

**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): **May 3, 2009**

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))

Item 1.01. Entry into a Material Definitive Agreement

On May 3, 2009, Liberty Media Corporation ("Liberty") and Liberty Entertainment, Inc., a wholly owned subsidiary of Liberty ("LEI"), entered into an Agreement and Plan of Merger with The DIRECTV Group, Inc. ("DTVG") and the other parties named therein (the "Merger Agreement"), pursuant to which, after Liberty completes its previously announced split-off of LEI (the "Split-off"), LEI and DTVG will combine under a new parent company named DIRECTV. Upon completion by Liberty of the Split-off, LEI will own certain assets and liabilities currently attributed to the Liberty Entertainment tracking stock group. LEI will be comprised of: (i) approximately 54% of the common stock of DTVG, (ii) Liberty Sports Holdings, which owns three regional sports networks, (iii) a 65% interest in Game Show Network which in turn owns 100% of FUN Technologies, LLC, (iv) approximately \$30 million in cash, and (v) approximately \$2 billion in debt.

The terms of the Merger Agreement and related documents entered into in connection with the Merger Agreement are summarized below.

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

Agreement and Plan of Merger

The Merger Agreement provides that LEI and DTVG will separately merge with two subsidiaries of DIRECTV, an entity recently formed by DTVG in order to effect these transactions. As a result of the mergers, DIRECTV will become the new public parent company of DTVG and LEI. DIRECTV will issue two classes of stock: Class A, which will be publicly listed and will entitle each holder of such shares to one vote per share, and Class B, which will not be publicly listed and which will entitle each holder of such shares to 15 votes per share. The holders of the common stock of DTVG will be entitled to receive one share of DIRECTV Class A common stock for each share of DTVG common stock held. The holders of LEI Series A and Series B common stock (other than Dr. John C. Malone, his wife Mrs. Leslie Malone, and certain trusts in favor of their children, collectively the "Malones") will be entitled to receive 1.11111 shares of DIRECTV Class A common stock for each share of LEI Series A or Series B common stock held by them (as adjusted pursuant to the Merger Agreement).

The Malones will receive 1.11111 shares of DIRECTV Class B common stock for each share of LEI Series B common stock held (as adjusted pursuant to the Merger Agreement). DIRECTV will have the right to purchase DIRECTV Class B common stock owned by the Malones and certain transferees upon Dr. Malone's death for a 10% premium to market.

The Merger Agreement contains customary representations, warranties and covenants by each of Liberty, LEI and DTVG. After the completion of the Split-off, LEI will succeed to most of Liberty's rights and obligations under the Merger Agreement.

Certain closing conditions for the mergers include (i) consummation of the Split-off; (ii) approval of the transactions by a majority of Liberty Entertainment group tracking stock shareholders (excluding shares controlled by Dr. Malone, certain affiliated persons of Dr. Malone and the officers and directors of Liberty); (iii) approval of the transactions by a majority of DTVG stockholders (excluding Liberty, Dr. Malone, certain affiliated persons of Dr. Malone and the directors and officers of Liberty); (iv) expiration or termination of the applicable Hart-Scott-Rodino waiting period; (v) consent of the Federal Communications Commission; and (vi) receipt of IRS private letter rulings.

DTVG and Liberty are subject to reciprocal "no-shop" restrictions and "force-the-vote" provisions, which require both DTVG and Liberty to hold stockholder meetings even if their respective boards change their recommendation.

Either DTVG or Liberty may terminate the Merger Agreement if (i) the mergers have not been consummated within 12 months of signing, with a 90-day extension in the event that the only closing condition not satisfied is receipt of regulatory approvals; (ii) necessary stockholder approvals are not obtained; (iii) the board of directors of the other party makes an adverse recommendation change; or (iv) based on certain breaches related to closing conditions which are not timely cured.

Liberty and DTVG have reciprocal termination rights providing for a \$450 million break-up fee under certain conditions and also have reciprocal expense reimbursement provisions for up to \$10 million.

The above discussion of the terms of the Merger Agreement is qualified by reference to the full text of the Merger Agreement filed as Exhibit 2.1 to this Current Report on Form 8-K.

Voting, Standstill, Non-Competition and Non-Solicitation Agreement

Liberty, DIRECTV, DTVG, LEI and subsidiaries of Liberty that directly hold the DTVG shares beneficially owned by Liberty have entered into a Voting, Standstill, Non-Competition and Non-Solicitation Agreement dated as of May 3, 2009 (the "Voting Agreement"). Under the Voting Agreement, Liberty agrees to vote shares of DTVG common stock controlled by Liberty in favor of the adoption of the Merger Agreement and against any alternative DIRECTV takeover proposal.

Under the Voting Agreement, Liberty and its affiliates are also subject to a three-year non-compete agreement and a three-year standstill with respect to the equity securities of DIRECTV.

The above discussion of the terms of the Voting Agreement is qualified by reference to the full text of the Voting Agreement filed as Exhibit 99.2 to this Current Report on Form 8-K.

Voting and Right of First Refusal Agreement

LEI, DTVG, DIRECTV and the Malones have entered into a Voting and Rights of First Refusal Agreement dated as of May 3, 2009 (the "Malone Agreement").

Under the terms of the Malone Agreement, the Malones agree to, among other things:

- vote their Series A and Series B Liberty Entertainment group tracking stock in favor of the Split-off;
- certain restrictions on transfer of their high vote stock until the first anniversary of the Split-off;
- not acquire any additional shares, other than through the exercise of Series A or Class A options, of (i) Liberty Entertainment group tracking stock from signing until the consummation of the Split-off, (ii) LEI common stock from the consummation of the Split-off until the closing of the mergers, and (iii) DIRECTV common stock after the consummation of the mergers and until the first anniversary of the Split-off;
- with respect to their Class B DIRECTV shares, agree not to exercise more than 24% of the aggregate voting power of DIRECTV common stock outstanding at any relevant determination date (with any excess voting power to be voted in the same manner as the votes of the non-Malone DIRECTV shareholders); and
- with respect to their Class B DIRECTV shares, grant to DIRECTV a right of first refusal in the event of certain proposed transfers of their Class B DIRECTV stock.

The above discussion of the terms of the Malone Agreement is qualified by reference to the full text of the Malone Agreement filed as Exhibit 99.3 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Name</u>
2.1	Agreement and Plan of Merger, dated as of May 3, 2009, by and among Liberty Media Corporation, Liberty Entertainment, Inc., The DIRECTV Group, Inc., DIRECTV, DTVG One, Inc. and DTVG Two, Inc. (incorporated by reference to Exhibit 10.1 to The DIRECTV Group, Inc. Current Report on Form 8-K (File No. 001-31945) filed on May 4, 2009 (the "DTVG 8-K")).
99.1	Press Release dated May 4, 2009
99.2	Voting, Standstill, Non-Competition and Non-Solicitation Agreement, dated as of May 3, 2009, by and among Liberty Media Corporation, DIRECTV, The DIRECTV Group, Inc., Liberty Entertainment, Inc., Greenlady Corporation and Greenlady II, LLC (incorporated by reference to Exhibit 10.2 to the DTVG 8-K).
99.3	Voting and Right of First Refusal Agreement, dated as of May 3, 2009, by and among Liberty Entertainment, Inc., The DIRECTV Group, Inc., DIRECTV, Dr. John C. Malone, Mrs. Leslie Malone, The Tracy L. Neal Trust A and The Evan D. Malone Trust A (incorporated by reference to Exhibit 10.3 to the DTVG 8-K).

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: May 6, 2009

LIBERTY MEDIA CORPORATION

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

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Name</u>
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99.1	Press Release dated May 4, 2009
99.2	Voting, Standstill, Non-Competition and Non-Solicitation Agreement, dated as of May 3, 2009, by and among Liberty Media Corporation, DIRECTV, The DIRECTV Group, Inc., Liberty Entertainment, Inc., Greenlady Corporation and Greenlady II, LLC (incorporated by reference to Exhibit 10.2 to the DTV 8-K).
99.3	Voting and Right of First Refusal Agreement, dated as of May 3, 2009, by and among Liberty Entertainment, Inc., The DIRECTV Group, Inc., DIRECTV, Dr. John C. Malone, Mrs. Leslie Malone, The Tracy L. Neal Trust A and The Evan D. Malone Trust A (incorporated by reference to Exhibit 10.3 to the DTV 8-K).

**DIRECTV GROUP AND LIBERTY MEDIA CORPORATION
ANNOUNCE COMBINATION**

El Segundo, California and Englewood, Colorado, May 4, 2009 — The DIRECTV Group, Inc. and Liberty Media Corporation today announced they have entered into definitive agreements for the combination of DIRECTV Group with Liberty Entertainment, Inc., a company to be split-off from Liberty Media.

“We are pleased to announce this transaction as it will rightly put the control of DIRECTV in the hands of DIRECTV shareholders,” said Chase Carey, President and CEO of DIRECTV. “Our existing equity structure was less than ideal. The transaction will improve our ability to pursue strategic initiatives that can enhance value for all DIRECTV shareholders. Additionally, in Game Show Network, FUN Technologies and the three regional sports networks, we are acquiring valuable assets that fit in well with the future of the DIRECTV business. We look forward to having the benefit of John Malone’s involvement, as a significant shareholder and as chairman of DIRECTV’s board post-merger.”

“This transaction clarifies DIRECTV’s capital structure, reduces its shares outstanding, eliminates stock overhang and arbitrage issues, and provides DIRECTV with strategic content businesses,” said Greg Maffei, President and CEO of Liberty. “And this transaction offers value to Liberty’s shareholders by eliminating the discount in our tracking stock structure and allowing them to continue to participate directly in the strong performance of DIRECTV.”

The steps in the transaction include Liberty Media proceeding with the previously announced split-off of Liberty Entertainment, Inc. (LEI), which will hold the majority of the assets and liabilities currently attributed to the Liberty Entertainment group tracking stock. LEI will now be comprised of: (i) approximately 54% of the common stock of DIRECTV, (ii) Liberty Sports Holdings, which owns three regional sports networks (RSNs), (iii) a 65% interest in Game Show Network (GSN) and FUN Technologies, (iv) approximately \$30 million in cash in addition to cash generated by operations after March 31 and (v) \$2 billion in debt. DIRECTV will provide to LEI up to \$650 million in funding pursuant to a term loan facility in order to service the LEI debt.

In the split-off, each holder of Series A Liberty Entertainment group tracking stock will receive 0.9 of a share of LEI Series A common stock and will retain 0.1 of a share of Liberty Starz stock, representing the balance of the assets and liabilities of the Liberty Entertainment group, for each share of Series A Liberty Entertainment group tracking stock held at the time of the split-off, and each holder of Series B Liberty Entertainment group tracking stock will receive 0.9 of a share of LEI Series B common stock and will retain 0.1 of a share of Liberty Starz stock for each share of Series B Liberty Entertainment group tracking stock held at the time of the split-off.

LEI and DIRECTV Group (DTVG) will merge with subsidiaries of a newly formed subsidiary of DTVG that will be called DIRECTV. As a result of the mergers, DIRECTV will become the parent company of DTVG and LEI. DIRECTV will have two classes of stock, Class A which will be entitled to one vote per share and Class B which will be entitled to 15 votes per share. In the DTVG merger, DTVG shareholders will receive one share of DIRECTV Class A common stock for each share of DTVG common stock held. The holders of LEI Series A and Series B common stock (other than John Malone, his wife and associated trusts) will receive 1.1111 shares of DIRECTV Class A common stock for each share of LEI Series A or Series B common stock held (as adjusted pursuant to the merger agreement). John Malone, his wife and associated trusts

will receive 1.1111 shares of DIRECTV Class B common stock for each share of LEI Series B common stock held (as adjusted pursuant to the merger agreement).

The businesses, assets and liabilities of the Liberty Entertainment group tracking stock not included in the split-off of Liberty Entertainment will continue to be attributed to the Liberty Entertainment group, which will be renamed “Liberty Starz”. Liberty Starz will consist of Starz Entertainment, 37% of WildBlue, PicksPal, Fanball and approximately \$650 million in cash and cash equivalents. The Series A Liberty Starz common stock and Series B Liberty Starz common stock are expected to be listed on NASDAQ under the symbols LSTZA and LSTZB, respectively.

Accordingly, as a result of the split-off and mergers, each holder of one share of Liberty Entertainment group tracking stock who retains ownership of LEI stock through completion of the mergers (other than John Malone, his wife and associated trusts) will receive one share of Class A common stock of DIRECTV and will retain 0.1 of a share of Liberty Starz stock, in each case subject to adjustment. This chart illustrates what holders of Liberty Entertainment group tracking stock (other than John Malone, his wife and associated trusts) and DIRECTV Group common stock will receive if the split-off and mergers occur:

Stock Held Prior to Transactions	Split-off	Mergers
100 shares of DTVG common stock	N/A	100 shares of DIRECTV Class A common stock
100 shares of LMDIA	90 shares of LEI Series A common stock <i>and retain</i>	100 shares of DIRECTV Class A common stock <i>and retain</i>
	10 shares of LSTZA tracking stock	10 shares of LSTZA tracking stock
100 shares of LMDIB	90 shares of LEI Series B common stock <i>and retain</i>	100 shares of DIRECTV Class A common stock <i>and retain</i>
	10 shares of LSTZB tracking stock	10 shares of LSTZB tracking stock

Shares of DIRECTV Class A common stock are expected to be listed on NASDAQ under the symbol DTV. Shares of DIRECTV Class B common stock will not be listed on any stock exchange.

As a result of the transactions, John Malone, his wife and associated trusts will hold shares of DIRECTV Class B common stock entitling them to approximately 24% of DIRECTV’s total voting power. The Malones have entered into an agreement that includes, among other things provisions requiring them to vote their shares in support of the transaction and agree to certain limitations on their rights to sell or acquire shares.

The split-off and the mergers are subject to the satisfaction of various conditions, including the receipt of regulatory approvals, the receipt of IRS private letter rulings and opinions of tax counsel, approval of the holders of DIRECTV Group common stock, other than Liberty, directors and officers of Liberty, John Malone and his affiliates, and the approval of a majority in voting power of the holders of Liberty Entertainment group tracking stock, other than John Malone, his affiliates and officers and directors of Liberty, and other customary conditions. The companies currently anticipate that the split-off will occur before the mergers, which are currently expected to be completed in the fourth quarter of 2009.

Chase Carey will continue to serve as DIRECTV’s President and CEO. It is expected that the current executive officers and Board of Directors for DIRECTV Group, including Liberty’s representatives, will serve as the executive officers and Board of Directors of DIRECTV.

Conference Call

DIRECTV Group will host a live webcast today at 10:00 a.m. ET (7:00 a.m. PT) to discuss this announcement. The webcast will be available on the company's website at www.directv.com/investor and will be archived. Access to the call is also available in the United States by dialing (800) 289-0487 and internationally by dialing (913) 312-1264. The confirmation code is 3864685.

A replay of the conference call will be available beginning at 8:00AM ET Tuesday, May 5th for one week and can be accessed by dialing (888) 203-1112 in the U.S. and (719) 457-0820 internationally. The confirmation code is 3864685.

IMPORTANT ADDITIONAL INFORMATION WILL BE FILED WITH THE SEC

Nothing in this press release shall constitute a solicitation to buy or an offer to sell shares of Liberty Entertainment, Inc., the new DIRECTV holding company, The DIRECTV Group, Inc. or any of the Liberty Media tracking stocks. Liberty Entertainment, Inc. plans to file with the SEC an amendment to its Form S-4 Registration Statement filed on April 24, 2009 in connection with the transactions. In addition, DIRECTV plans to file with the SEC a Registration Statement on Form S-4 in connection with the transactions. Liberty Media Corporation plans to file with the SEC an amendment to its preliminary proxy statement filed on April 24, 2009 and mail to its stockholders a Proxy Statement/Prospectus in connection with the transactions. The DIRECTV Group, Inc. plans to file with the SEC and mail to its stockholders a Proxy Statement/Prospectus in connection with the transactions. The Registration Statements and the Proxy Statements/Prospectuses will contain important information about Liberty Media Corporation, Liberty Entertainment, Inc., DIRECTV, The DIRECTV Group, Inc., the transactions and related matters. Investors and security holders are urged to read the Registration Statements and the Proxy Statements/Prospectuses carefully when they are available.

Investors and security holders will be able to obtain free copies of the Registration Statements and the Proxy Statements/Prospectuses and other documents filed with the SEC by Liberty Entertainment, Inc., DIRECTV, Liberty Media Corporation and The DIRECTV Group, Inc., as the case may be, through the web site maintained by the SEC at www.sec.gov.

In addition, investors and security holders will be able to obtain free copies of the Registration Statements and the Proxy Statements/Prospectuses from Liberty Media Corporation by contacting Liberty Media Corporation, 12300 Liberty Boulevard, Englewood, Colorado 80112, Attention: Investor Relations, Telephone (720) 875-5408 or from The DIRECTV Group, Inc. by contacting The DIRECTV Group, Inc., 2230 E. Imperial Highway, El Segundo, CA 90245, Attn: Investor Relations, Telephone (310) 964-0808.

Liberty Media Corporation and The DIRECTV Group, Inc., and their respective directors and executive officers, may be deemed to be participants in the solicitation of proxies in respect of the transactions contemplated by the Reorganization Agreement and the Merger Agreement. Information regarding Liberty Media Corporation's or Liberty Entertainment, Inc.'s directors and executive officers is contained in Liberty Media Corporation's Form 10-K for the year ended

December 31, 2008 and its preliminary proxy statement dated April 24, 2009, which are filed with the SEC. As of March 31, 2009, Liberty Media Corporation's directors and executive officers beneficially owned approximately 1.9% of Series A Liberty Entertainment common stock and 94.4% of Series B Liberty Entertainment common stock. Information regarding The DIRECTV Group, Inc.'s directors and executive officers is contained in The DIRECTV Group's Form 10-K for the year ended December 31, 2008 and its proxy statement dated April 17, 2009, which are filed with the SEC. As of April 3, 2009, The DIRECTV Group, Inc.'s directors and executive officers beneficially owned less than 1% of The DIRECTV Group, Inc.'s common stock. A more complete description will be available in the Registration Statements and the Proxy Statements/Prospectuses.

SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS

Statements in this press release regarding the proposed transaction between Liberty Media Corporation, Liberty Entertainment, Inc., DIRECTV and The DIRECTV Group, Inc., the expected timetable for completing the transaction, future financial and operating results, benefits and synergies of the transaction, future opportunities for the combined company and any other statements about Liberty Media Corporation or The DIRECTV Group, Inc. managements' future expectations, beliefs, goals, plans or prospects constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that are not statements of historical fact (including statements containing the words "believes," "plans," "anticipates," "expects," estimates and similar expressions) should also be considered to be forward-looking statements. There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including: the ability to consummate the transaction, the ability of The DIRECTV Group, Inc. to successfully integrate Liberty Entertainment, Inc.'s operations and employees; and the other factors described in Liberty Media Corporation's and The DIRECTV Group, Inc.'s Annual Reports on Form 10-K for the year ended December 31, 2008. These forward looking statements speak only as of the date of this press release and Liberty Media Corporation and The DIRECTV Group, Inc. disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this press release.

About DIRECTV Group

The DIRECTV Group (NASDAQ:DTV) is a world-leading provider of digital television entertainment services. Through its subsidiaries and affiliated companies in the United States, Brazil, Mexico and other countries in Latin America, the DIRECTV Group provides digital television service to more than 17.6 million customers in the United States and about 5.6 million customers in Latin America.

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, LINTB), 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, LMDIB), which includes Liberty's interests in The DIRECTV Group, Inc., Starz Entertainment, Game Show Network, LLC, WildBlue Communications, Inc., and Liberty Sports Holdings LLC, and (3) the Liberty Capital group (NASDAQ: LCAPA, LCAPB), 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., Liberty's interest in Sirius XM Radio, Inc., and minority equity investments in Time Warner Inc. and Sprint Nextel Corporation.

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