LIBERTY MEDIA CORP /DE/
Form 424B3
December 03, 2003

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As Filed Pursuant to Rule 424(b)(3)
Registration No. 333-107613

Prospectus Supplement to Prospectus dated September 19, 2003.

85,000,000 Shares

Liberty Media Corporation

Series A Common Stock

The shares of our Series A common stock are being sold by Goldman, Sachs & Co. in connection with forward sale agreements between Comcast QVC, Inc., which is the selling securityholder, and an affiliate of Morgan Stanley & Co. Incorporated. In addition to the offer and sale of our Series A common stock contemplated by this prospectus supplement and the accompanying prospectus, Morgan Stanley & Co. Incorporated will be offering and, from time to time, selling an additional 15,000,000 shares of our Series A common stock pursuant to a separate prospectus supplement to the accompanying prospectus. The total number of shares offered hereby and thereby is equal to 100,000,000 shares, which is the maximum number of shares deliverable by the selling securityholder pursuant to the forward sale agreements. We will not receive any of the proceeds from the forward sale agreements and neither we nor the selling securityholder will receive any proceeds from the sale of the Series A common stock under this prospectus supplement.

Our Series A common stock is traded on the New York Stock Exchange under the symbol "L." The closing sale price of our Series A common stock as reported on the consolidated tape for the New York Stock Exchange on December 1, 2003, was $10.99 per share.

Goldman, Sachs & Co. has agreed to purchase the shares for $10.65 per share for an aggregate price of $905,250,000.

The shares may be offered by Goldman, Sachs & Co. from time to time to purchasers directly or through agents, or through brokers in brokerage transactions on the New York Stock Exchange, or to dealers in negotiated transactions, or in a combination of such methods of sale, at a fixed price or prices, which may be changed, or at market prices prevailing at the time of the sale, at prices related to such prevailing market prices or at negotiated prices. In addition, Goldman, Sachs & Co. may receive from purchasers of the shares normal brokerage commissions in amounts agreed with such purchasers. See "Underwriting."

Investing in our Series A common stock involves risks. See "Risk Factors" on page 3 of the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus supplement or the prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

Goldman, Sachs & Co. expects to deliver the shares against payment in New York, New York on December 4, 2003.

Goldman, Sachs & Co. **Morgan Stanley**

Sole Book-Running Manager

Prospectus Supplement dated December 1, 2003.

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Prospectus Supplement

Prospectus

* * *

In this prospectus supplement, "Liberty Media," the "company," "we," "us" and "our" refer to Liberty Media Corporation. You should rely only on the information contained in this prospectus supplement and the accompanying prospectus. We and the selling securityholder have not authorized anyone to provide you with information different from that contained in this prospectus supplement and the accompanying prospectus. The selling securityholder and the underwriters are offering to sell, and seeking offers to buy, shares of our Series A common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus supplement and the accompanying prospectus is accurate only as of the date of this prospectus supplement and the accompanying prospectus, as applicable, regardless of the time of delivery or of any sale of our Series A common stock. All documents filed by us with the Securities and Exchange Commission subsequent to the date of the accompanying prospectus and prior to the completion of the offering of the Series A common stock are incorporated by reference into this prospectus supplement and the accompanying prospectus as described under "Where to Find More Information" on page 44 of the accompanying prospectus.

This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the Securities and Exchange Commission using a shelf registration process. Pursuant to this shelf registration process, the selling securityholder may offer from time to time shares of our Series A common stock. Both this prospectus supplement and the accompanying prospectus include important information about us, the Series A common stock being offered and other information you should know before investing. This prospectus supplement also adds, updates and changes information contained in the accompanying prospectus. You should read both this prospectus supplement and the accompanying prospectus as well as additional information described under "Where To Find More Information" on page 44 of the accompanying prospectus before investing in the Series A common stock.

SELLING SECURITYHOLDER

The following table sets forth information with respect to the beneficial ownership of our Series A common stock by Comcast Corporation and its subsidiary, Comcast QVC, Inc., the selling securityholder.

As of October 31, 2003, there were 2,691,592,648 shares of our Series A common stock outstanding. The amounts and percentages of Series A common stock beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a "beneficial owner" of a security if that person has or shares "voting power," which includes the power to vote or to direct the voting of the security, or "investment power," which includes the power to dispose of or to direct the disposition of the security. A person is also deemed to be a beneficial owner of any securities of which that person may be deemed a beneficial owner within 60 days. Under these rules, more than one person may be deemed a beneficial owner of the same securities and a person may be deemed to be a beneficial owner of securities as to which the person has no economic interest.

Comcast Corporation and the selling securityholder will each remain a beneficial owner of the shares of our Series A common stock covered by the forward sale agreements unless and until the selling securityholder delivers the shares in accordance with the terms of the forward sale agreements. The selling securityholder will also have the right to settle the forward sale agreements in cash instead of delivering shares of our Series A common stock. If it does so, Comcast Corporation and the selling securityholder will continue to beneficially own the shares.

Name of Beneficial Owner	Shares of our Series A Common Stock Beneficially Owned Before the Offering	Shares of our Series A Common Stock to be Delivered under the Forward Sale Agreements(1)	Shares of our Series A Common Stock Beneficially Owned After the Offering and Delivery of Shares Pursuant to the Forward Sale Agreements(1)
Comcast Corporation and the selling securityholder	222,333,323	100,000,000	122,333,323

(1) Assumes the delivery by the selling securityholder of 100,000,000 shares of our Series A common stock upon settlement of the forward sale agreements between the selling securityholder and an affiliate of Morgan Stanley & Co. Incorporated.

Comcast Corporation and the selling securityholder will beneficially own 222,333,323, or 8.26%, of the outstanding shares of our Series A common stock after this offering but prior to any delivery of shares by the selling securityholder in settlement of the forward sale agreements.

UNDERWRITING

The selling securityholder has entered into forward sale agreements, dated as of the date of this prospectus supplement, with an affiliate of Morgan Stanley & Co. Incorporated, as purchaser, relating to an aggregate of 100,000,000 shares of our Series A common stock. In this prospectus supplement, we refer to Morgan Stanley & Co. Incorporated as the "Forward Bank." The obligations of the affiliate of the Forward Bank under the forward sale agreements to purchase shares of our Series A common stock are subject to a number of conditions. In connection with the forward sale agreements and under the terms and subject to the conditions contained in an agreement among underwriters and a registration agreement, each dated as of the date of this prospectus supplement, Goldman, Sachs & Co. is offering the number of shares of our Series A common stock set forth on the cover page of this prospectus supplement.

The shares of Series A common stock offered by this prospectus supplement will be borrowed by the Forward Bank or its affiliates from stock lenders. The Forward Bank or one of its affiliates will use (i) shares received from the selling securityholder under the forward sale agreements and/or (ii) shares purchased in secondary market transactions to settle or close out such borrowings. The selling securityholder has the right to elect cash settlement under the forward sale agreements. In that event, we expect that the Forward Bank and/or its affiliates will purchase shares of our Series A common stock in secondary market transactions to settle or close out any short sales effected by the Forward Bank.

In connection with the forward sale agreements and concurrently with the sale of shares pursuant to this offering, the Forward Bank or its affiliates will purchase shares of our Series A common stock in secondary market transactions and/or enter into derivative transactions relating to our Series A common stock. The Forward Bank or its affiliates may from time to time during the respective terms of the forward sale agreements engage in additional purchases or sales of our Series A common stock or enter into additional derivative transactions relating to our Series A common stock for its own account. Any of these activities may maintain or otherwise affect the market price of our Series A common stock. As a result, the price of our Series A common stock may be higher than the price that otherwise might exist in the open market. If commenced, these activities may be discontinued at any time. The forward sale agreements are scheduled to be settled in the second half of 2013 and in 2014, unless settled earlier pursuant to the acceleration provisions of those agreements.

We have agreed not to effect any public sale or distribution of any of our equity securities or of any security convertible into or exchangeable or exercisable for any of our equity securities until December 8, 2003. This agreement does not prevent the conversion or exchange of any securities pursuant to their terms into or for other securities.

Each of the selling securityholder and Comcast Corporation have agreed for the period ending on the date that is thirty trading days after the date of this prospectus supplement, it will not, without the prior written consent of the Forward Bank on behalf of the Forward Bank and Goldman, Sachs & Co.:

offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of our Series A common stock or any securities convertible into or exercisable or exchangeable for Series A common stock; or

enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Series A common stock;

whether any such transaction described above is to be settled by delivery of Series A common stock or such other securities, in cash or otherwise.

Goldman, Sachs & Co. proposes to offer the shares from time to time for sale in transactions, including block sales, on the New York Stock Exchange, to dealers in negotiated transactions, in the over-the-counter market, in other negotiated transactions or otherwise. The shares will be sold at market prices prevailing at the time of sale or at negotiated prices. In connection with the sale of the shares, Goldman, Sachs & Co. may receive from purchasers of the shares normal brokerage commissions in amounts agreed with such purchasers.

We, the selling securityholder and Comcast Corporation have agreed to indemnify Goldman, Sachs & Co. and the Forward Bank under the registration agreement against liabilities relating to this offering, including liabilities under the Securities Act, and to contribute to payments that they may be required to make in that respect.

We estimate that the total expenses of this offering payable by us will be $150,000, which includes legal, accounting and printing costs and various other fees associated with the offering.

Subsequent to the determination of the terms of the forward sale agreements, we agreed to purchase 25,000,000 shares of our Series A common stock from Goldman, Sachs & Co. as underwriter.

From time to time in the ordinary course of their respective businesses, Goldman, Sachs & Co. and the Forward Bank and their respective affiliates have engaged in and may in the future engage in investment or commercial banking transactions with us or our affiliates. Because more than 10% of the net proceeds of this offering will be paid to an affiliate of the Forward Bank, this offering is being conducted in accordance with Rule 2710(c)(8) of the Conduct Rules of the National Association of Securities Dealers, Inc.

LEGAL MATTERS

The validity of the Series A common stock offered by this prospectus supplement and the accompanying prospectus and other legal matters are being passed upon for us by our counsel, Baker Botts L.L.P., New York, New York. Davis Polk & Wardwell, Menlo Park, California, is

representing Comcast Corporation and the selling securityholder in connection with this transaction. Sidley Austin Brown & Wood LLP, New York, New York, is representing the underwriters in connection with this transaction.

PROSPECTUS

LIBERTY MEDIA CORPORATION

217,709,773 Shares of

Series A Common Stock

and

$3,999,990,000 Principal Amount of

Floating Rate Senior Notes due 2006

This prospectus relates to 217,709,773 shares of our Series A common stock, par value $.01 per share, and $3,999,990,000 principal amount of our Floating Rate Senior Notes due 2006, which may be sold from time to time by the selling securityholders named herein.

The securities offered hereby were initially sold by us in a private placement to Comcast QVC, Inc., Comcast QVC Holdings III, Inc., Comcast QVC Holdings IV, Inc., Comcast QVC Holdings V, Inc. and Comcast QVC Holdings VI, Inc., each of which is an indirect wholly owned subsidiary of Comcast Corporation and all of which are collectively referred to as the selling securityholders, in connection with our purchase of their ownership interests in QVC, Inc.

The selling securityholders may offer and sell the securities offered hereby directly to purchasers or through underwriters, brokers, dealers or agents, who may receive compensation in the form of discounts, concessions or commissions. The securities may be sold in one or more transactions at fixed or negotiated prices or at prices based on prevailing market prices at the time of sale.

We will not receive any of the proceeds from the sale of the securities by the selling securityholders. We are, however, responsible for expenses incident to the registration under the Securities Act of 1933 of the offer and sale of the securities by the selling securityholders.

Our Series A common stock is listed on the New York Stock Exchange under the symbol "L". On September 18, 2003, the closing sale price of our Series A common stock on the NYSE was $10.90 per share.

Investing in our securities involves risks. You should carefully consider the matters described under the caption "Risk Factors" beginning on page 3 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is September 19, 2003

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COMPANY SUMMARY

The following summary highlights selected information included or incorporated by reference into this prospectus to help you understand our company. For a more complete understanding of our company and the securities being offered hereby, we encourage you to read this entire document carefully, including the "Risk Factors" section, and all of the documents that we incorporate by reference into this prospectus. All references to "Liberty," "we," "us" and words of similar effect refer to Liberty Media Corporation and, unless the context otherwise requires, its consolidated subsidiaries.

Our Company

We own interests in a broad range of video programming, broadband distribution, interactive technology services and communications businesses. We and our affiliated companies operate in the United States, Europe, South America and Asia. Our principal assets include interests in QVC, Inc., Starz Encore Group LLC, Ascent Media Group, Inc., On Command Corporation, Discovery Communications, Inc., UnitedGlobalCom, Inc., Jupiter Telecommunications Co., Ltd., Court Television Network, Game Show Network, AOL Time Warner Inc., InterActiveCorp, Sprint PCS Group and The News Corporation Limited.

Our principal executive offices are located at 12300 Liberty Boulevard, Englewood, Colorado 80112. Our main telephone number is (720) 875-5400, and our company website is *www.libertymedia.com*.

Acquisition of Comcast's Indirect Ownership Interests in QVC

On September 17, 2003, we purchased from subsidiaries of Comcast Corporation all of Comcast's approximate 56% indirect ownership interest in QVC, Inc. for a purchase price of approximately $7.9 billion. We paid the purchase price by delivering approximately $1.35 billion in cash and issuing 217,709,773 shares of our Series A common stock and $3,999,990,000 principal amount of our Floating Rate Senior Notes due 2006 to Comcast QVC, Inc., a wholly owned subsidiary of Comcast, and its wholly owned subsidiaries, Comcast QVC Holdings III, Inc., Comcast QVC Holdings IV, Inc., Comcast QVC Holdings V, Inc. and Comcast QVC Holdings VI, Inc. QVC is an electronic retailer, marketing a wide variety of brand name products in such categories as home furnishing, fashion, beauty, electronics and fine jewelry. As of July 15, 2003, we entered into a registration rights agreement with Comcast and Comcast QVC, pursuant to which we agreed to file a registration statement covering public resales of the shares of Series A common stock and the notes issued at the closing of the acquisition. This prospectus forms a part of that registration statement. For more information regarding the acquisition, please see "Selling Securityholders."

Sale of Senior Notes

On September 17, 2003, we sold $1.35 billion aggregate principal amount of our 3.50% Senior Notes due September 25, 2006 pursuant to an underwriting agreement previously entered into with Merrill Lynch & Co. We used the proceeds from the sale of the notes to fund a portion of the cash purchase price we paid to subsidiaries of Comcast upon the closing of our acquisition of QVC.

Ratio of Earnings to Fixed Charges

The ratio of earnings to fixed charges of Liberty was 25.56 and 19.40 for the years ended December 31, 2000 and 1998, respectively, and 8.59 for the two months ended February 28, 1999. The ratio of earnings to fixed charges of Liberty was less than 1.00 for the six months ended June 30, 2003 and 2002, the years ended December 31, 2002 and 2001 and the ten months ended December 31, 1999; thus earnings available for fixed charges of Liberty were inadequate to cover fixed charges for these periods. The amount of the coverage deficiency was $584 million, $3,968 million, $4,722 million, $5,969 million and $2,253 million for the six months ended June 30, 2003 and 2002, the years ended December 31, 2002 and 2001 and the ten months ended December 31, 1999, respectively. For the ratio

calculations, earnings available for fixed charges consist of earnings (losses) before income taxes, minority interest and share of losses of affiliates, plus interest expense (including amortization of capitalized expenses related to indebtedness), estimates of the interest within rental

expense (one-third of rental expense) and distributed income of equity affiliates. Fixed charges consist of:

interest expense (including amortization of capitalized expenses related to indebtedness); and

estimates of the interest within rental expense (one-third of rental expense).

Risk Factors

An investment in our securities involves risks. See "Risk Factors" beginning on page 3 for a discussion of factors you should carefully consider before deciding to purchase our securities.

RISK FACTORS

An investment in our securities involves risk. You should carefully consider the following factors, as well as the other information included in this prospectus and in the documents we have incorporated by reference before deciding to purchase our securities. Any of the following risks could have a material adverse effect on the value of our securities.

Factors Relating to our Company

We depend on a limited number of potential customers for carriage of our programming services. The cable television and direct-to-home satellite industries are currently undergoing a period of consolidation. As a result, the number of potential buyers of our programming services and those of our business affiliates is decreasing. Until August of 2001, we were a subsidiary of AT&T Corp. AT&T's cable television subsidiaries, which operated under the name AT&T Broadband, were parties to a combination with Comcast on November 18, 2002. At the time of that combination, AT&T Broadband was one of the two largest operators of cable television systems in the United States and, together with its cable television affiliates, was the largest single customer of our programming companies. With respect to some of our programming services and those of our business affiliates, this was the case by a significant margin. Today, the combined companies operate the largest number of cable television systems in the United States. Many of the existing agreements between the former AT&T Broadband cable television subsidiaries and affiliates and the program suppliers owned by or affiliated with us were entered into with Tele-Communications, Inc., prior to its merger with AT&T in March of 1999. We were a subsidiary of TCI at the time of that merger. There can be no assurance that our owned and affiliated program suppliers will be able to negotiate renewal agreements with those cable television subsidiaries and affiliates on commercially reasonable terms or at all. Although AT&T agreed to extend any existing affiliation agreement of ours and our affiliates that expires on or before March 9, 2004 to a date not before March 9, 2009, that agreement is conditioned on mutual most favored nation terms being offered and the arrangements being consistent with industry practice. In addition, we cannot assure you as to what effect, if any, the combination of AT&T Broadband and Comcast will have on our programming arrangements with the cable subsidiaries and affiliates of the former AT&T Broadband. We are currently engaged in litigation with Comcast concerning certain of these programming arrangements.

The liquidity and value of our interests in our business affiliates may be adversely affected by shareholder agreements and similar agreements to which we are a party. We own equity interests in a broad range of domestic and international video programming and communications businesses. A significant portion of the equity securities we own is held pursuant to shareholder agreements, partnership agreements and other instruments and agreements that contain provisions that affect the liquidity, and therefore the realizable value, of those securities. Most of these agreements subject the transfer of the stock, partnership or other interests constituting equity securities to consent rights or rights of first refusal of the other shareholders or partners. In certain cases, a change in control of our company or of the subsidiary holding our equity interest will give rise to rights or remedies exercisable by other shareholders or partners, such as a right to initiate or require the initiation of buy/sell procedures. Some of our subsidiaries and business affiliates are parties to loan agreements that restrict changes in ownership of the borrower without the consent of the lenders. All of these provisions will restrict our ability to sell those equity securities and may adversely affect the price at which those securities may be sold. For example, in the event buy/sell procedures are initiated at a time when we are not in a financial position to buy the initiating party's interest, we could be forced to sell our interest at a price based upon the value established by the initiating party, and that price might be significantly less than what we might otherwise obtain.

We do not have the right to manage our business affiliates, which means we cannot cause those affiliates to operate in a manner that is favorable to us. We do not have the right to manage the businesses or

affairs of any of our business affiliates in which we have less than a majority voting interest. Rather, our rights may take the form of representation on the board of directors or a partners' or similar committee that supervises management or possession of veto rights over significant or extraordinary actions. The scope of our veto rights varies from agreement to agreement. Although our board representation and veto rights may enable us to exercise influence over the management or policies of an affiliate and enable us to prevent the sale of material assets by a business affiliate in which we own less than a majority voting interest or prevent it from paying dividends or making distributions to its shareholders or partners, they do not enable us to cause these actions to be taken.

Our business is subject to risks of adverse government regulation. Programming services, cable television systems and satellite carriers are subject to varying degrees of regulation in the United States by the Federal Communications Commission and other entities. Such regulation and legislation are subject to the political process and have been in constant flux over the past decade. In addition, substantially every foreign country in which we have, or may in the future make, an investment regulates, in varying degrees, the distribution and content of programming services and foreign investment in programming companies and wireline and wireless cable communications, satellite and telephony services. Further material changes in the law and regulatory requirements must be anticipated, and there can be no assurance that our business and the business of our affiliates will not be adversely affected by future legislation, new regulation or deregulation.

We may make significant capital contributions and loans to our subsidiaries and business affiliates to cover their operating losses and fund their development and growth, which could limit the amount of cash available to pay our own financial obligations to make acquisitions or investments. The development of video programming, communications and technology businesses involves substantial costs and capital expenditures. As a result, many of our business affiliates have incurred operating and net losses to date and are expected to continue to incur significant losses for the foreseeable future. Our results of operations include our, and our consolidated subsidiaries', share of the net earnings (losses) of affiliates. Our results of operations include $91 million, $(244) million, $(453) million, $(4,906) million and $(3,485) million for the six months ended June 30, 2003 and 2002, and the years ended December 31, 2002, 2001 and 2000, respectively, attributable to net earnings (losses) of affiliates.

We have assisted, and may in the future assist, our subsidiaries and business affiliates in their financing activities by guaranteeing bank and other financial obligations. At June 30, 2003, we had guaranteed various loans, notes payable, letters of credit and other obligations of certain of our subsidiaries and business affiliates totaling approximately $966 million.

To the extent we make loans and capital contributions to our subsidiaries and business affiliates or we are required to expend cash due to a default by a subsidiary or business affiliate of any obligation we guarantee, there will be that much less cash available to us with which to pay our own financial obligations or make acquisitions or investments.

If we fail to meet required capital calls to a subsidiary or business affiliate, we could be forced to sell our interest in that company, our interest in that company could be diluted or we could forfeit important rights. We are parties to shareholder and partnership agreements that provide for possible capital calls on shareholders and partners. Our failure to meet a capital call, or other commitment to provide capital or loans to a particular subsidiary or business affiliate, may have adverse consequences to us. These consequences may include, among others, the dilution of our equity interest in that company, the forfeiture of our right to vote or exercise other rights, the right of the other shareholders or partners to force us to sell our interest at less than fair value, the forced dissolution of the company to which we have made the commitment or, in some instances, a breach of contract action for damages against us. Our ability to meet capital calls or other capital or loan commitments is subject to our ability to access cash. See " We could be unable in the future to obtain cash in amounts sufficient to service our financial obligations" below.

Those of our business affiliates that operate offshore are subject to numerous operational risks. A number of our business affiliates operate primarily in countries other than the United States. Their businesses are thus subject to the following inherent risks:

- fluctuations in currency exchange rates;
- longer payment cycles for sales in foreign countries that may increase the uncertainty associated with recoverable accounts;

difficulties in staffing and managing international operations; and

political unrest that may result in disruptions of services that are critical to their businesses.

The economies in many of the operating regions of our international business affiliates have recently experienced recessionary conditions, which have adversely affected the financial condition of their businesses. The economies in many of the operating regions of our international business affiliates have recently experienced moderate to severe recessionary conditions, including Argentina, Chile, the United Kingdom, Germany and Japan, among others, which has strained consumer and corporate spending and financial systems and financial institutions in these areas. As a result, our affiliates have experienced a reduction in consumer spending and demand for services coupled with an increase in borrowing costs, which has, in some cases, caused our affiliates to default on their own indebtedness. We cannot assure you that these economies will recover in the future or that continued economic weakness will not lead to further reductions in consumer spending or demand for services. We also cannot assure you that our affiliates in these regions will be able to obtain sufficient capital or credit to fund their operations.

We have taken significant impairment charges due to other than temporary declines in the market value of certain of our available for sale securities. We own equity interests in a significant number of publicly traded companies which we account for as available for sale securities. We are required by accounting principles generally accepted in the United States to determine, from time to time, whether a decline in the market value of any of those investments below our cost for that investment is other than temporary. If we determine that it is, we are required to write down our cost to a new cost basis, with the amount of the write-down accounted for as a realized loss in the determination of net income for the period in which the write-down occurs. We realized losses of $6,053 million, $4,101 million and $1,463 million for the years ended December 31, 2002, 2001 and 2000, respectively, and $27 million and $5,134 million for the six months ended June 30, 2003 and 2002, respectively, due to other than temporary declines in the fair value of certain of our available for sale securities, and we may be required to realize further losses of this nature in future periods. We consider a number of factors in determining the fair value of an investment and whether any decline in an investment is other than temporary. As our assessment of fair value and any resulting impairment losses requires a high degree of judgment and includes significant estimates and assumptions, the actual amount we may eventually realize for an investment could differ materially from our assessment of the value of that investment made in an earlier period.

We could be unable in the future to obtain cash in amounts sufficient to service our financial obligations. Our ability to meet our financial obligations depends upon our ability to access cash. We are a holding company, and our sources of cash include our available cash balances, net cash from operating activities, dividends and interest from our investments, availability under credit facilities and proceeds from asset sales. We cannot assure you that we will maintain significant amounts of cash, cash equivalents or marketable securities in the future.

We obtained from one of our subsidiaries net cash in the form of dividends in the amount of $8 million, $23 million and $5 million in calendar years 2002, 2001 and 2000, respectively. We did not obtain any cash from our subsidiaries during the six months ended June 30, 2003. The ability of our operating subsidiaries to pay dividends or to make other payments or advances to us depends on their

individual operating results and any statutory, regulatory or contractual restrictions to which they may be or may become subject. Some of our subsidiaries are subject to loan agreements that restrict sales of assets and prohibit or limit the payment of dividends or the making of distributions, loans or advances to shareholders and partners.

We generally do not receive cash, in the form of dividends, loans, advances or otherwise, from our business affiliates. In this regard, we do not have sufficient voting control over most of our business affiliates to cause those companies to pay dividends or make other payments or advances to their partners or shareholders, including us.

We are subject to bank credit agreements that contain restrictions on how we finance our operations and operate our business, which could impede our ability to engage in transactions that would be beneficial to us. Our subsidiaries are subject to significant financial and operating restrictions contained in outstanding credit facilities. These restrictions will affect, and in some cases significantly limit or prohibit, among other things, the ability of our subsidiaries to:

borrow more funds;

pay dividends or make other distributions;

make investments;

engage in transactions with affiliates; or

create liens on their assets.

The restrictions contained in these credit agreements could have the following adverse effects on us, among others:

we could be unable to obtain additional capital in the future to:

fund capital expenditures or acquisitions that could improve the value of our company;

permit us to meet our loan and capital commitments to our business affiliates;

allow us to help fund the operating losses or future development of our business affiliates; or

allow us to conduct necessary corporate activities;

we could be unable to access the net cash of our subsidiaries to help meet our own financial obligations;

we could be unable to invest in companies in which we would otherwise invest; and

we could be unable to obtain lower borrowing costs that are available from secured lenders or engage in advantageous transactions that monetize our assets.

In addition, some of the credit agreements to which our subsidiaries are parties require them to maintain financial ratios, including ratios of total debt to operating cash flow and operating cash flow to interest expense. If our subsidiaries fail to comply with the covenant restrictions contained in the credit agreements, that failure could result in a default that accelerates the maturity of the indebtedness under those agreements. Such a default could also result in indebtedness under other credit agreements and certain debt securities becoming due and payable due to the existence of cross-default or cross-acceleration provisions of these credit agreements and in the indenture governing these debt securities.

As of June 30, 2003, the subsidiary of our company that operates the DMX Music service was not in compliance with three covenants contained in its bank loan agreement, under which it has $89 million outstanding. Although the subsidiary and the participating banks have entered into a

forbearance agreement whereby the banks have agreed to forbear from exercising certain default-related remedies against the subsidiary through March 31, 2004, we cannot assure you that the subsidiary will be able to regain covenant compliance or refinance the bank loan or that the banks will not eventually seek to exercise their remedies. Another consolidated subsidiary of our company, On Command Corporation, reached agreement with its bank lenders to postpone until October 1, 2003 a step down of the leverage ratio covenant of its bank facility. In the absence of this postponement, On Command would not have been in compliance with the leverage ratio covenant at June 30, 2003. At June 30, 2003, On Command had $266 million of borrowings outstanding under its bank facility.

Factors Relating to our Series A Common Stock

Our stock price may decline significantly because of stock market fluctuations that affect the price of the public companies in which we have ownership interests. The stock market has recently experienced significant price and volume fluctuations that have affected the market prices of securities of media and other technology companies. We own equity interests in many media and technology companies. If market fluctuations cause the stock price of these companies to decline, our stock price may decline.

Our stock price has fluctuated significantly over the last year. During the past year, the stock market has experienced significant price and volume fluctuations that have affected the market prices of our stock. In the future, our stock price may be materially affected by, among other things:

- actual or anticipated fluctuations in our operating results or those of the companies in which we invest;
- potential acquisition activity by our company or the companies in which we invest;
- changes in financial estimates by securities analysts regarding our company or companies in which we invest; or
- general market conditions.

It may be difficult for a third party to acquire us, even if doing so may be beneficial to our shareholders. Certain provisions of our restated certificate of incorporation and bylaws may discourage, delay or prevent a change in control of our company that a shareholder may consider favorable. These provisions include the following:

- authorizing a dual class structure, which entitles the holders of our Series B common stock to ten votes per share and the holders of our Series A common stock to one vote per share;
- authorizing the issuance of "blank check" preferred stock that could be issued by our board of directors to increase the number of outstanding shares and thwart a takeover attempt;
- classifying our board of directors with staggered three-year terms, which may lengthen the time required to gain control of our board of directors;
- limiting who may call special meetings of shareholders;
- prohibiting shareholder action by written consent, thereby requiring all shareholder actions to be taken at a meeting of the shareholders; and
- establishing advance notice requirements for nominations of candidates for election to the board of directors or for proposing matters that can be acted upon by shareholders at shareholder meetings.

Our chairman, John C. Malone, holds the power to direct the vote of approximately 44% of our outstanding voting power, including the power to direct the vote of approximately 94% of the outstanding shares of our Series B common stock. Dr. Malone holds a portion of his voting power over our Series B common stock pursuant to a shareholders agreement with the Estate of Bob Magness,

Gary Magness, the late Kim Magness and certain limited liability companies controlled by the Magnesses.

Section 203 of the Delaware General Corporation Law and our stock option plan may also discourage, delay or prevent a change in control of our company even if such change of control would be in the best interests of our shareholders.

Factors Relating to the Notes

Our holding company structure could restrict access to funds of our subsidiaries that may be needed to service the notes. Creditors of our subsidiaries have a claim on their assets that is senior to that of holders of the notes. We are a holding company with no significant assets other than our equity interests in our subsidiaries and business affiliates and cash, cash equivalents and marketable securities. We are the only company obligated to make payments under the notes. Our subsidiaries are separate and distinct legal entities and they have no obligation, contingent or otherwise, to pay any amounts due under the notes or to make any funds available for any of those payments.

All of the liabilities of our subsidiaries effectively rank senior to the notes to the extent of the value of the assets of our subsidiaries. A substantial portion of our consolidated liabilities consists of liabilities incurred by our subsidiaries. Moreover, the indenture governing the notes does not limit the amount of indebtedness that may be incurred by our subsidiaries in the future. Our rights and those of our creditors, including holders of the notes, to participate in the distribution of assets of any subsidiary upon the latter's liquidation or reorganization will be subject to prior claims of the subsidiary's creditors, including trade creditors, except to the extent we may be a creditor with recognized claims against the subsidiary. Where we are a creditor of a subsidiary, our claims will still be subject to the prior claims of any secured creditor of that subsidiary and to the claims of any holder of indebtedness that is senior to our claim. As of June 30, 2003, the aggregate amount of the total liabilities of our consolidated subsidiaries was approximately $9,938 million, of which approximately $7,433 million was deferred income taxes.

We may secure our future indebtedness with the capital stock of our subsidiaries or other securities, in which case that indebtedness will effectively rank senior to the notes. The indenture governing the notes does not restrict our ability to pledge shares of capital stock or other securities that we own to secure indebtedness. To the extent we pledge shares of capital stock or other securities to secure indebtedness, the indebtedness so secured will effectively rank senior to the notes to the extent of the value of the shares or other securities pledged. The indenture also does not restrict the ability of our subsidiaries to pledge shares of capital stock or other assets that they own to secure indebtedness.

There is currently no active trading market for the notes. The notes were issued by us in a private placement as described elsewhere in this prospectus. As a result, at the date of this prospectus, there is no public trading market for the notes. If a liquid trading market does not develop or is not maintained, holders of the notes may experience difficulty in reselling the notes or may be unable to sell them at all. We cannot assure you that an active public market or other market for the notes will develop or be maintained.

The liquidity of any market for the notes will depend upon the number of holders of the notes, our operating performance, the interest of securities dealers in making a market in the notes and other factors. Furthermore, the market price for the notes may be subject to substantial fluctuations. Factors such as the following may have a significant effect on the market price of the notes:

actual or anticipated fluctuations in operating results;

our perceived business prospects;

general economic conditions, including prevailing interest rates; and

the market for similar securities.

CAUTIONARY STATEMENTS CONCERNING FORWARD LOOKING STATEMENTS

Certain statements in this prospectus constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. To the extent that such statements are not recitations of historical fact, such statements constitute forward-looking statements which, by definition, involve risks and uncertainties. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the statement of expectation or belief will result or be achieved or accomplished. The following include some but not all of the factors that could

cause actual results or events to differ materially from those anticipated:

- general economic and business conditions and industry trends;
- spending on domestic and foreign television advertising;
- the regulatory and competitive environment of the industries in which we, and the entities in which we have interests, operate;
- continued consolidation of the broadband distribution industry;
- uncertainties inherent in new business strategies, new product launches and development plans;
- rapid technological changes;
- the acquisition, development and/or financing of telecommunications networks and services;
- the development and provision of programming for new television and telecommunications technologies;
- future financial performance, including availability, terms and deployment of capital;
- the ability of vendors to deliver required equipment, software and services;
- the outcome of any pending or threatened litigation;
- availability of qualified personnel;
- changes in, or failure or inability to comply with, government regulations, including, without limitation, regulations of the Federal Communications Commission, and adverse outcomes from regulatory proceedings;
- changes in the nature of key strategic relationships with partners and joint venturers;
- competitor responses to our products and services, and the products and services of the entities in which we have interests, and the overall market acceptance of such products and services; and
- threatened terrorist attacks and ongoing military action, including armed conflict in the Middle East and other parts of the world.

These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this prospectus, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based.

USE OF PROCEEDS

We will not receive any of the proceeds from the sale of any of our securities by the selling securityholders.

SELLING SECURITYHOLDERS

General

The securities being offered by this prospectus were sold by us to the selling securityholders in a private placement in connection with our purchase of all of Comcast's indirect ownership interests in QVC. The selling securityholders may offer and sell pursuant to this prospectus any or all of the shares of our Series A common stock and the notes owned by them and offered hereby in accordance with one or more of the methods of distribution described under the caption "Plan of Distribution."

The selling securityholders may sell up to 217,709,773 shares of our Series A common stock and up to $3,999,990,000 principal amount of our Floating Rate Senior Notes due 2006 pursuant to this prospectus. These shares represent approximately 7.5% of the outstanding shares of our common stock, as of April 30, 2003 after giving effect to the issuance of those shares. Because the selling securityholders may sell all or some of these securities from time to time under this prospectus, no estimate can be given at this time as to the number or type of our securities that will be held by the selling securityholders following any sale of securities by them.

Control Persons of the Selling Securityholders

According to available public filings, as of February 28, 2003, Brian L. Roberts, the Chief Executive Officer of Comcast, beneficially owns capital stock of Comcast representing over 33 1/3% of Comcast's outstanding voting interests. Each of the selling securityholders is an indirect wholly owned subsidiary of Comcast.

Relationships with the Selling Securityholders

Acquisition of Comcast's Indirect Ownership Interests in QVC

As of February 9, 1995, Comcast, Liberty, QVC and certain of their affiliates entered into an amended and restated stockholders agreement relating to their respective indirect ownership interests in QVC. This stockholders agreement provided an exit procedure relating to Liberty's and Comcast's respective indirect ownership interests in QVC pursuant to which, upon Liberty's initiation of the exit procedure, Comcast had the right to purchase Liberty's indirect interest at an agreed or appraised fair market value; if Comcast did not elect to buy, then Liberty would have the right to buy Comcast's indirect interest at the same valuation, and if neither elected to buy, QVC would be sold in a public auction and the proceeds distributed pro rata to Liberty and Comcast. On February 28, 2003, Liberty delivered to Comcast an exit notice which triggered the procedure described above.

On June 25, 2003, Comcast, Liberty and QVC entered into a letter agreement (which we refer to as the Buy-Sell Procedures Agreement) that superceded the exit procedure set forth in the stockholders agreement. Pursuant to the Buy-Sell Procedures Agreement, Liberty was to specify the value of the aggregate interests held, in each case indirectly, by Comcast (including those interests held by Comcast officers and directors) and Liberty in QVC. Comcast could then require Liberty (1) to sell its indirect interests in QVC to Comcast based upon the specified value or (2) to purchase Comcast's indirect interests in QVC based upon the specified value. On June 30, 2003, in accordance with the Buy-Sell Procedures Agreement, Liberty delivered a notice to Comcast setting out Liberty's determination of the value of Comcast's (including its officers' and directors') and Liberty's aggregate indirect ownership interests in QVC.

On July 3, 2003, Comcast informed Liberty that it had elected to require Liberty to purchase Comcast's indirect (including its officers' and directors') interests in QVC in accordance with the provisions of a stock purchase agreement, dated as of June 30, 2003, among Liberty, Comcast, Comcast QVC and QVC. Under the terms of the stock purchase agreement, the purchase price of approximately $7.9 billion for Comcast's indirect interests in QVC could be paid to Comcast QVC (and its designees), at Liberty's option, in Liberty's Series A common stock, notes, cash or a combination thereof.

As of July 15, 2003, in accordance with the terms of the stock purchase agreement, Liberty, Comcast and Comcast QVC entered into a registration rights agreement pursuant to which Liberty agreed to file the registration statement, of which this prospectus forms a part, covering the resale of the securities that were issued at closing.

On September 17, 2003, we acquired Comcast's indirect interests in QVC in accordance with the foregoing agreements. At the closing, we paid the purchase price by delivering approximately $1.35 billion in cash and issuing 217,709,773 shares of our Series A common stock and $3,999,990,000 principal amount of our Floating Rate Senior Notes due 2006 to Comcast QVC and certain of its subsidiaries.

Other

Until August of 2001, we were a subsidiary of AT&T Corp. AT&T's cable television subsidiaries, which operated under the name AT&T Broadband, were parties to a combination with Comcast on November 18, 2002. At the time of that combination, AT&T Broadband was one of the two largest operators of cable television systems in the United States and, together with its cable television affiliates, was the largest single customer of our programming companies. With respect to some of our programming services and those of our business affiliates, this was the case by a significant margin. Today, the combined companies operate the largest number of cable television systems in the United States and purchase programming services from certain of our subsidiaries and business affiliates. We are currently engaged in litigation with Comcast concerning certain of these programming arrangements. For more information, please see "Risk Factors Factors Relating to Our Company We depend on a limited number of potential customers for carriage of our programming services."

PLAN OF DISTRIBUTION

The selling securityholders, including some of their transferees who may later hold their interest in the securities covered by this prospectus and who are otherwise entitled to resell the securities using this prospectus, may sell the securities covered by this prospectus from time to time in any legal manner selected by the selling securityholders, including directly to purchasers or through underwriters, broker-dealers or agents, who may receive compensation in the form of discounts, concessions or commissions from the selling securityholders or the purchasers. These discounts, concessions or commissions as to any particular underwriter, broker-dealer or agent may be in excess of those customary in the types of transactions involved. The selling securityholders will act independently of us in making decisions with respect to the timing, manner and size of each sale of the securities covered by this prospectus.

The selling securityholders have advised us that the securities may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of sale, at prices related to the prevailing market prices, at varying prices determined at the time of sale and/or at negotiated prices. These sales may be effected in one or more transactions, including:

- on the New York Stock Exchange;
- in the over-the-counter market;
- in transactions otherwise than on the New York Stock Exchange or in the over-the-counter market; or
- any combination of the foregoing.

In addition, the selling securityholders may also enter into hedging and/or monetization transactions. For example, the selling securityholders may:

- enter into transactions with a broker-dealer or affiliate of a broker-dealer or other third party in connection with which that other party will become a selling securityholder and engage in short sales of securities under this prospectus, in which case the other party may use securities received from the selling securityholders to close out any short positions;

sell short the securities under this prospectus and use the securities held by it to close out any short position;

enter into options, forwards or other transactions that require the selling securityholders to deliver, in a transaction exempt from registration under the Securities Act, the securities to a broker-dealer or an affiliate of a broker-dealer or other third party who may then become a selling securityholder and publicly resell or otherwise transfer the securities under this prospectus; or

loan or pledge the securities to a broker-dealer or an affiliate of a broker-dealer or other third party who may then become a selling securityholder and sell the loaned securities or, upon an event of default in the case of a pledge, become a selling securityholder and sell the pledged securities, under this prospectus.

The selling securityholders have advised us that they have not entered into any agreements, arrangements or understandings with any underwriter, broker-dealer or agent regarding the sale of their securities. However, we are required, under the registration rights agreement relating to the securities being sold under this prospectus, to enter into customary underwriting and other agreements in connection with the distribution of the securities under this prospectus, subject to some limitations. For more information regarding the registration rights agreement, see "Selling Securityholders Relationships with the Selling Securityholders." The specific terms of any such underwriting or other agreement will be disclosed in a supplement to this prospectus filed with the SEC under Rule 424(b)

under the Securities Act, or, if appropriate, a post-effective amendment to the registration statement of which this prospectus forms a part.

There can be no assurance that the selling securityholders will sell any or all of the securities pursuant to this prospectus. In addition, any securities covered by this prospectus that qualify for sale pursuant to Rule 144 of the Securities Act may be sold under Rule 144 rather than pursuant to this prospectus. There also can be no assurance that the selling securityholders will not transfer, devise or gift the securities by other means not described in this prospectus.

The aggregate proceeds to the selling securityholders from the sale of the securities offered by them will be the purchase price of the securities less discounts and commissions, if any. If the securities are sold through underwriters or broker-dealers, the selling securityholders will be responsible for underwriting discounts and commissions and/or agent's commissions. We will not receive any of the proceeds from the sale of the securities covered by this prospectus.

In order to comply with the securities laws of some states, if applicable, the securities may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in some states the securities may not be sold unless they have been registered or qualified for sale or any exemption from registration or qualification requirements is available and is complied with.

Any underwriters, broker-dealers or agents that participate in the sale of the securities may be deemed to be "underwriters" within the meaning of Section 2(a)(11) of the Securities Act. As a result, any profits on the sale of the securities by the selling securityholders and any discounts, commissions or concessions received by any such broker-dealers or agents may be deemed to be underwriting discounts and commissions under the Securities Act.

To the extent required, the securities to be sold, the names of the selling securityholders, the respective purchase prices and public offering prices, the names of any agent, dealer or underwriter, and any applicable commissions or discounts with respect to a particular offer will be set forth in an accompanying prospectus supplement or, if appropriate, a post-effective amendment to the registration statement of which this prospectus is a part.

We have agreed to indemnify the selling securityholders and their respective directors, officers and controlling persons against certain liabilities, including specified liabilities under the Securities Act, or to contribute with respect to payments which the selling securityholders may be required to make in respect of such liabilities. Comcast, on behalf of the selling securityholders, and Comcast QVC, on behalf of itself and the other selling securityholders, have agreed to indemnify us for liabilities arising under the Securities Act with respect to written information furnished to us by either of them or to contribute with respect to payments in connection with such liabilities.

We have agreed to pay all of the costs, fees and expenses incident to our registration of the resale of the selling securityholders' securities, excluding any legal fees of the selling securityholders and commissions, fees and discounts of underwriters, brokers, dealers and agents.

Under our registration rights agreement with Comcast and Comcast QVC, we will use our commercially reasonable efforts to keep the registration statement of which this prospectus is a part continuously effective until no securities are subject to the registration rights agreement. This obligation is subject to customary suspension periods and other specified, permitted exceptions. In these cases, we may suspend offers and sales of the securities pursuant to the registration statement to which this prospectus relates.

DESCRIPTION OF THE NOTES

General

The Floating Rate Senior Notes due 2006 have been issued as a separate series of securities under an indenture dated as of July 7, 1999, between Liberty and The Bank of New York, as trustee, as supplemented by an amended and restated thirteenth supplemental indenture, dated as of September 17, 2003. When we refer to the indenture, we mean the indenture as supplemented by the amended and restated thirteenth supplemental indenture. The terms of the notes include those stated in the indenture and those terms made part of the indenture by reference to the Trust Indenture Act of 1939, as amended. The following summary of certain provisions of the indenture and the notes does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the indenture. A copy of the indenture is available upon request from Liberty. Capitalized terms used and not otherwise defined in this section have the meanings ascribed to them in the indenture.

The Floating Rate Senior Notes due 2006 constitute a separate series of senior debt securities under the indenture. The notes are unsecured senior obligations of Liberty and are limited to $3,999,990,000 principal amount. They will mature on September 17, 2006 unless earlier redeemed by us. The stated maturity of the notes is not a business day. Principal and interest payable at maturity will be made on the next business day, without interest or any other payment being made on account of the delay. The notes are not entitled to any sinking fund.

The indenture does not contain any provision that restricts the ability of Liberty to incur additional indebtedness. Subject to the limitations set forth under " Successor Corporation" below, Liberty may enter into transactions, including a sale of all or substantially all of its assets, a merger or a consolidation, that could substantially increase the amount of Liberty's indebtedness or substantially reduce or eliminate its assets, and which may have an adverse effect on Liberty's ability to service its indebtedness, including the notes.

Liberty will make payments of principal and interest on the notes through the trustee to the depositary, as the registered holder of the notes. See " Form, Denomination and Registration" below. Liberty will not have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the global notes registered in the name of the depositary or its nominee, or for maintaining, supervising or reviewing any records relating to those beneficial ownership interests.

If any payment of interest on the notes is to be made on a day that is not a business day, that payment will be made on the next business day, and the applicable interest period will be extended to such next business day, unless such business day falls in the next calendar month, in which case the Interest Period shall end on the next preceding business day, and except in the case of the stated maturity (as described above). A business day means any day that is not a Saturday, Sunday or legal holiday on which banking institutions or trust companies in The City of New York are authorized or obligated by law or regulation to close.

With respect to any notes held in certificated form, Liberty will make payments of principal and interest on the notes to the registered holders thereof as described in this paragraph. Liberty will make payments due on the maturity date in immediately available funds upon presentation and surrender by the holder of a certificated note at the office or agency maintained by Liberty for this purpose in the Borough of Manhattan, The City of New York, which is expected to be the office of the trustee at 101 Barclay Street, New York, N.Y. 10286. Liberty will pay interest due on a certificated note on any interest payment date other than the maturity date by check mailed to the address of the holder entitled to the payment as his address shall appear in the security register of Liberty. Notwithstanding the foregoing, a holder of $10 million or more in aggregate original principal amount of such certificated notes will be entitled to receive such payments, on any interest payment date other than the

maturity date, by wire transfer of immediately available funds if appropriate wire transfer instructions have been received in writing by the trustee not less than 15 calendar days prior to the interest payment date. Any wire transfer instructions received by the trustee will remain in effect until revoked by the holder. Any interest due and not punctually paid or duly provided for on any such certificated note on any interest

payment date other than the maturity date will cease to be payable to the holder of that note as of the close of business on the related record date and may either be paid (1) to the person in whose name such certificated note is registered at the close of business on a special record date for the payment of the defaulted interest that is fixed by Liberty, written notice of which will be given to the holders of the notes not less than 30 calendar days prior to the special record date, or (2) at any time in any other lawful manner.

All moneys paid or made by Liberty to the trustee or any paying agent for the payment of principal and interest on any certificated note which remain unclaimed for two years after the payment or making thereof may be repaid or returned to Liberty and, thereafter, the holder of the note may look only to Liberty for payment.

Each note that is sold pursuant to this prospectus will be issued in book-entry form (a "book-entry note") in minimum denominations of $1,000 original principal amount and integral multiples thereof. Each book-entry note will be represented by one or more global notes in fully registered form, registered in the name of The Depository Trust Company, which is referred to in this prospectus as "DTC" or the "depositary," or its nominee. Beneficial interests in the global notes are shown on, and transfers thereof are effected only through, records maintained by DTC and its participants. See " Form, Denomination and Registration."

Book-entry notes may be transferred only through the depositary. See " Form, Denomination and Registration." Registration of transfer of certificated notes will be made at the office or agency maintained by Liberty for this purpose in the Borough of Manhattan, The City of New York, currently the office of the trustee at 101 Barclay Street, New York, New York 10286. Neither Liberty nor the trustee will charge a service charge for any registration of transfer of notes, but Liberty may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer.

Ranking and Holding Company Structure

The notes, which constitute unsecured senior indebtedness of Liberty, rank equally with Liberty's existing and future unsubordinated unsecured indebtedness, and senior in right of payment to all subordinated indebtedness of Liberty. The notes are effectively subordinated to all secured indebtedness of Liberty, to the extent of the value of the assets securing that indebtedness, and to all liabilities of Liberty's subsidiaries to the extent of the value of the assets of Liberty's subsidiaries. As of June 30, 2003, we had no secured indebtedness and our consolidated subsidiaries had outstanding $9,938 million of liabilities, all of which would effectively rank senior to the notes. See "Risk Factors Factors Relating to the Notes Our holding company structure could restrict access to funds of our subsidiaries that may be needed to service the notes."

Liberty is a holding company and is largely dependent on dividends, distributions and other payments from its subsidiaries and business affiliates and other investments to meet its financial obligations, and will be dependent on those payments to meet its obligations under the notes. Liberty's subsidiaries and business affiliates have no obligation, contingent or otherwise, to pay any amounts due under the notes or to make any funds available for any of those payments. See "Risk Factors Factors Relating to Our Company We could be unable in the future to obtain a sufficient amount of cash with which to service our financial obligations."

Form, Term and Denomination

The notes initially issued to the selling securityholders, which we refer to as the "initial purchaser notes," have been issued in the form of one or more global notes registered in the name of the depositary or its nominee and made eligible for book-entry transfer. Interests in each initial purchaser note may only be transferred in connection with a sale of such interest to a third party, at which time the beneficial interest in the initial purchaser note will be exchanged for a beneficial interest in one or more "publicly held global notes." Interests in each publicly held global note will be transferable as described in this prospectus. No selling securityholder nor Comcast nor any of their respective affiliates may hold a beneficial interest in a publicly held global note.

So long as the depositary or its nominee is the registered owner of a global note, the depositary or its nominee, as the case may be, will be the sole holder of the notes represented by the global note for all purposes under the indenture. Except as otherwise provided in this section, the beneficial owners of the global notes representing the notes will not be entitled to receive physical delivery of certificated notes and will not be considered the holders of the notes for any purpose under the indenture, and no global note representing the book-entry notes will be exchangeable or transferable. Accordingly, each beneficial owner must rely on the procedures of the depositary and, if the beneficial owner is not a participant of the depositary, then the beneficial owner must rely on the procedures of the participant through which the beneficial owner owns its interest in order to exercise any rights of a holder under the global notes or the indenture. The laws of some jurisdictions may require that certain purchasers of notes take physical delivery of the notes in certificated form. Such limits and laws may impair the ability to transfer beneficial interests in a global note representing the notes.

Book-entry notes will not be exchangeable for notes issued in fully registered certificated form, unless:

the depositary notifies Liberty that it is unwilling or unable to continue as depositary for the global notes;

the depositary ceases to be a clearing agency registered under the Securities Exchange Act;

Liberty in its sole discretion determines that the book-entry notes shall be exchangeable for certificated notes; or

there shall have occurred and be continuing an event of default under the indenture with respect to the notes.

Upon any exchange, such certificated notes shall be registered in the names of the beneficial owners of the global notes representing the notes, which names shall be provided by the depositary's relevant participants (as identified by the depositary) to the trustee.

Interest

Liberty will pay interest on the notes on the last day of each Interest Period, which is March 15, June 15, September 15 and December 15 of each year (each, an Interest Payment Date), beginning (1) in the case of an initial purchaser note, on December 15, 2003, and (2) in the case of a publicly held global note initially issued (following the sale of a beneficial interest in an initial purchaser note exchanged therefor) at any time during an Interest Period, on the next succeeding Interest Payment Date. Interest on the outstanding principal amount of the notes shall accrue at a rate per annum equal to LIBOR for the related Interest Period plus the Margin (as defined below) from the date of their initial issuance (which shall be (x) in the case of an initial purchaser note, September 17, 2003, and (y) in the case of a publicly held global note, the date on which the sale by a selling securityholder of a beneficial interest in an initial purchaser note, which was exchanged for a beneficial interest in such publicly held global note, is recorded by the Depository). Interest shall be paid to the persons in whose

names the notes are registered at the close of business on the March 1, June 1, September 1 or December 1 (each an Interest Record Date) next preceding each Interest Payment Date.

Interest payable at maturity, or upon any earlier redemption by us, will be payable to the person to whom principal shall be payable on that date. Interest on the notes is calculated on the basis of the actual number of days elapsed in an Interest Period divided by 360.

If Liberty defaults in the payment of any principal or interest on the notes when due, Liberty will pay interest on the notes, upon the demand of the holders of all beneficial interests in the outstanding notes, at a rate per annum equal to the sum of 2% plus the higher for any day of (x) the interest rate applicable to the notes at the time at which such payment was due and not paid, and (y) the sum of the Prime Rate for such date and the Margin applicable to such notes. From and following such time as Liberty cures the default, the interest rate described in this paragraph shall cease to apply to the notes, and the notes shall accrue interest at the interest rate applicable to the notes at the time at which the cured default occurred.

For purposes of this description, the following terms have the meanings assigned thereto:

"*Interest Period*" means, with respect to any notes, the period beginning (A) on the date of initial issuance of such notes, in the case of the first Interest Period, or (B) on the last day of the immediately preceding Interest Period, for any subsequent Interest Period, and ending on the next regularly scheduled Interest Payment Date; *provided* that if an Interest Period would otherwise end (x) on a day which is not a business day, it shall be extended to the next succeeding business day unless such business day falls in the next calendar month, in which case the Interest Period shall end on the next preceding business day and (y) after the maturity of the notes, it shall end on the maturity date of the notes.

"*Investment Grade*" means (A) with respect to Moody's, a rating category of Baa3 or higher, and (B) with respect to S&P, a rating category of BBB or higher.

"*LIBOR*" means, for any Interest Period, a rate determined at approximately 11:00 a.m., London time, two London business days before the beginning of such Interest Period (for any Interest Period, the "determination time") on the following basis:

the rate appearing on Telerate Page 3750 (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the trustee from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at the determination time as the rate for dollar deposits with a maturity comparable to such Interest Period; and

if such rate is not available at such time for any reason, then the arithmetic mean (rounded upward, if necessary, to the nearest $^{1}/_{16}$ of 1%) of the offered rates for deposits in U.S. dollars, for a period comparable to such Interest Period and in an amount approximately equal to the principal amount of the notes, quoted at the determination time, as such rates appear on the display designated as page "LIBO" on the Reuters Monitor Money Rates Service (or such other page as may replace the "LIBO" page on that service for the purpose of displaying London interbank offered rates of major banks).

If neither rate is available at such time for any reason, then "LIBOR" with respect to such Interest Period shall be the average (rounded upward, if necessary, to the next higher $^{1}/_{16}$ of 1%) of the respective rates per annum at which dollar deposits of $5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of JPMorgan Chase Bank at the determination time.

"*London Business Day*" means any day other than a Saturday, Sunday or legal holiday on which banking institutions or trust companies in London are authorized or obligated by law or regulation to close.

"*Margin*" means 1.50%; *provided, however*, that from June 30, 2003 until the maturity date, in the event that either of Moody's or S&P shall publicly announce a change (whether upwards, reflecting an increase in creditworthiness, or downwards, reflecting a decrease in creditworthiness,) in the senior unsecured debt rating of Liberty, the number of basis points representing the Margin immediately prior to the time of such public announcement shall be adjusted as follows: (i) for each increase in rating category by Moody's the Margin shall be adjusted downward by 25 basis points; (ii) for each increase in rating category by S&P the Margin shall be adjusted downward by 25 basis points; (iii) for each decrease in rating category by Moody's the Margin shall be adjusted upward by 25 basis points; and (iv) for each decrease in rating category by S&P the Margin shall be adjusted upward by 25 basis points; *provided,* that any such rating change which results in our company either ceasing to be Investment Grade or ceasing to be non-Investment Grade shall (in lieu of a 25 basis point change) result in an increase or decrease, as the case may be, of 37.5 basis points. Notwithstanding the provisos in the immediately preceding sentence, any upwards rating change shall only effect a reduction in the Margin to the extent of any previous increase in the Margin resulting from a ratings downgrade by Moody's and/or S&P. At such time as any initial purchaser notes are sold by a selling securityholder, the Margin for the publicly held global notes exchanged therefor for the remaining term of such publicly held global notes shall be fixed at the Margin in effect immediately prior to the initial issuance of such publicly held global notes.

"*Moody's*" means Moody's Investors Service, Inc. or any successor rating agency.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by JP Morgan Chase Bank as its prime rate in effect at its principal office in New York City. Each change in the Prime Rate will be effective for purposes hereof from and including the date such change is publicly announced as being effective.

"*S&P*" means Standard & Poor's Ratings Group or any successor rating agency.

Optional Redemption

The notes are redeemable by us prior to maturity, in whole or in part, at any time or from time to time, on at least 30 days but not more than 60 days prior notice mailed to the address of each registered holder of notes. The redemption prices with respect to the publicly held global notes will be equal to the greater of (x) 100% of the principal amount to be prepaid and (y) the sum of the present values of the remaining scheduled payments of the principal amount to be repaid and interest thereon (assuming that LIBOR through maturity would remain constant as of the prepayment date), exclusive of accrued but unpaid interest to the date of prepayment, discounted to the prepayment date on a bond-equivalent yield basis (using the same interest rate convention as that used in computing interest on the notes) and at a rate per annum equal to LIBOR as of the prepayment date plus 25 basis points, plus in each case accrued and unpaid interest thereon to the date of prepayment. The redemption prices with respect to the initial purchaser notes will be equal to 100% of the principal amount to be prepaid, plus accrued and unpaid interest thereon to the date of prepayment.

On or prior to the redemption date, we will irrevocably deposit with the trustee sufficient funds to pay the redemption price for all notes being redeemed at that date. If the redemption date is not a business day, then the redemption price will be payable on the next business day, without any interest or other payment being made in respect of the delay.

Once a notice of redemption is given, the notes which have been called for redemption will cease to be transferable. Once a notice of redemption is given and the paying agent holds money sufficient to

pay the redemption amount of the notes on the redemption date, then immediately after the redemption date, the notes called for redemption will cease to be outstanding, interest on those notes will cease to accrue thereon and all rights of the holders of those notes will cease, except for the right of the holders to receive the redemption amount.

If we improperly withhold or refuse to pay the redemption price for the notes, (1) interest on the notes will continue to accrue (as if no redemption notice had been delivered with respect thereto) from the original redemption date to the actual date of payment, and (2) the restriction on transfer will be removed. In this case, the actual payment date will be considered the redemption date for purposes of calculating the redemption price.

Information Relating to the Depositary

The following is based on information furnished by the depositary:

The depositary will act as the depositary for the global notes. The global notes will be issued as fully registered notes registered in the name of Cede & Co., which is the depositary's partnership nominee.

The depositary is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. The depositary holds notes that its participants deposit with the depositary. The depositary also facilitates the settlement among participants of securities transactions, including transfers and pledges, in deposited notes through electronic computerized book-entry changes to participants' accounts, thereby eliminating the need for physical movement of note certificates. Direct participants of the depositary include securities brokers and dealers, including banks, trust companies, clearing corporations and certain other organizations. The depositary is owned by a number of its direct participants, including the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the depositary's system is also available to indirect participants, which includes securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to the depositary and its participants are on file with the SEC.

Purchases of notes under the depositary's system must be made by or through direct participants, which will receive a credit for the notes on the depositary's record. The ownership interest of each beneficial owner, which is the actual purchaser of each note, represented by global notes, is in turn to be recorded on the direct and indirect participants' records. Beneficial owners will not receive written confirmation from the depositary of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the global notes representing the notes are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners of the global notes representing the notes will not receive certificated notes representing their ownership interests therein, except in the event that use of the book-entry system for the notes is discontinued.

To facilitate subsequent transfers, all global notes representing the notes which are deposited with, or on behalf of, the depositary are registered in the name of the depositary's nominee, Cede & Co. The deposit of global notes with, or on behalf of, the depositary and their registration in the name of Cede & Co. effect no change in beneficial ownership. The depositary has no knowledge of the actual beneficial owners of the global notes representing the notes; the depositary's records reflect only the identity of the direct participants to whose accounts the notes are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by the depositary to direct participants, by direct participants to indirect participants, and by direct and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither the depositary nor Cede & Co. will consent or vote with respect to the global notes representing the notes. Under its usual procedure, the depositary mails an omnibus proxy to Liberty as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the notes are credited on the applicable record date (identified in a listing attached to the omnibus proxy).

Principal and/or interest payments on the global notes representing the notes will be made to the depositary. The depositary's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depositary's records unless the depositary has reason to believe that it will not receive payment on the date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with notes held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of the participant and not of the depositary, the trustee or Liberty, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and/or interest to the depositary is the responsibility of Liberty or the trustee, disbursement of the payments to direct participants will be the responsibility of the depositary, and disbursement of the payments to the beneficial owners will be the responsibility of direct and indirect participants.

The depositary may discontinue providing its services as securities depositary with respect to the notes at any time by giving reasonable notice to Liberty or the trustee. Under such circumstances, in the event that a successor securities depositary is not obtained, certificated notes are required to be printed and delivered.

Liberty may decide to discontinue use of the system of book-entry transfers through the depositary or a successor securities depositary. In that event, certificated notes will be printed and delivered.

Although the depositary has agreed to the procedures described above in order to facilitate transfers of interests in the global notes among participants of the depositary, it is under no obligation to perform or continue to perform these procedures, and these procedures may be discontinued at any time. Neither the trustee nor Liberty will have any responsibility for the performance by the depositary or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Beneficial interests in the global notes will trade in the depositary's same-day funds settlement system until maturity or earlier redemption, and secondary market trading activity in the global notes will therefore settle in immediately available funds, subject in all cases to the rules and operating procedures of the depositary. Transfers between participants in the depositary will be effected in the ordinary way in accordance with the depositary's rules and operating procedures and will be settled in same-day funds.