

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name LIBERTY BROADBAND CORPORATION		2 Issuer's employer identification number (EIN) 47-1211994	
3 Name of contact for additional information MARLENE HILL	4 Telephone No. of contact 720-875-5354	5 Email address of contact MARLENE@LIBERTYMEDIA.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 12300 LIBERTY BOULEVARD		7 City, town, or post office, state, and Zip code of contact ENGLEWOOD, CO 80112	
8 Date of action 12/4/14		9 Classification and description SUBSCRIPTION RIGHTS OFFERING OF SERIES B LIBERTY BROADBAND COMMON STOCK	
10 CUSIP number 530307206	11 Serial number(s)	12 Ticker symbol LBRDB	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► ON DECEMBER 4, 2014 EACH HOLDER OF SERIES B LIBERTY BROADBAND CORPORATION ("LBRDB") RECEIVED 1/5TH OF A SUBSCRIPTION RIGHT ("LBRKR") TO PURCHASE ONE SHARE OF SERIES C LIBERTY BROADBAND CORPORATION ("LBRDK") WITH RESPECT TO A WHOLE SUBSCRIPTION RIGHT. RIGHTS WERE ROUNDED UP TO THE NEAREST WHOLE RIGHT.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► UNDER IRC SECTION 307(b), THE ALLOCATION OF TAX BASIS TO THE SUBSCRIPTION RIGHTS SHOULD BE ZERO BECAUSE THE FAIR MARKET VALUE OF THE SUBSCRIPTION RIGHTS WAS LESS THAN 15% OF THE FAIR MARKET VALUE OF THE STOCK ON THE DISTRIBUTION DATE. HOWEVER, UNDER IRC SECTION 307(b)(2), A TAXPAYER MAY ELECT TO ALLOCATE TAX BASIS TO THE SUBSCRIPTION RIGHTS WITH THEIR TIMELY FILED INCOME TAX RETURN FOR THE YEAR THE DISTRIBUTION WAS RECEIVED. IF AN IRC SECTION 307(b)(2) ELECTION IS MADE, THE TAX BASIS OF EACH LBRDB SHARE IS REDUCED TO 95.9134% OF THE TAX BASIS OF A LBRDB SHARE PRIOR TO THE DISTRIBUTION OF LBRKR SUBSCRIPTION RIGHTS AND THE REMAINDER IS ALLOCATED TO THE SUBSCRIPTION RIGHTS. A SHAREHOLDER MUST CONSIDER THEIR INDIVIDUAL CIRCUMSTANCES AND SHOULD CONSULT A TAX ADVISOR.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ►

	AVERAGE PRICE*	DATE	SHARES	TOTAL VALUE	PERCENT
LBRDB	\$50.86	12/11/14	60	\$3,051.60	95.9134%
LBRKR	\$10.84	12/11/14	12	\$130.02	4.0866%

*AVERAGE OF HIGH AND LOW BASED ON FIRST DAY OF TRADING. THERE HAS BEEN LIMITED TRADING VOLUME FOR LBRDB FROM 12/11/14 TO 12/15/14. AS SUCH, IT IS REASONABLE TO USE THE TRADING PRICE AND BASIS ALLOCATION FOR LBRDA TO DETERMINE THE BASIS ALLOCATION OF LBRDB RESPECTIVELY. PLEASE CONSULT YOUR TAX ADVISOR REGARDING YOUR TAX SITUATION.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► THE DISTRIBUTION OF THE SUBSCRIPTION RIGHTS IS NON-TAXABLE UNDER IRC SECTION 305(a). UNDER IRC SECTION 307(b), NO TAX BASIS IS ALLOCATED TO THE SUBSCRIPTION RIGHTS UNLESS AN ELECTION IS MADE BY THE SHAREHOLDERS UNDER IRC SECTION 307(b)(2). IF A SECTION 307(b)(2) ELECTION IS MADE, THE SHAREHOLDER SHOULD ALLOCATE THEIR TAX BASIS IN THE LBRDA SHARE BETWEEN THE LBRDB SHARE AND THE SUBSCRIPTION RIGHT BASED ON RELATIVE FAIR MARKET VALUE OF THE SHARES.

18 Can any resulting loss be recognized? ► NO

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► THE REPORTABLE TAX YEAR IS THE CALENDAR YEAR ENDING DECEMBER 31, 2014.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►



Date ► 12/16/14

Print your name ► TIM LENNEMAN

Title ► VICE PRESIDENT

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054