

**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): **September 22, 2011**

LIBERTY INTERACTIVE 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

Item 2.01. Completion of Acquisition or Disposition of Assets

On September 23, 2011 at 5:00 p.m. NYC time (the "Effective Time"), Liberty Interactive Corporation (formerly known as Liberty Media Corporation, the "Company") completed its previously announced split-off (the "Split-Off") of its former wholly owned subsidiary Liberty Media Corporation (formerly known as Liberty CapStarz, Inc., "Splitco").

The Split-Off was accomplished by the redemption (the "Redemptions") by the Company of (i) each outstanding share of its Series A Liberty Capital common stock in exchange for one share of Splitco's Series A Liberty Capital common stock, (ii) each outstanding share of its Series B Liberty Capital common stock in exchange for one share of Splitco's Series B Liberty Capital common stock, (iii) each outstanding share of its Series A Liberty Starz common stock in exchange for one share of Splitco's Series A Liberty Starz common stock, and (iv) each outstanding share of its Series B Liberty Starz common stock in exchange for one share of Splitco's Series B Liberty Starz common stock. All of the businesses, assets and liabilities previously attributed to the Company's former Liberty Capital and Liberty Starz tracking stock groups are now, pursuant to the Reorganization Agreement described below, held by Splitco's Liberty Capital and Liberty Starz tracking stock groups, respectively. The Redemptions were approved at the previously announced special meeting of Liberty Capital and Liberty Starz stockholders held on May 23, 2011 (the "Special Meeting") by the holders of the Company's former Liberty Capital common stock and Liberty Starz common stock entitled to vote at the meeting.

In connection with the Split-Off, the Company and Splitco (or, where, applicable, certain subsidiaries of the Company or Splitco named therein) entered into the following agreements (the "Split-Off Agreements"):

- a Reorganization Agreement, dated as of August 30, 2011, by and between the Company and Splitco, which provides for, among other things, the principal corporate transactions required to effect the Split-Off, certain conditions to the Split-Off and provisions governing the relationship between the Company and Splitco with respect to and resulting from the Split-Off;
- a Tax Sharing Agreement, dated September 23, 2011, between the Company, its wholly owned subsidiary Liberty Interactive LLC (formerly known as Liberty Media LLC) and Splitco, which governs the allocation of taxes, tax benefits, tax items and tax-related losses between the Company and Splitco;
- a Services Agreement, dated September 23, 2011, by and between the Company and Splitco, which governs the provision by Splitco to the Company of specified services and benefits following the Split-Off;
- a Facilities Sharing Agreement, dated September 23, 2011, by and between the Company and Liberty Property Holdings, Inc. (a subsidiary of Splitco), pursuant to which the Company shares office facilities with Splitco; and
- two Aircraft Time Sharing Agreements, effective as of September 23, 2011, by and between the Company and Splitco, each of which governs the lease of an aircraft from Splitco to the Company and the provision of fully qualified flight crew for all operations on a periodic, non-exclusive time sharing basis.

The section of the Company's definitive proxy statement on Schedule 14A filed with the Securities and Exchange Commission on April 18, 2011 relating to the Special Meeting (the "Proxy Statement") entitled "Certain Relationships and Related Transactions—Relationships Between Splitco and Liberty Media," which describes the material terms of the Split-Off Agreements, is incorporated herein by reference. These descriptions are qualified in their entirety by reference to the full text of the Split-Off Agreements, which are filed as Exhibits 2.1, 10.1, 10.2, 10.3 and 10.4 to this report on Form 8-K.

Item 3.01. Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing

As described in Item 5.02 below, Donne F. Fisher and Larry E. Romrell resigned from the Company's board of directors, effective upon the closing of the Split-Off. As a result of such resignations, the Company is no longer in compliance with Nasdaq Marketplace Rule 5605(b)(1), which requires that a majority of the Company's board of directors be comprised of independent directors. The Company notified the Listing Qualifications Department of the Nasdaq Stock Market of such non-compliance on September 28, 2011. Prior to their resignations, Messrs. Fisher and Romrell served on the Audit Committee of the Company's board of directors. As a result of such resignations, Messrs. Fisher and Romrell were replaced on the Audit Committee by David E. Rapley and M. Ian G. Gilchrist, both of whom are independent directors.

The Company is currently reviewing methods to regain compliance with Rule 5605(b)(1), including conducting a search for qualified candidates to fill the vacancies left on its board of directors by Messrs. Fisher and Romrell.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers*Resignation of Donne F. Fisher and Larry E. Romrell from the Board of Directors*

As described above, in connection with the closing of the Split-Off, Donne F. Fisher and Larry E. Romrell resigned from the Company's board of directors, effective as of the Effective Time.

Appointment of Michael A. George to the Board of Directors

Upon the Effective Time, Michael A. George, President and Chief Executive Officer of QVC, Inc., a subsidiary of the Company, joined the board of directors of the Company. Following Mr. George's appointment, the Company has a total of 9 directors divided among three classes, with Mr. George serving as a Class II member with a term expiring at the annual stockholders meeting in 2012. The Company has not and presently does not expect to name Mr. George to any standing committee of the board of directors.

Item 8.01. Other Events

On September 23, 2011, the Company issued a press release (the "Press Release") announcing the completion of the Split-Off. The Press Release also announced that, effective as of September 22, 2011: (i) the Company, known as Liberty Media Corporation prior to such date, had changed its name to Liberty Interactive Corporation, (ii) Splitco, formerly known as Liberty CapStarz, Inc., had changed its name to Liberty Media Corporation, and (iii) Liberty Media LLC, a wholly owned subsidiary of the Company and the issuer of the Company's public indebtedness, had changed its name to Liberty Interactive LLC. The Press Release also announced the symbols under which Splitco's common stock will trade during the week following the completion of the Split-Off and thereafter.

Item 9.01. Financial Statements and Exhibits

(b) The pro forma information required to be filed pursuant to Items 2.01 and 9.01(b) pursuant to Article 11 of Regulation S-X is incorporated by reference to the section of the Proxy Statement entitled "Annex B: Splitco and Liberty Media Corporation Financial Statements—Liberty Media Corporation." The pro forma information for interim periods not covered by this section of the Proxy Statement is filed as Exhibit 99.2 to this report on Form 8-K.

(d) Exhibits

Exhibit No.	Name
2.1	Reorganization Agreement, dated as of August 30, 2011, between Liberty Media Corporation and Liberty CapStarz, Inc. (incorporated by reference to Exhibit 2.1 to Post-Effective Amendment No. 1 to Splitco's Registration Statement on Form S-4 filed on September 23, 2011 (File No. 333-171201) (the "S-4")).
10.1	Tax Sharing Agreement, dated September 23, 2011, between Liberty Interactive Corporation, Liberty Interactive LLC and Liberty Media Corporation (incorporated by reference to Exhibit 10.4 to the S-4).
10.2	Services Agreement, dated as of September 23, 2011, by and between Liberty Interactive Corporation and Liberty Media Corporation (incorporated by reference to Exhibit 10.5 to the S-4).
10.3	Facilities Sharing Agreement, dated September, 23, 2011, by and between Liberty Interactive Corporation and Liberty Property Holdings, Inc. (incorporated by reference to Exhibit 10.6 to the S-4).
10.4	Aircraft Time Sharing Agreements, each effective as of September, 23, 2011, by and between Liberty Media Corporation and Liberty Interactive Corporation (incorporated by reference to Exhibit 10.8 to the S-4).
99.1	Press Release dated September 23, 2011.
99.2	Unaudited pro forma condensed consolidated financial statements of Liberty Interactive Corporation as of and for the six months ended June 30, 2011.

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: September 28, 2011

LIBERTY INTERACTIVE CORPORATION

By: /s/ Wade Haufschild
Name: Wade Haufschild

EXHIBIT INDEX

Exhibit No.	Name
2.1	Reorganization Agreement, dated as of August 30, 2011, between Liberty Media Corporation and Liberty CapStarz, Inc. (incorporated by reference to Exhibit 2.1 to Post-Effective Amendment No. 1 to Splitco's Registration Statement on Form S-4 filed on September 23, 2011 (File No. 333-171201) (the "S-4")).
10.1	Tax Sharing Agreement, dated September 23, 2011, between Liberty Interactive Corporation, Liberty Interactive LLC and Liberty Media Corporation (incorporated by reference to Exhibit 10.4 to the S-4).
10.2	Services Agreement, dated as of September 23, 2011, by and between Liberty Interactive Corporation and Liberty Media Corporation (incorporated by reference to Exhibit 10.5 to the S-4).
10.3	Facilities Sharing Agreement, dated September, 23, 2011, by and between Liberty Interactive Corporation and Liberty Property Holdings, Inc. (incorporated by reference to Exhibit 10.6 to the S-4).
10.4	Aircraft Time Sharing Agreements, each effective as of September, 23, 2011, by and between Liberty Media Corporation and Liberty Interactive Corporation (incorporated by reference to Exhibit 10.8 to the S-4).
99.1	Press Release dated September 23, 2011.
99.2	Unaudited pro forma condensed consolidated financial statements of Liberty Interactive Corporation as of and for the six months ended June 30, 2011.

LIBERTY INTERACTIVE COMPLETES SPLIT-OFF OF LIBERTY CAPITAL AND LIBERTY STARZ TRACKING STOCKS

Englewood, Colorado, September 23 - Liberty Interactive Corporation (f/k/a Liberty Media Corporation, "Liberty") (Nasdaq: LINTA, LINTB) announced today that it completed the split-off of Liberty Media Corporation (f/k/a Liberty CapStarz, Inc., "Splitco"), which holds the businesses, assets, and liabilities formerly attributed to Liberty's Liberty Capital and Liberty Starz tracking stocks, at 5:00 p.m., New York City time on Friday, September 23, 2011. As a result, Splitco is now a separate publicly traded company.

As announced earlier, in connection with the closing, Liberty has changed its name to "Liberty Interactive Corporation," and Splitco has changed its name to "Liberty Media Corporation." Liberty Media LLC, which is the issuer of Liberty's public indebtedness, also changed its name to "Liberty Interactive LLC."

The shares of Splitco's Liberty Capital common stock and Liberty Starz common stock distributed in the Split-Off will trade under temporary trading symbols from Monday, September 26 through Friday, September 30 and will be as follows:

- LCAPA will trade as LCPAD
- LCAPB will trade as LCPBD
- LSTZA will trade as LSTAD
- LSTZB will trade as LSTBD

The LCAPA, LCAPB, LSTZA and LSTZB symbols will go back into effect on Monday, October 3, 2011. Shares of Liberty Interactive common stock (LINTA, LINTB) will not be affected by the closing.

About Liberty Interactive Corporation

Liberty Interactive (Nasdaq: LINTA, LINTB) owns interests in a broad range video and online commerce businesses including QVC, Provide Commerce, Backcountry.com, Celebrate Interactive, Bodybuilding.com, Evite, and Expedia.

About Liberty Media Corporation

Liberty Media owns interests in a broad range of media, communications and entertainment businesses. Those interests are attributed to two tracking stock groups: (1) the Liberty Starz group (Nasdaq: LSTAD, LSTBD (temporary); LSTZA, LSTZB (permanent)), which includes its interest in Starz, LLC, and (2) the Liberty Capital group (Nasdaq: LCPAD, LCPBD (temporary); LCAPA, LCAPB (permanent)), which includes its subsidiaries Atlanta National League Baseball Club, Inc., and TruePosition, Inc., its interest in SiriusXM, Live Nation and Barnes & Noble, and minority equity investments in Time Warner Inc. and Viacom.

Liberty Media Corporation
Courtnee Ulrich, 720-875-5420

Liberty Interactive Corporation and Subsidiaries
Condensed Pro Forma Consolidated Financial Statements
June 30, 2011
(unaudited)

On September 23, 2011 Liberty Interactive Corporation (“Liberty”) (formerly known as Liberty Media Corporation) completed a plan to Split-Off the businesses, assets and liabilities attributed to Liberty’s Capital Group tracking stock and to Liberty’s Starz Group tracking stock by redeeming all of the outstanding shares of Liberty’s Capital Group tracking stock and Liberty’s Starz Group tracking stock for all of the outstanding shares of a wholly owned subsidiary, Liberty Media Corporation (formerly known as Liberty CapStarz, Inc. and prior thereto as Liberty Splitco, Inc.) (“Splitco”) (the “Split-Off”).

Splitco holds the businesses, assets and liabilities previously attributed to the Liberty Capital Group and Liberty Starz Group. Upon the completion of the Split-Off, Splitco and Liberty are separate publicly traded companies and operate independently, with neither company having an ownership interest in the other.

At the time of the Split-Off, the common stock of Splitco was divided into two tracking stock groups, with the Splitco Capital Group tracking substantially all of the assets and liabilities that were previously attributed to the Liberty Capital Group and the Splitco Starz Group tracking all of the assets and liabilities that were previously attributed to the Liberty Starz Group.

On February 9, 2011, the 3.125% Exchangeable Senior Debentures and the stock into which such debt is exchangeable was reattributed from the Liberty Capital Group to the Liberty Interactive Group (the “TWX Reattribution”).

The following unaudited condensed pro forma consolidated balance sheet of Liberty dated as of June 30, 2011 assumes that the Split-Off had been completed as of such date. The following unaudited condensed pro forma consolidated statements of operations of Liberty for the six months ended June 30, 2011 and 2010 assumes that the Split-Off and the TWX Reattribution had been completed as of January 1, 2010. The unaudited pro forma results do not purport to be indicative of the results that would have been obtained if such transactions had been completed as of such dates.

The Split-Off will be accounted for at historical cost since the Splitco common stock was distributed pro rata to the holders of Liberty Capital Group tracking stock and Liberty Starz Group tracking stock.

Liberty Interactive Corporation and Subsidiaries
Condensed Pro Forma Consolidated Balance Sheet
June 30, 2011
(unaudited)

	Liberty historical	Less: Splitco historical (1)	Liberty pro forma
amounts in millions			
Assets			
Cash	\$ 3,414	2,102	1,312
Other current assets	3,698	1,846	1,852
Cost investments	4,244	2,983	1,261
Equity investments	1,478	460	1,018
Property and equipment, net	1,275	231	1,044
Intangible assets not subject to amortization	9,016	486	8,530
Other assets	3,453	1,119	2,334
Total assets	<u>\$ 26,578</u>	<u>9,227</u>	<u>17,351</u>
Liabilities and Equity			
Current liabilities	\$ 5,096	3,075	2,021
Long-term debt	5,957	38	5,919
Deferred tax liabilities	2,465	—	2,465
Other liabilities	1,098	829	269
Total liabilities	<u>14,616</u>	<u>3,942</u>	<u>10,674</u>
Total stockholders’ equity	11,866	5,290	6,576
Noncontrolling interest	96	(5)	101
Total equity	<u>11,962</u>	<u>5,285</u>	<u>6,677</u>
Total liabilities and equity	<u>\$ 26,578</u>	<u>9,227</u>	<u>17,351</u>

Liberty Interactive Corporation and Subsidiaries
Condensed Pro Forma Consolidated Statement of Operations
Six Months Ended June 30, 2011
(unaudited)

	Liberty historical	Less: Splitco historical (1)	Add: TWX Reattribution (2)	Liberty pro forma
amounts in millions, except per share amounts				
Revenue	\$ 5,915	1,511	—	4,404
Cost of sales	(2,775)	—	—	(2,775)
Operating, selling, general and administrative expenses	(1,755)	(924)	—	(831)
Depreciation and amortization	(338)	(41)	—	(297)
Legal settlement	7	7	—	—

Operating income	1,054	553	—	501
Interest expense	(227)	(10)	(4)	(221)
Share of earnings (loss) of affiliates, net	7	(50)	—	57
Realized and unrealized gains (losses) on financial instruments, net	186	176	(20)	(10)
Gains (losses) on dispositions, net	(2)	(2)	—	—
Other income (expense), net	72	51	—	21
Earnings from continuing operations before income taxes	1,090	718	(24)	348
Income tax expense	(422)	(298)	9	(115)
Earnings from continuing operations	<u>\$ 668</u>	<u>420</u>	<u>(15)</u>	<u>233</u>
Basic earnings (loss) from continuing operations per common share:				
Series A and Series B Liberty Starz common stock	2.35			n/a
Series A and Series B Liberty Capital common stock	3.70			n/a
Series A and Series B Liberty Interactive common stock	0.41			0.39
Diluted earnings (loss) from continuing operations per common share:				
Series A and Series B Liberty Starz common stock	2.35			n/a
Series A and Series B Liberty Capital common stock	3.63			n/a
Series A and Series B Liberty Interactive common stock	0.41			0.38
Basic weighted average outstanding common shares:				
Series A and Series B Liberty Starz common stock	51			n/a
Series A and Series B Liberty Capital common stock	81			n/a
Series A and Series B Liberty Interactive common stock	599			599
Diluted weighted average outstanding common shares:				
Series A and Series B Liberty Starz common stock	53			n/a
Series A and Series B Liberty Capital common stock	83			n/a
Series A and Series B Liberty Interactive common stock	606			606

Liberty Interactive Corporation and Subsidiaries
Condensed Pro Forma Consolidated Statement of Operations
Six Months Ended June 30, 2010
(unaudited)

	Liberty historical	Less: Splitco historical (1)	Add:		Liberty pro forma
			2010 retribution (3)	TWX Reattribution (2)	
amounts in millions except per share amounts					
Revenue	\$ 5,062	984	—	—	4,078
Cost of sales	(2,578)	—	—	—	(2,578)
Operating, selling, general and administrative expenses	(1,631)	(903)	—	—	(728)
Depreciation and amortization	(326)	(46)	—	—	(280)
Impairment of long-lived assets	—	—	—	—	—
Operating income	<u>527</u>	<u>35</u>	<u>—</u>	<u>—</u>	<u>492</u>
Interest expense	(344)	(34)	(8)	(18)	(336)
Share of earnings (loss) of affiliates, net	48	(11)	(2)	—	57
Realized and unrealized gains on financial instruments	86	54	15	28	75
Gains on dispositions, net	388	24	—	—	364
Other income (expense), net	—	46	—	—	(46)
Earnings from continuing operations before income taxes	705	114	5	10	606
Income tax expense	(265)	(59)	(2)	(4)	(212)
Earnings from continuing operations	<u>\$ 440</u>	<u>55</u>	<u>3</u>	<u>6</u>	<u>394</u>
Basic earnings (loss) from continuing operations per common share:					
Series A and Series B Liberty Starz common stock	2.36				n/a
Series A and Series B Liberty Capital common stock	(0.66)				n/a
Series A and Series B Liberty Interactive common stock	0.65				0.66
Diluted earnings (loss) from continuing operations per common share:					
Series A and Series B Liberty Starz common stock	2.31				n/a
Series A and Series B Liberty Capital common stock	(0.66)				n/a
Series A and Series B Liberty Interactive common stock	0.64				0.66
Basic weighted average outstanding common shares:					
Series A and Series B Liberty Starz common stock	50				n/a
Series A and Series B Liberty Capital common stock	95				n/a
Series A and Series B Liberty Interactive common stock	595				595
Diluted weighted average outstanding common shares:					

Series A and Series B Liberty Starz common stock	51	n/a
Series A and Series B Liberty Capital common stock	95	n/a
Series A and Series B Liberty Interactive common stock	601	601

Liberty Interactive Corporation and Subsidiaries
Notes to Condensed Pro Forma Consolidated Financial Statements
June 30, 2011
(unaudited)

-
- (1) Represents the historical financial position and results of operations of Splitco. Such amounts were derived from the historical combined financial statements of Splitco as reported in the Quarterly Report on Form 10-Q for the period ending June 30, 2011 as filed with the Securities and Exchange Commission on August 11, 2011.
- (2) The historical combined financial statements of Splitco include some activity for the period that the 3.125% Exchangeable Senior Debentures and the stock into which such debt is exchangeable were attributed to the Liberty Capital Group. On February 9, 2011, Liberty's board of directors approved the change in attribution of the 3.125% Exchangeable Debentures and the stock into which such debentures are exchangeable (approximately 5 million shares of Time Warner, Inc., 5 million shares of Time Warner Cable Inc. and 2 million shares of AOL, Inc.) and cash of \$264 million from the Liberty Capital Group to the Liberty Interactive Group ("Split-Off Reattribution"). The "TWX Reattribution" column in the accompanying condensed pro forma consolidated statements of operations is necessary to reflect the Split-Off Reattribution as if it had been completed as of January 1, 2010.
- (3) On February 25, 2010, Liberty made the following changes: (1) reattributed its 14.6% ownership interest in Live Nation Entertainment, Inc. from the Liberty Interactive Group to the Liberty Capital Group; (2) reattributed \$1,421 million in principal amount of Exchangeable Senior Debentures from the Liberty Capital Group to the Liberty Interactive Group; (3) reattributed approximately \$830 million in net taxable income to be recognized ratably in tax years 2014 to 2018 from the Liberty Capital Group to the Liberty Interactive Group; and (4) reattributed \$807 million in cash from the Liberty Capital Group to the Liberty Interactive Group (the "2010 Reattribution"). Liberty accounted for the 2010 Reattribution prospectively. Additionally, the historical combined financial statements of Splitco have been prepared to reflect the 2010 Reattribution on a prospective basis. Accordingly, the 2010 Reattribution column in the accompanying unaudited condensed pro forma consolidated statements of operations for the six months ended June 30, 2010 is necessary to reflect the 2010 Reattribution as if it had been completed as of January 1, 2010.
-