

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

FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2019

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 001-36713

LIBERTY BROADBAND CORPORATION

(Exact name of Registrant as specified in its charter)

State of Delaware
(State or other jurisdiction of
incorporation or organization)

47-1211994
(I.R.S. Employer
Identification No.)

12300 Liberty Boulevard
Englewood, Colorado
(Address of principal executive offices)

80112
(Zip Code)

Registrant's telephone number, including area code: **(720) 875-5700**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Series A common stock	LBRDA	The Nasdaq Stock Market LLC
Series B common stock	LBRDB	The Nasdaq Stock Market LLC
Series C common stock	LBRDK	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company as defined in Rule 12b-2 of the Exchange Act. Yes No

The number of outstanding shares of Liberty Broadband Corporation's common stock as of April 15, 2019 was:

	Series A	Series B	Series C
Liberty Broadband Corporation Common Stock	26,339,950	2,454,520	152,636,809

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LIBERTY BROADBAND CORPORATION

Condensed Consolidated Balance Sheets

(unaudited)

	March 31, 2019	December 31, 2018
	(amounts in thousands)	
<i>Assets</i>		
<i>Current assets:</i>		
Cash and cash equivalents	\$ 73,178	83,103
Other current assets	1,121	1,471
Total current assets	74,299	84,574
Investment in Charter, accounted for using the equity method (note 4)	11,999,494	12,004,376
Other assets	9,585	9,487
Total assets	<u>\$ 12,083,378</u>	<u>12,098,437</u>
<i>Liabilities and Equity</i>		
<i>Current liabilities:</i>		
Accounts payable and accrued liabilities	\$ 2,922	3,504
Deferred revenue and other current liabilities	2,902	4,691
Total current liabilities	5,824	8,195
Debt (note 5)	523,238	522,928
Deferred income tax liabilities	961,665	965,829
Other liabilities	2,896	2,867
Total liabilities	1,493,623	1,499,819
<i>Equity</i>		
Preferred stock, \$.01 par value. Authorized 50,000,000 shares; no shares issued	—	—
Series A common stock, \$.01 par value. Authorized 500,000,000 shares; issued and outstanding 26,338,807 shares at March 31, 2019 and 26,311,681 shares at December 31, 2018	263	263
Series B common stock, \$.01 par value. Authorized 18,750,000 shares; issued and outstanding 2,454,520 shares at March 31, 2019 and December 31, 2018	25	25
Series C common stock, \$.01 par value. Authorized 500,000,000 shares; issued and outstanding 152,636,809 shares at March 31, 2019 and 152,591,939 shares at December 31, 2018	1,526	1,526
Additional paid-in capital	7,943,795	7,938,357
Accumulated other comprehensive earnings, net of taxes	7,778	7,778
Retained earnings	2,636,368	2,650,669
Total equity	10,589,755	10,598,618
Commitments and contingencies (note 7)		
Total liabilities and equity	<u>\$ 12,083,378</u>	<u>12,098,437</u>

See accompanying notes to the condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION
Condensed Consolidated Statements of Operations
(unaudited)

	Three months ended	
	March 31,	
	2019	2018
	(amounts in thousands, except per share amounts)	
Revenue:		
Software sales	\$ 3,458	11,791
Total revenue	3,458	11,791
Operating costs and expenses		
Operating, including stock-based compensation (note 6)	2,253	1,909
Selling, general and administrative, including stock-based compensation (note 6)	6,938	6,727
Depreciation and amortization	468	909
	9,659	9,545
Operating income (loss)	(6,201)	2,246
Other income (expense):		
Interest expense	(6,543)	(5,037)
Dividend and interest income	418	225
Share of earnings (losses) of affiliates (note 4)	34,849	9,302
Gain (loss) on dilution of investment in affiliate (note 4)	(41,403)	(26,757)
Other, net	5	—
Net earnings (loss) before income taxes	(18,875)	(20,021)
Income tax benefit (expense)	4,574	4,951
Net earnings (loss) attributable to Liberty Broadband shareholders	\$ (14,301)	(15,070)
Basic net earnings (loss) attributable to Series A, Series B and Series C Liberty Broadband shareholders per common share (note 2)	\$ (0.08)	(0.08)
Diluted net earnings (loss) attributable to Series A, Series B and Series C Liberty Broadband shareholders per common share (note 2)	\$ (0.08)	(0.08)

See accompanying notes to the condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION
Condensed Consolidated Statements of Cash Flows
(unaudited)

	Three months ended	
	March 31,	
	2019	2018
	(amounts in thousands)	
Cash flows from operating activities:		
Net earnings (loss)	\$ (14,301)	(15,070)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:		
Depreciation and amortization	468	909
Stock-based compensation	2,616	1,405
Share of (earnings) losses of affiliates, net	(34,849)	(9,302)
(Gain) loss on dilution of investment in affiliate	41,403	26,757
Deferred income tax expense (benefit)	(4,574)	(4,950)
Other, net	302	394
Changes in operating assets and liabilities:		
Current and other assets	349	1,282
Payables and other liabilities	(2,975)	(5,121)
Net cash provided (used) by operating activities	<u>(11,561)</u>	<u>(3,696)</u>
Cash flows from investing activities:		
Capital expended for property and equipment	(17)	(14)
Net cash provided (used) by investing activities	<u>(17)</u>	<u>(14)</u>
Cash flows from financing activities:		
Other financing activities, net	1,653	541
Net cash provided (used) by financing activities	<u>1,653</u>	<u>541</u>
Net increase (decrease) in cash	(9,925)	(3,169)
Cash, cash equivalents and restricted cash, beginning of period	<u>83,103</u>	<u>81,257</u>
Cash, cash equivalents and restricted cash, end of period	<u>\$ 73,178</u>	<u>78,088</u>

See accompanying notes to the condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION
Condensed Consolidated Statement of Equity
(unaudited)

Three Months ended March 31, 2019

	Preferred Stock	Common stock			Additional paid-in capital	Accumulated other comprehensive earnings	Retained earnings	Total equity
		Series A	Series B	Series C				
Balance at January 1, 2019	\$ —	263	25	1,526	7,938,357	7,778	2,650,669	10,598,618
Net earnings (loss)	—	—	—	—	—	—	(14,301)	(14,301)
Stock-based compensation	—	—	—	—	2,523	—	—	2,523
Issuance of common stock upon exercise of stock options	—	—	—	—	1,653	—	—	1,653
Noncontrolling interest activity at Charter	—	—	—	—	1,262	—	—	1,262
Balance at March 31, 2019	<u>\$ —</u>	<u>263</u>	<u>25</u>	<u>1,526</u>	<u>7,943,795</u>	<u>7,778</u>	<u>2,636,368</u>	<u>10,589,755</u>

See accompanying notes to the condensed consolidated financial statements.

Condensed Consolidated Statement of Equity

(unaudited)

Three Months ended March 31, 2018

	Preferred Stock	Common stock			Additional paid-in capital	Accumulated other comprehensive earnings	Retained earnings	Total equity
		Series A	Series B	Series C				
(amounts in thousands)								
Balance at January 1, 2018	\$ —	262	25	1,526	7,907,900	8,424	2,568,764	10,486,901
Net earnings (loss)	—	—	—	—	—	—	(15,070)	(15,070)
Stock-based compensation	—	—	—	—	1,352	—	—	1,352
Issuance of common stock upon exercise of stock options	—	1	—	—	540	—	—	541
Cumulative effect of accounting change	—	—	—	—	—	—	1,223	1,223
Cumulative effect of accounting change at Charter	—	—	—	—	—	—	5,802	5,802
Noncontrolling interest activity at Charter	—	—	—	—	30,646	—	—	30,646
Balance at March 31, 2018	<u>\$ —</u>	<u>263</u>	<u>25</u>	<u>1,526</u>	<u>7,940,438</u>	<u>8,424</u>	<u>2,560,719</u>	<u>10,511,395</u>

See accompanying notes to the condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION
Notes to Condensed Consolidated Financial Statements
(unaudited)

(1) Basis of Presentation

During May 2014, the board of directors of Liberty Media Corporation and its subsidiaries (“Liberty”) authorized management to pursue a plan to spin-off to its stockholders common stock of a wholly-owned subsidiary, Liberty Broadband Corporation (“Liberty Broadband” or the “Company”), and to distribute subscription rights to acquire shares of Liberty Broadband’s common stock (the “Broadband Spin-Off”). These financial statements refer to Liberty Broadband Corporation as “Liberty Broadband,” “the Company,” “us,” “we” and “our” in the notes to the condensed consolidated financial statements.

Through a number of prior years’ transactions, Liberty Broadband has acquired an interest in Charter Communications, Inc. (“Charter”). Pursuant to proxy agreements with GCI Liberty, Inc. (“GCI Liberty”) and Advance/Newhouse Partnership (“A/N”), Liberty Broadband controls 25.01% of the aggregate voting power of Charter.

The Company’s wholly owned subsidiary, Skyhook Holding, Inc. (“Skyhook”), focuses on the development and sale of Skyhook’s device-based location technology. Skyhook markets and sells two primary products: (1) a location determination service called the Precision Location Solution; and (2) a location intelligence and data insights service called Geospatial Insights.

The accompanying (a) condensed consolidated balance sheet as of December 31, 2018, which has been derived from audited financial statements, and (b) interim unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X as promulgated by the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the results for such periods have been included. The results of operations for any interim period are not necessarily indicative of results for the full year. Additionally, certain prior period amounts have been reclassified for comparability with current period presentation. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in Liberty Broadband’s Annual Report on Form 10-K for the year ended December 31, 2018. All significant intercompany accounts and transactions have been eliminated in the condensed consolidated financial statements.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The Company considers the application of the equity method of accounting for investments in affiliates and accounting for income taxes to be its most significant estimates.

Liberty Broadband holds an investment in Charter that is accounted for using the equity method. Liberty Broadband does not control the decision making process or business management practices of this affiliate. Accordingly, Liberty Broadband relies on the management of this affiliate to provide it with accurate financial information prepared in accordance with GAAP that the Company uses in the application of the equity method. In addition, Liberty Broadband relies on audit reports that are provided by the affiliate’s independent auditor on the financial statements of such affiliate. The Company is not aware, however, of any errors in or possible misstatements of the financial information provided by its equity affiliate that would have a material effect on Liberty Broadband’s condensed consolidated financial statements.

Spin-Off Arrangements

Following the Broadband Spin-Off, Liberty and Liberty Broadband operate as separate, publicly traded companies, and neither has any stock ownership, beneficial or otherwise, in the other. In connection with the Broadband Spin-Off, Liberty (for accounting purposes a related party of the Company) and Liberty Broadband entered into certain agreements in order to

LIBERTY BROADBAND CORPORATION
Notes to Condensed Consolidated Financial Statements
(unaudited)

govern certain of the ongoing relationships between the two companies after the Broadband Spin-Off and to provide for an orderly transition. These agreements include a reorganization agreement, a services agreement, a facilities sharing agreement and a tax sharing agreement.

The reorganization agreement provides for, among other things, the principal corporate transactions (including the internal restructuring) required to effect the Broadband Spin-Off, certain conditions to the Broadband Spin-Off and provisions governing the relationship between Liberty Broadband and Liberty with respect to and resulting from the Broadband Spin-Off. The tax sharing agreement provides for the allocation and indemnification of tax liabilities and benefits between Liberty and Liberty Broadband and other agreements related to tax matters. Pursuant to the tax sharing agreement, Liberty Broadband has agreed to indemnify Liberty, subject to certain limited exceptions, for losses and taxes resulting from the Broadband Spin-Off to the extent such losses or taxes result primarily from, individually or in the aggregate, the breach of certain restrictive covenants made by Liberty Broadband (applicable to actions or failures to act by Liberty Broadband and its subsidiaries following the completion of the Broadband Spin-Off). Pursuant to the services agreement, Liberty provides Liberty Broadband with general and administrative services including legal, tax, accounting, treasury and investor relations support. Under the facilities sharing agreement, Liberty Broadband shares office space with Liberty and related amenities at Liberty's corporate headquarters. Liberty Broadband will reimburse Liberty for direct, out-of-pocket expenses incurred by Liberty in providing these services which will be negotiated semi-annually. Under these various agreements, approximately \$924 thousand and \$950 thousand was reimbursable to Liberty for the three months ended March 31, 2019 and 2018, respectively.

(2) Earnings (Loss) per Share

Basic earnings (loss) per common share ("EPS") is computed by dividing net earnings (loss) attributable to Liberty Broadband shareholders by the weighted average number of common shares outstanding ("WASO") for the period. Diluted EPS presents the dilutive effect on a per share basis of potential common shares as if they had been converted at the beginning of the periods presented. The basic and diluted EPS calculations are based on the following weighted average number of shares of outstanding common stock.

	Liberty Broadband Common Stock	
	Three months ended March 31, 2019	Three months ended March 31, 2018
	(numbers of shares in thousands)	
Basic WASO	181,366	181,316
Potentially dilutive shares (1)	1,299	1,398
Diluted WASO	182,665	182,714

- (1) Potentially dilutive shares are excluded from the computation of diluted EPS during periods in which losses are reported since the result would be antidilutive.

(3) Assets and Liabilities Measured at Fair Value

For assets and liabilities required to be reported at fair value, GAAP provides a hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs, other than quoted market prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The Company does not have any recurring assets or liabilities measured at fair value that would be considered Level 3.

LIBERTY BROADBAND CORPORATION
Notes to Condensed Consolidated Financial Statements
(unaudited)

The Company's assets and (liabilities) measured at fair value are as follows:

Description	March 31, 2019			December 31, 2018		
	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)
Cash equivalents	\$ 63,735	63,735	—	67,329	67,329	—

Other Financial Instruments

Other financial instruments not measured at fair value on a recurring basis include trade receivables, trade payables, accrued and other current liabilities, current portion of debt and long-term debt. With the exception of long-term debt, the carrying amount approximates fair value due to the short maturity of these instruments as reported on our condensed consolidated balance sheets. The carrying value of our long-term debt bears interest at a variable rate and therefore is also considered to approximate fair value.

(4) Investment in Charter Accounted for Using the Equity Method

Through a number of prior years' transactions, Liberty Broadband has acquired an interest in Charter. The investment in Charter is accounted for as an equity method affiliate based on our ownership interest and the board seats held by individuals appointed by Liberty Broadband. As of March 31, 2019, the carrying value of Liberty Broadband's ownership in Charter was approximately \$11,999 million. The market value of Liberty Broadband's ownership in Charter as of March 31, 2019 was approximately \$18,758 million, which represented an approximate economic ownership of 24.2% of the outstanding equity of Charter as of that date.

Pursuant to proxy agreements with GCI Liberty and A/N (the "GCI Liberty Proxy" and "A/N Proxy", respectively), Liberty Broadband has an irrevocable proxy to vote certain shares of Charter common stock owned beneficially or of record by GCI Liberty and A/N, for a five year term expiring May 18, 2021, subject to extension upon the mutual agreement of both parties, subject to certain limitations.

As a result of the A/N Proxy and the GCI Liberty Proxy, Liberty Broadband controls 25.01% of the aggregate voting power of Charter and is Charter's largest stockholder.

Additionally, so long as the A/N Proxy is in effect, if A/N proposes to transfer common units of Charter Communications Holdings, LLC (which units are exchangeable into Charter shares and which will, under certain circumstances, result in the conversion of certain shares of Class B Common Stock into Charter shares) or Charter shares, in each case, constituting either (i) shares representing the first 7.0% of the outstanding voting power of Charter held by A/N or (ii) shares representing the last 7.0% of the outstanding voting power of New Charter held by A/N, Liberty Broadband will have a right of first refusal ("ROFR") to purchase all or a portion of any such securities A/N proposes to transfer. The purchase price per share for any securities sold to Liberty Broadband pursuant to the ROFR will be the volume-weighted average price of Charter shares for the two trading day period before the notice of a proposed sale by A/N, payable in cash. Certain transfers are permitted to affiliates of A/N, subject to the transferee entity entering into an agreement assuming the transferor's obligations under the A/N Proxy.

LIBERTY BROADBAND CORPORATION
Notes to Condensed Consolidated Financial Statements
(unaudited)

Investment in Charter

The excess basis in our investment in Charter of \$3,351 million as of March 31, 2019 is allocated within memo accounts used for equity accounting purposes as follows (amounts in millions):

	March 31, 2019	December 31, 2018
Property and equipment	\$ 302	328
Customer relationships	736	721
Franchise fees	1,836	1,821
Trademarks	29	29
Goodwill	1,238	1,202
Debt	(87)	(105)
Deferred income tax liability	(703)	(698)
	<u>\$ 3,351</u>	<u>3,298</u>

Property and equipment and customer relationships have remaining useful lives of 7 years and 11 years, respectively, and franchise fees, trademarks and goodwill have indefinite lives. The excess basis of outstanding debt is amortized over the contractual period using the straight-line method. The increase in excess basis for the three months ended March 31, 2019, was primarily due to Charter's share buyback program. The Company's share of earnings (losses) of affiliates line item in the accompanying condensed consolidated statements of operations includes expenses of \$25.6 million and \$28.7 million, net of related taxes, for the three months ended March 31, 2019 and 2018, respectively, due to the amortization of the excess basis related to assets with identifiable useful lives and debt.

The Company had a dilution loss of \$41.4 million and \$26.8 million during the three months ended March 31, 2019 and 2018, respectively. The dilution losses for the periods presented were attributable to stock option exercises by employees and other third parties at prices below Liberty Broadband's book basis per share.

LIBERTY BROADBAND CORPORATION
Notes to Condensed Consolidated Financial Statements
(unaudited)

Summarized unaudited financial information for Charter is as follows (amounts in millions):

Charter condensed consolidated balance sheets

	March 31, 2019	December 31, 2018
Current assets	\$ 3,926	2,944
Property and equipment, net	34,859	35,126
Goodwill	29,554	29,554
Intangible assets, net	76,316	76,884
Other assets	2,602	1,622
Total assets	<u>\$ 147,257</u>	<u>146,130</u>
Current liabilities	11,950	12,095
Deferred income taxes	17,473	17,389
Long-term debt	70,567	69,537
Other liabilities	3,624	2,837
Equity	<u>43,643</u>	<u>44,272</u>
Total liabilities and shareholders' equity	<u>\$ 147,257</u>	<u>146,130</u>

Charter condensed consolidated statements of operations

	Three months ended March 31,	
	2019	2018
Revenue	\$ 11,206	10,657
Cost and expenses:		
Operating costs and expenses (excluding depreciation and amortization)	7,236	6,836
Depreciation and amortization	2,550	2,710
Other operating (income) expenses, net	(5)	69
	<u>9,781</u>	<u>9,615</u>
Operating income	1,425	1,042
Interest expense, net	(925)	(851)
Other income (expense), net	(64)	60
Income tax benefit (expense)	(119)	(28)
Net income (loss)	<u>317</u>	<u>223</u>
Less: Net income attributable to noncontrolling interests	(64)	(55)
Net income (loss) attributable to Charter shareholders	<u>\$ 253</u>	<u>168</u>

(5) Debt

Amended 2017 Margin Loan Facility

On August 24, 2018, a bankruptcy remote wholly owned subsidiary of the Company (“SPV”), entered into Amendment No. 1 to its multi-draw margin loan credit facility (the “Amended 2017 Margin Loan Facility” and, the credit agreement governing such facility, the “Amended 2017 Margin Loan Agreement”) with Wilmington Trust, National Association as the successor administrative agent, BNP Paribas, Dublin Branch, as the successor calculation agent, and the lenders thereunder. SPV is permitted, subject to certain funding conditions, to borrow term loans up to an aggregate principal amount equal to \$1.0 billion. SPV will also have the ability from time to time to request additional loans in an aggregate principal amount of up to \$1.0 billion on an uncommitted basis subject to certain conditions. SPV had borrowed \$525 million

LIBERTY BROADBAND CORPORATION
Notes to Condensed Consolidated Financial Statements
(unaudited)

as of March 31, 2019 and December 31, 2018. SPV had \$475 million available to be drawn until August 27, 2019. The maturity date of the loans under the Amended 2017 Margin Loan Agreement is August 24, 2020 (except for any incremental loans incurred thereunder to the extent SPV and the incremental lenders agree to a later maturity date). Accordingly, the debt is classified as noncurrent as of March 31, 2019. Borrowings under the Amended 2017 Margin Loan Agreement bear interest at the three-month LIBOR rate plus a per annum spread of 1.5%. Borrowings outstanding under this margin loan bore interest at a rate of 4.10% per annum at March 31, 2019. Interest is payable quarterly in arrears beginning on September 29, 2017. SPV used available cash and a portion of the proceeds of the loans under the Amended 2017 Margin Loan Facility to repay the two margin loan agreements entered into by a wholly-owned special purpose subsidiary of the Company on October 30, 2014 and two margin loan agreements entered into by another wholly-owned special purpose subsidiary of the Company on March 21, 2016. Borrowings may also be used for distribution as a dividend or a return of capital, for the purchase of margin stock and for general corporate purposes.

The Amended 2017 Margin Loan Agreement contains various affirmative and negative covenants that restrict the activities of the SPV (and, in some cases, the Company and its subsidiaries with respect to shares of Charter owned by the Company and its subsidiaries). The Amended 2017 Margin Loan Agreement does not include any financial covenants. The Amended 2017 Margin Loan Agreement also contains restrictions related to additional indebtedness and events of default customary for margin loans of this type.

SPV's obligations under the Amended 2017 Margin Loan Agreement are secured by first priority liens on a portion of the Company's ownership interest in Charter, sufficient for SPV to meet the loan to value requirements under the Amended 2017 Margin Loan Agreement. The Amended 2017 Margin Loan Agreement indicates that no lender party shall have any voting rights with respect to the shares transferred, except to the extent that a lender party buys any shares in a sale or other disposition made pursuant to the terms of the loan agreements. As of March 31, 2019, 6.8 million shares of Charter with a value of \$2.3 billion were pledged as collateral pursuant to the Amended 2017 Margin Loan Agreement.

(6) Stock-Based Compensation

Liberty Broadband grants, to certain of its directors, employees and employees of its subsidiaries, restricted stock and stock options to purchase shares of its common stock (collectively, "Awards"). The Company measures the cost of employee services received in exchange for an equity classified Award (such as stock options and restricted stock) based on the grant-date fair value ("GDFV") of the Award, and recognizes that cost over the period during which the employee is required to provide service (usually the vesting period of the Award). The Company measures the cost of employee services received in exchange for a liability classified Award based on the current fair value of the Award, and remeasures the fair value of the Award at each reporting date.

Included in the accompanying condensed consolidated statements of operations are the following amounts of stock-based compensation for the three months ended March 31, 2019 and 2018 (amounts in thousands):

	Three months ended March 31,	
	2019	2018
Operating expense	\$ 37	17
Selling, general and administrative	2,579	1,388
	<u>\$ 2,616</u>	<u>1,405</u>

Liberty Broadband – Grants of Stock Options

During the three months ended March 31, 2019, Liberty Broadband granted 41 thousand options to purchase shares of Series C Liberty Broadband common stock and 25 thousand performance-based restricted stock units ("RSUs") of Series

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Notes to Condensed Consolidated Financial Statements
(unaudited)

C Liberty Broadband common stock to our CEO. Such options had a GDFV of \$25.46 per share. The RSUs had a GDFV of \$88.99 per share at the time they were granted. The options vest on December 31, 2019, and the RSUs cliff vest in one year, subject to satisfaction of certain performance objectives. Performance objectives, which are subjective, are considered in determining the timing and amount of the compensation expense recognized. When the satisfaction of the performance objectives becomes probable, the Company records compensation expense. The probability of satisfying the performance objectives is assessed at the end of each reporting period.

There were no options to purchase shares of Series A or Series B common stock granted during the three months ended March 31, 2019.

The Company calculates the GDFV for all of its equity classified awards and any subsequent remeasurement of its liability classified awards using the Black-Scholes Model. The Company estimates the expected term of the Awards based on historical exercise and forfeiture data. The volatility used in the calculation for Awards is based on the historical volatility of Liberty Broadband common stock and the implied volatility of publicly traded Liberty Broadband options. The Company uses a zero dividend rate and the risk-free rate for Treasury Bonds with a term similar to that of the subject options.

Liberty Broadband – Outstanding Awards

The following tables present the number and weighted average exercise price (“WAEP”) of Awards to purchase Liberty Broadband common stock granted to certain officers, employees and directors of the Company, as well as the weighted average remaining life and aggregate intrinsic value of the Awards.

	<u>Series A</u> <u>(in thousands)</u>	<u>WAEP</u>	<u>Weighted</u> <u>average</u> <u>remaining</u> <u>contractual</u> <u>life</u> <u>(in years)</u>	<u>Aggregate</u> <u>intrinsic</u> <u>value</u> <u>(in millions)</u>
Outstanding at January 1, 2019	393	\$ 33.31		
Granted	—	\$ —		
Exercised	(42)	\$ 33.05		
Forfeited/cancelled	—	\$ —		
Outstanding at March 31, 2019	<u>351</u>	\$ 33.35	0.8	\$ 20
Exercisable at March 31, 2019	<u>350</u>	\$ 33.30	0.8	\$ 20

LIBERTY BROADBAND CORPORATION
Notes to Condensed Consolidated Financial Statements
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	Series C (in thousands)	WAEP	Weighted average remaining contractual life (in years)	Aggregate intrinsic value (in millions)
Outstanding at January 1, 2019	2,356	\$ 43.77		
Granted	41	\$ 88.99		
Exercised	(62)	\$ 32.95		
Forfeited/cancelled	—	\$ —		
Outstanding at March 31, 2019	<u>2,335</u>	\$ 44.86	4.2	\$ 109
Exercisable at March 31, 2019	<u>1,533</u>	\$ 41.83	3.3	\$ 76

As of March 31, 2019, the total unrecognized compensation cost related to unvested Awards was approximately \$4.4 million. Such amount will be recognized in the Company's condensed consolidated statements of operations over a weighted average period of approximately 1.0 year.

As of March 31, 2019, Liberty Broadband reserved 2.7 million shares of Series A and Series C common stock for issuance under exercise privileges of outstanding stock Awards.

Skyhook Equity Incentive Plans

Long-Term Incentive Plans

Skyhook has a long-term incentive plan which provides for the granting of phantom stock appreciation rights ("PARs") and phantom stock units ("PSUs") to employees, directors, and consultants of Skyhook that is not significant to Liberty Broadband. As of March 31, 2019 and December 31, 2018, \$1.2 million and \$1.1 million, respectively, are included in other liabilities for the fair value (Level 2) of the Company's long-term incentive plan obligations.

(7) Commitments and Contingencies

General Litigation

In the ordinary course of business, the Company and its consolidated subsidiary are parties to legal proceedings and claims involving alleged infringement of third-party intellectual property rights, defamation, and other claims. Although it is reasonably possible that the Company may incur losses upon conclusion of such matters, an estimate of any loss or range of loss cannot be made. In the opinion of management, it is expected that amounts, if any, which may be required to satisfy such contingencies will not be material in relation to the accompanying condensed consolidated financial statements.

Certain Risks and Concentrations

The Skyhook business is subject to certain risks and concentrations including dependence on relationships with its customers. The Company's largest customers, that accounted for greater than 10% of revenue, aggregated 73% and 72% of total revenue for the three months ended March 31, 2019 and 2018, respectively.

Off-Balance Sheet Arrangements

Liberty Broadband did not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the Company's financial condition, results of operations, liquidity, capital expenditures or capital resources.

LIBERTY BROADBAND CORPORATION
Notes to Condensed Consolidated Financial Statements
(unaudited)

(8) Segment Information

Liberty Broadband identifies its reportable segments as (A) those consolidated companies that represent 10% or more of its consolidated annual revenue, annual Adjusted OIBDA or total assets and (B) those equity method affiliates whose share of earnings or losses represent 10% or more of Liberty Broadband's annual pre-tax earnings (losses).

Liberty Broadband evaluates performance and makes decisions about allocating resources to its operating segments based on financial measures such as revenue and Adjusted OIBDA. In addition, Liberty Broadband reviews nonfinancial measures such as subscriber growth.

Liberty Broadband defines Adjusted OIBDA as revenue less operating expenses and selling, general and administrative expenses (excluding stock-based compensation). Liberty Broadband believes this measure is an important indicator of the operational strength and performance of its businesses, including each business's ability to service debt and fund capital expenditures. In addition, this measure allows management to view operating results and perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. This measure of performance excludes depreciation and amortization, stock-based compensation, separately reported litigation settlements and restructuring and impairment charges that are included in the measurement of operating income pursuant to GAAP. Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net earnings, cash flow provided by operating activities and other measures of financial performance prepared in accordance with GAAP. Liberty Broadband generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties, that is, at current prices.

For the three months ended March 31, 2019, Liberty Broadband has identified the following consolidated company and equity method investment as its reportable segments:

- Skyhook—a wholly owned subsidiary of the Company that provides the Precision Location Solution (a location determination service) and Geospatial Insights product (a location intelligence and data insights service).
- Charter—an equity method investment that is one of the largest providers of cable services in the United States, offering a variety of entertainment, information and communications solutions to residential and commercial customers.

Liberty Broadband's operating segments are strategic business units that offer different products and services. They are managed separately because each segment requires different technologies, distribution channels and marketing strategies. The accounting policies of the segments that are also consolidated companies are the same as those described in the Company's summary of significant accounting policies in the Company's annual financial statements. We have included amounts attributable to Charter in the tables below. Although Liberty Broadband owns less than 100% of the outstanding shares of Charter, 100% of the Charter amounts are included in the schedule below and subsequently eliminated in order to reconcile the account totals to the Liberty Broadband condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION
Notes to Condensed Consolidated Financial Statements
(unaudited)

Performance Measures

	Three months ended March 31,			
	2019		2018	
	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA
	(amounts in thousands)			
Skyhook	\$ 3,458	(1,193)	11,791	6,099
Charter	11,206,000	4,060,000	10,657,000	3,824,000
Corporate and other	—	(1,924)	—	(1,539)
	11,209,458	4,056,883	10,668,791	3,828,560
Eliminate equity method affiliate	(11,206,000)	(4,060,000)	(10,657,000)	(3,824,000)
Consolidated Liberty Broadband	\$ 3,458	(3,117)	11,791	4,560

Other Information

	March 31, 2019		
	Total assets	Investments in affiliates	Capital expenditures
	(amounts in thousands)		
Skyhook	\$ 18,037	—	17
Charter	147,257,000	—	1,665,000
Corporate and other	12,065,341	11,999,494	—
	159,340,378	11,999,494	1,665,017
Eliminate equity method affiliate	(147,257,000)	—	(1,665,000)
Consolidated Liberty Broadband	\$ 12,083,378	11,999,494	17

The following table provides a reconciliation of consolidated segment Adjusted OIBDA to Operating income (loss) and Earnings (loss) before income taxes:

	Three months ended March 31,	
	2019	2018
	(amounts in thousands)	
Consolidated segment Adjusted OIBDA	\$ (3,117)	4,560
Stock-based compensation	(2,616)	(1,405)
Depreciation and amortization	(468)	(909)
Operating income (loss)	(6,201)	2,246
Interest expense	(6,543)	(5,037)
Dividend and interest income	418	225
Share of earnings (loss) of affiliates, net	34,849	9,302
Gain (loss) on dilution of investment in affiliate	(41,403)	(26,757)
Other, net	5	—
Earnings (loss) before income taxes	\$ (18,875)	(20,021)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Certain statements in this Quarterly Report on Form 10-Q constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding new service and product offerings; future expenses; the performance of our equity affiliate, Charter Communications, Inc. ("Charter"); our projected sources and uses of cash; fluctuations in interest rates; and the anticipated non-material impact of certain contingent liabilities related to legal and other matters arising in the ordinary course of business. Forward-looking statements inherently involve many risks and uncertainties that could cause actual results to differ materially from those projected in these statements. 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 such statements necessarily involve risks and uncertainties and there can be no assurance that the expectation or belief will result or be achieved or accomplished. The following include some but not all of the factors (as they relate to our consolidated subsidiary and equity affiliate) that could cause actual results or events to differ materially from those anticipated:

- Charter's ability to sustain and grow revenue and cash flow from operations by offering video, Internet, voice, mobile, advertising and other services to residential and commercial customers, to adequately meet the customer experience demands in its service areas and to maintain and grow its customer base, particularly in the face of increasingly aggressive competition, the need for innovation and the related capital expenditures;
- the impact of competition from other market participants, including but not limited to incumbent telephone companies, direct broadcast satellite operators, wireless broadband and telephone providers, digital subscriber line providers, fiber to the home providers, video provided over the Internet by (i) market participants that have not historically competed in the multichannel video business, (ii) traditional multichannel video distributors, and (iii) content providers that have historically licensed cable networks to multichannel video distributors, and providers of advertising over the Internet;
- Charter's ability to efficiently and effectively integrate acquired operations;
- the effects of governmental regulation on the business of Charter and Skyhook, including costs, disruptions and possible limitations on Charter's operating flexibility related to, and its ability to comply with, regulatory conditions applicable to Charter as a result of previous mergers;
- general business conditions, economic uncertainty or downturn, unemployment levels and the level of activity in the housing sector;
- Charter's ability to obtain programming at reasonable prices or to raise prices to offset, in whole or in part, the effects of higher programming costs (including retransmission consents);
- Charter's ability to develop and deploy new products and technologies, including mobile products, and any other consumer services and service platforms;
- failure to protect the security of personal information about the customers of our operating subsidiary and equity affiliate, subjecting us to costly government enforcement actions or private litigation and reputational damage;
- 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;
- any events that disrupt Charter's or Skyhook's networks, information systems or properties and impair their operating activities or negatively impact their respective reputation;
- the ability to retain and hire key personnel;
- the ability of suppliers and vendors to deliver products, equipment, software and services;

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- the outcome of any pending or threatened litigation;
- changes in the nature of key strategic relationships with partners, vendors and joint venturers;
- the availability and access, in general, of funds to meet debt obligations prior to or when they become due and to fund operations and necessary capital expenditures, either through (i) cash on hand, (ii) free cash flow, or (iii) access to the capital or credit markets;
- the ability of Charter and our company to comply with all covenants in their and our respective debt instruments, any violation of which, if not cured in a timely manner, could trigger a default of other obligations under cross-default provisions; and
- our ability to successfully monetize certain of our assets.

For additional risk factors, please see Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2018. These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this Quarterly Report, 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.

The following discussion and analysis provides information concerning our results of operations and financial condition. This discussion should be read in conjunction with our accompanying condensed consolidated financial statements and the notes thereto and our Annual Report on Form 10-K for the year ended December 31, 2018.

Overview

During May 2014, the board of directors of Liberty Media Corporation and its subsidiaries (“Liberty”) authorized management to pursue a plan to spin-off to its stockholders common stock of a wholly-owned subsidiary, Liberty Broadband Corporation (“Liberty Broadband” or the “Company”), and to distribute subscription rights to acquire shares of Liberty Broadband’s common stock. Liberty Broadband was formed in 2014 as a Delaware corporation.

Through a number of prior years’ transactions, Liberty Broadband has acquired an interest in Charter. Pursuant to proxy agreements with GCI Liberty Inc. and Advance/Newhouse Partnership, Liberty Broadband controls 25.01% of the aggregate voting power of Charter.

The Company’s wholly owned subsidiary, Skyhook Holding, Inc. (“Skyhook”), focuses on the development and sale of Skyhook’s device-based location technology. Skyhook markets and sells two primary products: (1) a location determination service called the Precision Location Solution; and (2) a location intelligence and data insights service called Geospatial Insights.

The financial information represents a consolidation of the historical financial information of Skyhook, Liberty Broadband’s interest in Charter and certain deferred tax liabilities. This financial information refers to the consolidation of the aforementioned subsidiary, investments, and financial instruments, as “Liberty Broadband,” “the Company,” “us,” “we” and “our” here and in the notes to the accompanying condensed consolidated financial statements.

Results of Operations—Consolidated—March 31, 2019 and 2018

Consolidated operating results:

	Three months ended	
	March 31,	
	2019	2018
	(amounts in thousands)	
Revenue	\$ 3,458	11,791
Operating expense	2,216	1,892
Selling, general and administrative	4,359	5,339
Stock-based compensation	2,616	1,405
Depreciation and amortization	468	909
Operating income (loss)	(6,201)	2,246
Less impact of stock-based compensation and depreciation and amortization	3,084	2,314
Adjusted OIBDA	\$ (3,117)	4,560

Revenue

Revenue decreased \$8.3 million for the three months ended March 31, 2019, as compared to the corresponding period in the prior year. The decrease in revenue for the three months ended March 31, 2019, as compared to the corresponding period in the prior year, was primarily due to a license agreement in the prior year. On February 16, 2018, Skyhook entered into a license agreement pursuant to which Skyhook agreed to grant to the licensee a perpetual, non-exclusive, non-transferable, worldwide license to patents and patent applications owned by Skyhook. In exchange for this grant, the licensee agreed to pay a one-time lump sum payment of \$8.5 million that was recognized as revenue during the three months ended March 31, 2018.

Operating expense and selling, general and administrative expenses

Operating expense increased by \$0.3 million for the three months ended March 31, 2019, as compared to the corresponding period in the prior year. The increases in operating expense were primarily due to increased personnel, data acquisition and cloud computing costs. Selling, general, and administrative expense decreased by \$1.0 million for the three months ended March 31, 2019, as compared to the corresponding period in the prior year. The decrease in selling, general and administrative expense during the three month period was primarily to legal expenses of \$0.8 million and other costs associated with the license agreement in the prior year, partially offset by increased corporate costs.

Stock-based compensation

The increase in stock-based compensation expense of \$1.2 million for the three months ended March 31, 2019, as compared to the corresponding period in the prior year, was primarily due to an increase in the number of options to purchase shares of Liberty Broadband Series C common stock granted during the first quarter of 2019.

Depreciation and amortization

Depreciation and amortization expense decreased by \$0.4 million during the three months ended March 31, 2019, as compared to the corresponding period in the prior year, due to certain assets becoming fully depreciated.

Operating income (loss)

Operating loss increased \$8.4 million for the three months ended March 31, 2019, as compared to the corresponding period in the prior year due to the items discussed above.

[Table of Contents](#)**Adjusted OIBDA**

We define Adjusted OIBDA as revenue less operating expenses and selling, general and administrative expenses (excluding stock-based compensation). Our chief operating decision maker and management team use this measure of performance in conjunction with other measures to evaluate our businesses and make decisions about allocating resources among our businesses. We believe this is an important indicator of the operational strength and performance of our businesses, including each business's ability to service debt and fund capital expenditures. In addition, this measure allows us to view operating results, perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. This measure of performance excludes such costs as depreciation and amortization, stock-based compensation, separately reported litigation settlements and restructuring and impairment charges that are included in the measurement of operating income pursuant to generally accepted accounting principles in the United States ("GAAP"). Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with GAAP. See note 8 to the accompanying condensed consolidated financial statements for a reconciliation of Adjusted OIBDA to Operating income (loss) and Earnings (loss) before income taxes.

Adjusted OIBDA decreased \$7.7 million during the three months ended March 31, 2019, as compared to the corresponding period in the prior year. The decrease in Skyhook Adjusted OIBDA for the three months ended March 31, 2019, as compared to the corresponding period in the prior year, was due primarily to a license agreement entered into during the three months ended March 31, 2018, coupled with higher operating expenses resulting from increased personnel, data acquisition, cloud computing and corporate costs, partially offset by legal and other costs associated with the license agreement discussed above.

Other Income and Expense

Components of Other income (expense) are presented in the table below.

	Three months ended	
	March 31,	
	2019	2018
	(amounts in thousands)	
Other income (expense):		
Interest expense	\$ (6,543)	(5,037)
Dividend and interest income	418	225
Share of earnings (losses) of affiliates	34,849	9,302
Gain (loss) on dilution of investment in affiliate	(41,403)	(26,757)
Other, net	5	—
	<u>\$ (12,674)</u>	<u>(22,267)</u>

Interest expense

Interest expense increased \$1.5 million during the three months ended March 31, 2019, as compared to the corresponding period in the prior year. The increase was attributable to additional amounts outstanding on the Amended 2017 Margin Loan, as well as an increase in our weighted average interest rate during the current period as compared to corresponding period in the prior year.

Dividend and interest income

Dividend and interest income increased \$193 thousand during the three months ended March 31, 2019, as compared to the corresponding period in the prior year. The increase in dividend and interest income for the three months ended March 31, 2019, as compared to the corresponding period in the prior year, was the result of increased interest rates.

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Share of earnings (losses) of affiliates

Share of earnings of affiliates increased \$25.5 million during the three months ended March 31, 2019, as compared to the corresponding period in the prior year. The Company's Share of earnings (losses) of affiliates line item in the accompanying condensed consolidated statements of operations includes expenses of \$25.6 million and \$28.7 million, net of related taxes, for the three months ended March 31, 2019 and 2018, respectively, due to the increase in excess basis of assets with identifiable useful lives and debt, which was primarily due to Charter's share buyback program, partly offset by a realignment with Charter's debt retirements. The increase in the share of earnings of affiliates in the three months ended March 31, 2019, as compared to the corresponding period in the prior year, was the result of increased net income at Charter.

The following is a discussion of Charter's results of operations. In order to provide a better understanding of Charter's operations, we have included a summarized presentation of Charter's results from operations.

	Three months ended	
	March 31,	
	2019	2018
	(amounts in millions)	
Revenue	\$ 11,206	10,657
Operating expenses, excluding stock-based compensation	(7,146)	(6,833)
Adjusted OIBDA	4,060	3,824
Depreciation and amortization	(2,550)	(2,710)
Stock-based compensation	(85)	(72)
Operating income	1,425	1,042
Other expenses, net	(989)	(791)
Net earnings (loss) before income taxes	436	251
Income tax benefit (expense)	(119)	(28)
Net earnings (loss)	\$ 317	223

Charter net earnings increased \$94 million for the three months ended March 31, 2019, as compared to the corresponding period in the prior year.

Charter's revenue increased \$549 million for the three months ended March 31, 2019, as compared to the corresponding period in the prior year, primarily due to increases in the number of residential Internet and commercial business customers, price adjustments as well as the launch of Charter's mobile service in the second half of 2018 offset by a decrease in video customers.

The increase in revenue during the three months ended March 31, 2019 was partially offset by the net impact of an increase in operating expenses, excluding stock-based compensation, of \$313 million, as compared to the corresponding period in the prior year. Operating costs increased primarily due to rising programming costs and incremental costs comprised of mobile device costs, mobile launch costs, and mobile service and operating costs.

Programming costs increased as a result of contractual rate adjustments, including renewals and increases in amounts paid for retransmission consents partly offset by lower video customers and pay-per-view during the three months ended March 31, 2019. Charter expects programming expenses will continue to increase due to a variety of factors, including annual increases imposed by programmers with additional selling power as a result of media consolidation, increased demands by owners of broadcast stations for payment for retransmission consent or linking carriage of other services to retransmission consent, and additional programming, particularly new services. Charter has been unable to fully pass these increases on to its customers nor does it expect to be able to do so in the future without a potential loss of customers.

Charter's Adjusted OIBDA for the three months ended March 31, 2019 increased as a result of the discussion above.

Depreciation and amortization expense decreased \$160 million during the three months ended March 31, 2019, as compared to the corresponding period in the prior year. The decrease was primarily due to a decrease in depreciation and

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amortization as certain assets acquired from Time Warner Cable, Inc. (“TWC” or “Legacy TWC”) and Bright House Networks, LLC become fully depreciated offset by an increase in depreciation as a result of more recent capital expenditures.

Charter’s results were also impacted by an increase in other expenses, net of \$198 million for the three months ended March 31, 2019. The increase in other expenses, net for the three months ended March 31, 2019, as compared to the corresponding period in the prior year, was primarily due to an impairment on Charter’s equity-method investments of approximately \$110 million, as well as increased interest expense, net of \$74 million as a result of an increase in weighted average debt outstanding.

Income tax expense increased \$91 million for the three months ended March 31, 2019, as compared to the corresponding period in the prior year. Income tax expense increased year over year primarily as a result of higher pretax income.

Gain (loss) on dilution of investment in affiliate

The loss on dilution of investment in affiliate increased by \$14.6 million during the three months ended March 31, 2019, as compared to the corresponding period in the prior year, primarily due to an increase in issuance of Charter common stock from the exercise of stock options held by employees and other third parties, at prices below Liberty Broadband’s book basis per share. As Liberty Broadband’s ownership in Charter changes due to exercises of Charter stock options, a loss is recorded with the effective sale of common stock, because the exercise price of Charter stock options is typically lower than the book value of the Charter shares held by Liberty Broadband.

Income tax benefit (expense)

During the three months ended March 31, 2019, we had an income tax benefit of \$4.6 million and the effective rate was approximately 24.2%. For the three months ended March 31, 2018, we had an income tax benefit of \$5.0 million and the effective tax rate was approximately 24.7%. The difference between the effective income tax rate of 24.2% and the U.S. Federal income tax rate of 21% for the three months ended March 31, 2019 was primarily due to the effect of state income taxes. The difference between the effective income tax rate of 24.7% and the U.S. Federal income tax rate of 21% for the three months ended March 31, 2018 was primarily due to the effect of state income taxes.

Liquidity and Capital Resources

As of March 31, 2019, substantially all of our cash and cash equivalents are invested in U.S. Treasury securities, other government securities or government guaranteed funds, AAA rated money market funds and other highly rated financial and corporate debt instruments.

The following are potential sources of liquidity: available cash balances, cash generated by the operating activities of our privately-owned subsidiaries (to the extent such cash exceeds the working capital needs of the subsidiaries and is not otherwise restricted), proceeds from asset sales, monetization of our investments, outstanding debt facilities, including \$475 million available to be drawn under our Amended 2017 Margin Loan Facility (as defined in note 5 to the accompanying condensed consolidated financial statements) until August 27, 2019, debt and equity issuances, and dividend and interest receipts.

As of March 31, 2019, Liberty Broadband had a cash balance of \$73 million.

	Three months ended March 31,	
	2019	2018
	(amounts in thousands)	
Cash flow information		
Net cash provided (used) by operating activities	\$ (11,561)	(3,696)
Net cash provided (used) by investing activities	\$ (17)	(14)
Net cash provided (used) by financing activities	\$ 1,653	541

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The increase in cash used by operating activities in the three months ended March 31, 2019, as compared to the corresponding period in the prior year, was primarily driven by the decrease in operating income in the current period, as well as the timing of differences in cash receipts and payments.

During the three months ended March 31, 2019 and 2018, net cash flows from financing activities were primarily related to the issuance of common stock upon the exercise of stock options.

The projected use of our cash will be primarily to fund any operational needs of our subsidiary, to service debt, to fund potential investment opportunities, and refinance Liberty Broadband's margin loans, under its Amended 2017 Margin Loan Facility, that come due in 2020. We expect corporate cash to cover corporate expenses for the foreseeable future.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk in the normal course of business due to our ongoing investing and financial activities. Market risk refers to the risk of loss arising from adverse changes in stock prices and interest rates. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. We have established policies, procedures and internal processes governing our management of market risks and the use of financial instruments to manage our exposure to such risks.

We are exposed to changes in interest rates primarily as a result of our borrowing and investment activities, which could include investments in fixed and floating rate debt instruments and borrowings used to maintain liquidity and to fund business operations. The nature and amount of our long-term and short-term debt are expected to vary as a result of future requirements, market conditions and other factors. We manage our exposure to interest rates by maintaining what we believe is an appropriate mix of fixed and variable rate debt. We believe this best protects us from interest rate risk. In the future, we could achieve this mix by (i) issuing fixed rate debt that we believe has a low stated interest rate and significant term to maturity, (ii) issuing variable rate debt with appropriate maturities and interest rates and (iii) entering into interest rate swap arrangements when we deem appropriate. As of March 31, 2019, our debt is comprised of the following amounts:

Variable rate debt		Fixed rate debt	
Principal amount	Weighted avg interest rate	Principal amount	Weighted avg interest rate
(dollar amounts in millions)			
\$ 525	4.10%	\$ —	NA

Our stock in Charter (our equity method affiliate) is publicly traded and not reflected at fair value in our balance sheet. Our investment in Charter is also subject to market risk that is not directly reflected in our financial statements.

Item 4. Controls and Procedures

In accordance with Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Company carried out an evaluation, under the supervision and with the participation of management, including its chief executive officer and its principal accounting and financial officer (the "Executives"), of the effectiveness of its disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Executives concluded that the Company's disclosure controls and procedures were effective as of March 31, 2019 to provide reasonable assurance that information required to be disclosed in its reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

There has been no change in the Company's internal control over financial reporting that occurred during the three months ended March 31, 2019 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

Our Annual Report on Form 10-K for the year ended December 31, 2018 includes "Legal Proceedings" under Item 3 of Part I. There have been no material changes from the legal proceedings described in our Form 10-K, except as described below.

Charter and Liberty Broadband – Delaware litigation

In August 2015, a purported stockholder of Charter, Matthew Sciabacucchi, filed a lawsuit in the Delaware Court of Chancery, on behalf of a putative class of Charter stockholders, challenging the transactions involving Charter, TWC, A/N, and Liberty Broadband announced by Charter on May 26, 2015. The lawsuit, which named as defendants Liberty Broadband, Charter and its board of directors, alleged that the challenged transactions resulted from breaches of fiduciary duty by Charter's directors and that Liberty Broadband improperly benefited from the challenged transactions at the expense of other Charter stockholders. The lawsuit has proceeded to the discovery phase. Charter denies any liability, believes that it has substantial defenses, and intends to vigorously defend this lawsuit. Although Charter is unable to predict the outcome of this lawsuit, it does not expect the outcome will have a material effect on its operations, financial condition or cash flows.

Other Charter Proceedings

The California Attorney General and the Alameda County, California District Attorney are investigating whether certain of Charter's waste disposal policies, procedures and practices are in violation of the California Business and Professions Code and the California Health and Safety Code. That investigation was commenced in January 2014. A similar investigation involving TWC was initiated in February 2012. Charter is cooperating with these investigations. While Charter is unable to predict the outcome of these investigations, it does not expect that the outcome will have a material effect on its operations, financial condition, or cash flows.

On December 19, 2011, Sprint Communications Company L.P. ("Sprint") filed a complaint in the U.S. District Court for the District of Kansas alleging that TWC infringed certain U.S. patents purportedly relating to VoIP services. A trial began on February 13, 2017. At trial, the jury returned a verdict of \$140 million against TWC and further concluded that TWC had willfully infringed Sprint's patents. The court subsequently declined to enhance the damage award as a result of the purported willful infringement and awarded Sprint an additional \$6 million, representing pre-judgment interest on the damages award. Charter appealed the case to the United States Court of Appeals for the Federal Circuit where it lost the appeal. Charter expects to petition the Supreme Court as Charter continues to pursue its appeal rights. In addition to its appeal, Charter continues to pursue indemnity from one of its vendors and has brought a patent suit against Sprint (TC Tech v. Sprint) in the U.S. District Court for the District of Delaware implicating Sprint's LTE technology. Charter does not expect that the outcome of this litigation will have a material adverse effect on its operations or financial condition. The ultimate outcomes of this appeal of the Sprint Kansas case, the pursuit of indemnity against Charter's vendor and the TC Tech litigation cannot be predicted.

Sprint filed suit against Charter on December 2, 2017 in the United States District Court for the District of Delaware. The suit alleges infringement of 15 patents related to Charter's provision of VoIP services (ten of which were asserted against Legacy TWC in the matter described above). Charter will vigorously defend this case. While Charter is unable to predict the outcome of this Sprint suit, it does not expect that this litigation will have a material effect on its operations, financial condition, or cash flows.

Sprint filed a third suit against Charter on May 17, 2018 in the United States District Court for the Eastern District of Virginia. This suit alleges infringement of three patents related to Charter's video on demand services. Charter will vigorously defend this case. The parties recently agreed to transfer this case to the United States District Court for the District of Delaware. While Charter is unable to predict the outcome of this litigation, it does not expect that this litigation will have a material effect on its operations, financial condition, or cash flows.

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The New York Public Service Commission (the “PSC”), the regulator for the cable and telecommunication industries in New York (whose Chair directs and operates as the Chief Executive Officer of the New York State Department of Public Service (“DPS”)), issued multiple orders against Charter including two orders on July 27, 2018 relating to the agreement by which the PSC approved Charter’s merger with TWC. One order determined that Charter had failed to satisfy one of its merger conditions by not extending its high speed broadband network according to the PSC’s interpretation of which homes and businesses Charter built to should count. The order further directed the initiation of a court action to impose financial and other penalties on Charter. The second order purported to rescind the PSC’s January 2016 approval of Charter’s merger with TWC’s New York operations and directs Charter to submit a plan to effect an orderly transition to a successor provider or providers and for Charter to cease operations in New York within six months of the order. As the DPS and Charter entered into discussions about the possibility of resolving the PSC related matters, the PSC extended such deadline. On July 30, 2018, the PSC filed a petition in the Supreme Court of the State of New York seeking penalties of \$100,000 per day from June 18, 2018 until Charter complies with the PSC’s interpretation of the merger conditions. The petition also seeks injunctive relief to enjoin failure to comply with the New York State Public Service Laws or any regulation or order of the DPS. The petition has been stayed while Charter and the PSC have been engaged in negotiation.

On April 19, 2019, DPS and Charter jointly presented to the PSC a proposed settlement to resolve these disputes, subject to final approval by the PSC. If approved by the PSC, the settlement will resolve all outstanding matters regarding these disputes. No penalties or forfeiture will be assessed as a result of the agreement, and the agreement specifically provides that Charter has not been found to have committed, nor has it admitted to any violation. The incremental operating and capital expenditures to be incurred by Charter to meet the buildout and other requirements of the settlement agreement will not have a material impact on Charter’s consolidated financial condition, results of operations or liquidity.

The agreement has been made public and will be published for public comment and review under the New York State Administrative Procedure Act. Following publication, the agreement is subject to a 60-day public comment period. Should the PSC not approve the settlement agreement, or should it choose to modify the settlement such that Charter does not accept such modified settlement terms, Charter would defend itself against the actions brought by the PSC. Charter cannot predict whether the PSC will approve the proposed settlement following the comment period nor can it preclude the potential for future negotiations with DPS and a further approval process with the PSC. Should the settlement not be approved and the pending actions proceed, and although Charter believes any such actions by the PSC would be without merit and does not believe that the results of the proceedings would have a material adverse effect on Charter, Charter cannot predict the outcome of the PSC claims. No assurance can be given that should an adverse outcome result, that it would not be material to Charter’s consolidated financial condition, results of operations or liquidity. Likewise, Charter cannot reasonably estimate a range of possible losses in the event of an adverse result.

In addition to the Sprint litigation described above, Charter is a defendant or co-defendant in several additional lawsuits involving alleged infringement of various intellectual property relating to various aspects of its businesses. Other industry participants are also defendants in certain of these cases. In the event that a court ultimately determines that Charter infringes on any intellectual property, Charter may be subject to substantial damages and/or an injunction that could require Charter or its vendors to modify certain products and services it offers to its subscribers, as well as negotiate royalty or license agreements with respect to the intellectual property at issue. While Charter believes the lawsuits are without merit and intends to defend the actions vigorously, no assurance can be given that any adverse outcome would not be material to Charter’s consolidated financial condition, results of operations, or liquidity. Charter cannot predict the outcome of any such claims nor can it reasonably estimate a range of possible loss.

Charter is party to other lawsuits, claims and regulatory inquiries that arise in the ordinary course of conducting its business. The ultimate outcome of these other legal matters pending against Charter or its subsidiaries cannot be predicted, and although such lawsuits and claims are not expected individually to have a material adverse effect on our or Charters’ consolidated financial condition, results of operations, or liquidity, such lawsuits could have in the aggregate a material adverse effect on ours or Charter’s consolidated financial condition, results of operations, or liquidity. Whether or not Charter ultimately prevails in any particular lawsuit or claim, litigation can be time consuming and costly and injure its reputation.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no repurchases of Liberty Broadband Series A, B or C common stock during the period.

During the three months ended March 31, 2019, no shares of Liberty Broadband Series A common stock and no Series C common stock were surrendered by our officers and employees to pay withholding taxes and other deductions in connection with the vesting of their restricted stock.

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Item 6. Exhibits

(a) Exhibits

Listed below are the exhibits which are filed as a part of this Report (according to the number assigned to them in Item 601 of Regulation S-K):

10.1	Form of Amended and Restated Indemnification Agreement between the Registrant and its executive officers/directors.*
31.1	Rule 13a-14(a)/15d-14(a) Certification*
31.2	Rule 13a-14(a)/15d-14(a) Certification*
32	Section 1350 Certification**
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Calculation Linkbase Document*
101.LAB	XBRL Taxonomy Label Linkbase Document*
101.PRE	XBRL Taxonomy Presentation Linkbase Document*
101.DEF	XBRL Taxonomy Definition Document*

* Filed herewith

** Furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LIBERTY BROADBAND CORPORATION

Date: May 2, 2019

By: /s/ GREGORY B. MAFFEI
Gregory B. Maffei
President and Chief Executive Officer

Date: May 2, 2019

By: /s/ MARK D. CARLETON
Mark D. Carleton
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

**FORM OF AMENDED AND RESTATED
INDEMNIFICATION AGREEMENT**

THIS AMENDED AND RESTATED INDEMNIFICATION AGREEMENT (this “**Agreement**”), dated _____, _____, is effective as of the Effective Date (as defined below), by and between Liberty Broadband Corporation, a Delaware corporation (the “**Company**”), and _____ (“**Indemnitee**”). Indemnitee and the Company previously entered into that certain Indemnification Agreement, dated as of _____ (the “**Prior Agreement**”). This Agreement supersedes and replaces the Prior Agreement in its entirety.

WHEREAS, it is essential to the Company and its mission to retain and attract as officers and directors the most capable persons available;

WHEREAS, both the Company and Indemnitee recognize the omnipresent risk of litigation and other claims that are routinely asserted against officers and directors of companies operating in the public arena in the current environment, and the attendant costs of defending even wholly frivolous claims;

WHEREAS, the certificate of incorporation and Bylaws of the Company provide certain indemnification rights to the officers and directors of the Company, as provided by Delaware law; and

WHEREAS, to induce Indemnitee to continue to serve as [a director/an officer] of the Company [or as a director/officer of another entity at the Company’s request], and in recognition of Indemnitee’s need for substantial protection against personal liability in order to enhance Indemnitee’s continued service to the Company in an effective manner, the Company wishes to provide in this Agreement for the indemnification of and the advancing of expenses to Indemnitee to the fullest extent permitted by law (whether partial or complete) and as set forth in this Agreement, and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Company’s directors’ and officers’ liability insurance policies.

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements contained herein and Indemnitee’s continuing to serve as [a director/an officer] of the Company, the parties hereto agree as follows:

1. Certain Definitions.

(a) **Change in Control:** shall be deemed to have occurred if (i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes the “beneficial owner” (as defined in Rule 13d-3 under such Act), directly or indirectly, of securities of the Company representing 20% or more of the total voting power represented by the Company’s then outstanding Voting Securities (a “**Significant Stockholder**”), other than (x) a trustee or other fiduciary holding securities under an employee benefit plan of the Company, (y) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, or (z) any Significant Stockholder as of the date hereof, or (ii) during any period of two consecutive years, in the case of clause (x) and clause (y), individuals who at the beginning of such period constituted the Board of Directors of the Company (the “**Board of Directors**”) and any new director whose election

by the Board of Directors or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (66-2/3%) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof, or (iii) the stockholders of the Company approve a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the Voting Securities of the Company held by the stockholders of the Company and outstanding immediately prior thereto continuing to represent or being converted into or exchanged for Voting Securities that represent, immediately following such merger or consolidation, at least 80% of the total voting power of the Voting Securities of (1) the surviving or resulting entity; or (2) if the surviving or resulting entity is a wholly owned subsidiary of another entity immediately following such merger or consolidation, the parent entity of such surviving or resulting entity, or the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company (in one transaction or a series of transactions) of all or substantially all the Company's assets.

(b) Claim: any threatened, pending or completed action, suit, arbitration, alternative dispute resolution mechanism, inquiry or investigation (including any internal investigation, and whether instituted by the Company or any other party or otherwise), administrative hearing, or any other threatened, pending or completed proceeding, whether brought by or in the right of the Company or any other party or otherwise, whether civil (including intentional and unintentional tort claims), criminal, administrative, investigative or other.

(c) Corporate Status: describes the status of a person who is or was a director, officer, employee, agent or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other enterprise.

(d) Expenses: include attorneys' fees and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in, subject or target of, or participating in (including on appeal), or preparing to defend, be a witness in, subject or target of, or participate in, any Claim.

(e) Independent Legal Counsel: an attorney or firm of attorneys, selected in accordance with the provisions of **Section 3**, who shall not have otherwise performed services for the Company, the Company's parent entity (if any), or Indemnitee within the last five years and who are not currently performing services for the Company, the Company's parent entity (if any), or Indemnitee, in each case, other than with respect to matters concerning the rights of Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements.

(f) Reviewing Party: any appropriate person or body consisting of a member or members of the Board of Directors or any other person or body appointed by the Board of Directors who is not a party to, or witness or other participant in, nor threatened to be made a party to, or witness or participant in, the particular Claim for which Indemnitee is seeking indemnification, or Independent Legal Counsel.

(g) Voting Securities: shares of any series or class of common stock or preferred stock of the Company, in each case, entitled to vote generally upon all matters

that may be submitted to a vote of stockholders of the Company at any annual or special meeting thereof.

2. Basic Indemnification and Advancement Arrangement.

(a) In the event Indemnitee was, is or becomes a party to, subject or target of, or witness or other participant in, or is threatened to be made a party to, subject or target of, or witness or other participant in, a Claim by reason of (or arising in part out of) Indemnitee's Corporate Status, the Company shall indemnify Indemnitee to the fullest extent permitted by law as soon as practicable but in any event no later than thirty days after written demand is presented to the Company (which demand may only be presented to the Company following the final judicial disposition of the Claim, as to which all rights of appeal therefrom have been exhausted or lapsed (a "**Final Disposition**")), against any and all Expenses, judgments, fines, penalties and amounts paid or payable in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties or amounts paid or payable in settlement) of such Claim. If so requested by Indemnitee, prior to the Final Disposition of a Claim, the Company shall advance (within two business days of such request) any and all Expenses actually and reasonably incurred by or on behalf of Indemnitee (including, without limitation, Expenses actually and reasonably billed to or on behalf of Indemnitee) in connection with any such Claim (an "**Expense Advance**").

(b) Notwithstanding the foregoing, (i) the obligations of the Company to indemnify Indemnitee under **Section 2(a)** shall be subject to the condition that the Reviewing Party shall not have determined (in a written determination, or, in any case in which the Independent Legal Counsel referred to in **Section 3** hereof is involved, in a written opinion) that Indemnitee would not be permitted to be indemnified under applicable law, and (ii) the obligation of the Company to make an Expense Advance pursuant to **Section 2(a)** shall be subject to the condition that, if the Reviewing Party determines in good faith that Indemnitee would not be permitted to be indemnified under applicable law, the Company shall be entitled to be reimbursed by Indemnitee (who hereby agrees to reimburse the Company) for all such amounts theretofore paid; provided, however, that if Indemnitee has commenced or thereafter commences legal proceedings in a court of competent jurisdiction to secure a determination that Indemnitee should be indemnified under applicable law, any determination made by the Reviewing Party that Indemnitee would not be permitted to be indemnified under applicable law shall not be binding and Indemnitee shall not be required to reimburse the Company for any Expense Advance until a Final Disposition is made with respect thereto. If there has not been a Change in Control, the Reviewing Party shall be selected by the Board of Directors, and if there has been such a Change in Control, the Reviewing Party shall be the Independent Legal Counsel referred to in **Section 3** hereof. If there has been no determination by the Reviewing Party as contemplated by **Section 2(b)** or if the Reviewing Party determines that Indemnitee substantively would not be permitted to be indemnified in whole or in part under applicable law, Indemnitee shall have the right to commence litigation in the Court of Chancery of the State of Delaware seeking to enforce Indemnitee's rights to indemnification and advancement hereunder or challenging any such determination by the Reviewing Party or any aspect thereof, including the legal or factual bases therefor, and, in all events, the Company hereby consents to service of process and agrees to appear in any such proceeding. Any determination by the Reviewing Party that Indemnitee is entitled to indemnification shall be conclusive and binding on the Company and

Indemnitee. Any determination by the Reviewing Party that Indemnitee is not permitted to be indemnified (in whole or in part) under applicable law shall be in writing (or, in any case in which the Independent Legal Counsel referred to in Section 3 hereof is involved, set forth in a written opinion).

3. Change in Control. The Company agrees that if there is a Change in Control of the Company then with respect to all matters thereafter arising concerning the rights of Indemnitee to indemnity payments and Expense Advances under this Agreement or any other agreement or Company Bylaw or charter provision now or hereafter in effect, the Company shall seek legal advice only from Independent Legal Counsel selected by Indemnitee and approved by the Company (which approval shall not be unreasonably withheld). Such counsel, among other things, shall render its written opinion to the Company and Indemnitee as to whether and to what extent Indemnitee would be permitted to be indemnified under applicable law. The Company agrees to pay the reasonable fees of the Independent Legal Counsel referred to above and to fully indemnify such counsel against any and all expenses (including attorneys' fees), claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

4. Indemnification for Additional Expenses. The Company shall (i) indemnify Indemnitee (to the extent Indemnitee is successful on the merits or otherwise in the action provided for in this **Section 4**) against any and all Expenses (including attorneys' fees) and, (ii) if requested by Indemnitee, advance (within two business days of such request) such Expenses to Indemnitee (and Indemnitee hereby agrees to reimburse the Company for any amounts so advanced if, when, and to the extent Indemnitee is not successful on the merits or otherwise in the action provided for in this **Section 4**), which are incurred by Indemnitee in connection with any action brought by Indemnitee (whether pursuant to **Section 19** of this Agreement or otherwise), in each case, for (a) indemnification or advance payment of Expenses by the Company under this Agreement or any other agreement or Company Bylaw or charter provision now or hereafter in effect or (b) recovery under any directors' and officers' liability insurance policies maintained by the Company, in all cases, to the fullest extent permitted by law.

5. Proceedings Against the Company; Certain Securities Laws Claims.

(a) Anything in this Agreement to the contrary notwithstanding, except as provided in Section 4 hereof, with respect to a Claim initiated against the Company by Indemnitee (whether initiated by Indemnitee in or by reason of such person's capacity as an officer or director of the Company or in or by reason of any other capacity), the Company shall not be required to indemnify or to advance Expenses to Indemnitee in connection with prosecuting such Claim (or any part thereof) or in defending any counterclaim, cross-claim, affirmative defense, or like claim of the Company in connection with such Claim (or part thereof) unless such Claim was authorized by the Company's Board of Directors. For purposes of this Section 5, a compulsory counterclaim by Indemnitee against the Company in connection with a Claim initiated against Indemnitee by the Company shall not be considered a Claim (or part thereof) initiated against the Company by Indemnitee, and Indemnitee shall have all rights of indemnification and advancement with respect to any such compulsory counterclaim in accordance with and subject to the terms of this Agreement.

(b) Anything in this Agreement to the contrary notwithstanding, except as provided in Section 6 hereof with respect to indemnification of Expenses in connection

with whole or partial success on the merits or otherwise in defending any Claim, the Company shall not be required to indemnify Indemnitee in connection with any Claim made against Indemnitee for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934 or similar provisions of state statutory law or common law, or (ii) any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Securities Exchange Act of 1934 (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the “**Sarbanes-Oxley Act**”), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act).

6. Partial Indemnity and Success on the Merits. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties and amounts paid or payable in settlement of a Claim but not, however, for all of the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. Moreover, notwithstanding any other provision of this Agreement, to the extent that Indemnitee is successful, on the merits or otherwise, in whole or in part, in defending a Claim (including dismissal without prejudice), or in defense of any claim, issue or matter therein, Indemnitee shall be indemnified to the fullest extent permitted by law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection therewith.

7. Burden of Proof. In connection with any determination by the Reviewing Party or otherwise as to whether Indemnitee is entitled to be indemnified hereunder or otherwise, the burden shall be on the Company to prove by clear and convincing evidence that Indemnitee is not so entitled.

8. No Presumptions. For purposes of this Agreement, the termination of any Claim, by judgment, order, settlement (whether with or without court approval) conviction, or otherwise, or upon a plea of *nolo contendere*, or its equivalent, shall not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law. In addition, neither the failure of the Reviewing Party to have made a determination as to whether Indemnitee has met any particular standard of conduct or had any particular belief, nor an actual determination by the Reviewing Party that Indemnitee has not met such standard of conduct or did not have such belief, prior to the commencement of legal proceedings by Indemnitee to secure a judicial determination that Indemnitee should be indemnified under applicable law shall be a defense to Indemnitee’s claim or create a presumption that Indemnitee has not met any particular standard of conduct or did not have any particular belief.

9. Settlement.

(a) Indemnitee shall be entitled to settle any Claim, in whole or in part, in such Indemnitee’s sole discretion. To the fullest extent permitted by law, any settlement of a Claim by Indemnitee shall be deemed the Final Disposition of such Claim for all purposes of this Agreement. The Company acknowledges that a settlement or other disposition

short of final judgment on the merits may be successful if it permits a party to avoid expense, delay, distraction, disruption, and uncertainty. In the event that any Claim is resolved other than by adverse judgment against Indemnitee (including, without limitation, settlement of such Claim with or without payment or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise in such Claim. Any individual or entity seeking to overcome this presumption shall have the burden to prove by clear and convincing evidence that Indemnitee has not been successful on the merits or otherwise in such Claim.

(b) Indemnitee shall be entitled to participate in, and assume, the defense of any Claim. Indemnitee shall have the right to employ such Indemnitee's own legal counsel in connection with any Claim, and any attorneys' fees and costs actually and reasonably incurred by or on behalf of Indemnitee shall be payable by the Company in accordance with this Agreement.

10. Nonexclusivity; Subsequent Change in Law. The rights of Indemnitee hereunder shall be in addition to any other rights Indemnitee may have under the Company's Bylaws or certificate of incorporation, under Delaware law or otherwise. To the extent that a change in Delaware law (whether by statute or judicial decision) permits greater indemnification by agreement than would be afforded currently under the Company's Bylaws and certificate of incorporation and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change.

11. Liability Insurance. To the extent the Company maintains an insurance policy or policies providing directors' and officers' liability insurance, Indemnitee shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

12. Amendments; Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

13. Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

14. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment in connection with any Claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, the Company's Bylaws or otherwise) of the amounts otherwise indemnifiable hereunder.

15. Binding Effect. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns, administrators, heirs, executors and personal and legal representatives. The Company agrees that in the event the Company or any of its successors (including any successor

resulting from the merger or consolidation of the Company with another corporation or entity where the company is the surviving corporation or entity) or assigns (i) consolidates with or merges into any other corporation or entity and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties and assets to any corporation or entity, then, and in each such case, to the extent necessary, proper provision shall be made so that the successors and assigns of the Company as a result of such transaction assume the obligations of the Company set forth in this Agreement. This Agreement shall continue in effect regardless of whether Indemnitee continues to serve as a director, officer, employee, agent or fiduciary of the Company or of any other enterprise at the Company's request.

16. Severability. The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any provision within a single section, paragraph or sentence) is held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable in any respect, and the validity and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired and shall remain enforceable to the fullest extent permitted by law.

17. Effective Date. To the fullest extent permitted by law, this Agreement shall (i) be effective as of the date that Indemnitee commenced serving as [a director/an officer] of the Company (the "**Effective Date**"), and (ii) apply to any claim for indemnification by Indemnitee with respect to any matters arising from such time and thereafter through and after the date hereof in accordance with this Agreement.

18. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in such state without giving effect to the principles of conflicts of laws.

19. Injunctive Relief. The parties hereto agree that Indemnitee may enforce this Agreement by seeking specific performance hereof, without any necessity of showing irreparable harm or posting a bond, which requirements are hereby waived, and that by seeking specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which he or she may be entitled.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

LIBERTY BROADBAND CORPORATION

By: _____
Name:
Title:

INDEMNITEE

Name:

CERTIFICATION

I, Gregory B. Maffei, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty Broadband Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements and other financial information included in this quarterly report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and
 - d) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2019

/s/ GREGORY B. MAFFEI

Gregory B. Maffei
President and Chief Executive Officer

CERTIFICATION

I, Mark D. Carleton, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty Broadband Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements and other financial information included in this quarterly report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and
 - d) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2019

/s/ MARK D. CARLETON

Mark D. Carleton
Chief Financial Officer

Certification

**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Liberty Broadband Corporation, a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the period ended March 31, 2019 (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 2, 2019

/s/ GREGORY B. MAFFEI
Gregory B. Maffei
President and Chief Executive Officer

Dated: May 2, 2019

/s/ MARK D. CARLETON
Mark D. Carleton
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Form 10-Q or as a separate disclosure document.
