CRYOLIFE INC
Form S-3
November 21, 2008

As filed with the Securities and Exchange Commission on November 21, 2008

Registration No. 333-_____

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

CRYOLIFE, INC.
(Exact name of registrant as specified in its charter)

Florida	59-2417093
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

1655 Roberts Boulevard, NW, Kennesaw, Georgia 30144
(Address, including zip code, of registrant's principal executive offices)

Steven G. Anderson, President, Chief Executive Officer
and Chairman of the Board of Directors
CryoLife, Inc.
1655 Roberts Boulevard, NW
Kennesaw, Georgia 30144
(770) 419-3355
(Name and address, including zip code, and telephone number, including area code, of agent for service)

Copy to:

Jeffrey W. Burris, Esq., General Counsel CryoLife, Inc. 1655 Roberts Boulevard, NW Kennesaw, Georgia 30144 (770) 419-3355	B. Joseph Alley, Jr., Esq. Arnall Golden Gregory LLP Suite 2100 171 17th Street, NW Atlanta, Georgia 30363-1031 (404) 873-8500

Approximate Date of Commencement of Proposed Sale to the Public: From time to time after the effective date of this Registration Statement.

If the only securities being represented on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box: [ ]

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box: [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: [ ]

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box: [ ]

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box: [ ]

Indicate by a check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ¨	Accelerated filer ý
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered (1)	Proposed Maximum Aggregate Offering Price (2) (3)	Amount of Registration Fee (2)
Preferred Stock		
Depositary Shares (4)		
Common Stock (including attached preferred share purchase rights)		
Total	$ 50,000,000	$ 1,965 (5)

(1) Pursuant to Rule 416 under the Securities Act of 1933, as amended, the shares being registered hereunder include such indeterminate number of shares of common stock, preferred stock and depositary shares as may be issuable with respect to the shares being registered hereunder as a result of stock splits, stock dividends or similar transactions.

(2) Rule 457(o) under the Securities Act of 1933, as amended, permits the registration fee to be calculated on the basis of the maximum offering price of all of the securities listed and, therefore, the table does not specify by each class information as to the amount to be registered, the proposed maximum offering price per security or the amount of the registration fee. An indeterminate amount of preferred stock, depositary shares and common stock may be issued from time to time at indeterminate prices, with an aggregate offering price not to exceed $50,000,000.

(3) This registration statement also covers an indeterminate amount of securities that may be issued in exchange for, or upon conversion or exercise of, as the case may be, any securities registered hereunder that provide for conversion, exercise or exchange. Any securities registered hereunder may be sold separately or as units with other securities registered hereunder.

(4) The depositary shares registered hereunder will be evidenced by depositary receipts issued pursuant to a depositary agreement. If the Registrant elects to offer to the public fractional interests in shares of preferred stock, then depositary receipts will be distributed to those persons purchasing the fractional interests and the shares will be issued to the depositary under the depositary agreement.

(5) Calculated pursuant to Rule 457(o) at the statutory rate of $39.30 per $1,000,000 of securities registered.

The information in this prospectus is incomplete and may be changed. The registrant may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PROSPECTUS

$50,000,000

CRYOLIFE, INC.

Common Stock
Preferred Stock
Depositary Shares

We may from time to time offer and sell common stock, preferred stock and depositary shares.

This prospectus provides you with a general description of the securities that may be offered. Each time securities are sold, we will provide one or more supplements to this prospectus that will contain additional information about the specific offering and the terms of the securities being offered. The supplements may also add, update or change information contained in this prospectus. You should carefully read this prospectus and any accompanying prospectus supplement before you invest in any of our securities.

Our common stock is listed for trading on the New York Stock Exchange under the symbol “CRY.” Our executive offices are located at 1655 Roberts Boulevard, NW, Kennesaw, Georgia 30144. Our telephone number is (770) 419-3355. The last reported sale price of the common stock on November 18, 2008 was $9.68 per share.

This investment involves risks. See “RISK FACTORS” beginning on page 4.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2008.

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You should rely only on the information included or incorporated by reference in this prospectus and any accompanying prospectus supplement. We have not authorized any dealer, salesman or other person to provide you with additional or different information. This prospectus and any accompanying prospectus supplement are not an offer to sell or the solicitation of an offer to buy any securities other than the securities to which they relate and are not an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make an offer or solicitation in that jurisdiction. You should not assume that the information in this prospectus or any accompanying prospectus supplement or in any document incorporated by reference in this prospectus or any accompanying prospectus supplement is accurate as of any date other than the date of the document containing the information.

SUMMARY

This summary highlights information that we believe is especially important concerning our business and this offering. It does not contain all of the information that may be important to your investment decision. You should read the entire prospectus, including the documents incorporated herein by reference, "Risk Factors" and our financial statements and related notes, before deciding to purchase our securities.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission, which we refer to as the "SEC," using a "shelf" registration process. Under this shelf process, we may, over time, sell any combination of the securities described in this prospectus in one or more offerings up to a total dollar amount of $50,000,000. This prospectus provides you with a general description of the securities we may offer pursuant to this prospectus. Each time we sell securities, we will provide one or more prospectus supplements that will contain specific information about the terms of that offering. This prospectus does not contain all of the information included in the registration statement. For a complete understanding of the offering of securities, you should refer to the registration statement relating to this prospectus, including its exhibits. A prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any accompanying prospectus supplement together with the additional information described under the heading "Where You Can Find More Information."

ABOUT CRYOLIFE

CryoLife develops and commercializes biomaterials and medical devices and preserves and distributes human tissues for cardiac and vascular transplant applications. Our products are often sold in international markets several years before they can be marketed in the U.S Our biomaterials and medical devices include:

- BioGlue® Surgical Adhesive, or BioGlue,
- CryoLife-O'Brien® Stentless Porcine Aortic Bioprosthesis, and
- ProPatch™ Soft Tissue Repair Matrix.

Additionally, we distribute:

- Hemostase MPH®, an absorbable powder used to stop hemorrhaging, and
- CardioWrap®, a replacement for the pericardium used in cardiac surgery.

Products and Preservation Services

Tissue Preservation Services. We distribute preserved human cardiac and vascular tissue to implanting institutions throughout the U.S., Canada, and Europe. We preserve cardiac and vascular human tissue using special freezing techniques, or cryopreservation. Management believes the human tissues it distributes offer specific advantages over mechanical, synthetic, and animal-derived alternatives. Depending on the alternative, these advantages include more natural blood flow properties for its preserved human heart valves, the elimination of a long-term need for drug therapy to prevent excessive blood clotting, and a reduced risk of catastrophic failure, thromboembolism (stroke), or

calcification. On February 7, 2008 we received a Section 510(k) clearance from the U.S. Food and Drug Administration, or FDA, for our CryoValve® SG pulmonary human heart valve processed with our proprietary SynerGraft technology, which we began shipping late in the first quarter of 2008.

BioGlue. Our proprietary product BioGlue, designed for cardiac, vascular, pulmonary, and general surgical applications, is a polymer based on bovine blood protein and an agent for cross-linking proteins. We are authorized to distribute BioGlue throughout the U.S. and in more than 70 other countries for designated applications. In the U.S, BioGlue is FDA approved as an adjunct to sutures and staples for use in adult patients in open surgical repair of large vessels. We distribute BioGlue under Conformité Européene Mark, commonly referred to as CE Mark, product certification in the European Economic Area for soft tissue repair procedures, which include cardiac, vascular, pulmonary, and general surgery soft tissue repair procedures. We have also received approval and distribute BioGlue for soft tissue repair in Canada and Australia. Additional marketing approvals have been granted for specified applications in several other countries in Central and South America, and Asia.

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Hemostase MPH. On April 17, 2008 we signed an exclusive three-year agreement with Minneapolis-based Medafor, Inc. to distribute Hemostase MPH for cardiac and vascular surgery in the U.S. and for cardiac, vascular and general surgery, other than orthopaedic and ear, nose and throat surgery, internationally, with the exception of China and Japan. Hemostase MPH is a unique, absorbable powder that is able to stop bleeding or hemorrhaging, which received CE Mark approval in 2003 and FDA pre-market approval in September 2006.

CardioWrap. In 2007 we began exclusive distribution of CardioWrap, a product of MAST BioSurgery, Inc., in the U.S. and the United Kingdom. CardioWrap is a bioresorbable sheet used to replace the pericardium in cardiac reconstruction and other cardiac surgeries where the patient may face re-operation within six months.

CryoLife-O'Brien Stentless Porcine Aortic Bioprosthesis. We distribute a porcine heart valve, the CryoLife-O'Brien Stentless Porcine Aortic Bioprosthesis, in Europe. This valve contains minimal amounts of synthetic material compared to other glutaraldehyde-fixed porcine valves, which management believes decreases the risk of endocarditis, a debilitating and potentially fatal infection.

ProPatch. In December 2006 we received 510(k) clearance from the FDA for ProPatch. ProPatch, developed from bovine pericardial tissue, is used to reinforce weakened soft tissues and provides a resorbable scaffold that is replaced by the patient's own soft tissue. We are seeking commercialization for ProPatch, which may include partnering with third parties as well as obtaining clinical data to support applications that we would market directly.

Research and Development

Through continuing research and development activities, we endeavor to use our expertise in protein chemistry, biochemistry, and cell biology, and our understanding of the cardiac and vascular surgery medical specialties, to acquire and develop useful products and technologies. We seek to identify market areas that can benefit from preserved living tissues, medical devices, and other related technologies, to develop innovative techniques and products within these areas, to secure their commercial protection, to establish their efficacy, and then to market these techniques and products. In order to expand our service and product offerings, we are in the process of developing or investigating several technologies and products. The products in development have not been subject to completed clinical trials and have not received FDA or other regulatory approval, so we may not derive any revenues from them. We generally perform significant research and development work before offering our services and products, building on either existing proprietary and non-proprietary knowledge or acquired technology and know-how. Our current tissue preservation services were developed internally. We developed our BioGlue product from a substance originally developed by a third party that we acquired.

BioGlue is the first product to be developed from our Protein Hydrogel Technology, or PHT. Our PHT is the base for several potential products in development. We are researching the use of derivatives of PHT for use in trauma surgery and are undertaking clinical evaluations to determine its utility as a nucleus pulposus replacement in spinal disc repair. Potential product line extensions include modifications to the BioGlue delivery system.

Risk Factors

Our business is subject to a number of risks, including:

- the possibility of FDA actions and other regulatory actions,
- additional expenses and losses from product recalls,
- possible losses from product liability, securities, and other litigation,

- lower demand for our products and adverse publicity resulting from product recalls and other FDA activity,

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- the possible inability to obtain sufficient insurance coverage,
- the possible inability to protect our intellectual property rights,
- the possible inability to obtain necessary regulatory approvals,
- and possible future lack of adequate capital.

See “Risk Factors” below for a more detailed discussion of risks relating to our business and our securities.

CryoLife, Inc. was incorporated January 19, 1984 in Florida. All references to “CryoLife,” the “Company,” “we,” “us” or “our” in this prospectus mean CryoLife, Inc., a Florida corporation, and all entities owned or controlled by CryoLife, Inc., except where it is made clear that the term means only the parent company.

Our principal executive offices are located at 1655 Roberts Boulevard, NW, Kennesaw, Georgia 30144. Our telephone number is (770) 419-3355 and our Web site is located at www.cryolife.com. Information contained on our Web site is not part of this prospectus.

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RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED DIVIDENDS

For purposes of determining the ratio of earnings to combined fixed charges and preferred dividends, earnings are defined as the sum of pre-tax income (loss) from continuing operations, fixed charges and amortization of capitalized interest; less interest capitalized. Fixed charges means the sum of interest expensed and capitalized, amortized premiums, discounts and capitalized expenses related to indebtedness and an estimate of the interest within rental expense. For this purpose, we assumed one-third of rental expense should be included in fixed charges. Preferred stock dividend means the amount of pre-tax earnings that is required to pay the dividends on outstanding preference securities.

	Year Ended December 31,					Nine Months Ended Sept. 30,
	2003	2004	2005	2006	2007	2008
	(dollars in thousands)					
Ratio of earnings to fixed charges and preferred stock dividends	(a)	(a)	(a)	1.24	5.08	13.15
Deficiency of earnings to fixed charges and preferred stock dividends	($29,168)	($21,708)	($19,905)	N/A	N/A	N/A

(a) Earnings for this period were insufficient to cover fixed charges and preferred dividends.

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RISK FACTORS

You should carefully consider the following risk factors and all other information contained in this prospectus before you make any investment decisions with respect to our securities.

If any of the adverse events described in the following factors actually occur our business, financial condition and operating results could be materially and adversely affected, the value of your securities could decline and you could lose all or part of your investment.

Risks Relating To Our Business

We Are Significantly Dependent On Our Revenues From BioGlue And Are Subject To A Variety Of Risks Affecting This Product.

BioGlue is a significant source of our revenues. Should the product be the subject of adverse developments with regard to its safety, efficacy, or reimbursement practices, or if a competitor's product obtains greater acceptance, or our rights to manufacture and market this product are challenged, the result could have a material adverse effect on our business, financial position, results of operations, and cash flows. Also, we have only two suppliers of bovine serum albumen, which is necessary for the manufacture of BioGlue. Furthermore, we presently have only one supplier for our BioGlue syringe. If we lose one or more of these suppliers, our ability to manufacture and sell BioGlue could be adversely impacted. We cannot be sure that we would be able to replace any such loss on a timely basis, if at all. In addition our U.S. patent for BioGlue expires in 2012 and our patents in the rest of the world expire in 2013. Following expiration of these patents, competitors may utilize the inventions disclosed in the BioGlue patents in competing products, which could materially reduce our revenues and income from BioGlue. See "Uncertainties Related To Patents And Protection of Proprietary Technology May Adversely Affect The Value Of Our Intellectual Property," below.

We May Receive A Form 483 Notice Of Observations, A Warning Letter, Or Other Similar Communication From The FDA And We May Be Unable To Address The Concerns Raised By The FDA In Such Correspondence or Communication, Or Addressing The Concerns May Be Costly Or Could Materially and Adversely Affect Our Operations.

The FDA has issued Form 483 Notices of Observations, or Form 483, and Warning Letters to us in the past that have noted deficiencies in our operations, including process validation, complaint handling, and reporting, and analysis of certain testing results, among other items. Although we have had positive FDA inspections recently, we could still be subject to an FDA inspection that results in a Form 483. If the FDA deems our responses to a Form 483 unsatisfactory, it could take further action, such as issuing us a Warning Letter, or in the alternative even before issuing a Form 483, the FDA could issue a Warning Letter or other similar communication directly to us. Corrective actions taken by us to address these regulatory actions could materially and adversely affect our business, results of operations, financial position, or cash flows. If we are unable to implement adequate corrective actions required by a Warning Letter or similar request made by the FDA, the FDA could institute additional recalls of tissues or products, require us to perform additional tests, begin to require prescriptions for tissues or products where they are not currently required, halt the shipping or processing of tissues or products, require additional approvals for marketing our tissue services or products or assess civil penalties, which could materially and adversely affect our revenues, profitability, and cash flows.

SynerGraft® Processed Human Pulmonary Heart Valves and Other SynerGraft Products May Not Be Accepted By The Marketplace.

CryoValve® SG pulmonary human heart valves may not perform as well as expected or provide all of the benefits anticipated by the marketplace and, as a result, the Company may not be able to continue to process a portion of its human pulmonary valves with its SynerGraft technology. If such an event were to occur, the Company would need to return to processing most or all of its pulmonary human heart valves without the SynerGraft technology, which could significantly reduce the expected benefits of the SynerGraft technology. In addition other products being developed for commercialization by CryoLife that utilize the SynerGraft process, such as ProPatch®, CryoLife's soft tissue repair matrix for use in hernia repair and certain orthopaedic related conditions, may not provide the anticipated benefits or otherwise achieve marketplace acceptance.

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SynerGraft Processed Human Pulmonary Heart Valves Have A One Year Shelf Life.

We are currently using the SynerGraft technology for a portion of our human pulmonary heart valve processing pursuant to the 510(k) clearance we have received for the SynerGraft treated valves. Our SynerGraft pulmonary human heart valves currently have a one year shelf life, whereas our non-SynerGraft processed pulmonary human heart valves have a five year shelf life. We are currently in discussions with the FDA to extend the shelf life of our SynerGraft pulmonary human heart valves. We do not know when the shelf life of the SynerGraft pulmonary human heart valves may be extended, if at all. Accordingly, if we do not implant our SynerGraft pulmonary human heart valves within one year of cryopreservation, we may be required to discard these valves, and as a result we may lose more tissues than before we started processing pulmonary human heart valves with the SynerGraft technology, which could have a material adverse effect on our revenues, profitability, and cash flows.

We Are Dependent On The Availability Of Sufficient Quantities Of Tissue From Human Donors.

The success of our tissue preservation services depends upon, among other factors, the availability of sufficient quantities of tissue from human donors. We rely primarily upon the efforts of third party procurement organizations, tissue banks, most of which are not-for-profit, and others to educate the public and foster a willingness to donate tissue. If the supply of donated human tissue is materially reduced, this would restrict our growth and adversely affect our business, results of operations, financial condition, and cash flows.

Our CryoValve SG Pulmonary Human Heart Valve Post-clearance Study May Not Provide Expected Results.

At the FDA's request, we are conducting a post-clearance study to seek evidence for the potential and implied long-term benefits of the SynerGraft process used to process the CryoValve SG pulmonary human heart valve. We expect the data to be collected to include long-term safety and hemodynamic function, immune response, and explant analysis. Although we believe that this information may help us ascertain whether the SynerGraft process reduces the immune response of the transplanted human heart valve and allows for the collagen matrix to recellularize with the recipient's own cells, it is possible that the results of the study will not be as expected. If this study shows that the SynerGraft process does not reduce immune response and/or cause the collagen matrix to recellularize with the recipient's cells, we may be unable to realize some or all of the long-term benefits that we anticipated for the use of this process.

The FDA Has Previously Issued A Recall Of Certain Of Our Products And Has The Ability To Inspect Our Facilities, Suspend Our Operations, And Issue A Recall Of Our Products In The Future.

On August 13, 2002 we received an order from the FDA regarding the non-valved cardiac, vascular, and orthopaedic tissues processed by the Company since October 3, 2001, referred to as the FDA Order. Pursuant to the FDA Order, we placed non-valve cardiac, vascular, and orthopaedic tissue processed since October 3, 2001 on quality assurance quarantine and recalled the portion of those tissues that had been distributed but not implanted. In addition we ceased processing non-valved cardiac and vascular tissues until mid-September 2002 and ceased processing orthopaedic tissues until 2003. The FDA Order resulted in the destruction of much of our tissue, required that we adjust revenue for tissue recall returns, curtailed our processing activities, and subjected us to intense FDA scrutiny and additional regulatory requirements that increased costs. We also suffered decreased revenues due to lack of processing ability and decreased market demand for our services. These challenges reduced our revenues, increased our costs to process tissues and our operating expenses, and strained management resources and available cash. Although we resumed processing and distribution of the types of tissues subject to the FDA Order and resolved many of the product liability suits pending against us, we incurred losses and did not produce cash from operations for many years. Any future recalls or other regulatory action by the FDA would likely have a material adverse impact on our revenues,

profitability, and cash flows.

The FDA can reinspect our facilities, review complaints against us, monitor the efficacy of our products and the claims we make regarding our products' benefits, and issue reports to us on areas that require improvement. If the FDA believes that we are not responsive to their requests for any suggested improvement or that our products are not in compliance with regulatory norms, the FDA has the ability to suspend our operations and issue an order for the recall of any or all of our products. If the FDA issues such an order, our revenues, profitability, and cash flows could be materially and adversely affected.

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Our Products And The Tissues We Process Allegedly Have Caused And May In The Future Cause Injury To Patients, And We Have Been And May Be Exposed To Product Liability Claims And Additional Regulatory Scrutiny As A Result.

The processing, preservation, and distribution of human tissue, bovine tissue products, porcine tissue products, and the manufacture and sale of medical devices entail inherent risks of medical complications for patients and have resulted and may result in product liability claims against us and adverse publicity. Plaintiffs have asserted that our tissue or medical devices have caused a variety of injuries, including death. When patients are injured, die, or have other adverse results following procedures using our tissue or medical devices, we have been and may be sued and our insurance coverage has been and may be inadequate. Adverse judgments and settlements in excess of our available insurance coverage could materially and adversely affect our business, financial position, results of operations, and cash flows.

As a result of medical complications that are alleged to have been caused by or occur in connection with medical procedures involving our tissue or medical devices, we have been and may be subject to additional FDA and other regulatory scrutiny and inspections and adverse publicity. For example, shortly after the FDA Order, the FDA posted a notice, now archived, on its website stating its concerns regarding our heart valve preservation services. As a result, some surgeons and hospitals decided not to use our heart valves. Cautionary statements from the FDA or other regulators regarding our tissue services or products, adverse publicity, changes to our labeling, or required prominent warnings or negative reviews from the FDA or regulators of our processing and manufacturing facilities have decreased and may in the future decrease demand for our tissue services or products and could reduce our revenues and materially and adversely affect our business, financial position, results of operations, and cash flows.

In addition to the recall resulting from the FDA Order, we have in the past suspended or recalled, and in the future may have to suspend the distribution of or recall, particular types of tissues as a result of reported adverse events in connection with our tissues. Suspension of the distribution of, or recall of, our tissue services or products could materially and adversely affect our revenues, profitability, and cash flows.

Key Growth Strategies Identified As A Result Of Our Strategic Review May Not Generate The Anticipated Benefits.

In January 2006 we engaged a financial advisor to assist our management and Board of Directors in identifying and evaluating potential strategies to enhance shareholder value. As a result of this review, the Board of Directors has directed management to actively pursue three key strategies to generate revenue and earnings growth in addition to continuing to focus on growing our business and leveraging our strengths and expertise in our core marketplaces. These three strategies are:

- Identifying and evaluating acquisition opportunities of complementary product lines and companies,
- Licensing our technology to third parties for non-competing uses, and
- Analyzing and identifying underperforming assets for possible sale or other disposition.

Although management has begun implementing these strategies, we cannot be certain that they will ultimately enhance shareholder value.

Our Ability To Borrow Under Our Credit Facility May Be Limited

Our credit facility contains a number of affirmative covenants that we must satisfy before we can borrow. For example, we must satisfy specified leverage ratios, and there are also increasing levels of adjusted earnings before interest taxes depreciation and amortization (“EBITDA”) under the credit facility that we have covenanted to maintain

during the term of the credit facility. Failure to satisfy any of these requirements could limit our borrowing ability and materially and adversely affect our liquidity. In addition, our credit facility does not obligate the lender to make funds available to us in a timely fashion or at all, even when requested. See “Financial and Credit Crisis May Adversely Affect Our Ability to Borrow Money or Raise Capital” below.

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Our Credit Facility Limits Our Ability To Pursue Significant Acquisitions.

Our credit facility prohibits mergers and acquisitions other than certain permitted acquisitions. Permitted acquisitions include non-hostile acquisitions that have been approved by the Board of Directors and/or the stockholders of the target company, if after giving effect to the acquisition, there is no event of default under the credit facility and there is still at least $1.5 million ames new roman">
Item 7.
Identification and Classification of the Subsidiaries Which Acquired the Security Being Reported on by the Parent Holding Company.

Comcast QVC, Inc. owns 4,508,386 shares of Series A Liberty Capital Common Stock.

Comcast QVC, Inc. is a direct, wholly owned subsidiary of Comcast Programming Holdings, LLC.

Comcast Programming Holdings, LLC is a direct, wholly owned subsidiary of Comcast Holdings Corporation.

Comcast Holdings Corporation is a direct, wholly owned subsidiary of Comcast Corporation.

Item 8. Identification and Classification of Members of the Group.

Not applicable

Item 9. Notice of Dissolution of Group.

Not applicable

Item 10. Certifications.

Not applicable

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 13, 2014

COMCAST QVC, INC.

By: /s/ Kristin M. Kipp
Name: Kristin M. Kipp
Title: Vice President and Assistant Secretary

COMCAST PROGRAMMING HOLDINGS, LLC
By: Comcast Capital Corporation, its manager

By: /s/ Kristin M. Kipp
Name: Kristin M. Kipp
Title: Vice President and Assistant Secretary

COMCAST HOLDINGS CORPORATION

By: /s/ William E. Dordelman
Name: William E. Dordelman
Title: Senior Vice President and Treasurer

COMCAST CORPORATION

By: /s/ William E. Dordelman
Name: William E. Dordelman
Title: Senior Vice President and Treasurer

JOINT FILING STATEMENT

In accordance with Rule 13d−1(k) under the Securities Exchange Act of 1934, as amended, each of the undersigned agrees that (i) this statement on Schedule 13G has been adopted and filed on behalf of each of them and (ii) all future amendments to such statement on Schedule 13G will, unless written notice to the contrary is delivered as described below, be jointly filed on behalf of each of them. This agreement may be terminated with respect to the obligations to jointly file future amendments to such statement on Schedule 13G as to any of the undersigned upon such person giving written notice thereof to each of the other persons signatory hereto, at the principal office thereof.

Date: February 13, 2014

COMCAST QVC, INC.

By: /s/ Kristin M. Kipp
Name: Kristin M. Kipp
Title: Vice President and Assistant Secretary

COMCAST PROGRAMMING HOLDINGS, LLC
By: Comcast Capital Corporation, its manager

By: /s/ Kristin M. Kipp
Name: Kristin M. Kipp
Title: Vice President and Assistant Secretary

COMCAST HOLDINGS CORPORATION

By: /s/ William E. Dordelman
Name: William E. Dordelman
Title: Senior Vice President and Treasurer

COMCAST CORPORATION

By: /s/ William E. Dordelman
Name: William E. Dordelman
Title: Senior Vice President and Treasurer