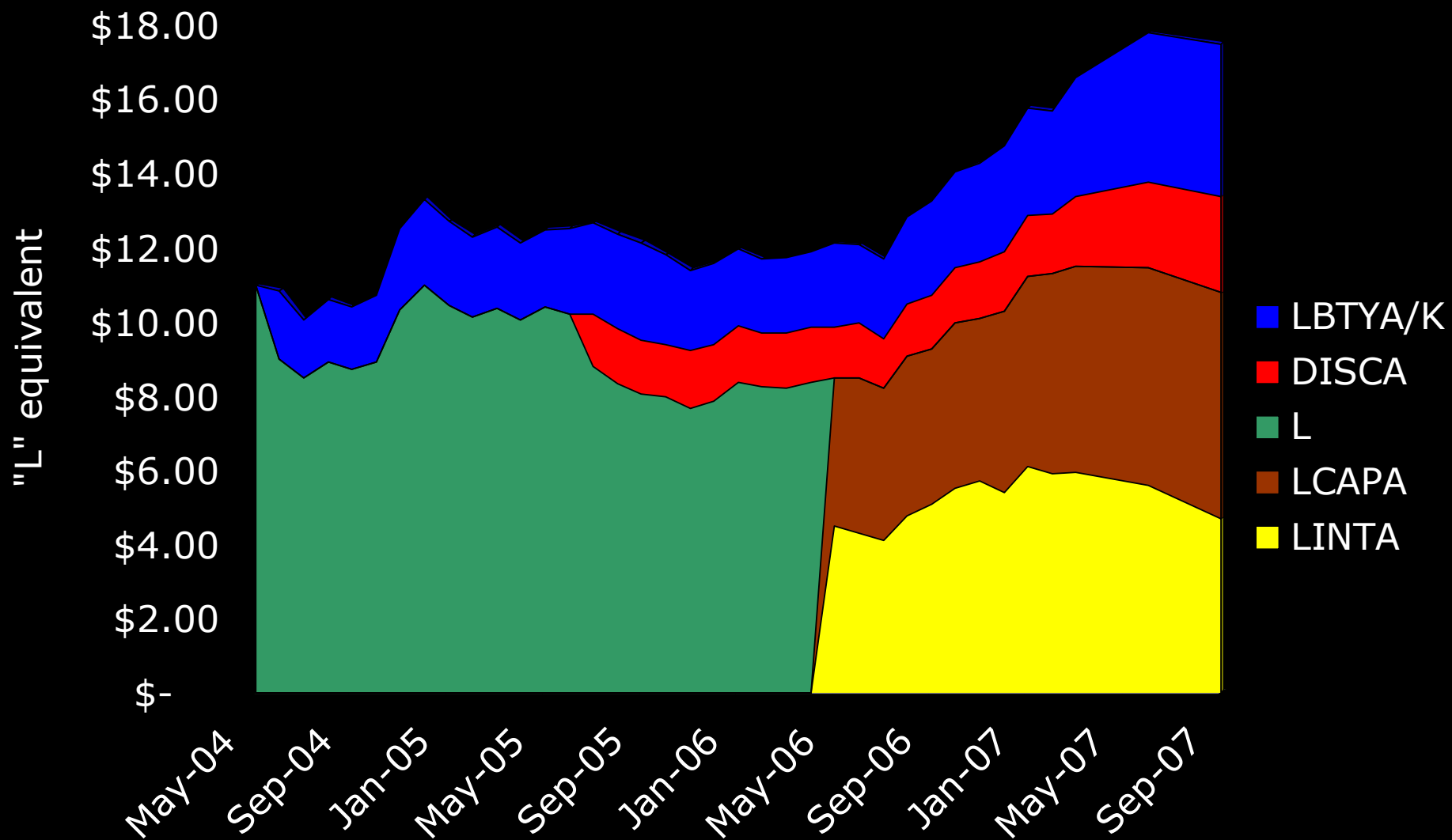
- **2004:** Separated ownership of international distribution and programming assets via spin-off of Liberty Media International
 - LMI later merged with UGC to form Liberty Global
 - **2005:** Separated ownership of Ascent Media Group and 50% interest in Discovery Communications via spin-off of Discovery Holding Company (DHC)
 - Discovery Communications repurchased Cox Communications 25% interest (May 2007)
 - DHC now owns 2/3rds of DCI
 - **2006:** Issued Liberty Capital and Liberty Interactive tracking stocks
 - **2007:** Plan to split Liberty Capital into Liberty Entertainment and new Liberty Capital tracking stocks
-

Spin-offs and Trackers

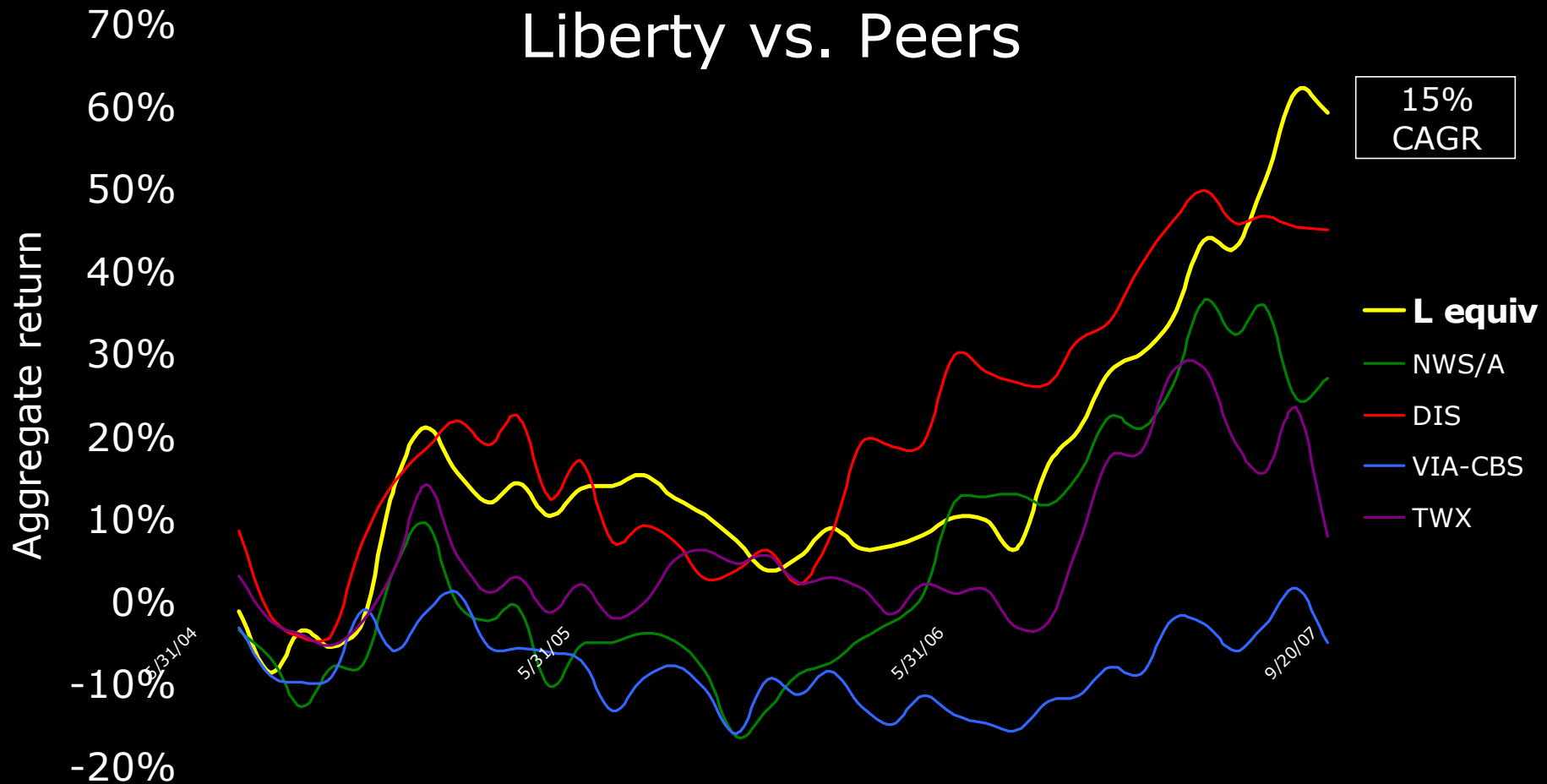


Liberty Performance

Since LMI Spin-off



Liberty Out-Performance



2008 Objectives and Strategy

- “New” Liberty Capital
 - Simplify
 - Rationalize non-core assets (tax-efficiently)
 - Liberty Entertainment
 - Create fairly-valued currency to enable strategic flexibility
 - Use distribution to drive content and strategic opportunities
 - Liberty Interactive
 - Grow existing operations
 - Expand e-commerce businesses
 - Rationalize non-consolidated assets (tax-efficiently)
 - Make strategic acquisitions / brand investments
 - Shrink equity
-



Liberty Evolves

Gregory B. Maffei
President and CEO

Investor Meeting
9.21.2007



Evolution Since May 2006

- Strategic Acquisitions
 - Provide Commerce
 - BUYSEASONS
 - Backcountry.com
 - Equity Shrink
 - \$1 billion open market share repurchases
 - \$500 million self tender
 - Growth Strategies
 - Enhance brand awareness
 - Leverage market position → strategic investments
 - Evaluate new markets and platforms
-

Liberty Interactive Today



Today's Special Value:

(\$ in billions)



Liberty Interactive market cap	\$11.9
Adjustments:	
IAC stake	(2.0)
EXPE stake	(2.1)
GSI stake & other	(0.3)
Other e-commerce subs (cost)	(0.6)
Net debt	5.8
Implied QVC Enterprise Value	<u>12.9</u>
EV / trailing 12 months OCF	7.7x

QVC Compares Favorably

- Trailing twelve months OCF growth entirely organic (no new stores)
- Trailing twelve months OCF growth rate depressed by International
- Cap ex cycle peaking
- OCF – Cap ex yield expected to increase

	TTM 6/30/07 OCF	TTM OCF GR%	TTM OCF - CAPEX	EV / TTM OCF	EV / TTM OCF - CAPEX	TTM OCF - CAPEX YLD	OCF Multiple to Growth
eBay	\$2.3	22.2%	\$1.8	21.1x	26.2x	3.6%	1.0x
Amazon	0.7	41.7%	0.5	49.5x	66.9x	1.5%	1.2x
Costco	2.1	3.2%	0.8	11.7x	31.5x	3.0%	3.6x
JC Penney	2.4	16.2%	1.4	6.8x	12.1x	9.2%	0.4x
Nordstrom	1.2	13.8%	0.9	11.2x	16.1x	6.9%	0.8x
Kohls	2.4	23.2%	0.9	8.4x	22.2x	4.8%	0.4x
WAVG (EV)	\$1.8	22.5%	\$1.1	22.3x	33.5x	4.0%	1.3x
QVC	\$1.7	11.3%	\$1.4	7.5x	9.3x	11.4%	0.7x

Action Plan

- Drive operational excellence
 - Pursue growth initiatives
 - Geographic and platform expansion
 - Brand enhancement
 - Internet
 - Rationalize equity stakes tax efficiently
 - Utilize capital
 - Strategic acquisitions and growth initiatives
 - Equity shrink
 - Maintain optimal capital structure
 - Optimize financial flexibility
-

E-commerce Assets Undervalued

- High growth assets with strong cash flow characteristics
 - Category leaders
 - Strong management teams
 - Acquired at reasonable prices
 - Provide Commerce, BuySeasons and BackCountry acquired for ~\$600m
 - Implied OCF multiples are low relative to historical and expected growth rates
-

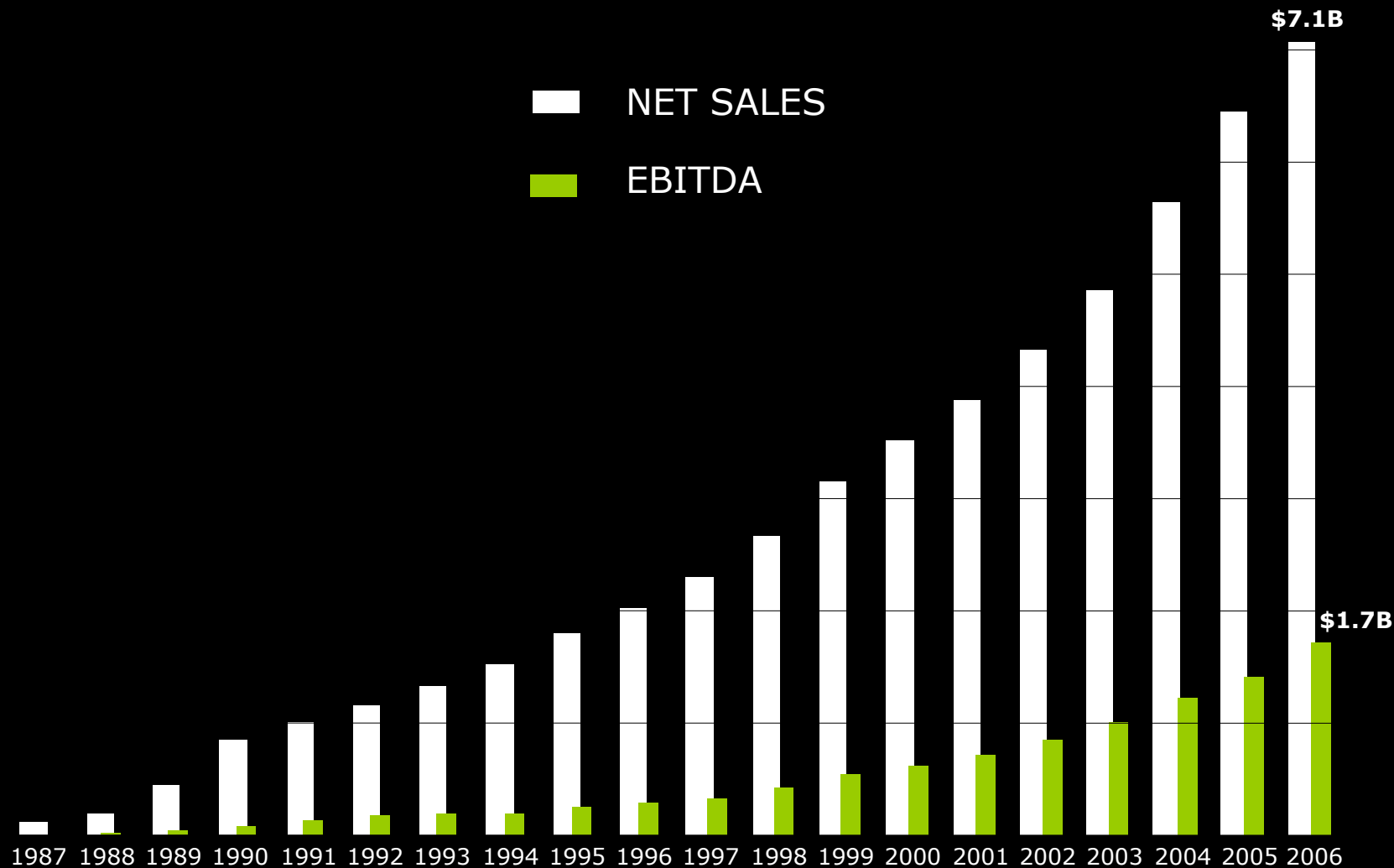


QVC

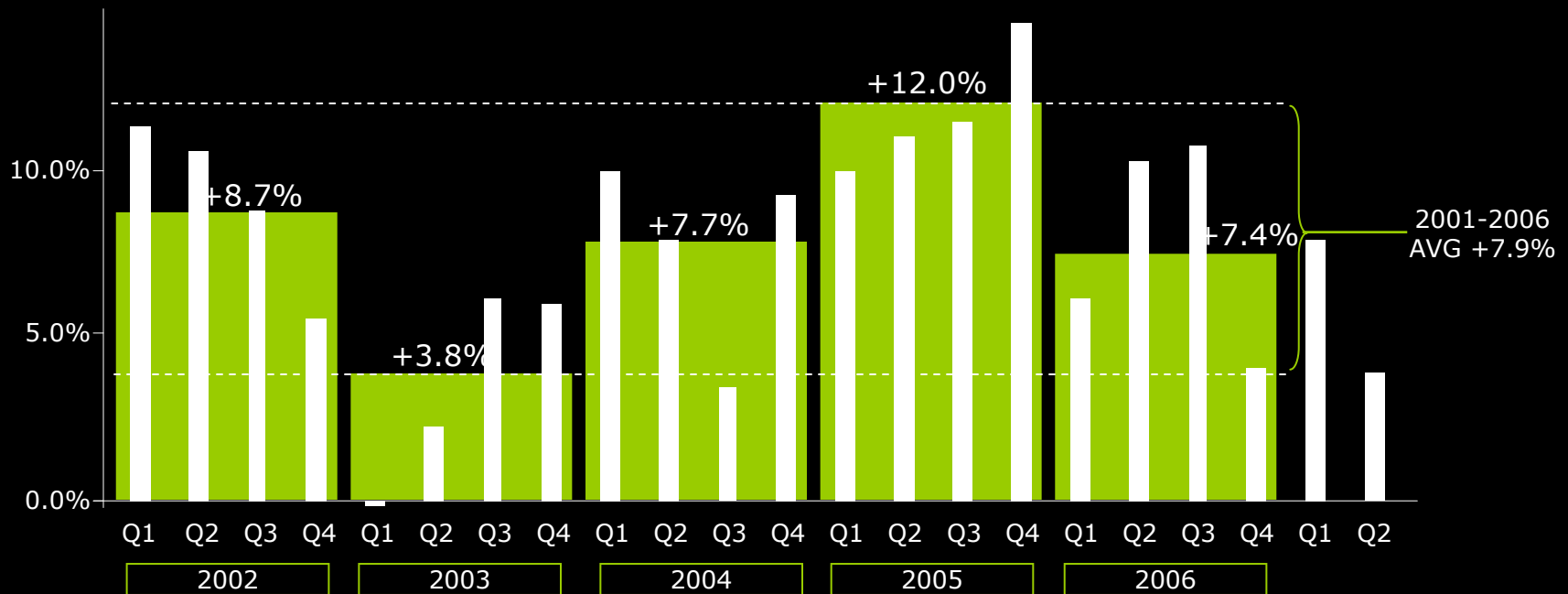
Mike George
President & CEO



STRONG GROWTH TRACK RECORD



SUSTAINED U.S. GROWTH AT FULL DISTRIBUTION



8% average revenue growth

- With only 2% sub growth and flat HH penetration

Quarterly revenue variability higher



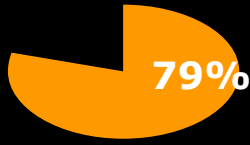
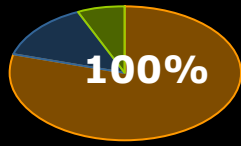
- Execution, LY comp's, category trends, consumer spending, long-term orientation

11% average EBITDA growth

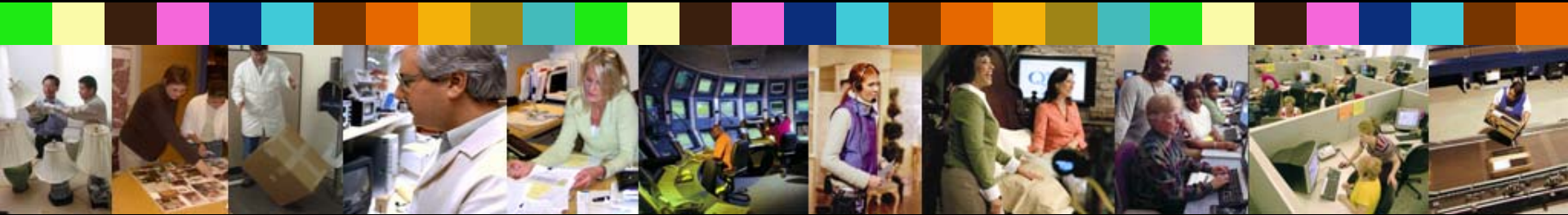
- Stable/growing gross margins despite revenue variability

INCREASING CUSTOMER SPEND DRIVES GROWTH

THREE YEAR AVERAGE ENDING JUNE 2007

	Sales contribution	Annual customer count growth	Annual Retention rate	Annual \$/customer growth
new customers (1.7-1.9mm per year)	 7%	-4%	38%	+7%
occasional customers (1-9x/yr purchases)	 14%	+2%	47%	+5%
core customers (10+/yr purchases)	 79%	+6%	96%	+4%
total	 100%	+1%	59%	+8%

MANAGING GROWTH & MARGIN EXPANSION



Consistent execution of the fundamentals:

- Compelling products at great values, engaging programming, newness & diversity
- Price integrity
- No hard sell
- Service beyond expectations
- Community

Additional focus on product/program diversity in Germany & Japan given recent market challenges

EBITDA margin expansion (esp. Int'l) through productivity, fixed cost leverage, other initiatives

GROWTH PILLARS

ELEVATE THE BRAND INTO THE TRUSTED SHOPPING AUTHORITY

1. Updated Brand Identity/Expanded Marketing Programs

MAKE QVC THE PREEMINENT MULTIMEDIA RETAILER

2. Leadership Brands & Distinctive Items
3. Unmatched Multi Channel Experience
4. Enhanced Social Network

EXPAND INTO ADJACENT GROWTH ARENAS

5. New International Markets
6. Brand Alliances/Network Monetization
7. New Forms of Video Retailing

1. BRAND IDENTITY / MARKETING

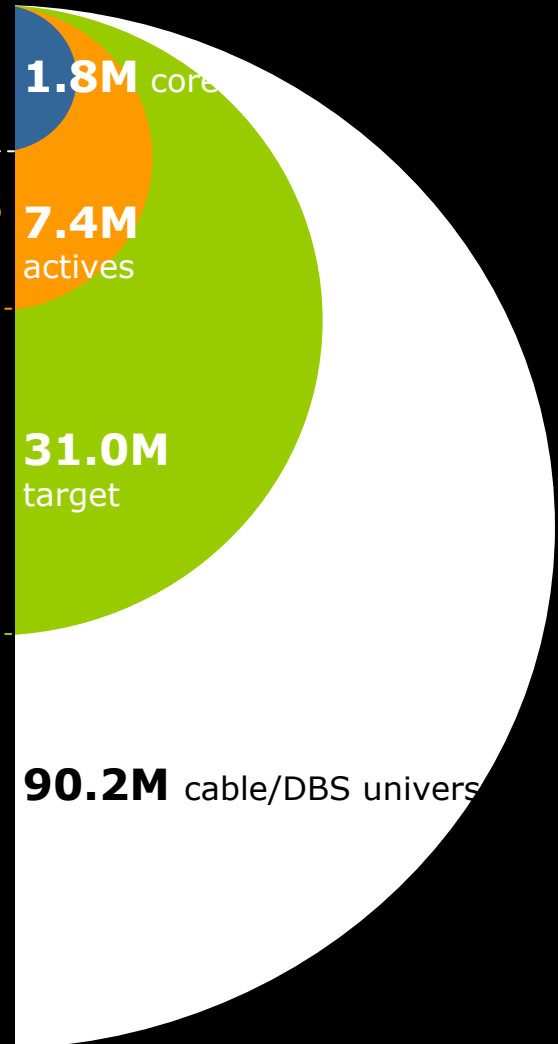
Extensive research to codify brand values and define market opportunity

THREE BRANDING GOALS:

I. DELIGHT CORE CUSTOMERS

II. NURTURE OCCASIONAL CUSTOMERS

III. ATTRACT NEW CUSTOMERS



UPDATING THE BRAND IDENTITY

The evolution of QVC's brand has not kept with evolution of its business.

\$7.1B



QVC QVC

1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006

BRAND IDENTITY



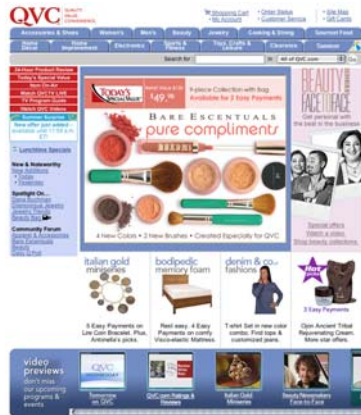
THE RIBBON LOGO

Works across all platforms; dynamic multimedia applications

Suggests feeling of a ribbon unfolding or package opening

Helps us own the “Q” – our customers’ shorthand for QVC

BRAND IDENTITY

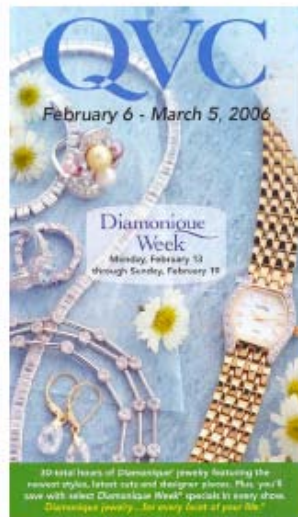


before



after

BRAND IDENTITY

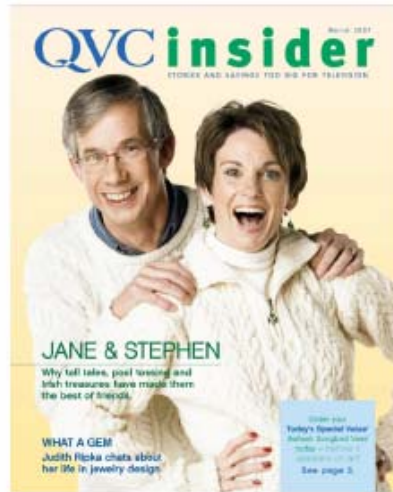


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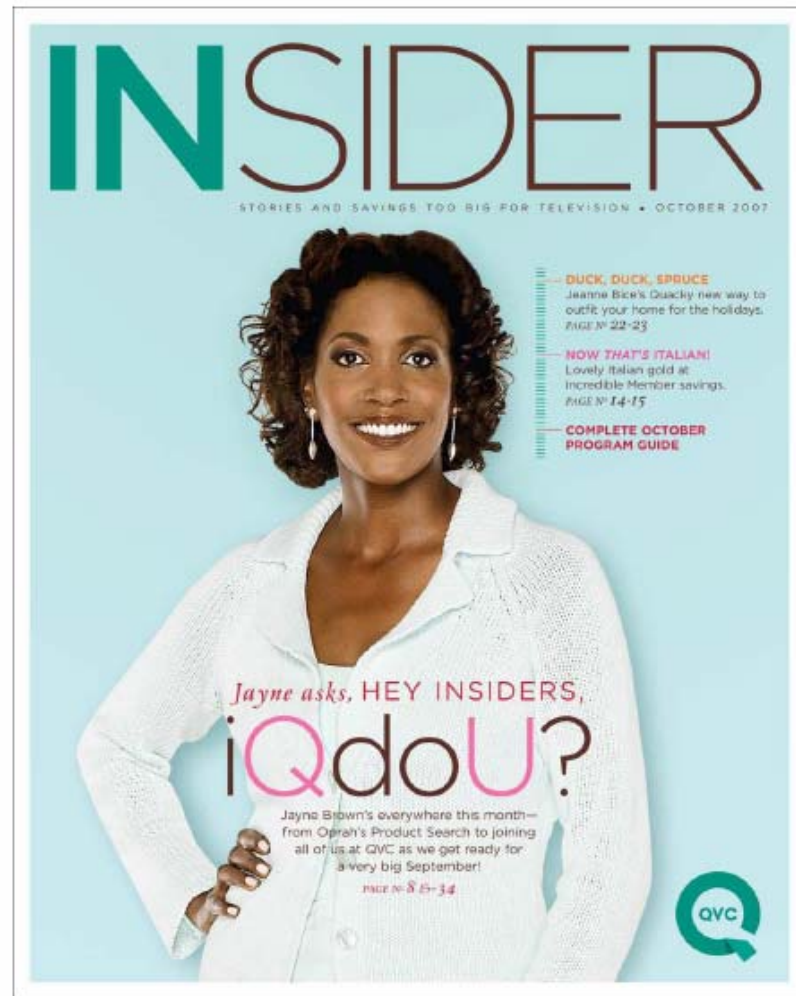


after

BRAND IDENTITY



before



after

BRAND IDENTITY



before

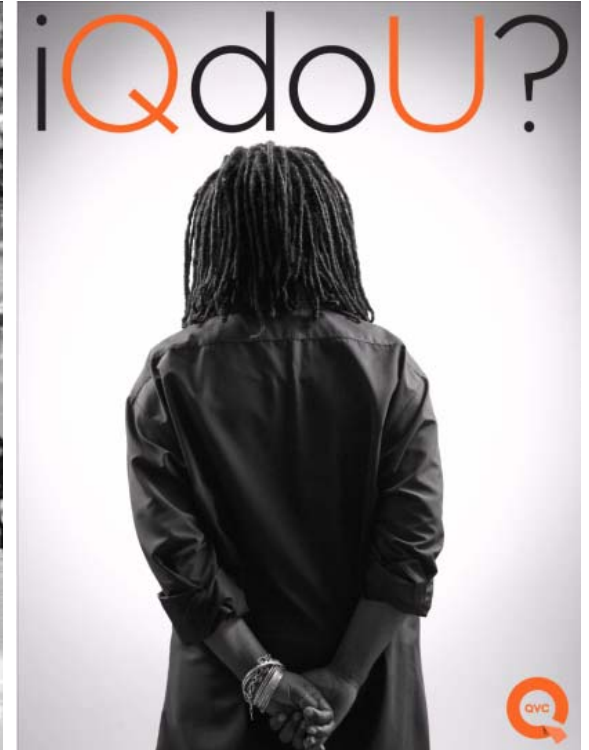
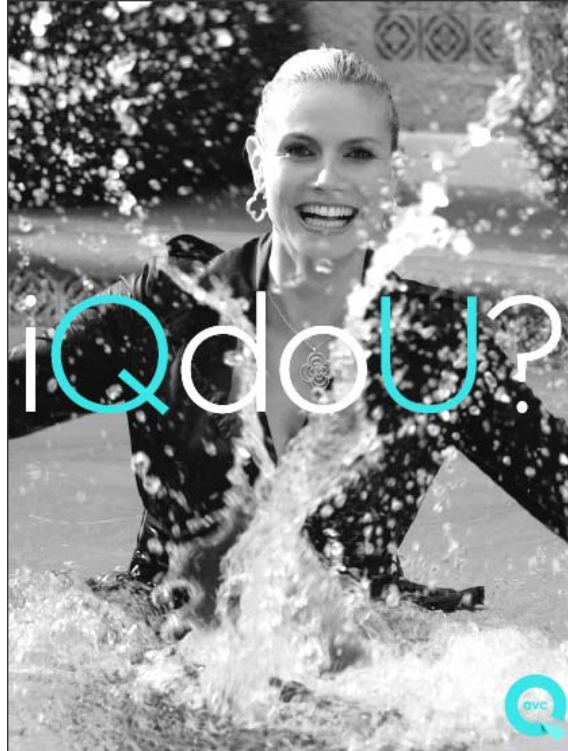
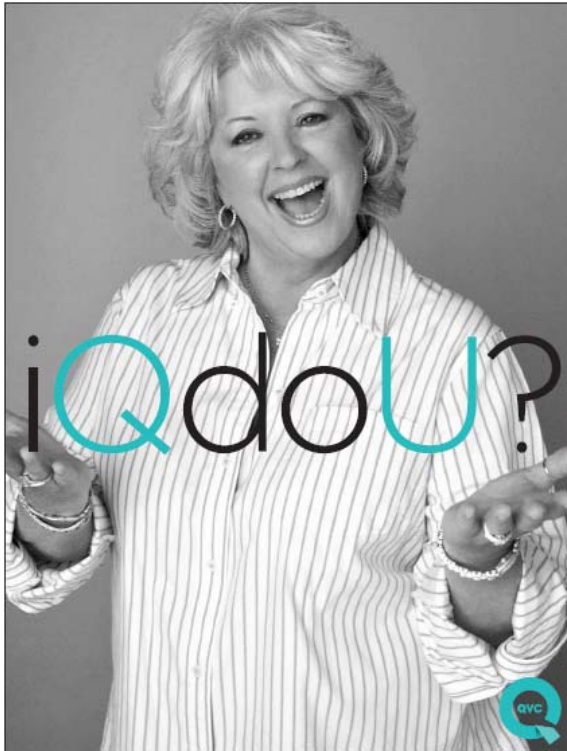


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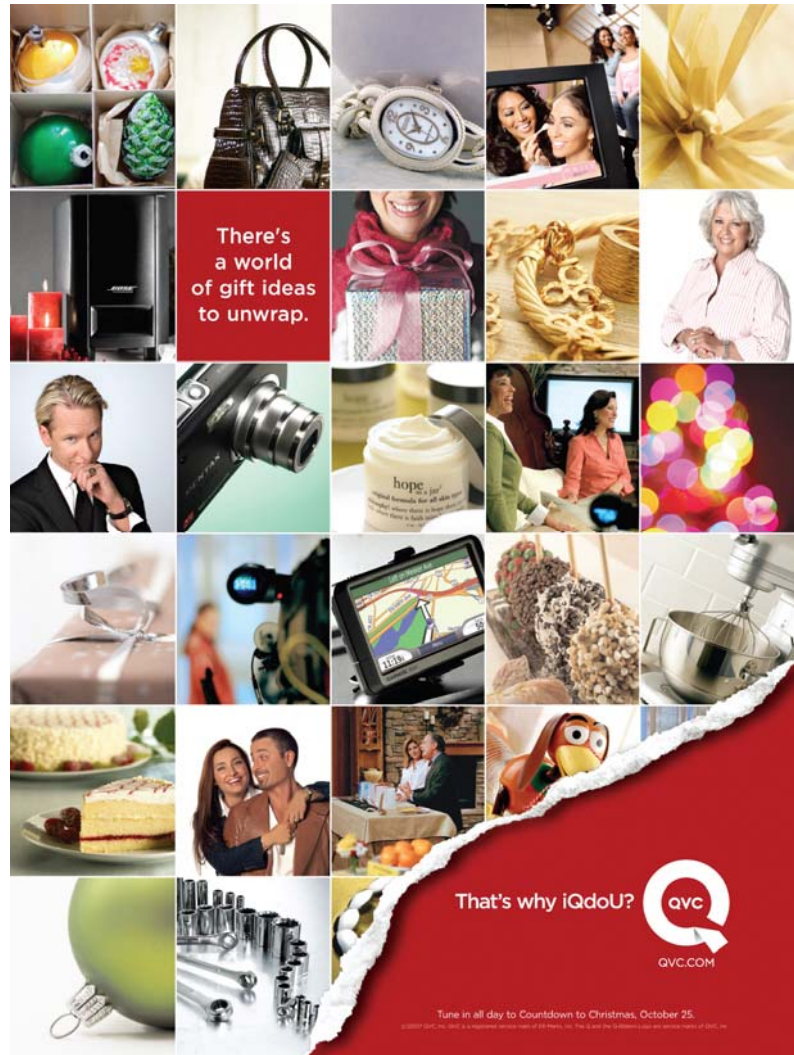
BRAND EXPRESSION

iQdoU?


BRAND EXPRESSION



BRAND ADVERTISING

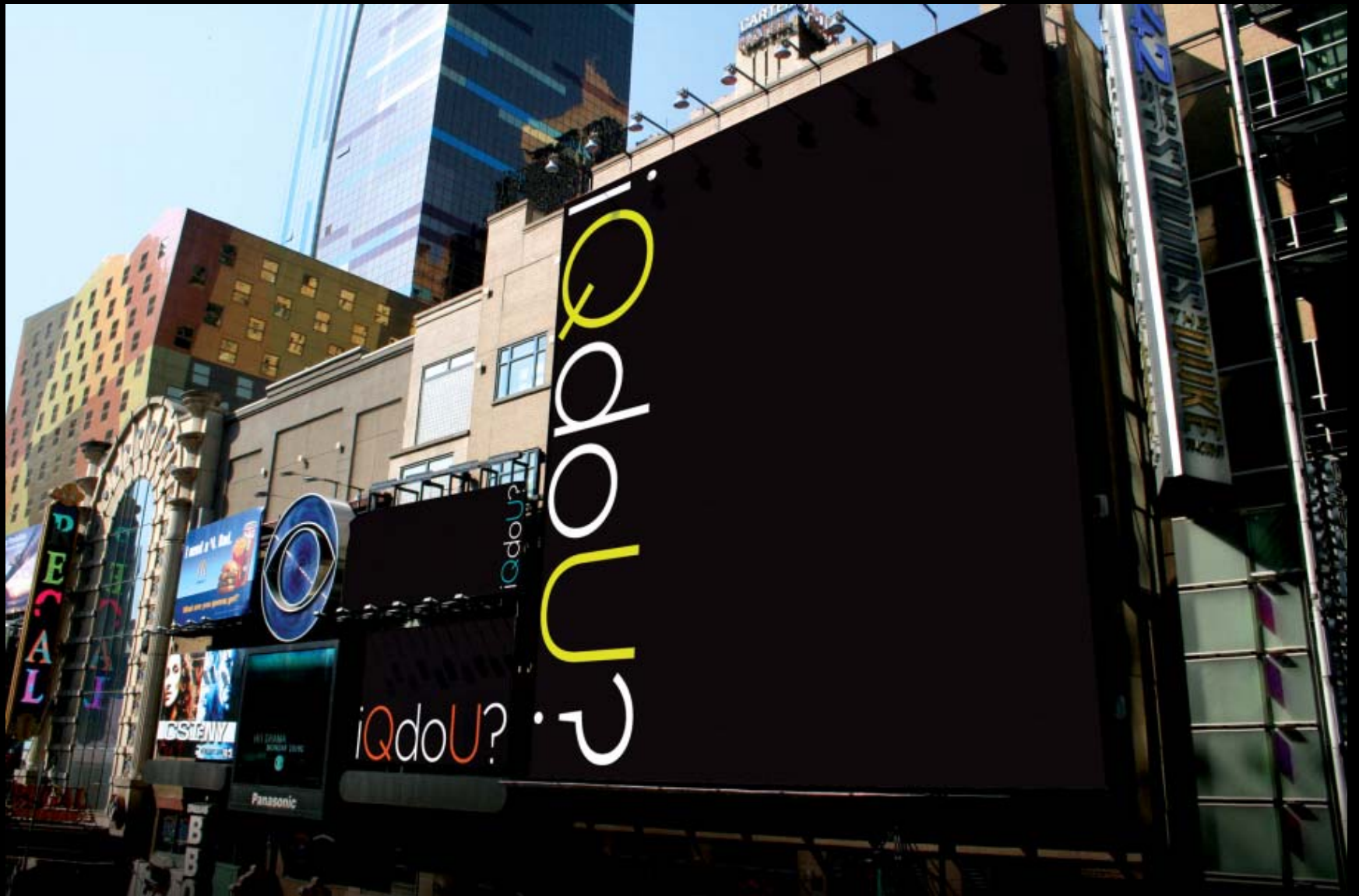


There's
a world
of gift ideas
to unwrap.

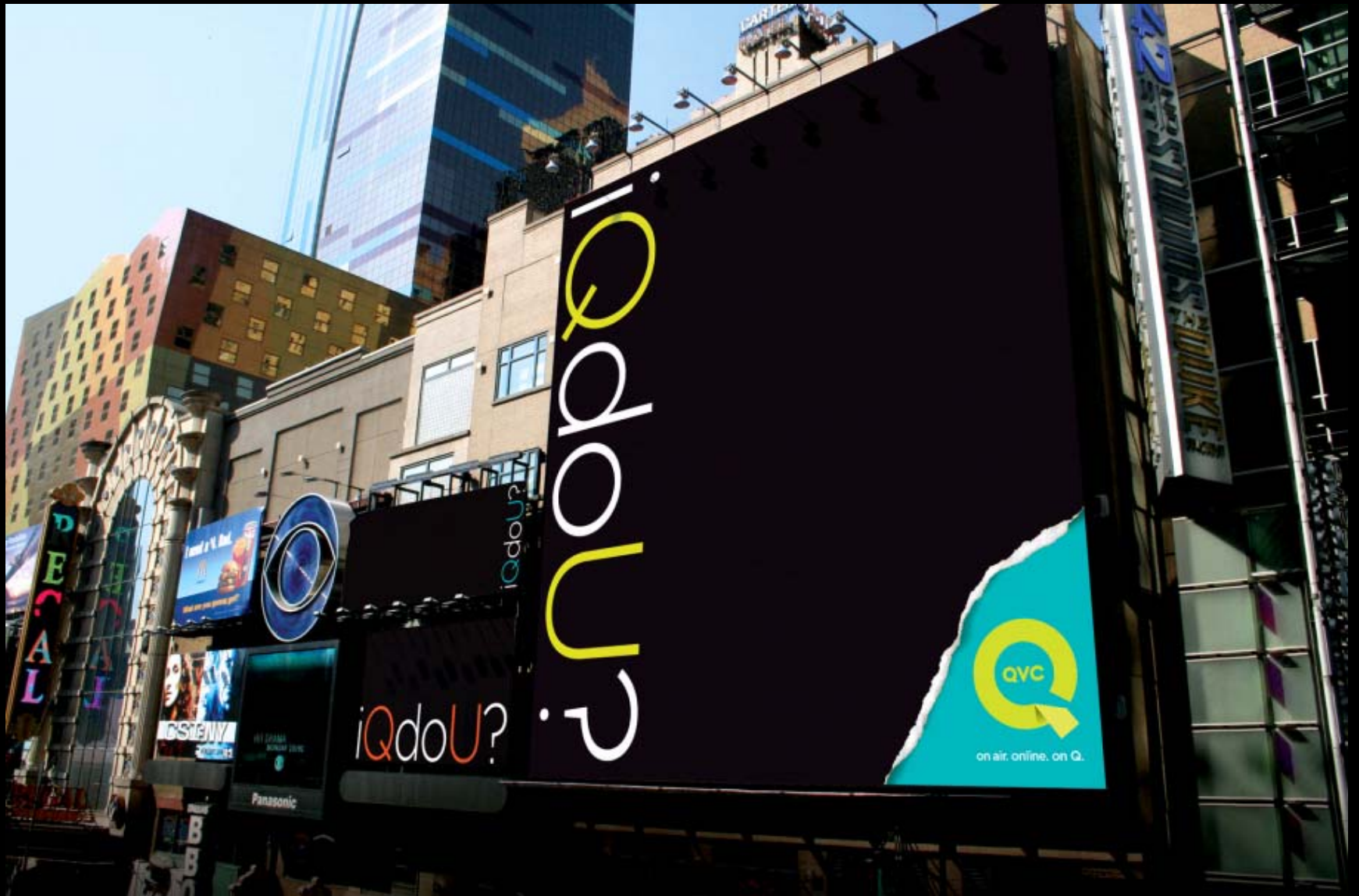
That's why iQdoU? 
QVC.COM

Tune in all day to Countdown to Christmas, October 25.
©2007 QVC, Inc. QVC is a registered service mark of QVC Networks, Inc. This QVC logo is a service mark of QVC, Inc.

TEASER CAMPAIGN



TEASER CAMPAIGN



TEASER CAMPAIGN



GROWTH PILLARS

ELEVATE THE BRAND INTO THE TRUSTED SHOPPING AUTHORITY

1. Updated Brand Identity/Expanded Marketing Programs

MAKE QVC THE PREEMINENT MULTIMEDIA RETAILER

2. Leadership Brands & Distinctive Items
3. Unmatched Multi Channel Experience
4. Enhanced Social Network

EXPAND INTO ADJACENT GROWTH ARENAS

5. New International Markets
6. Brand Alliances/Network Monetization
7. New Forms of Video Retailing

2. LEADERSHIP BRANDS & DISTINCTIVE ITEMS

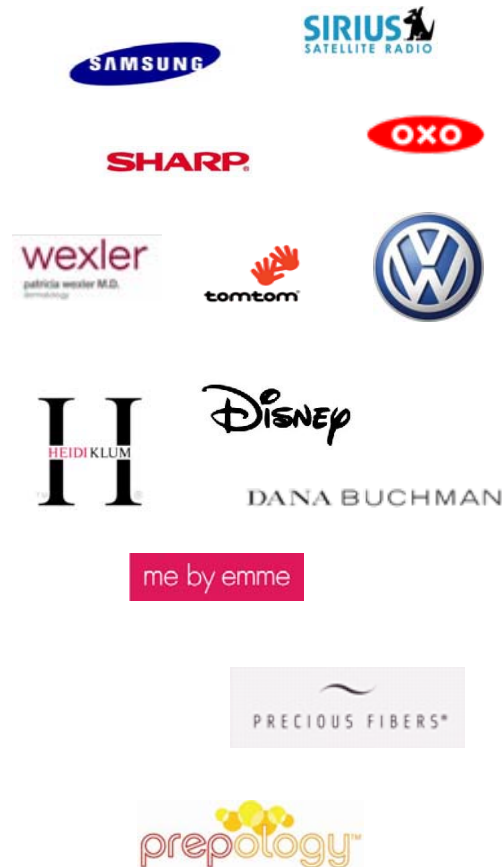
RESPECTED BRANDS & PERSONALITIES

national brands

exclusive diffusion lines

proprietary brands

2006



2007



2. LEADERSHIP BRANDS & DISTINCTIVE ITEMS

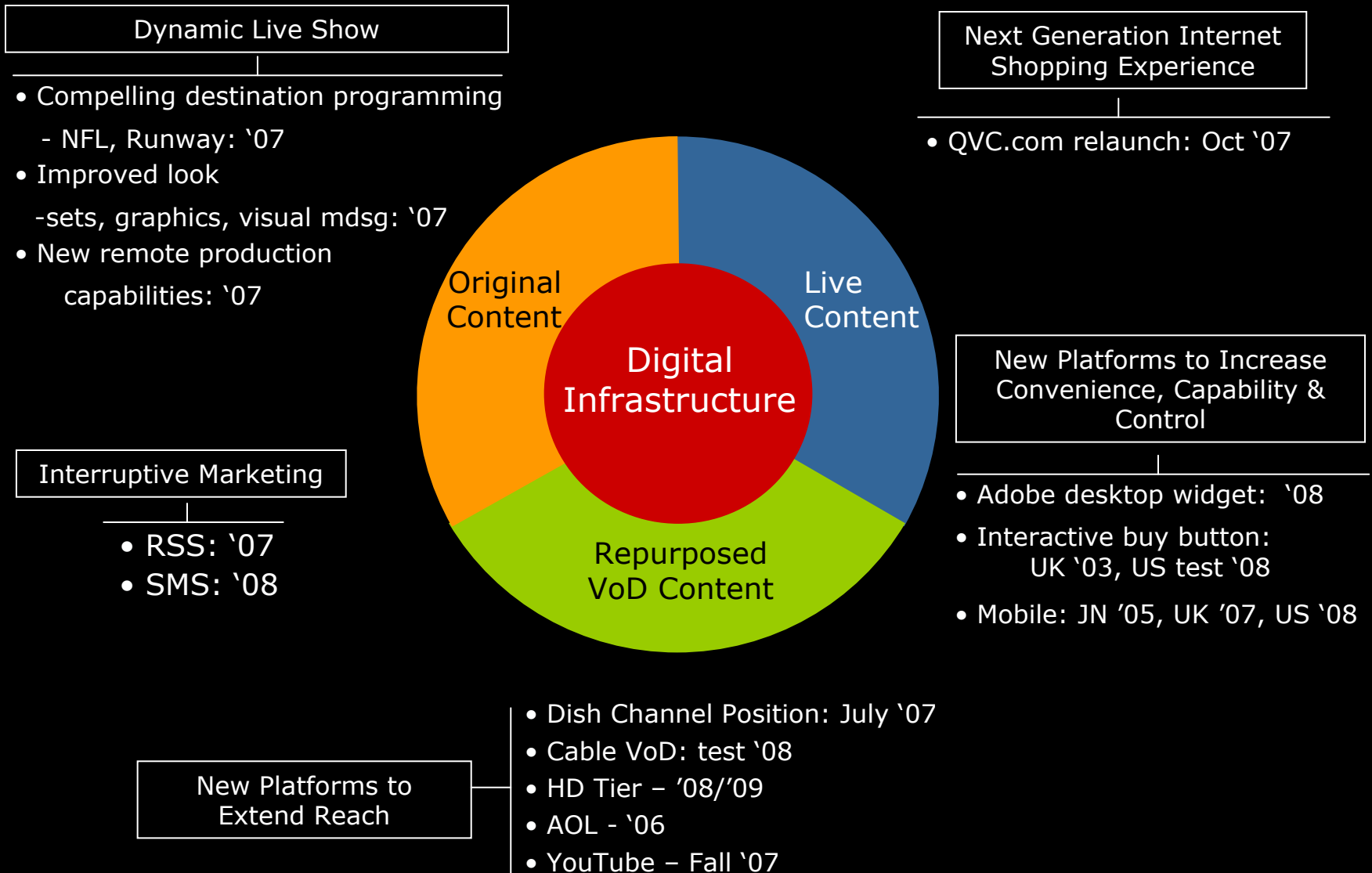
CULTIVATING THE ITEM BUSINESS



Your chance to become a
QVC Success Story!



3. UNMATCHED MULTI CHANNEL EXPERIENCE



INDUSTRY LEADING WEB/VIDEO INTEGRATION



Sign Out | Order Status | My Account | Customer Services | Wish List | Cart 

Fashion | Jewelry | Beauty | For the Home | Cooking & Dining | Electronics | Sports & Leisure

Search:

LAUNCH QVC LIVE PLAYER

TODAY'S SPECIAL VALUE

ITEM ON AIR

HOT PICKS

FASHION DAY

UPCOMING SHOWS

QVC ON TV:

WATCH LIVE TV

ITEMS RECENTLY ON AIR

TV PROGRAM GUIDE

NEW TODAY



Dialogue

ULTRAMERINO TEXTURED ONE BUTTON LONG CARDIGAN

Today's Special Value

\$42.28

ADD TO CART

SPEED BUY

ADD TO WISH LIST

MORE DETAILS

COMMUNITY:

IQdoU?

HOW DO YOU BE?

MEET THE HOSTS

NEWSLETTER:

SIGN UP TODAY

ASK THE EXPERTS

NEW DOONEY & BOURKE

HOST PICKS

Need Help? Click here for [Customer Service](#).

E-Mail Sign-Up | Gift Cards | QVC Community | Site Map

INDUSTRY LEADING WEB/VIDEO INTEGRATION

The screenshot displays the QVC website interface, highlighting its web/video integration. At the top, the QVC logo is on the left, and navigation links for Sign Out, Order Status, My Account, Customer Services, Wish List, and Cart are on the right. Below this is a category menu with links for Fashion, Jewelry, Beauty, For the Home, Cooking & Dining, Electronics, and Sports & Leisure. A search bar is positioned below the category menu, and a 'LAUNCH QVC LIVE PLAYER' button is on the right. The main content area features a large video player showing a woman in a black cardigan. To the left of the video is a sidebar with 'TODAY'S SPECIAL VALUE' and a list of items: ITEM ON AIR, HOT PICKS, FASHION DAY, and UPCOMING SHOWS. Below this is a 'QVC ON TV' section with links for WATCH LIVE TV, ITEMS RECENTLY ON AIR, TV PROGRAM GUIDE, and NEW TODAY. To the right of the video player, the product details for 'Dialogue Ultramerino Textured One Button Long Cardigan' (A73045) are shown, including its retail value, QVC price, shipping, and today's special value. Below the product details are five stars and a green 'ADD TO CART' button, along with links for SPEED BUY, ADD TO WISH LIST, and MORE DETAILS. At the bottom, there are three sections: 'ASK THE EXPERTS' featuring a man, 'NEW DOONEY & BOURKE' featuring a handbag, and 'HOST PICKS' featuring a woman. A footer section contains a link for 'Need Help? Click here for Customer Service' and a navigation bar with links for E-Mail Sign-Up, Gift Cards, QVC Community, and Site Map.

QVC

Sign Out | Order Status | My Account | Customer Services | Wish List | Cart

Fashion | Jewelry | Beauty | For the Home | Cooking & Dining | Electronics | Sports & Leisure

Search: Enter keyword or item # All of QVC.com

LAUNCH QVC LIVE PLAYER

TODAY'S SPECIAL VALUE

ITEM ON AIR

HOT PICKS

FASHION DAY

UPCOMING SHOWS

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ENHANCED SHOPPING TOOLS

Search:

All of QVC.com

LAUNCH QVC TV LIVE

TV Program Guide

Daily View

Eastern Time Zone

Monday, May 20th

Show Title Search:

QVC Channel Finder (ZIP Code):

Daily View

Weekly View


Print Schedule

SET REMINDERS

Previous Day

Monday May 20, 2007

Next Day

Time	Shows																							
12:00 - 02:00 AM	By Popular Demand	Show Details	See Show's Products																					
02:00 - 03:00 AM	14k Gold Jewelry	Watch it Live	See Show's Products																					
03:00 - 04:00 AM	Patio & Garden	Show Details	Add Reminder																					
04:00 - 05:00 AM	Silver Sunrise - Silver Jewelry Special	Show Details	Add Reminder																					
05:00 - 06:00 AM	<div><div>Dooney & Bourke</div><div><div></div><div><div>Dooney & Bourke</div><div>Monday, May 20, 2007</div><div>05:00 - 6:00 AM ET</div><div>Timeless designs, unmistakable craftsmanship and enduring quality are the hallmarks of Dooney & Bourke - handbags and accessories as distinctive as the women who wear them.</div></div></div></div> <div><div>Upcoming Shows:</div><table><tbody><tr><td>Thu 6/14/2007</td><td>12 AM - 01 AM</td><td>Add Reminder</td></tr><tr><td>Thu 6/14/2007</td><td>02 PM - 03 PM</td><td>Add Reminder</td></tr><tr><td>Mon 6/18/2007</td><td>03 PM - 04 PM</td><td>Add Reminder</td></tr><tr><td>Thu 6/21/2007</td><td>04 PM - 05 PM</td><td>Add Reminder</td></tr><tr><td>Fri 6/22/2007</td><td>11 PM - 12 AM</td><td>Add Reminder</td></tr><tr><td>Sun 6/24/2007</td><td>11 AM - 12 PM</td><td>Add Reminder</td></tr><tr><td>Thu 6/28/2007</td><td>04 PM - 05 PM</td><td>Add Reminder</td></tr></tbody></table></div> <div>SET REMINDERS</div>	Thu 6/14/2007	12 AM - 01 AM	Add Reminder	Thu 6/14/2007	02 PM - 03 PM	Add Reminder	Mon 6/18/2007	03 PM - 04 PM	Add Reminder	Thu 6/21/2007	04 PM - 05 PM	Add Reminder	Fri 6/22/2007	11 PM - 12 AM	Add Reminder	Sun 6/24/2007	11 AM - 12 PM	Add Reminder	Thu 6/28/2007	04 PM - 05 PM	Add Reminder	Hide Details	Add Reminder
Thu 6/14/2007	12 AM - 01 AM	Add Reminder																						
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Fri 6/22/2007	11 PM - 12 AM	Add Reminder																						
Sun 6/24/2007	11 AM - 12 PM	Add Reminder																						
Thu 6/28/2007	04 PM - 05 PM	Add Reminder																						
06:00 - 07:00 AM	Easy Solutions	Show Details	Add Reminder																					

ENHANCED SHOPPING TOOLS



[Sign Out](#) | [Order Status](#) | [My Account](#) | [Customer Services](#) | [Wish List](#) | [Cart](#)

[Fashion](#) ▾ [Jewelry](#) ▾ [Beauty](#) ▾ [For the Home](#) ▾ [Cooking & Dining](#) ▾ [Electronics](#) ▾ [Sports & Leisure](#) ▾

Search:

[LAUNCH QVC LIVE PLAYER](#)

QVC : Items Recently On Air

Items Recently On Air

On Earlier Today

02pm [Dooney & Bourke Handbag Special](#)

01pm [The Thrill Of The Grill](#)

12pm [Denim & Co](#)

11am [Cook's Essentials](#)

10am [It Figures! Solutions Swimwear](#)

09am [The QVC Morning Show](#)

08am [Gemstone Jewelry Clearance](#)

07am [Kitchen Ideas](#)

06am [Mally Beauty - Color Cosmetics](#)

Yesterday's Shows

11pm [The Thrill Of The Grill](#)

Dooney & Bourke Handbag Special



A4479
[Dooney & Bourke Patent Leather Bitsy Bag](#)

[Quick Look](#)



A4479
[Dooney & Bourke Patent Leather Bitsy Bag](#)

[Quick Look](#)



A4479
[Dooney & Bourke Patent Leather Bitsy Bag](#)

[Quick Look](#)



A4479
[Dooney & Bourke Patent Leather Bitsy Bag](#)

[Quick Look](#)



A4479
[This Item Shows Highlight Functionality](#)

[Watch the Show](#)
[See Show Details](#)
[Remind Me](#)

Photo

Videos



Today's Special Value

E03061

[Dialogue Pima Cotton 3/4 Sleeve Jewel Neck Top](#)

Retail Value: \$31.00

QVC Price: \$24.00

Introductory Price:

Buy 3 and get \$10.00 OFF!

[Auto-Delivery Available](#)

4. ENHANCED SOCIAL NETWORK

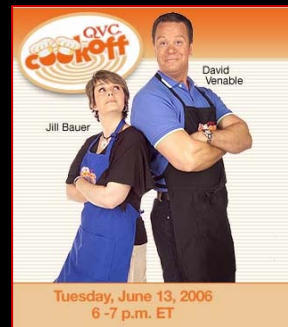
A SOCIAL SHOPPING DESTINATION

For customers,
vendors, designers &
hosts

Leveraged content
unique to QVC

ENGAGE WITH
THE LIVE SHOW

Voting



Ask Us

Ask Us Live!

First, let us know a little something about yourself

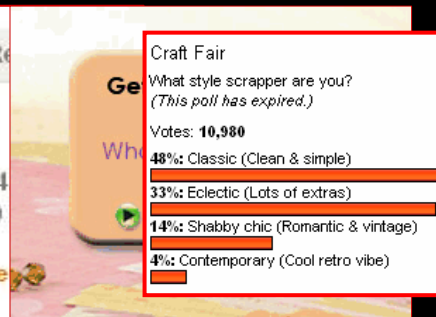
* Name

* Required fields

Product Reviews



Polls



Virtual Shopping Experiences



ENGAGE WITH
EACH OTHER

Blogs



ENGAGE WITH
PERSONALITIES

Live Chats



Moderated Forums



GROWTH PILLARS

ELEVATE THE BRAND INTO THE TRUSTED SHOPPING AUTHORITY

1. Updated Brand Identity/Expanded Marketing Programs

MAKE QVC THE PREEMINENT MULTIMEDIA RETAILER

2. Leadership Brands & Distinctive Items
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EXPAND INTO ADJACENT GROWTH ARENAS

5. New International Markets
6. Brand Alliances/Network Monetization
7. New Forms of Video Retailing

5. NEW INTERNATIONAL MARKETS

	Country	GDP (\$B)	Multi Channel Homes (M)
Active discussions underway in several markets	US	\$ 13,195	90,200
	China	\$ 9,240	141,060
	Japan	\$ 4,461	30,140
	India	\$ 3,885	66,076
Rapid expansion of multi channel HH's in many markets	Germany	\$ 2,534	32,878
	France	\$ 1,899	10,832
	UK	\$ 1,882	16,825
	Italy	\$ 1,698	6,761
Opportunity to open 2-3 markets over next 3-5 years	Brazil	\$ 1,596	17,480
	Russia	\$ 1,576	11,027
	South Korea	\$ 1,078	16,433
	Spain	\$ 1,031	3,604
	Taiwan	\$ 579	5,589
	Poland	\$ 578	7,530
	Netherlands	\$ 503	7,055

6. BRAND ALLIANCES / NETWORK MONETIZATION

CREATING WIN-WIN PARTNERSHIPS WITH BRANDS THAT BENEFIT FROM THE QVC NETWORK EFFECT

Royalties

Warrants

Equity investments

BORBA

BARE ESSENTUALS
san francisco

philosophy®

7. NEW VIDEO/INTERNET SHOPPING MODELS

**EVALUATING NEW SHOPPING PLATFORMS IN
PARTNERSHIP WITH OTHER TRAFFIC AGGREGATORS**





QVC

Mike George
President & CEO

Liberty Investor Meeting
9.21.2007





provide-commerce

Jonathan Sills
Senior Vice President
Strategy and Corporate Development



provide-commerce

ProFlowers®
The Art of Fresher Flowers™



SECRET SPOON™
Sweets



- Collection of branded websites each offering high quality, perishable products shipped fresh from the supplier to the consumer
 - Designed specifically around the way consumers shop
 - Our proprietary technology allows us to eliminate multiple intermediaries from the legacy supply chain, thereby realizing significant cost advantages and higher margins
-

Size of the Floral Market and Growth Trends

- The U.S. Department of Commerce's Bureau of Economic Analysis estimates the size of the floriculture industry at retail to be about \$19.4 billion.
 - The floricultural market has grown at an average annual pace of +4.1% over the last 10 years
 - Online floral sales represent approximately \$1 billion of the overall floral market
-

Business Model Advantages

Consumer Benefits



- **Internet-enabled:**
- **NOT order aggregators**
- **Direct from the supplier**
- **Virtual model**
- **Removes cost from transaction**
- **Overnight delivery via FedEx/UPS**

Supplier Benefits



provide-commerce™

- **Great value**
- **7-day freshness guarantee**
- **Prime varieties**
- **Accurate fulfillment**
- **3 confirmation e-mails**

- **Enhanced profitability**
- **Broader customer reach**
- **Monthly feedback**
- **Improved quality**
- **Optimize production**

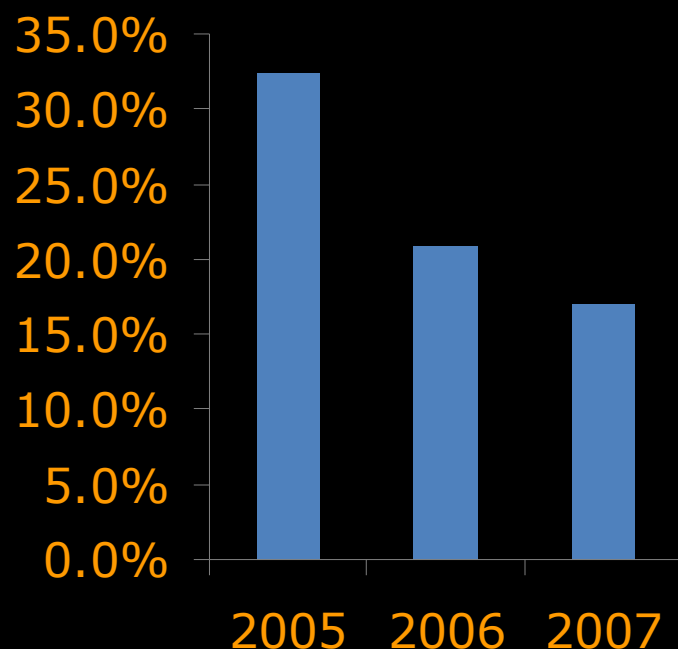
Business Strategy Highlights

- Focus on the Customer
 - Ongoing website improvements
 - Ongoing investment in quality
- Optimize the Core Business
 - Increase AOV and conversion
 - Product development and portfolio optimization

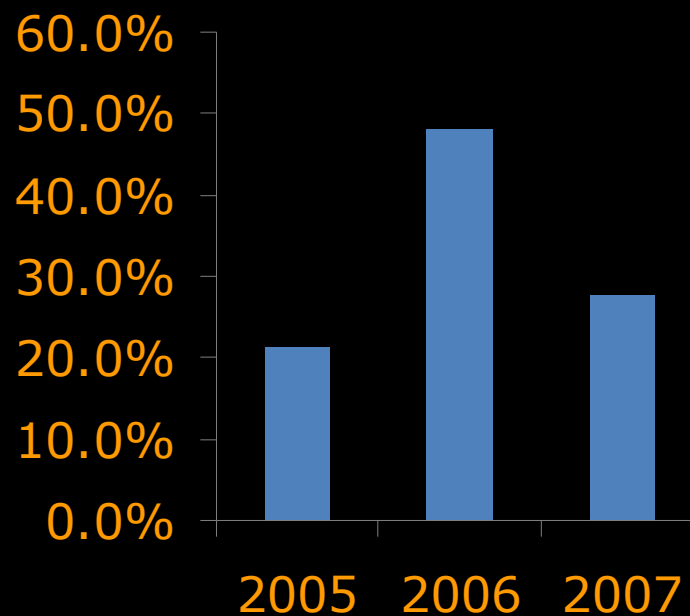


Revenue and EBITDA Percentage Growth CY05,06,07 (1st half)

Revenue

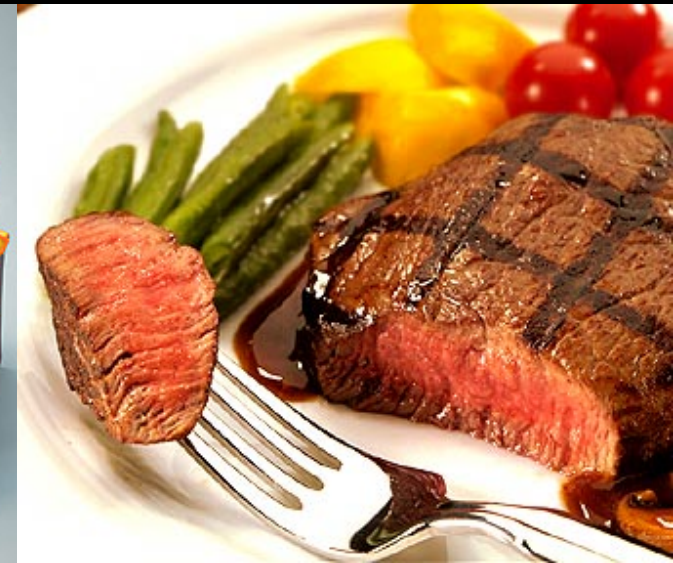


EBITDA



Growth Opportunities Going Forward

- Continue to gain market share in the flower industry
- Build out other brands
- International expansion



“Wins” through Liberty

- Learning how to market through television more effectively
 - Scale efficiencies from managing vendor contracts
 - Best practice sharing with other companies, as well as one of the brightest minds in all the business world
-



BuySeasons, Inc.



Jalem M. Getz
President and CEO



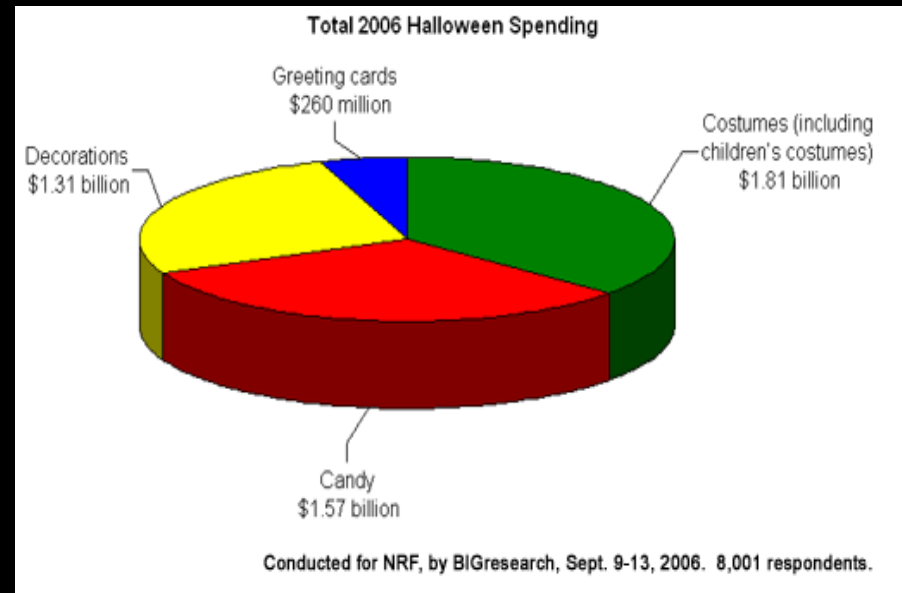
About BuySeasons, Inc.

- Founded in 1999
 - Largest retailer and supplier for Costumes, Halloween and Party merchandise on the Internet
 - BuyCostumes.com is the #1 destination for Costumes and Halloween products on the internet
 - Buy-Seasons Direct only end-to-end Halloween and Party supplier for large “e” retailers like Target.com and Grandin Road
-

The Halloween Market

Consumer spending on Halloween has increased 20% per year since 2003

- Halloween fastest growing (retail) holiday in the U.S.
- Halloween costumes and decorations approximately \$3 billion marketplace in U.S.
- Second most decorated holiday of the year
- Mass market retailers challenged in addressing shifting demand
- Young adults (18-24) are the fastest growing demographic



Business Model Advantages



Consumer Benefits

- Largest assortment Halloween Costumes and Party Supplies on the internet
- Competitive pricing reflecting quality and availability
- Focus on customer web experience and support
- Cost effective and rapid delivery (closest delivery time to Halloween day) in the US and Canada

Retail Partner Benefits

- Large assortment without inventory investment
- No markdown risk
- Private Label solution
- Industry leader in fulfillment turnaround and accuracy

Business Strategy Highlights 2007

HAIRSPRAY

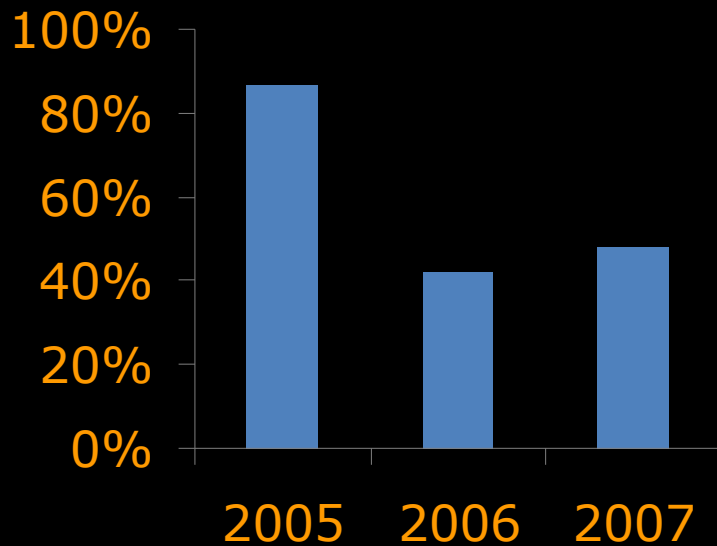
- Build exclusivity with private label and exclusive products
- Highly scalable retail drop-ship network
- Grow décor and party supply business
- Relentless focus on the customer



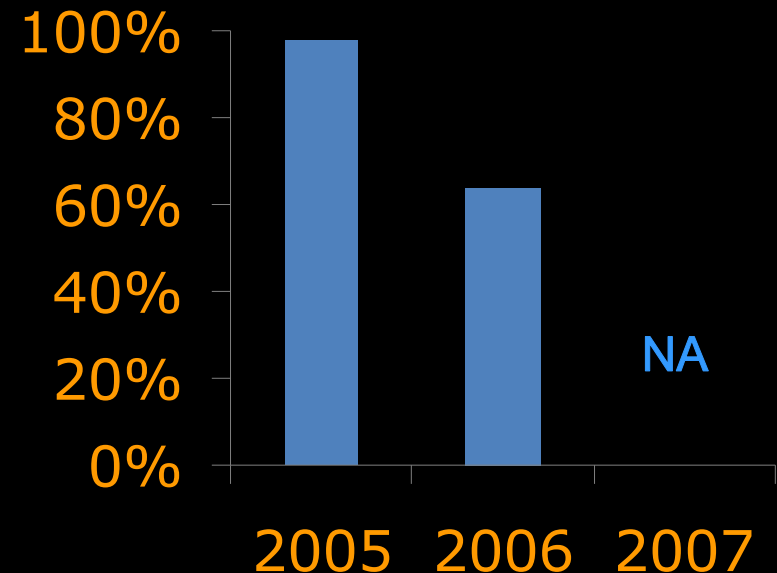
Hairspray costumes and wigs sold exclusively at BuyCostumes.com

Revenue and EBITDA Percentage Growth CY05,06,07 (1st half)

Revenue



EBITDA



Growth Initiatives

- Expanding International Capabilities to ship to UK and Australia (Halloween markets growing even faster than the US)
- Increase penetration into synergistic party and decor markets
- BUYSEASONS-Direct Expansion with new retailers
- Expansion into synergistic specialty and seasonal merchandise categories



“Wins” through Liberty

- Starz Fear Fest promotion - 2006 and 2007
 - Discovery Licensing – Animal Planet and other Discovery branded costumes for 2008.
 - Wide assortment of costumes on QVC.com 2006, 2007
 - QVC on air September 2007
 - Commerce Hub Party and Costume partner
-





Backcountry.comTM

Jim Holland
CEO/Co-Founder



Backcountry.com™

- **Founded in 1996 with \$2,000 investment**
- **Run six category-leading online stores that focus on high-end outdoor gear, snowboarding, skiing and closeout gear**
- **Fastest growing, action sports online retailer**
- **Average revenue growth 90%, Average EBITDA growth 150%, 2003-2006**
- **Offer 120,000 products from over 475 brands**



Brands We Offer



ARC'TERYX



Black Diamond



BURTON



DAKINE



ATOMIC



K2 SPORTS



LIB TECHNOLOGIES



LINE



DCSHOECOUSA



Marmot



MONSTONE
mountain equipment



MOUNTAIN
HARD
WEAR



nixon



NEVER STOP EXPLORING



OAKLEY



ORACE

patagonia



RED BULL



SALOMON



S



SPECIAL
BLEND
REGISTERED TRADEMARK



SPIDER



SPY OPTIC



VOLCOM

Awards and Recognitions

- BizRate “Circle of Excellence”
Platinum Award — 2004, 2005, 2006
- *Internet Retailer* Top 50 Best of the Web for 2003 and 2006
- Named to *Inc. Magazine’s* Inc. 500 list of the fastest growing privately held businesses in 2004 and 2006
- Named one of the top 25 retailers by *Outdoor Business* in 2004 and 2005



Our Philosophy

- 
- A photograph of a person snowboarding down a snowy mountain slope. The snowboarder is in the center, moving downwards, leaving a trail of snow behind them. The background shows a vast, snow-covered mountain range under a clear sky. The image is used as a background for the text.
- **Use the gear we sell & sell the gear we love**
 - **Provide the best customer experience imaginable**
 - **Continuously innovate and evolve**
-

Sporting Goods Industry is Huge

Estimated Addressable Market for Sporting Goods, 2000-2006E



Compound Annual Growth Rate

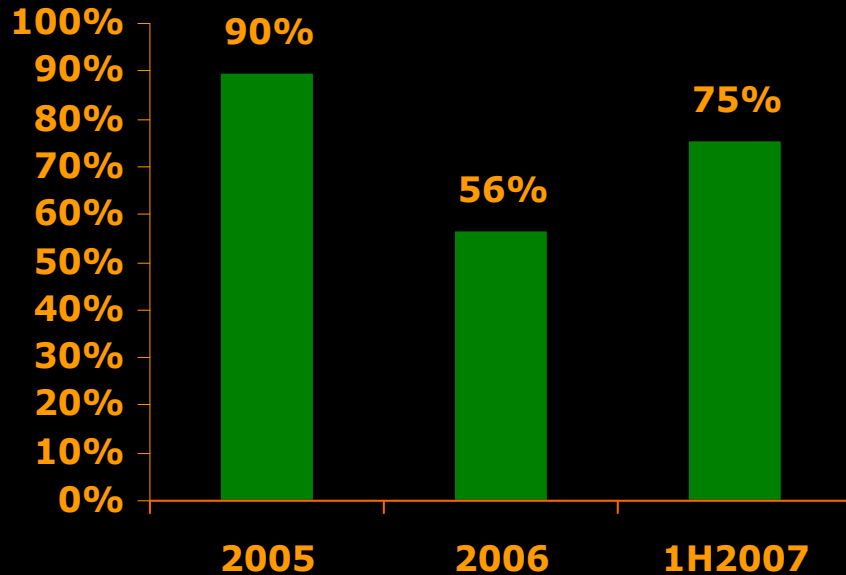
1995-2000: 2.8%

2000-2005E: 2.5%

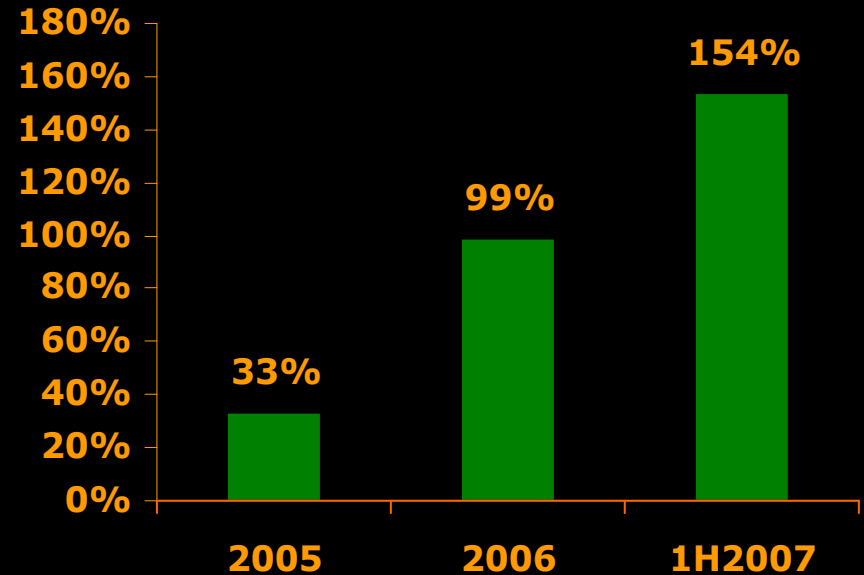
2005E-2010E: 2.2%

Revenue and EBITDA Growth (FY2004-07)

Revenue (% Growth)



EBITDA (% Growth)



Opportunities/Challenges

- 
- A photograph of a rock climber in a blue jacket and white helmet ascending a steep, grey rock face. The climber is positioned on the left side of the frame, with a rope visible. The background shows a vast, hazy mountain valley with rolling hills and a clear sky.
- **Hiring the best people**
 - **Customer generated content**
 - **Building Customer Loyalty**
 - **Developing House Brands**
 - **International Expansion**
 - **One-Deal-at-a-Time Site Potential**
-

Wins through Liberty



- Correlations between QVC and our ODAT sites
 - Leveraging larger scale for better pricing on contracts
 - Sharing ideas and comparing metrics across companies
 - Financial support for small acquisitions
-

"We Use The Gear We Sell®"

Backcountry.com staff using the gear we sell:





Liberty Evolves

Gregory B. Maffei
President and CEO



Evolution Since May 2006

- Tax efficient restructurings
 - News Corp exchange (pending)
 - CBS exchange
 - IDT exchange
 - Time Warner exchange
 - Simplifying transactions
 - On Command sale
 - OpenTV sale
 - Equity shrink
 - \$1.3 billion self-tender
 - Reduced complexity
 - Derivative unwinds and expirations
 - Announced Liberty Entertainment tracker
-

Liberty Capital Tracker Today

Time Warner

VIACOM

News Corporation

Sprint



starz
entertainment
group

TruePosition



starz



VONGO

encore



FUN
TECHNOLOGIES

LODGENET[®]
connect. inform. entertain.

mobilestreams[®]



CNBC

WILDBLUE[™]

gsn
Get in the Game

LEISURE
ARTS
the art of everyday living

zoombak[™]

sl:9
MEDIA

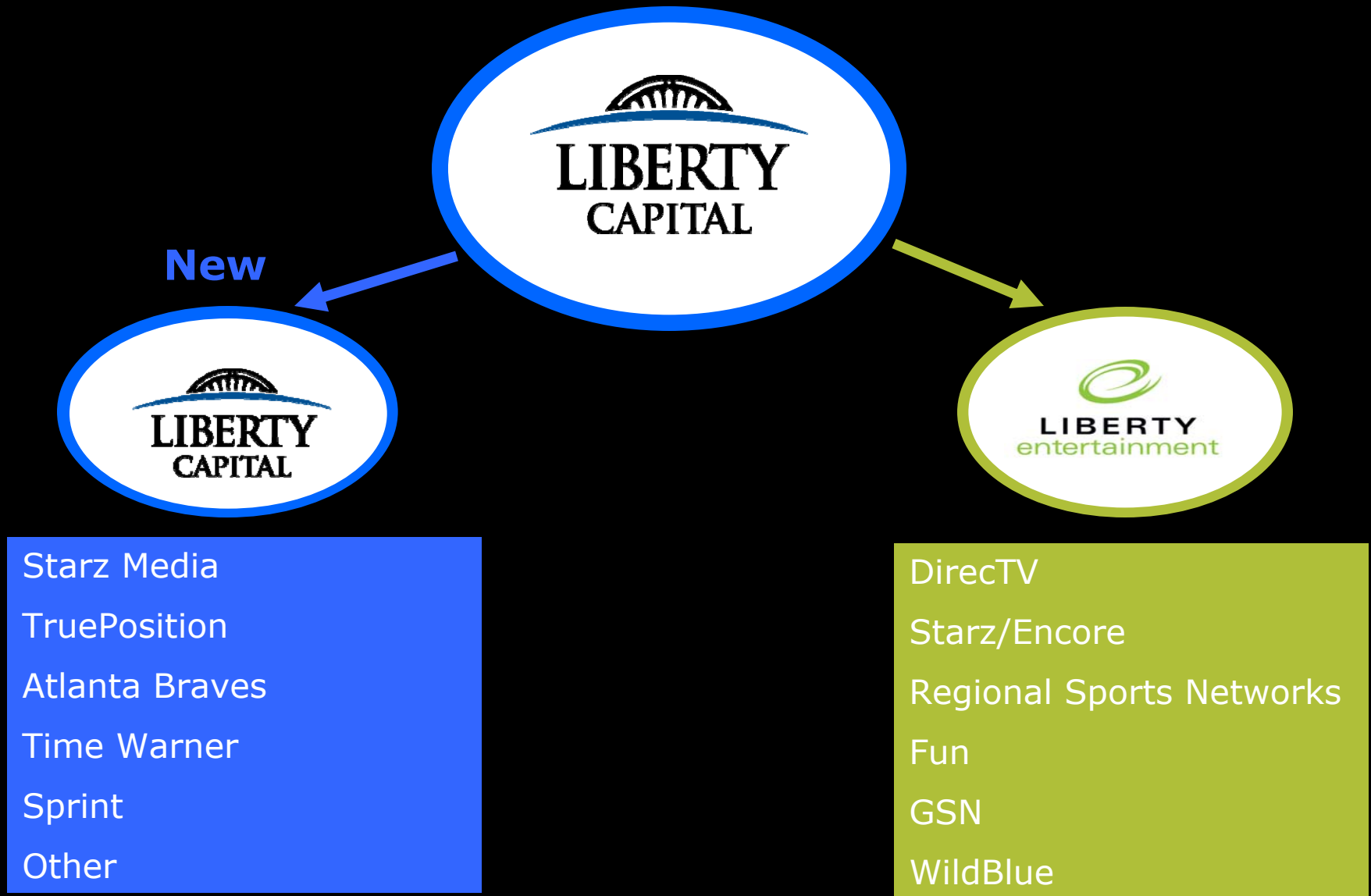


current[®]



1-800-FREE411[™]

Liberty Capital Tracker Spawning



Liberty Entertainment Rationale

- Create currency for acquisitions
 - Focus synergistic entertainment business
 - Improve transparency
 - Contain complexity to new Liberty Capital tracker
 - Highlight discount to NAV
 - Enhance shareholder choice
 - Unlock value
-

Missing Value?

- ~25% discount
- Unlock the gap

Public assets:

DirectTV	\$11.5	
Time Warner	1.7	
Sprint	1.4	
Other & derivatives	2.4	
	<hr/>	
Public asset market value		\$17.0

Private assets: (analyst consensus)

Starz Entertainment	\$2.5	
RSNs	0.6	
Atlanta Braves	0.5	
Starz Media	0.4	
TruePosition	0.3	
GSN	0.2	
Other	0.2	
Private asset market value		\$4.9
Net debt (pro forma News deal)		(1.3)
		<hr/>

LCAPA equity value (NAV) **\$20.6**

Current LCAPA market value **\$15.7**

Valuation Gap **\$4.9**

Liberty Entertainment Action Plan

- Create strong currency for acquisitions
 - Make strategic acquisitions
 - Content
 - Distribution
 - Optimize capital structure
 - Leverage cash flow
 - Shrink equity
-

Liberty Capital Action Plan

- Rationalize non-core attributed assets (tax-efficiently)
 - Convert non-core assets to cash and controlling interests in operating businesses
 - Capital structure optimization
 - Financial flexibility
 - Potential equity shrink
-

New Liberty Capital - Value of Attributed Assets

- Market value of public securities and derivatives ~\$5.4 billion
 - Three largest operating businesses estimated to be worth at least \$1.0-1.5 billion (with relatively high tax basis)
 - Other private assets have meaningful value
 - Net debt ~\$2.0 billion
 - Deferred tax liabilities
 - Need / opportunities to restructure tax efficiently
-



Starz, LLC

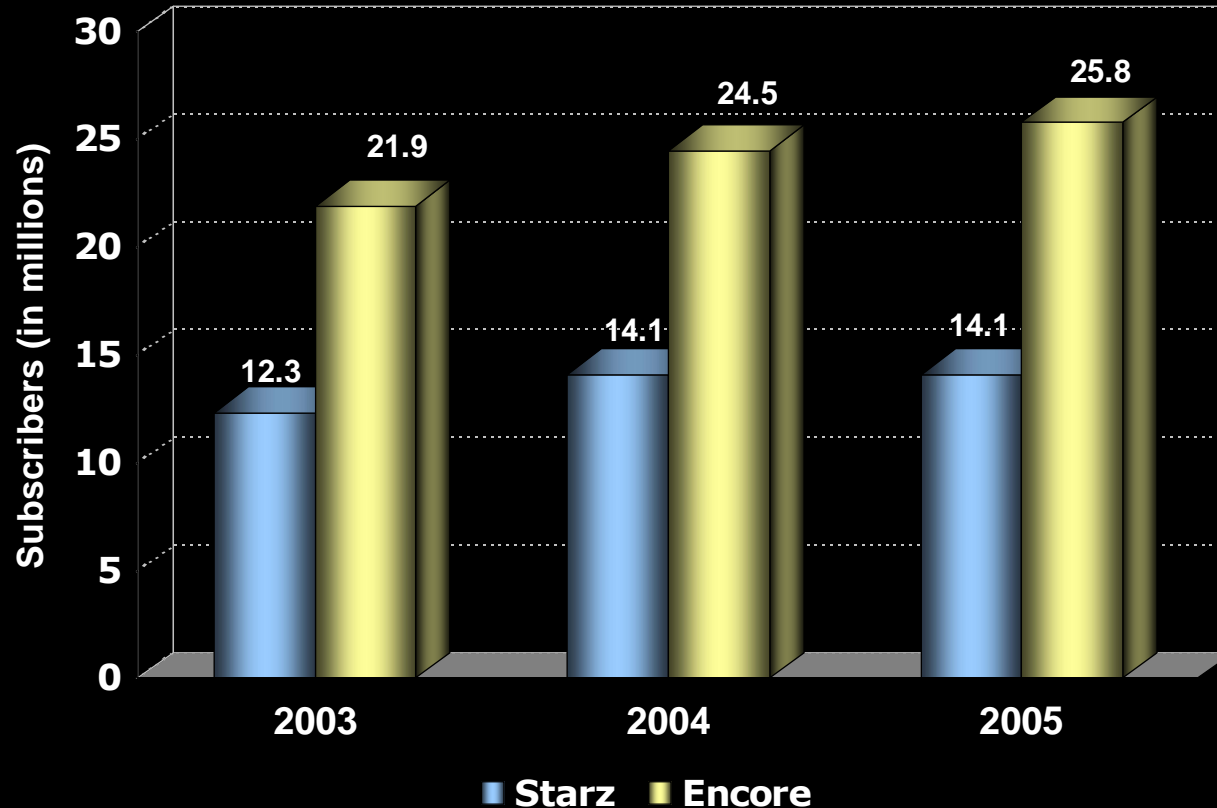
Robert Clasen
Chairman & CEO



The New Starz: Controlling Our Own Destiny



Subscriber Growth



- Starz and Encore Compound Annual Growth Rate between 2003 and 2005 was 6.9% and 8.4%, respectively

Starz: In 2005

#10 of 73 Basic and Pay Channels in HH Coverage Rating

2005 Total Day Basic and Premium Channel Ranking

Households

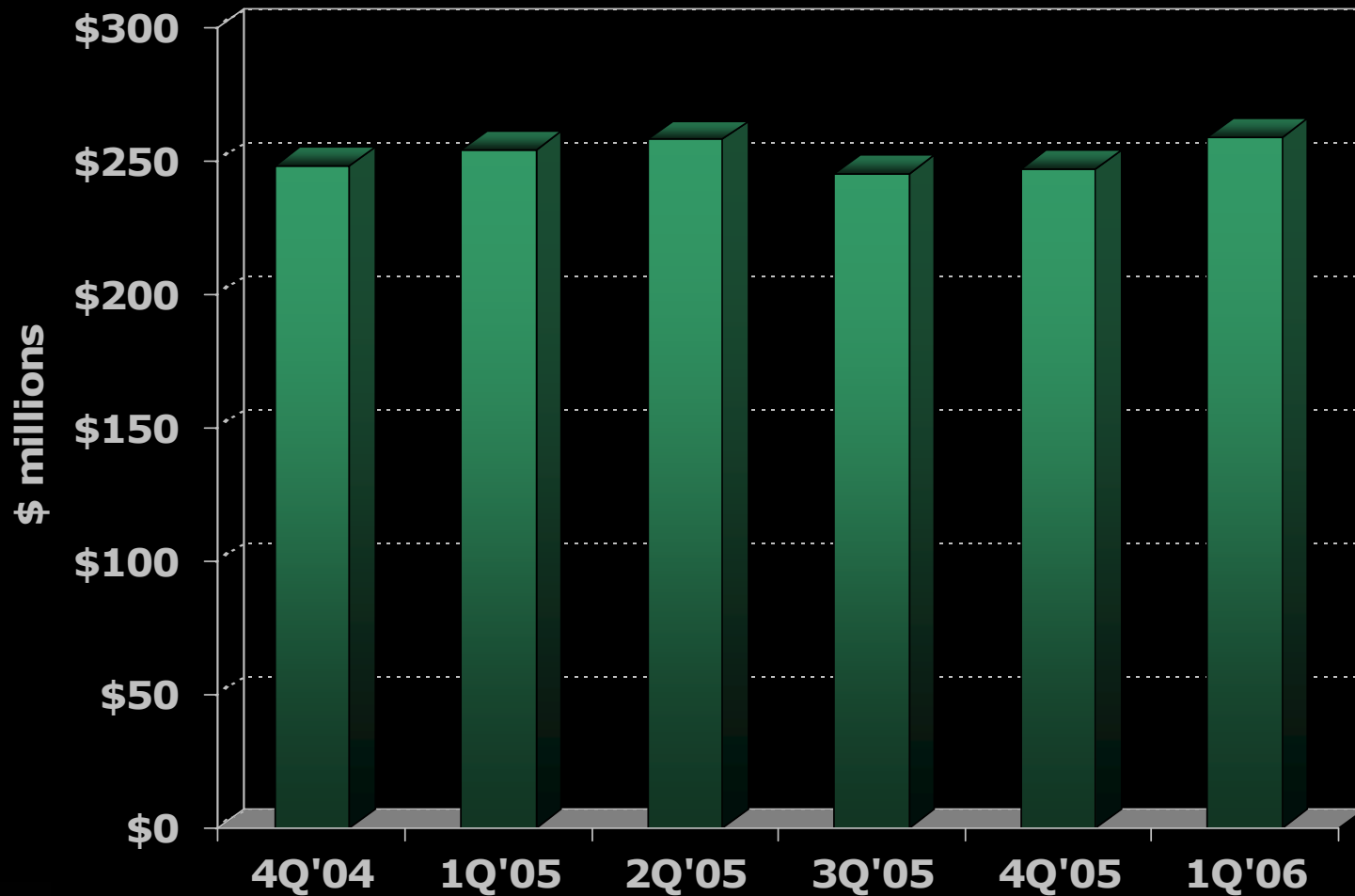
Rank	Channel	HH Rating	Rank	Channel	HH Rating	Rank	Channel	HH Rating
1	Nickelodeon*	1.8	21	Court TV*	0.5	44	Discovery Health	0.2
2	TNT	1.2	21	Sci Fi	0.5	44	SoapNet	0.2
2	Cartoon Network*	1.2	21	Food Network*	0.5	44	Oxygen*	0.2
2	HBO	1.2	21	HGTV*	0.5	44	TV1	0.2
4	Disney Channel	1.1	21	CNN	0.5	44	National Geographic*	0.2
5	Lifetime*	1.0	21	Showtime	0.5	44	Nicktoons	0.2
5	USA	1.0	31	BET	0.4	56	Versus	0.1
7	TBS	0.9	31	TLC*	0.4	56	The Outdoor Channel	0.1
7	Fox News Channel	0.9	33	Sportsouth	0.4	56	CNBC*	0.1
7	Cinemax	0.9	34	E!*	0.3	56	Golf Channel	0.1
10	Starz	0.7	34	Weather Channel	0.3	56	ESPN Classic	0.1
10	ESPN	0.7	34	VH1	0.3	56	Speed	0.1
10	Hallmark Channel*	0.7	34	Animal Planet	0.3	56	ESPN News	0.1
13	MTV	0.6	34	WGN Superstation*	0.3	56	Great American Country	0.1
13	ABC Family*	0.6	34	GSN*	0.3	56	Style Channel*	0.1
13	A&E*	0.6	34	ESPN2	0.3	56	BBC America	0.1
13	Spike*	0.6	34	Toon Disney	0.3	56	Discovery Times	0.1
13	FX*	0.6	34	MSNBC	0.3	56	Discovery Science	0.1
13	TV Land	0.6	34	NOGGIN/The N	0.3	56	Military Channel	0.1
13	Lifetime Movie Network	0.6	44	Headline News	0.2	56	G4*	0.1
13	History Channel*	0.6	44	TV Guide Network	0.2	56	Biography*	0.1
21	Encore	0.5	44	Bravo*	0.2	56	History International*	0.1
21	Discovery*	0.5	44	CMT	0.2	56	MTV2	0.1
21	AMC	0.5	44	Travel Channel	0.2	73	Fit TV	0.0
21	Comedy Central*	0.5	44	WE*	0.2	73	Fuse	0.0

Note: Includes all networks programming at least 51% of the daypart. Networks with asterisks (*) do not program the entire daypart.

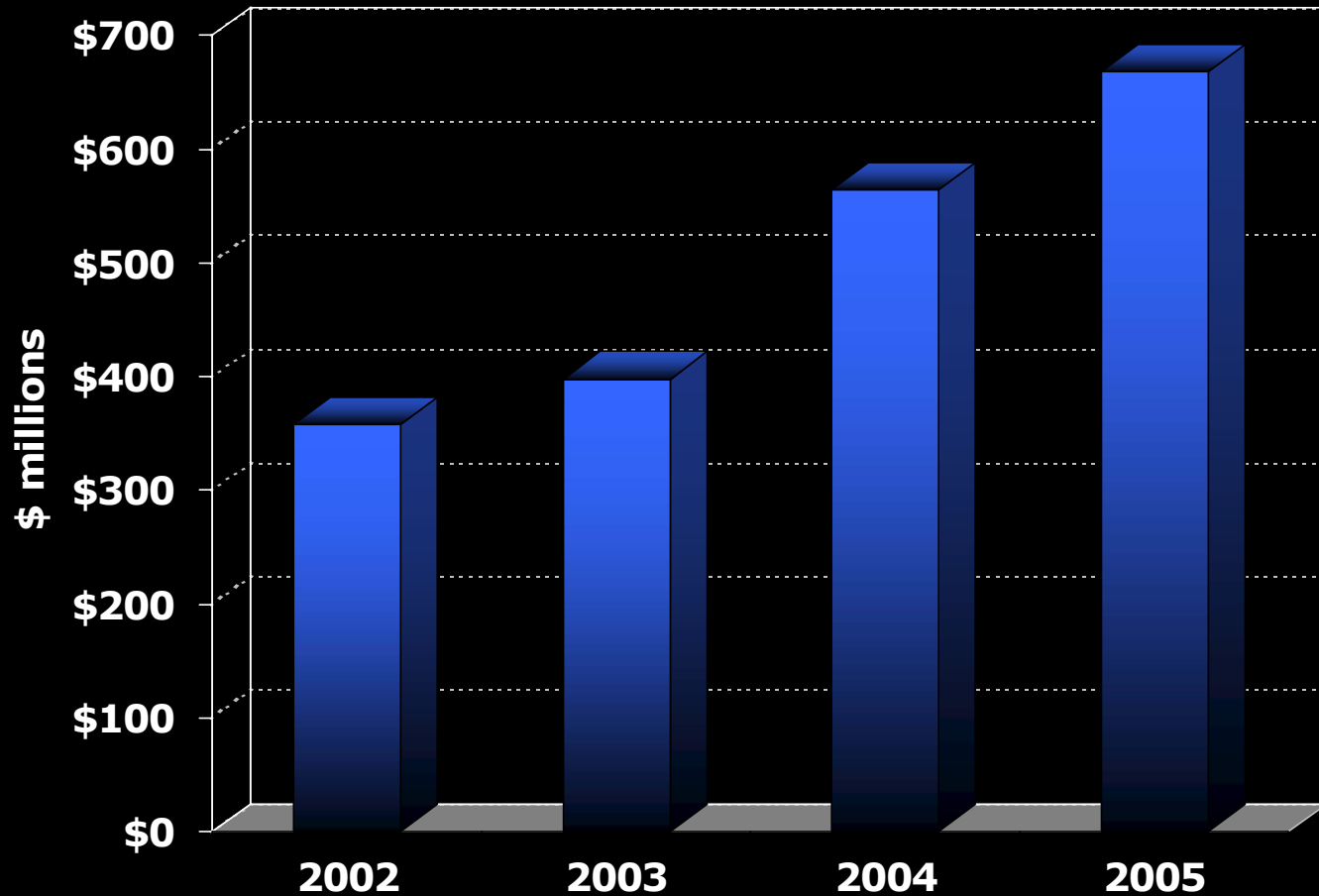
SOURCE: Nielsen NPower. Ranked on household coverage rating percentage, total day (M–Su 6A–6A), January–December, 2005. Subject to qualifications available on request.



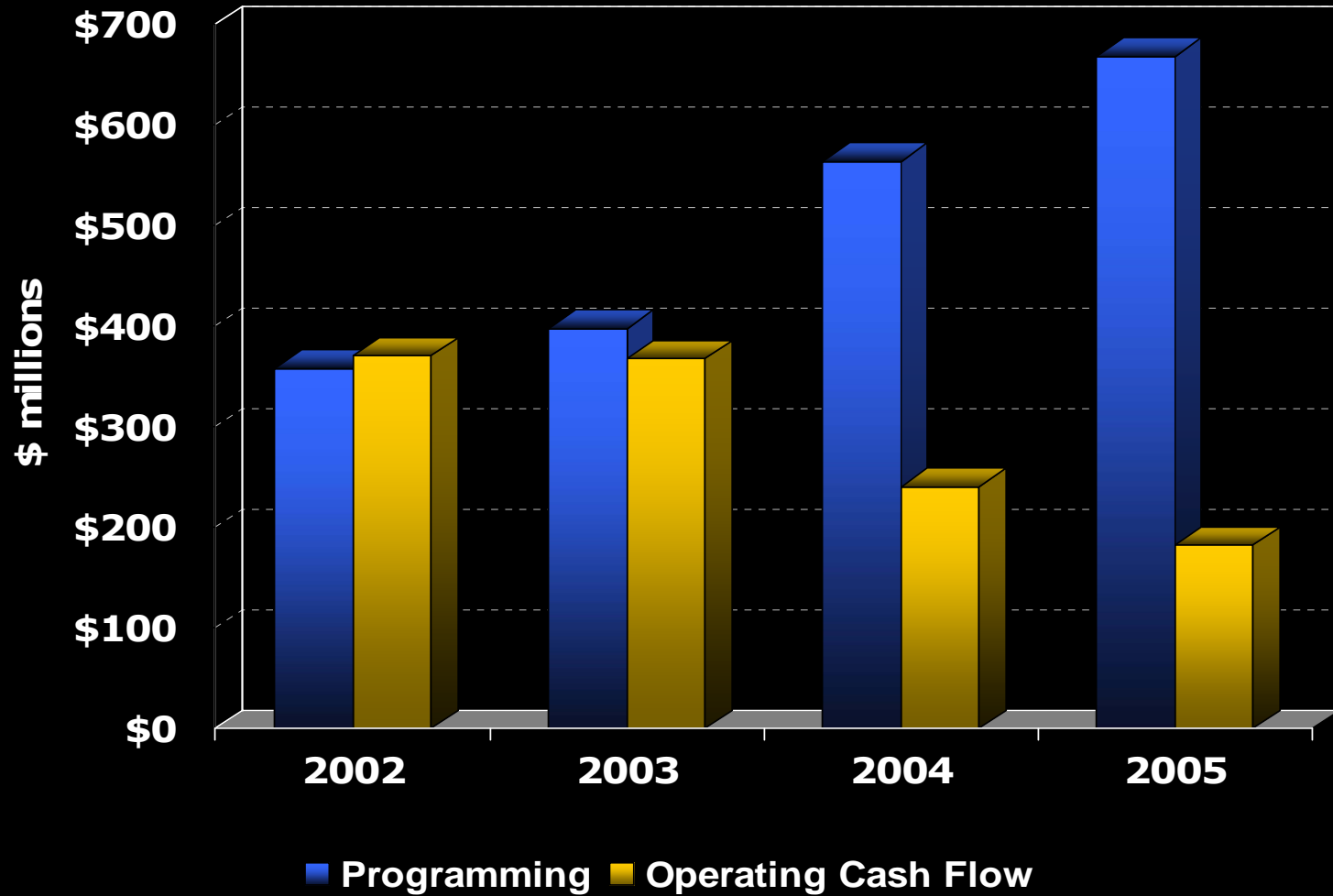
Revenue Flattening



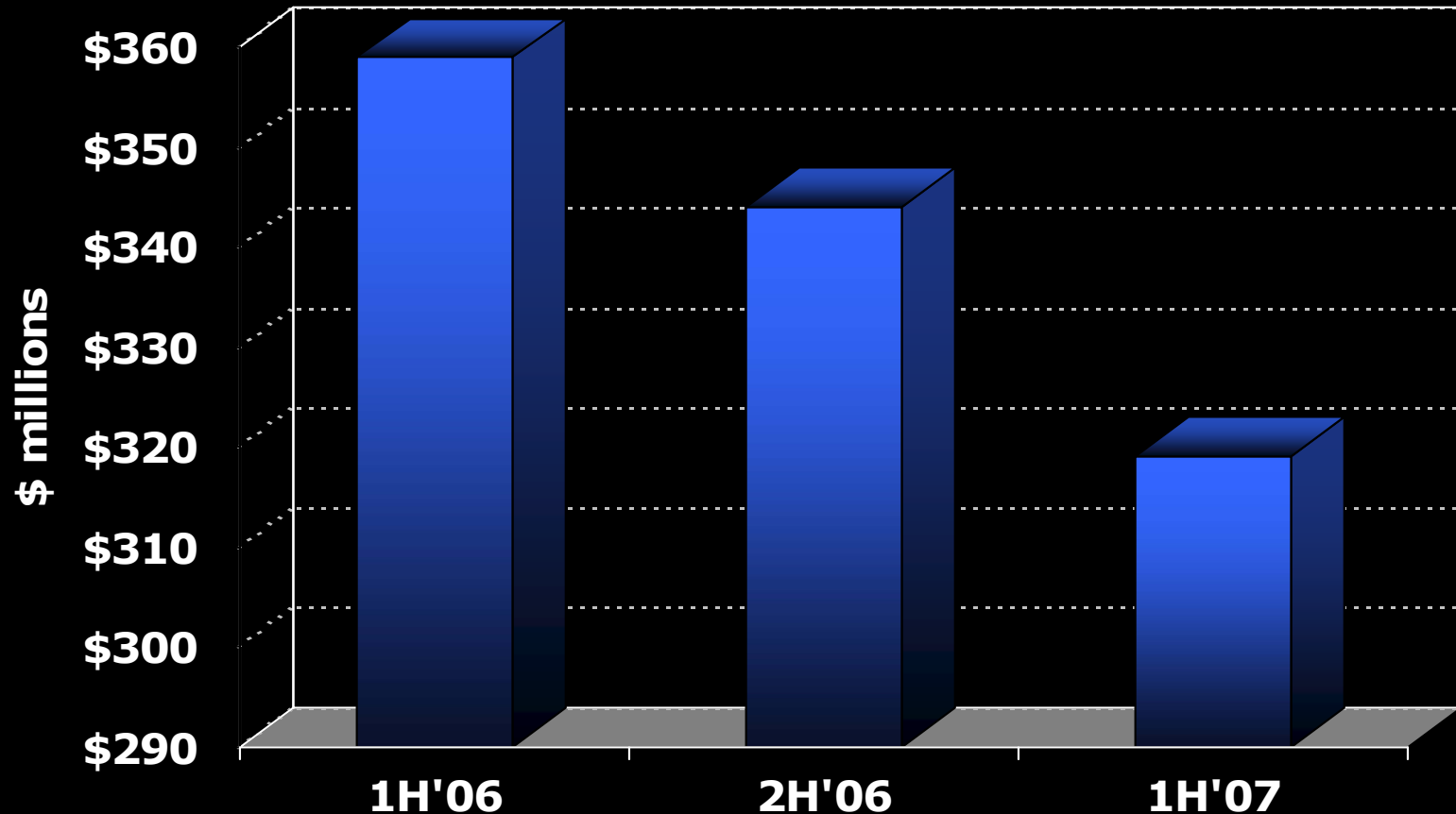
Programming Costs Increasing



Reducing Cash Flow

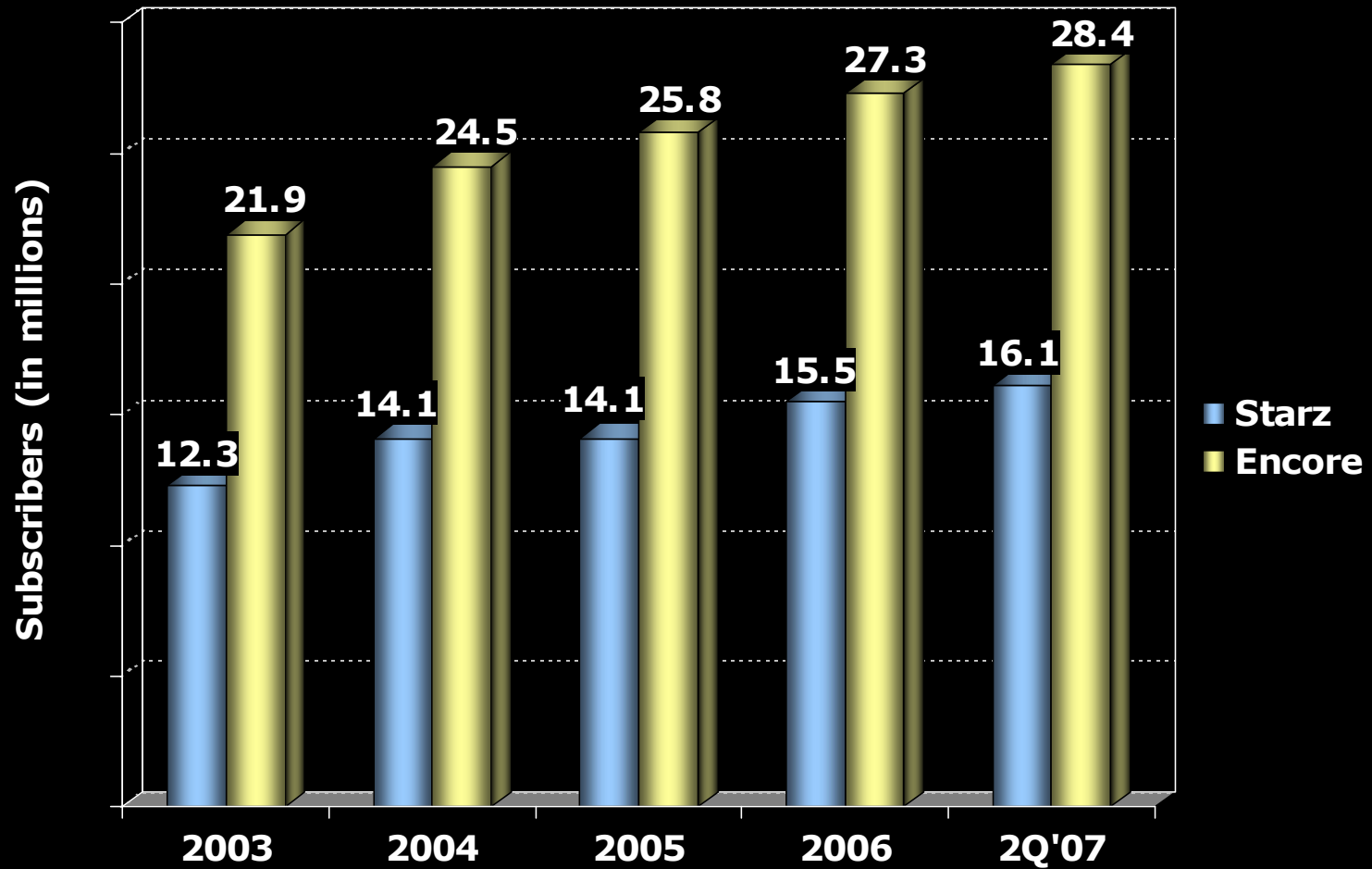


Programming Costs Now Declining

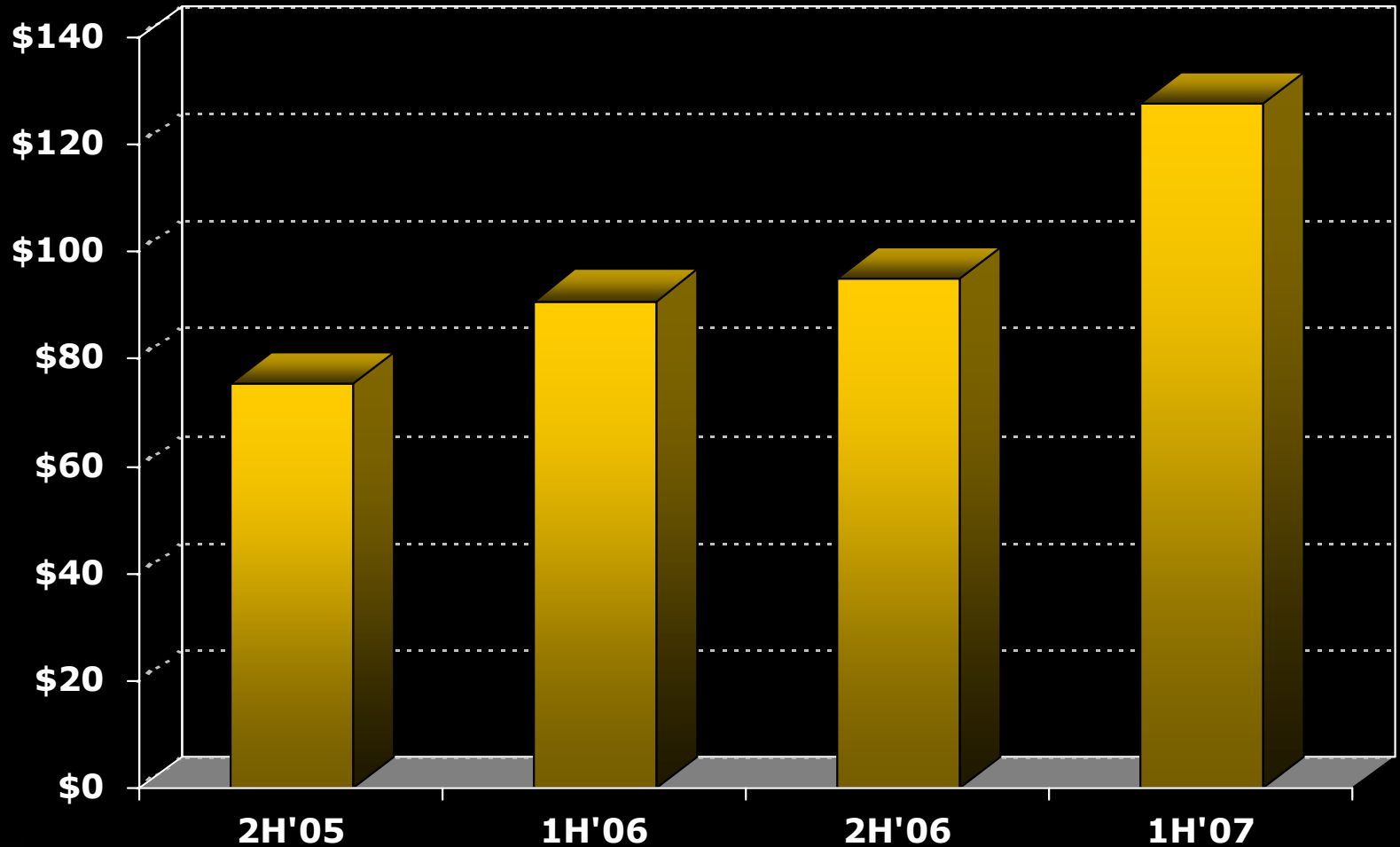




Continued Subscriber Growth



Cash Flow Improving



Starz: In First Half of 2007

#12 of 76 Basic and Pay Channels in HH Coverage Rating

2007 Total Day Basic and Premium Channel Ranking

January–June Household Coverage Rating Average

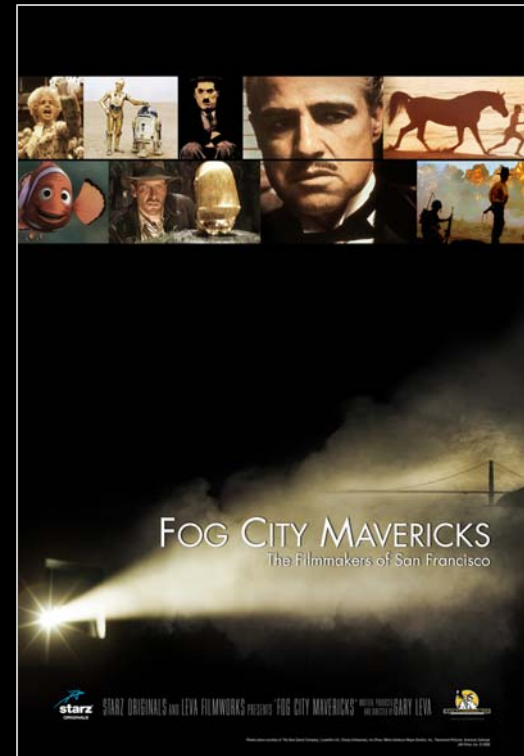
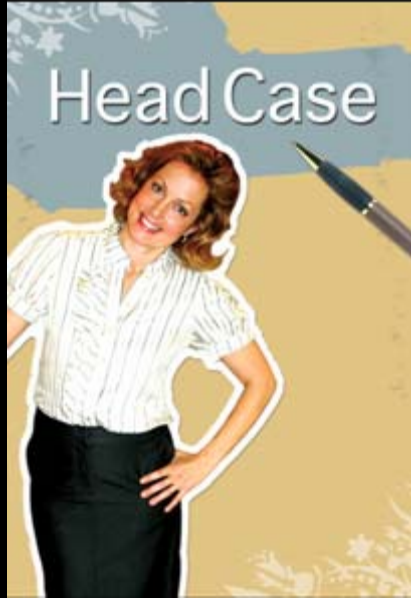
Rank	Channel	HH Rtg	Rank	Channel	HH Rtg	Rank	Channel	HH Rtg
1	Nickelodeon*	1.8	19	TV Land	0.5	46	Biography*	0.2
2	Disney Channel	1.3	19	HGTV*	0.5	46	SoapNet	0.2
3	USA	1.1	29	Encore	0.4	46	Oxygen*	0.2
3	TNT	1.1	29	BET	0.4	46	MTV2	0.2
5	Cartoon Network*	1.0	29	VH1	0.4	46	TV One	0.2
5	HBO	1.0	29	TLC*	0.4	46	Speed	0.2
7	Lifetime*	0.8	29	Lifetime Movie Network	0.4	46	WE*	0.2
7	TBS	0.8	29	Showtime	0.4	46	Versus	0.2
7	Fox News Channel	0.8	35	E!*	0.3	61	Outdoor Channel	0.1
10	A&E*	0.7	35	The Weather Channel	0.3	61	TV Guide Network	0.1
10	Hallmark Channel*	0.7	35	Bravo*	0.3	61	Golf Channel	0.1
12	Starz	0.6	35	Animal Planet	0.3	61	ESPN Classic	0.1
12	ESPN	0.6	35	WGN Superstation*	0.3	61	ESPN News	0.1
12	Discovery*	0.6	35	GSN*	0.3	61	Great American Country*	0.1
12	Court TV*	0.6	35	ESPN2	0.3	61	Style*	0.1
12	FX*	0.6	35	Toon Disney	0.3	61	BBC America	0.1
12	History Channel*	0.6	35	MSNBC	0.3	61	Discovery Times	0.1
12	Cinemax	0.6	35	NOGGIN/The N	0.3	61	Military Channel	0.1
19	MTV	0.5	35	National Geographic*	0.3	61	G4*	0.1
19	ABC Family*	0.5	46	Headline News	0.2	61	History International*	0.1
19	CNN	0.5	46	CNBC*	0.2	61	NFL Network	0.1
19	Spike*	0.5	46	CMT	0.2	74	Fit TV	<<
19	AMC	0.5	46	Travel Channel	0.2	74	Fuse	<<
19	Food Network*	0.5	46	Discovery Science	0.2	74	VH1 Classic	<<
19	Comedy Central	0.5	46	Nicktoons	0.2			
19	Sci Fi	0.5	46	Discovery Health	0.2			

Note: Includes all networks programming at least 51% of the daypart. Networks with asterisks (*) do not program the entire daypart.

SOURCE: Nielsen Market Breaks Live + 7 household coverage ratings. Ranked on household coverage rating percentage, total day (M–Su 6A–6A), January–June, 2007. Subject to qualifications available on request.



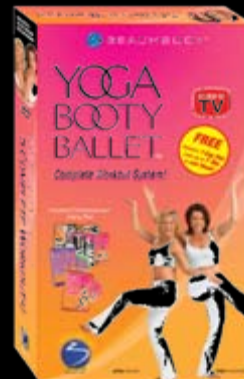
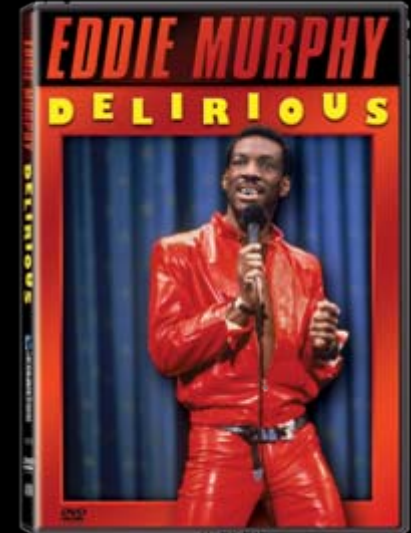
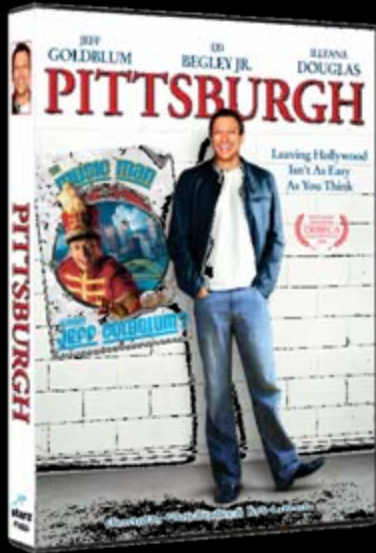
Starz Originals



Starz Media



Anchor Bay





OVERTURE

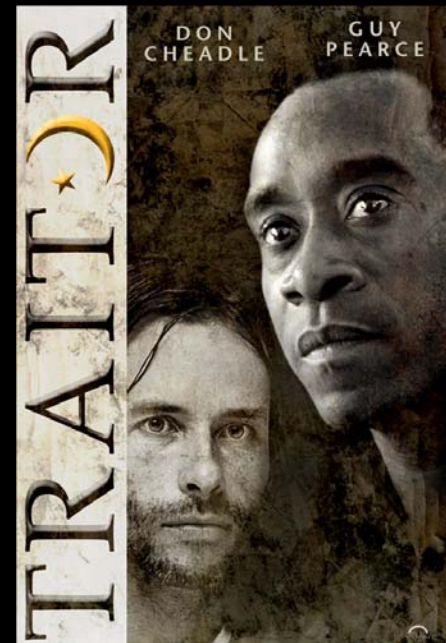
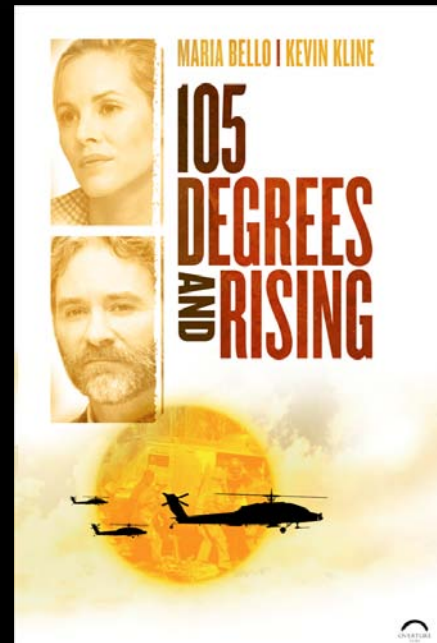
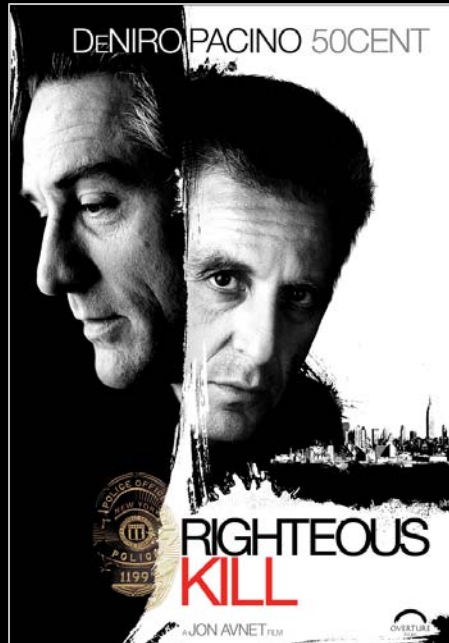
FILMS

a **starz** company



Overture Films

MAD MONEY™



Other Starz Media Units



Masters of Science Fiction
Sands of Oblivion
Wow! Wow! Wubbzy



The Simpsons
King of the Hill
Slacker Cats



VeggieTales
Nine
Everyone's Hero



Space Chimps



The New Starz

Starz Entertainment

Starz Media

Linear



movieplex retroplex indieplex

HD



On Demand



Internet





GSN & Fun Technologies

David Goldhill

President & CEO – GSN
Chairman – FUN Technologies





Get in the Game

- **50/50 joint venture with Sony Pictures Entertainment**



- **Publicly traded company;
LSE (AIM): FUN
TSX: FUN**
 - **Liberty Interest 53%**
 - **Businesses:**
 - **FUN Games**
 - **Fun Sports**
 - **Don Best**
-

GSN

- **Only games-centric cable network**
 - **65.8 million US TV homes**
 - **0.3 full-day HH rating**
 - **23.4 minutes average length of tune-in**
 - **700K monthly uniques on GSN.com casual games site**
-

Cost-effective programming with timeless appeal

- **GSN original game shows**
- **Exclusive cable rights to the largest classic game show libraries**
- **Acquired major modern game show brands**

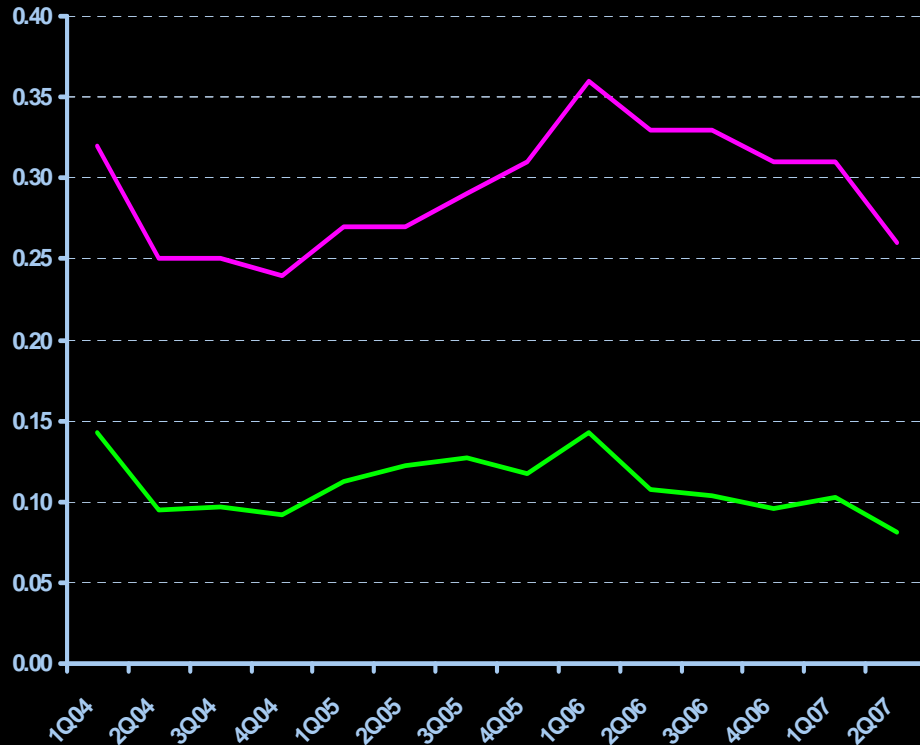


GSN.com casual games site

- 4.9 million registered users
- 700K monthly uniques
- 5.0 million casual game plays per month
- 475K skill game plays per month on WorldWinner



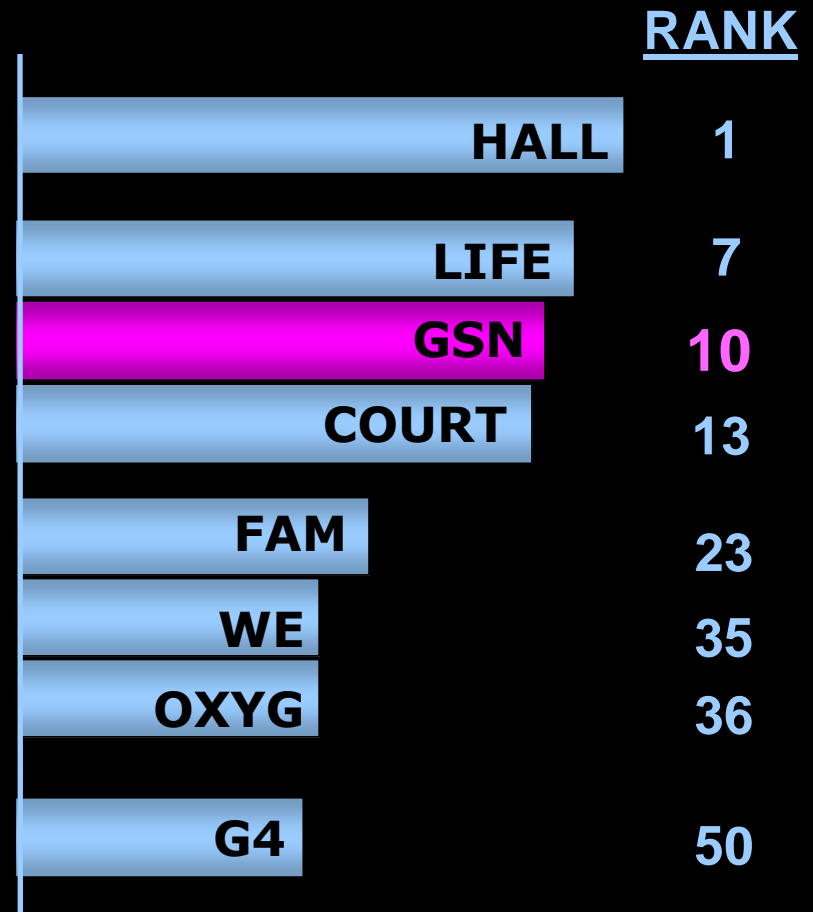
Stable but highly engaged audience



**HH
RATINGS**



A25-54 RATINGS



LENGTH OF TUNE-IN
GSN = 23.4 minutes avg.

But a broader opportunity



casual game



mobile game



TV game show



board game



slot machine

GSN strategy

- Large potential market: 54 million US casual gamers and growing
 - Fit with GSN demographic
 - Affinity for GSN content
 - Available across all platforms
 - Strong potential partners
 - Unique asset: TV network in 65.8 million homes
 - Embrace the core
 - Tighten focus on casual games and game show content
 - Service the core GSN demographic both on air and online
-

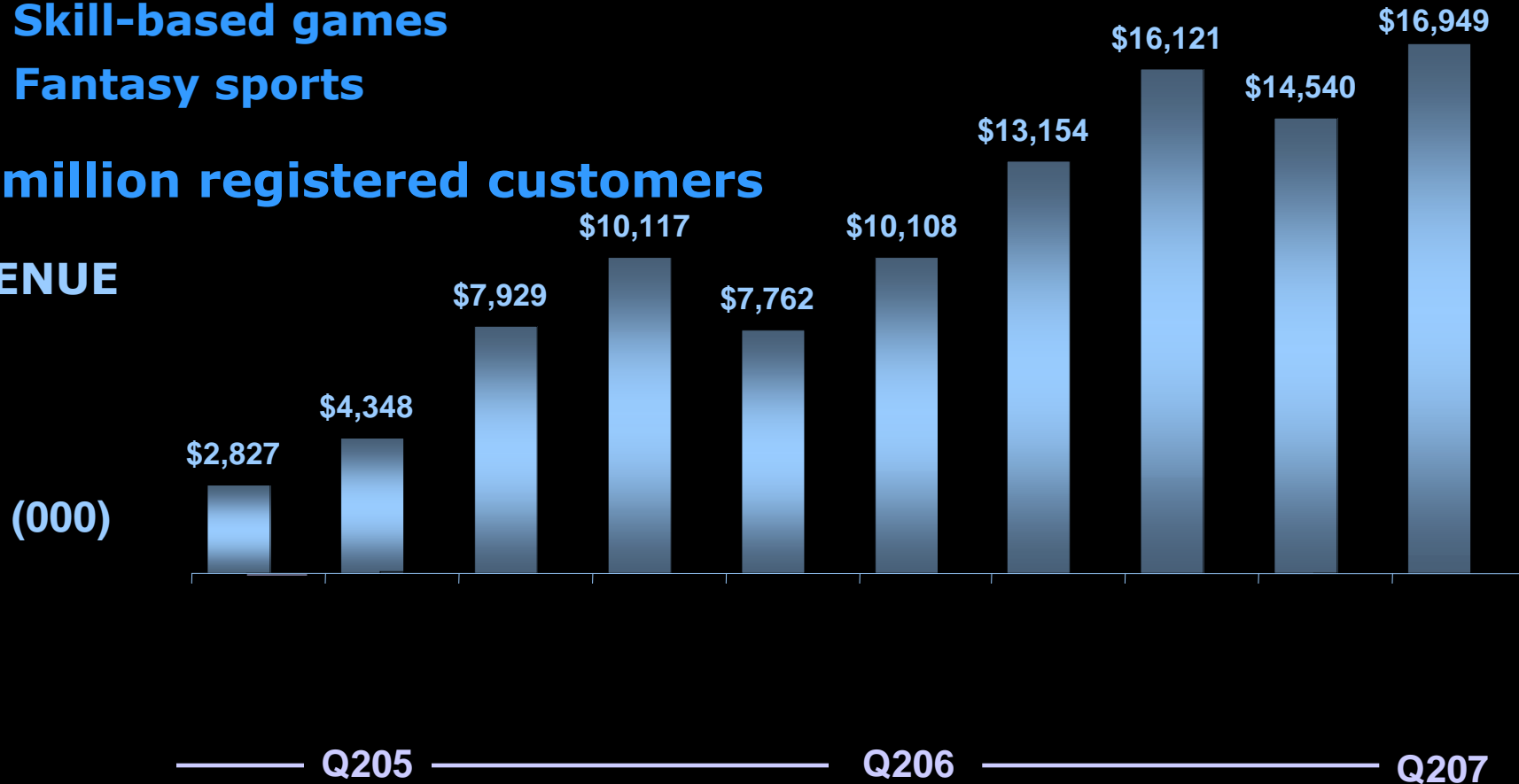
FUN Technologies

- Emerging leader in two fast growing sectors of legal online games:

- Skill-based games
- Fantasy sports

- 30 million registered customers

REVENUE



FUN Games financial performance



WorldWinner

- The leader in online competitive entertainment and skill-based online cash games



WorldWinner is an “upsell” for the most passionate online players

PLAYING DAYS / MONTH:

AVG. = 4
DAYS

12 DAYS+
(74% of
users)



WorldWinner business model

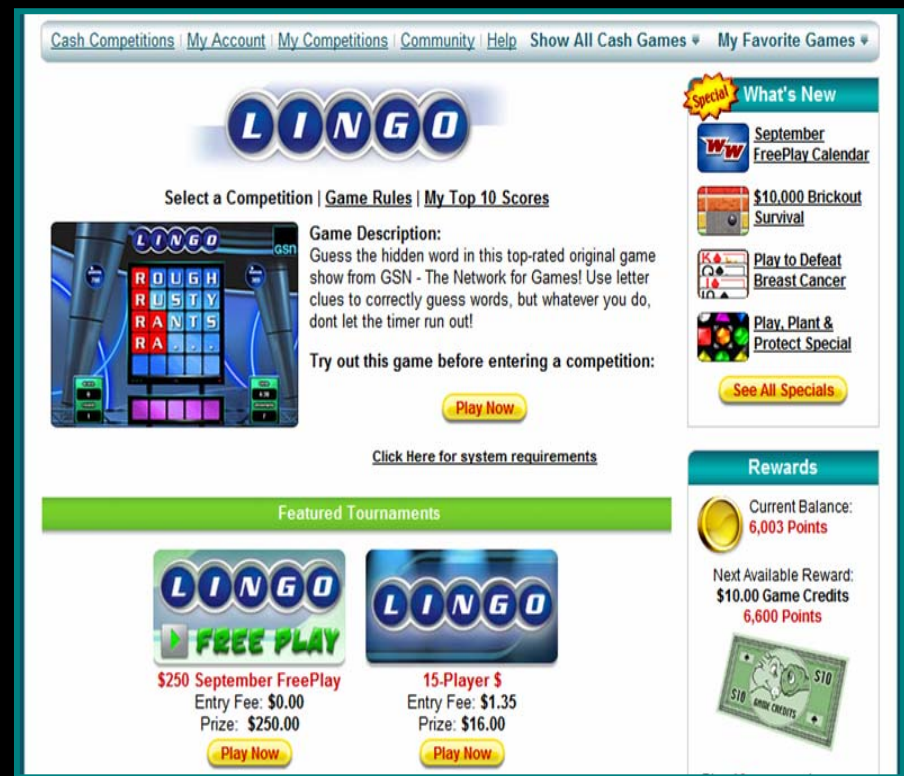
- Provides pay-to-play skill-based online games and tournaments
 - All players pay entry fees, winners earn cash prizes
 - Skill games eliminate elements of chance
 - FairMatching™ algorithm ensures level playing field
 - Revenue derived from tournament administration fees
 - 20% retained by WorldWinner for administering competition
 - Entry fees range from \$1.00 to \$10.00
 - Average entry fee = \$1.90
-

WorldWinner / GSN demographics

	WorldWinner top 2,500 customers	WorldWinner all unique visitors	GSN TV audience
Female comp:	72%	57%	66%
Age: 25-54	80%	62%	29%
Income: \$30K - \$75K	48%	55%	35%
HH size : 3-4	17%	53%	35%
Education: college	33%	22%	16%

GSN and FUN collaborations

- GSN.com skill games players compete exclusively on the WorldWinner platform
- Lingo tournament promotion
 - Online champion becomes TV contestant
 - Involves all WW affiliate site players (GSN, AOL, MSN, Pogo)
 - Lingo rose to #1 word game, top-5 game overall on WW
 - 117% increase in cash account activations

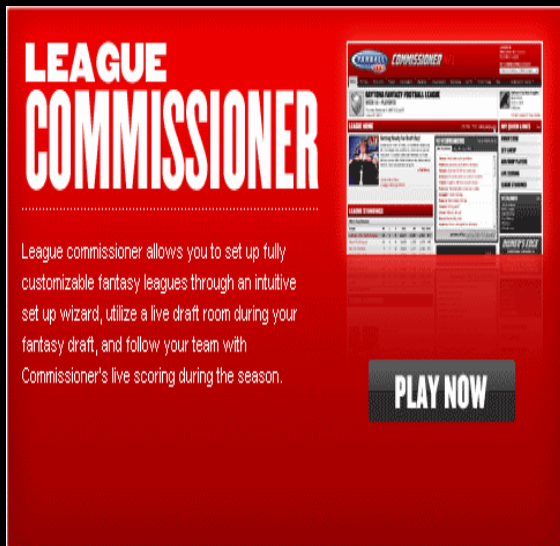


Fantasy sports overview

- Over 10 million fantasy football players, and over 3 million fantasy baseball players in the US
 - Desirable demographic
 - 93% male
 - High average income
 - Highly engaged:
 - Average player spends approx. 3 hours per week managing his team
-

FUN Fantasy Sports

- The only major operator with:
 - Full spectrum of games across all major sports
 - Fantasy sports as core offering – not ancillary (i.e. Yahoo, ESPN)



LEAGUE COMMISSIONER

League commissioner allows you to set up fully customizable fantasy leagues through an intuitive set up wizard, utilize a live draft room during your fantasy draft, and follow your team with Commissioner's live scoring during the season.

PLAY NOW

Commissioner leagues:
Community, competition
for bragging rights



DRAFT AND PLAY

FANTASY HOCKEY

- Featuring **LIVE** online drafts.
- Draft a roster of 12 starters & 8 reserves
- Compete to win \$100 using easy point-style scoring

Enter Now!

Draft & Play:
Incorporating rivalry of
Commissioner
Cash prizing



FOOTBALL CHALLENGE

ROTISSERIE SCORING

- Manage a team of 20 players using a \$30,000,000 salary cap.
- Compete using rotisserie-style scoring and 8 stat categories.
- Enter for only \$39.95
- Compete for the **\$25,000** Cash Grand Prize

Enter Now!

Prize games:
Anonymity, competition
for cash prizes

The opportunity

- 65 million US online players, 54 million+ are casual gamers
- Skewed toward adult women 30+
- “Sticky” sites, high frequency & duration
- Multiple revenue models (ad, subscription, download, cash games, virtual goods)
- Revenue growth outpacing rest of games segment