Report of Organizational Actions Affecting Basis of Securities

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
530307115

11 Serial number(s)

12 Ticker symbol
LRBKR

13 Account number(s)

Part II Organizational Action

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 ("LRBDB") RECEIVED 1/5TH OF A SUBSCRIPTION RIGHT ("LRBKR") TO PURCHASE ONE SHARE OF SERIES C LIBERTY BROADBAND CORPORATION ("LRBDK") 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 LRBDB SHARE IS REDUCED TO 95.9134% OF THE TAX BASIS OF A LRBDB SHARE PRIOR TO THE DISTRIBUTION OF LRBKR 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

<table>
<thead>
<tr>
<th>Security</th>
<th>Average Price</th>
<th>Date</th>
<th>Shares</th>
<th>Total Value</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>LRBDB</td>
<td>$50.86</td>
<td>12/11/14</td>
<td>60</td>
<td>$3,051.60</td>
<td>95.9134%</td>
</tr>
<tr>
<td>LRBKR</td>
<td>$10.84</td>
<td>12/11/14</td>
<td>12</td>
<td>$130.02</td>
<td>4.0866%</td>
</tr>
</tbody>
</table>

*AVERAGE OF HIGH AND LOW BASED ON FIRST DAY OF TRADING. THERE HAS BEEN LIMITED TRADING VOLUME FOR LRBDB FROM 12/11/14 TO 12/15/14. AS SUCH, IT IS REASONABLE TO USE THE TRADING PRICE AND BASIS ALLOCATION FOR LBDA TO DETERMINE THE BASIS ALLOCATION OF LRBDB RESPECTIVELY. PLEASE CONSULT YOUR TAX ADVISOR REGARDING YOUR TAX SITUATION.
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 LBRDB share between the LBRDB share and the subscription right based on relative fair market value of the shares.

Can any resulting loss be recognized? No.

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.

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: [Signature] Date: 12/16/14

Print your name: TIM LENNEGAN Title: VICE PRESIDENT

Paid Preparer Use Only

Print/Type preparer's name: [Name] Preparer's signature: [Signature] Date: [Date] Check if PTIN self-employed: [Check]

Firm's name: [Name] Firm's EIN: [EIN]
Firm's address: [Address] Phone no.: [Number]

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

Form 8937 (Rev. 12-2011)