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 September 30, 2016

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

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes ☒ No ☐

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

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (do not check if smaller reporting company)	Smaller reporting company ☐

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 October 31, 2016 was:

Series A common stock	26,216,022
Series B common stock	2,467,509
Series C common stock	153,000,247

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LIBERTY BROADBAND CORPORATION

Condensed Consolidated Balance Sheets

(unaudited)

	September 30, 2016	December 31, 2015
	(amounts in thousands)	
Assets		
Current assets:		
Cash and cash equivalents	$ 259,041	655,079
Trade and other receivables, net	1,466	2,462
Short-term marketable securities	—	9,014
Other current assets	3,318	11,692
Total current assets	263,825	678,247
Investments in available-for-sale securities (note 4)	—	439,560
Investment in Charter, accounted for using the equity method (note 5)	9,233,197	2,372,699
Property and equipment, net	868	1,248
Goodwill (note 6)	6,497	6,497
Intangible assets subject to amortization, net (note 6)	9,436	11,887
Deferred income tax assets	—	55,368
Other assets, at cost, net of accumulated amortization	1,577	235
Total assets	$ 9,515,400	3,565,741
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 6,635	10,493
Deferred revenue	3,902	2,629
Other current liabilities	2,289	2,254
Total current liabilities	12,826	15,376
Debt (note 7)	598,178	399,703
Deferred income tax liabilities	477,492	—
Deferred revenue	2,326	2,443
Total liabilities	1,090,822	417,522
Equity		
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 26,212,441 shares at September 30, 2016 and 26,163,206 shares at December 31, 2015	262	262
Series B common stock, $.01 par value. Authorized 18,750,000 shares; issued and outstanding 2,467,509 shares at September 30, 2016 and 2,467,547 shares at December 31, 2015	25	25
Series C common stock, $.01 par value. Authorized 500,000,000 shares; issued and outstanding 152,998,895 shares at September 30, 2016 and 74,643,546 shares at December 31, 2015	1,530	746
Additional paid-in capital	7,942,970	3,537,848
Accumulated other comprehensive earnings, net of taxes	7,656	8,905
Retained earnings (accumulated deficit)	472,135	(399,567)
Total equity	8,424,578	3,148,219
Commitments and contingencies (note 10)		
Total liabilities and equity	$ 9,515,400	3,565,741

See accompanying notes to the condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION

Condensed Consolidated Statements of Operations

(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
	(amounts in thousands, except per share amounts)			
Revenue	$ 20,616	15,225	27,413	41,186
Operating costs and expenses				
Operating, including stock-based compensation (note 9)	782	1,090	2,099	4,447
Selling, general and administrative, including stock-based compensation (note 9)	9,855	9,515	27,792	32,091
Research and development, including stock-based compensation (note 9)	2,384	3,512	8,040	12,888
Net gain on legal settlement (note 10)	—	—	—	(60,505)
Depreciation and amortization	971	820	2,935	4,920
	13,992	14,937	40,866	(6,159)
Operating income (loss)	6,624	288	(13,453)	47,345
Other income (expense):				
Interest expense	(4,090)	(1,816)	(10,547)	(5,496)
Dividend and interest income	190	605	4,697	1,871
Share of earnings (losses) of affiliates (note 5)	19,046	(3,999)	570,178	(65,747)
Realized and unrealized gains (losses) on financial instruments, net (note 3)	—	(23,116)	92,990	(12,091)
Gain (loss) on dilution of investment in affiliate (note 5)	(16,331)	(851)	760,074	(2,113)
Other, net	5	10	112	34
Net earnings (loss) before income taxes	5,444	(28,879)	1,404,051	(36,197)
Income tax benefit (expense)	(1,655)	9,584	(532,349)	14,411
Net earnings (loss) attributable to Liberty Broadband shareholders	$ 3,789	(19,295)	871,702	(21,786)
Basic net earnings (loss) attributable to Series A, Series B and Series C Liberty Broadband shareholders per common share (note 2)	$ 0.02	(0.19)	6.13	(0.21)
Diluted net earnings (loss) attributable to Series A, Series B and Series C Liberty Broadband shareholders per common share (note 2)	$ 0.02	(0.19)	6.10	(0.21)

See accompanying notes to the condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION

Condensed Consolidated Statements of Comprehensive Earnings (Loss)

(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
	(amounts in thousands)			
Net earnings (loss)	$ 3,789	(19,295)	871,702	(21,786)
Other comprehensive earnings (loss), net of taxes:				
Unrealized holding gains (losses) arising during the period	—	(114)	(221)	(484)
Share of other comprehensive earnings (loss) of equity method affiliates	247	327	811	980
Other	—	—	(1,839)	—
Other comprehensive earnings (loss), net of taxes	247	213	(1,249)	496
Comprehensive earnings (loss) attributable to Liberty Broadband shareholders	$ 4,036	(19,082)	870,453	(21,290)

See accompanying notes to the condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION

Condensed Consolidated Statements of Cash Flows

(unaudited)

	Nine months ended September 30, 2016	2015
	(amounts in thousands)	
Cash flows from operating activities:		
Net earnings (loss)	$ 871,702	(21,786)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:		
Depreciation and amortization	2,935	4,920
Stock-based compensation	4,582	4,782
Share of (earnings) losses of affiliates	(570,178)	65,747
Realized and unrealized (gains) losses on financial instruments, net	(92,990)	12,091
(Gain) loss on dilution of investment in affiliate	(760,074)	2,113
Deferred income tax expense (benefit)	533,626	(26,406)
Other, net	112	(2,565)
Changes in operating assets and liabilities:		
Current and other assets	7,954	904
Payables and other liabilities	(2,702)	11,826
Net cash provided by operating activities	(5,033)	51,626
Cash flows from investing activities:		
Capital expended for property and equipment	(154)	(2,616)
Purchases of short term investments and other marketable securities	(155,444)	—
Sales of short term investments and other marketable securities	164,458	—
Investment in equity method affiliate	(5,000,000)	—
Other investing activities, net	453	112
Net cash used in investing activities	(4,990,687)	(2,504)
Cash flows from financing activities:		
Cash received from rights offering	—	697,309
Borrowings of debt	200,000	40,000
Repayments of debt	—	(40,000)
Cash received from issuance of Series C Liberty Broadband common stock	4,400,000	—
Proceeds from issuance of financial instruments	—	30,158
Payments from settlements of financial instruments	—	(182,192)
Other financing activities, net	(318)	4,178
Net cash provided by financing activities	4,599,682	549,453
Net increase in cash	(396,038)	598,575
Cash and cash equivalents, beginning of period	655,079	44,809
Cash and cash equivalents, end of period	$ 259,041	643,384

See accompanying notes to the condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION

Condensed Consolidated Statement of Equity

(unaudited)

	Preferred Stock	Common stock Series A	Common stock Series B	Common stock Series C	Additional paid-in capital	Accumulated other comprehensive earnings	Retained earnings (accumulated) deficit	Total equity
	(amounts in thousands)							
Balance at January 1, 2016	$ —	262	25	746	3,537,848	8,905	(399,567)	3,148,219
Net earnings (loss)	—	—	—	—	—	—	871,702	871,702
Other comprehensive earnings (loss)	—	—	—	—	—	(1,249)	—	(1,249)
Stock-based compensation	—	—	—	—	4,002	—	—	4,002
Issuance of common stock upon exercise of stock options	—	—	—	1	1,976	—	—	1,977
Issuance of common stock (note 5)	—	—	—	783	4,399,217	—	—	4,400,000
Other	—	—	—	—	(73)	—	—	(73)
Balance at September 30, 2016	$ —	262	25	1,530	7,942,970	7,656	472,135	8,424,578

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 Liberty Media Corporation and its subsidiaries ("Liberty") authorized management to pursue a plan to spin-off to its stockholders common stock of a newly formed company to be called Liberty Broadband Corporation ("Liberty Broadband" or the "Company"), and to distribute subscription rights to acquire shares of Liberty Broadband Series C common stock (the "Broadband Spin-Off"). Liberty Broadband is comprised of, among other things, (i) Liberty's former interest in Charter Communications, Inc. ("Charter"), (ii) Liberty's former wholly-owned subsidiary TruePosition, Inc. ("TruePosition"), (iii) Liberty's former minority equity investment in Time Warner Cable, Inc. ("Time Warner Cable"), (iv) certain deferred tax liabilities, as well as liabilities related to Time Warner Cable written call options and (v) initial indebtedness, pursuant to margin loans entered into prior to the completion of the Broadband Spin-Off. These financial statements refer to the combination of the aforementioned subsidiary, investments, and financial instruments as "Liberty Broadband," "the Company," "us," "we" and "our" in the notes to the condensed consolidated financial statements.

In the Broadband Spin-Off record holders of Liberty's former Series A, Series B and Series C common stock received one-fourth of a share of the corresponding series of Liberty Broadband common stock for each share of Liberty common stock held by them, with cash paid in lieu of fractional shares. In addition, following the completion of the Broadband Spin-Off, stockholders received a subscription right to acquire one share of Liberty Broadband Series C common stock for everyfive shares of Liberty Broadband common stock they held at a per share subscription price of $40.36, which was a 20% discount to the 20-trading day volume weighted average trading price of the Liberty Broadband Series C common stock following the completion of the Broadband Spin-Off. The rights offering was fully subscribed on January 9, 2015, with 17,277,224 shares of Series C common stock issued to those rightsholders exercising basic and, as applicable, oversubscription privileges for total proceeds of $697 million. The subscription rights were issued to raise capital for general corporate purposes of Liberty Broadband. The Broadband Spin-Off and rights offering were intended to be tax-free to stockholders of Liberty and Liberty Broadband, respectively. During September 2015, Liberty entered into a closing agreement with the IRS which provided that the Broadband Spin-Off qualified for tax-free treatment. The Broadband Spin-Off was accounted for at historical cost due to the pro rata nature of the distribution to holders of Liberty common stock.

The accompanying (a) condensed consolidated balance sheet as of December 31, 2015, 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, 2015. 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 (i) the application of the equity method of accounting for investments in affiliates, (ii) the fair value of non-financial instruments, (iii) the fair value of financial instruments, (iv) revenue recognition and (v) accounting for income taxes to be its most significant estimates**.**

In March 2016, the FASB issued new guidance which simplifies several aspects of the accounting for share-based payment award transactions, including the income tax consequences, forfeitures, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The new standard is effective for the Company for fiscal years and interim periods beginning after December 15, 2016, with early application permitted. The Company adopted this guidance in the third quarter of 2016. In accordance with the new guidance, excess tax benefits and tax deficiencies are recognized as income tax benefit or expense rather than as additional paid-in capital. The Company has elected to recognize forfeitures as they occur rather than continue to estimate expected forfeitures. In addition, pursuant to the new guidance, excess tax benefits are classified as an operating activity on the condensed consolidated statements of cash flows. The recognition of excess tax benefits and deficiencies are applied prospectively from January 1, 2016. Based on the Company's analysis, no cumulative effect adjustment to retained earnings was necessary for tax benefits that were not previously recognized and for adjustments to compensation cost based on actual forfeitures. The presentation changes for excess tax benefits have been applied retrospectively in the condensed consolidated statements of cash flows, resulting in the reclassification of $1.2 million of excess tax benefits for the nine months ended September 30, 2015, from cash flows from financing activities to cash flows from operating activities. There were no excess tax benefits reclassified for the nine months ended September 30, 2016.

In February 2016, the FASB issued new accounting guidance on lease accounting. This guidance requires a company to recognize lease assets and lease liabilities arising from operating leases in the statement of financial position. This guidance does not significantly change the previous lease guidance for how a lessee should account for a lease. Additionally, the criteria for classifying a lease as a finance lease versus an operating lease are substantially the same as the previous guidance. The amendments in this update are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, and early adoption is permitted. We plan to adopt this guidance on January 1, 2019. Companies are required to use a modified retrospective approach to adopt this guidance. We are currently evaluating the impact of the adoption of this new guidance on our consolidated financial statements and expect it to have an impact on our consolidated balance sheets.

In May 2014, the FASB issued new accounting guidance on revenue from contracts with customers. The new guidance requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This new guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. In March 2016, the FASB issued additional guidance which clarifies principal versus agent considerations, and in April 2016, the FASB issued further guidance which clarifies the identification of performance obligations and the implementation guidance for licensing. The updated guidance will replace most existing revenue recognition guidance in GAAP when it becomes effective and permits the use of either a full retrospective or modified retrospective transition method. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, and early adoption is permitted only for fiscal years beginning after December 15, 2016. The Company currently does not plan to early adopt this new guidance, is evaluating the effect that the updated standard will have on its revenue recognition, and has not yet selected a transition method.

Liberty Broadband holds an investment 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.

During 2015, Liberty Broadband entered into certain agreements with Charter, Liberty Interactive Corporation ("Liberty Interactive") and Time Warner Cable in connection with certain proposed transactions among these companies, which closed during May 2016. See note 5 for additional detail regarding these transactions and corresponding agreements.

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 and Liberty Broadband entered into certain agreements in order to 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. Among other things, 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 and for costs that will be negotiated semi-annually. Under these various agreements, approximately $661 thousand and $656 thousand was reimbursable to Liberty for the three months ended September 30, 2016 and 2015, respectively, and $2.4 million and $1.8 million was reimbursable to Liberty for the nine months ended September 30, 2016 and 2015, respectively.

LIBERTY BROADBAND CORPORATION

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

(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 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 September 30, 2016	Three months ended September 30, 2015	Nine months ended September 30, 2016	Nine months ended September 30, 2015
	(numbers of shares in thousands)			
Basic EPS	181,621	103,024	142,170	102,140
Potentially dilutive shares (1)	970	662	666	630
Diluted EPS	182,591	103,686	142,836	102,770

(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 2 or Level 3.

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

	September 30, 2016			December 31, 2015		
Description	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)
	(amounts in thousands)					
Cash equivalents	$ 251,225	251,225	—	639,956	639,956	—
Short-term marketable securities	$ —	—	—	9,014	9,014	—
Available-for-sale securities	$ —	—	—	439,560	439,560	—

Other Financial Instruments

Other financial instruments not measured at fair value on a recurring basis include trade receivables, trade payables, accrued 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.

Realized and Unrealized Gains (Losses) on Financial Instruments

Realized and unrealized gains (losses) on financial instruments are comprised of changes in the fair value of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
	(amounts in thousands)			
Time Warner Cable investment and financial instruments (1)(2)(3)	$ —	(23,116)	92,990	(12,091)
	$ —	(23,116)	92,990	(12,091)

(1) During the period ended September 30, 2015 the Company had an outstanding written call option on 625,000 Time Warner Cable shares which was cash settled during June 2015 for $48.3 million. Also during the period ended September 30, 2015 the Company had an additional outstanding written call option on 625,000 Time Warner Cable shares which was cash settled during April 2015 for $36.7 million. No written call options on Time Warner Cable shares were outstanding as of September 30, 2016 or December 31, 2015. The unrealized gain during the nine months ended September 30, 2016 is due to an increase in the Time Warner Cable stock price during the period.

(2) On March 27, 2015, Liberty Broadband entered into a cashless collar agreement with a financial institution on 1.7 million Time Warner Cable shares held by the Company. The collar was originally scheduled to expire during March 2017. The Company unwound the agreement during July 2015 for $67.1 million cash paid to the counterparty. In connection with this collar agreement, the Company also entered into a revolving loan agreement with an availability of $234 million, which was terminated upon unwinding of the collar agreement during July 2015 (note 7).

(3) As discussed in note 5, Time Warner Cable merged with Charter on May 18, 2016. Therefore the Company no longer has an investment in Time Warner Cable as of May 18, 2016, and the unrealized gain (loss) related to our investment in Time Warner Cable is recorded through this date. In connection with the merger, the Company exchanged, in a tax-free transaction, its shares of Time Warner Cable for shares of New Charter (as defined in note 5) Class A common stock.

(4) Investments in Available-for-Sale Securities

All marketable equity and debt securities held by the Company are classified as available-for-sale ("AFS") and are carried at fair value generally based on quoted market prices. GAAP permits entities to choose to measure many financial instruments, such as AFS securities, and certain other items at fair value and to recognize the changes in fair value of such instruments in the entity's statements of operations. The Company has elected to account for those of its AFS securities which it considers to be nonstrategic ("Fair Value Option Securities") at fair value. Accordingly, changes

LIBERTY BROADBAND CORPORATION

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

in the fair value of Fair Value Option Securities, as determined by quoted market prices, are reported in realized and unrealized gains (losses) on financial instruments in the accompanying condensed consolidated statements of operations.

Investments in AFS securities, including our formerly held interest in Time Warner Cable which was our only Fair Value Option Security, are summarized as follows:

	September 30, 2016	December 31, 2015
	(amounts in thousands)	
Time Warner Cable (1)	$ —	438,912
Other equity securities	—	648
Total investments in available-for-sale securities	$ —	439,560

(1) As discussed in note 5, Time Warner Cable merged with Charter on May 18, 2016. Therefore the Company no longer has an investment in Time Warner Cable as of this date.

Unrealized Holding Gains and Losses

As of December 31, 2015, the gross unrealized holding gain related to investments in AFS securities was $357 thousand. There were no gross unrealized holding gains related to investments in AFS securities as of September 30, 2016. There were no gross unrealized holding losses related to investments in AFS securities for the periods presented.

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

In May 2013, Liberty acquired approximately 26.9 million shares of common stock and approximately 1.1 million warrants to purchase shares of Charter common stock for approximately $2.6 billion, which represented an approximate 27% beneficial ownership (including the warrants on an as if converted basis) in Charter at the time of purchase and price per share of $95.50. Liberty funded the purchase with a combination of cash on hand of approximately $1.2 billion and new margin loan arrangements. Liberty allocated the purchase price between the shares of common stock and the warrants acquired in the transaction by determining the fair value of the publicly traded warrants and allocating the remaining balance to the shares acquired, which resulted in an initial excess basis in the investment of $2,532 million. The investment in Charter is accounted for as an equity method affiliate based on the ownership interest obtained and the board seats held by individuals appointed by Liberty.

During May 2014, Liberty purchased 897 thousand Charter shares for approximately $124.5 million. During November 2014, subsequent to the Broadband Spin-Off, Liberty Broadband exercised all of its outstanding warrants to purchase shares of Charter common stock for approximately $52 million.

On May 18, 2016, the previously announced merger of Time Warner Cable and Charter (the "Time Warner Cable Merger") was completed, which resulted in Charter and Time Warner Cable becoming wholly owned subsidiaries of CCH I, LLC ("New Charter"), which was a subsidiary of Charter at the time. Also on May 18, 2016, the previously announced acquisition of Bright House Networks, LLC ("Bright House") from Advance/Newhouse Partnership ("A/N") by New Charter (the "Bright House Transaction") was completed. In connection with these transactions, Charter underwent a corporate reorganization, resulting in New Charter, a former subsidiary of Charter, becoming the new publicly traded parent company. In connection with the Time Warner Cable Merger and the Bright House Transaction, Liberty Broadband completed the previously announced transactions described below:

Transactions completed in connection with the Time Warner Cable Merger

Charter Investment Agreement

On May 18, 2016, Liberty Broadband completed its previously announced investment in New Charter in accordance with the investment agreement dated May 23, 2015 by and among Liberty Broadband, Charter and New Charter (the “Charter Investment Agreement”). Pursuant to the Charter Investment Agreement, immediately following the consummation of the Time Warner Cable Merger, Liberty Broadband purchased from New Charter $4.3 billion of shares of New Charter Class A common stock, par value $0.001 per share, at a price per share of $195.70 following adjustment by the applicable exchange ratio. As a result, Liberty Broadband received approximately 22.0 million shares of New Charter Class A common stock. Liberty Broadband funded its purchase of these shares of New Charter Class A common stock with proceeds from the issuance of Liberty Broadband Series C common stock (note 8).

Charter Contribution Agreement

Also on May 18, 2016, Time Warner Cable common stock held by Liberty Broadband and Liberty Interactive were exchanged, in a tax-free transaction, for shares of New Charter Class A common stock which resulted in each of Liberty Broadband and Liberty Interactive receiving one share of New Charter Class A common stock for each share of Time Warner Cable common stock so exchanged. In the exchange, Liberty Broadband received approximately 2.4 million shares of New Charter Class A common stock, with a fair value of $531.9 million.

Pursuant to the Proxy and Right of First Refusal Agreement, dated May 23, 2015, as amended (the “Liberty Interactive Proxy Agreement”), by and between Liberty Broadband and Liberty Interactive, Liberty Interactive granted Liberty Broadband an irrevocable proxy to vote all shares of New Charter common stock owned beneficially or of record by Liberty Interactive following the closing of the Time Warner Cable Merger, subject to certain limitations. So long as the Liberty Interactive Proxy Agreement is in effect, Liberty Broadband also has a right of first refusal to purchase all or a portion of any shares of New Charter common stock which Liberty Interactive proposes to transfer, subject to certain limitations.

Transactions Completed in connection with the Bright House Transactions

Second Amended and Restated Stockholders Agreement

On May 18, 2016, pursuant to the Amended and Restated Stockholders Agreement, dated May 23, 2015, as amended (the “Second Amended and Restated Stockholders Agreement”), by and among Liberty Broadband, Charter, New Charter and A/N, upon the closing of the Bright House Transaction, Liberty Broadband purchased from New Charter approximately 3.7 million additional shares of New Charter Class A common stock at a price per share of $191.33 following adjustment by the applicable exchange ratios, for an aggregate purchase price of $700 million. Liberty Broadband funded its $700 million purchase in shares of New Charter through cash on hand and margin loan draws (note 7).

Proxy and Right of First Refusal Agreement

In connection with the Bright House Transaction, on May 18, 2016, A/N and Liberty Broadband entered into a proxy agreement, pursuant to which A/N granted Liberty Broadband a five-year proxy to vote shares of New Charter held by A/N, capped at 7% of New Charter’s outstanding shares. As a result, Liberty Broadband controls 25.01% of the

LIBERTY BROADBAND CORPORATION

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

aggregate voting power of New Charter following the completion of the Time Warner Cable Merger and the Bright House Transaction and is New Charter's largest stockholder.

So long as the proxy is in effect, if A/N proposes to transfer common units of Charter Communications Holdings, LLC (which units are exchangeable into New Charter shares and which will, under certain circumstances, result in the conversion of certain shares of Class B Common Stock into New Charter shares) or New Charter shares, in each case, constituting either (i) shares representing the first 7.0% of the outstanding voting power of New 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 New 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 Proxy Agreement.

Investment in Charter

For discussion purposes the term "Charter" will be used to discuss both our previous and current holdings in Charter and New Charter. It is noted that the ticker symbol for Charter and New Charter are the same, and that Charter (as it existed before the Time Warner Cable Merger was completed) merged into New Charter.

As of September 30, 2016, the carrying value of Liberty Broadband's ownership in Charter was approximately $9,233 million. The market value of Liberty Broadband's ownership in Charter as of September 30, 2016 was approximately $14,598 million, which represented an approximate economic ownership of 20% of the outstanding equity of Charter as of that date.

The excess basis is $1,187 million as of September 30, 2016 and has been allocated within memo accounts used for equity accounting purposes as follows (amounts in millions):

Property and equipment	$ 238
Customer relationships	403
Franchise fees	1,170
Trademarks	29
Goodwill	70
Debt	(40)
Deferred income tax liability	(683)
	$ 1,187

Upon acquisition, Liberty Broadband ascribed remaining useful lives of 7 years and 13 years to property and equipment and customer relationships, respectively, and indefinite lives to franchise fees, trademarks and goodwill. The excess basis of outstanding debt is amortized over the contractual period using the effective interest rate method. The Company's share of earnings (losses) of affiliates line item in the accompanying condensed consolidated statements of operations includes expenses of $18.5 million and $17.8 million, net of related taxes, for the three months ended September 30, 2016 and 2015, respectively, and expenses of $23.2 million and $27.6 million, net of related taxes, for the nine months ended September 30, 2016 and 2015, respectively, due to the amortization of the excess basis related to assets with identifiable useful lives and debt. The excess basis amortization during the three and nine months ended September 30, 2015 was offset by the write-off of the excess basis related to debt instruments which Charter repaid during the second quarter of 2015 prior to their contractual maturity.

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Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

The Company had a dilution loss of $16.3 million during the three months ended September 30, 2016, and a dilution gain of $760.1 million during the nine months ended September 30, 2016. The Company had dilution losses of $851 thousand and $2.1 million for the three and nine months ended September 30, 2015, respectively. The dilution gain for the nine months ended September 30, 2016 is primarily attributable to Liberty Broadband's investment basis in Charter at a price per share below the new equity issued in the Time Warner Cable Merger. The dilution losses during the other periods presented are attributable to dilution from Charter warrant and stock option exercises by outside investors (employees and other third parties) at prices below Liberty Broadband's book basis per share.

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

Charter condensed consolidated balance sheet

	September 30, 2016	December 31, 2015
Current assets	$ 2,781	345
Property and equipment, net	32,881	8,345
Goodwill	30,165	1,168
Intangible assets, net	81,684	6,862
Other assets	1,386	22,596
Total assets	$ 148,897	39,316
Current liabilities	8,647	1,972
Deferred income taxes	26,260	1,590
Long-term debt	59,946	35,723
Other liabilities	2,969	77
Equity	51,075	(46)
Total liabilities and shareholders' equity	$ 148,897	39,316

Charter condensed consolidated statement of operations

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Revenue	$ 10,037	2,450	18,728	7,242
Cost and expenses:				
Operating costs and expenses (excluding depreciation and amortization)	(6,482)	(1,620)	(12,157)	(4,802)
Depreciation and amortization	(2,437)	(538)	(4,412)	(1,580)
Other operating expenses, net	(194)	(19)	(243)	(69)
	(9,113)	(2,177)	(16,812)	(6,451)
Operating income	924	273	1,916	791
Interest expense, net	(724)	(353)	(1,771)	(871)
Other income (expense), net	66	(8)	(104)	(141)
Income tax benefit (expense)	(16)	142	3,135	72
Net income (loss)	250	54	3,176	(149)
Less: Net income attributable to noncontrolling interests	61	—	108	—
Net income (loss) attributable to Charter shareholders	$ 189	54	3,068	(149)

(6) Goodwill and Other Intangible Assets

There were no changes in the carrying amount of goodwill during the nine months ended September 30, 2016.

Intangible assets subject to amortization are comprised of the following (amounts in thousands):

	September 30, 2016			December 31, 2015		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Acquired patents	$ 10,823	(8,055)	2,768	10,823	(6,872)	3,951
Customer relationships	10,212	(5,099)	5,113	10,212	(4,076)	6,136
Tradename	2,838	(1,435)	1,403	2,838	(1,154)	1,684
Capitalized software	11,084	(10,932)	152	10,973	(10,857)	116
	$ 34,957	(25,521)	9,436	34,846	(22,959)	11,887

Effective January 1, 2015, TruePosition's patents are amortized straight-line over three and a half years and TruePosition's tradename and customer relationship are amortized straight-line over five and a half years. Capitalized software intangible assets are amortized over three to five years. Amortization expense was $850 thousand and $707 thousand for the three months ended September 30, 2016 and 2015, respectively, and $2.6 million and $2.2 million for the nine months ended September 30, 2016 and 2015, respectively.

The estimated future amortization expense for the next five years related to intangible assets with definite lives as of September 30, 2016 is as follows (amounts in thousands):

Remainder of 2016	$ 862
2017	$ 3,372
2018	$ 2,566
2019	$ 1,768
2020	$ 869

(7) Debt

On October 30, 2014, in connection with and prior to the effectiveness of the Broadband Spin-Off, a wholly-owned special purpose subsidiary of the Company ("BroadbandSPV") entered into two margin loan agreements (the "2014 Margin Loan Agreements") with each of the lenders party thereto. The 2014 Margin Loan Agreements permit BroadbandSPV, subject to certain funding conditions, to borrow term loans up to an aggregate principal amount equal to $400 million (the "2014 Margin Loans"), of which BroadbandSPV borrowed $320 million on October 31, 2014. Approximately $300 million of the amount borrowed pursuant to the 2014 Margin Loan Agreements (less certain expenses incurred in connection with the 2014 Margin Loans) was distributed to Liberty prior to the Broadband Spin-Off. During November 2014, subsequent to the Broadband Spin-Off, Liberty Broadband borrowed an additional $52 million to fund the exercise of the warrants to purchase shares of Charter common stock. As of September 30, 2016, Liberty Broadband had drawn $400 million under the 2014 Margin Loan Agreements, with no additional availability. The maturity date of the 2014 Margin Loans is October 30, 2017. Borrowings under the 2014 Margin Loan Agreements bear interest at the three-month LIBOR rate plus 1.55%, and have an unused commitment fee of 0.25% per annum based on the average daily unused portion of the 2014 Margin Loans. Borrowings outstanding under these margin loans bore interest at a rate of 2.18% per annum at September 30, 2016. Interest is payable quarterly in arrears beginning on December 31, 2014. The 2014 Margin Loan Agreements contain various affirmative and negative covenants that restrict the activities of BroadbandSPV. The 2014 Margin Loan Agreements do not include any financial covenants. The 2014 Margin Loan Agreements also contain restrictions related to additional indebtedness. In connection with Cheetah 5's (as defined below) execution of the 2016 Margin Loan Agreements (as defined below), the 2014 Margin Loan Agreements were amended to, among other things, permit the transactions under the 2016 Margin Loan Agreements and conform certain of the terms in the 2014 Margin Loan Agreements to the 2016 Margin Loan Agreements.

On March 21, 2016, a wholly-owned special purpose subsidiary of the Company ("Cheetah 5"), entered into two margin loan agreements (the "2016 Margin Loan Agreements") with each of the lenders thereto. The 2016 Margin Loan Agreements permit Cheetah 5, subject to certain funding conditions, to borrow initial term loans up to an aggregate principal amount equal to $200 million and delayed draw loans (the "Draw Loans") up to an aggregate principal amount equal to $100 million, for an aggregate total of $300 million (collectively the "2016 Margin Loans"). Cheetah 5 has borrowed $200 million as of September 30, 2016 and had $100 million available to be drawn until March 21, 2017. The maturity date of the 2016 Margin Loans is March 21, 2018. Borrowings under the 2016 Margin Loans bear interest at the applicable LIBOR rate plus 2.10% per annum and have an unused commitment fee of 0.5% per annum based on the average daily unused portion of the Draw Loans. Borrowings outstanding under these margin loans bore interest at a rate of 2.73% per annum at September 30, 2016. Interest is payable quarterly in arrears beginning on March 31, 2016. The proceeds of the 2016 Margin Loans were used for the Company's additional investment in New Charter during May 2016 (note 5). 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 2016 Margin Loan Agreements contain various affirmative and negative covenants that restrict the activities of Cheetah 5. The 2016 Margin Loan Agreements do not include any financial covenants. The 2016 Margin Loan Agreements also contain restrictions related to additional indebtedness.

BroadbandSPV and Cheetah 5's obligations under the 2014 Margin Loan Agreements and 2016 Margin Loan Agreements, respectively, are guaranteed by the Company. In addition, BroadbandSPV and Cheetah 5's obligations are secured by first priority liens on a portion of the Company's ownership interest in Charter, sufficient for BroadbandSPV and Cheetah 5 to meet the loan to value requirements under the 2014 Margin Loan Agreements and 2016 Margin Loan Agreements, respectively. Each agreement contains language that indicates that Liberty Broadband, transferor of underlying shares as collateral, has the right to exercise all voting, consensual and other powers of ownership pertaining to the transferred shares for all purposes, provided that Liberty Broadband agrees that it will not vote the shares in any manner that would reasonably be expected to give rise to transfer or other certain restrictions. Similarly, the loan agreements indicate 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 September 30, 2016, 9.5 million shares of Charter with a value of $2.6 billion were pledged as collateral pursuant to the 2014 Margin Loans and the 2016 Margin Loans.

In connection with the collar agreement on shares of Time Warner Cable entered into on March 27, 2015, as discussed in note 3, the Company also entered into a $234 million revolving loan agreement. On April 7, 2015, Liberty Broadband drew $40 million on this loan, which was the amount used to match the outstanding call liability. The shares of Time Warner Cable underlying the collar served as collateral for borrowings under the revolving loan agreement. Borrowings outstanding under the revolving loan agreement bore interest at the three-month LIBOR rate plus 0.64%, payable quarterly in arrears beginning on March 31, 2015. The interest rate on the unused portion of the revolving loan agreement was 0.12% per annum. The Company repaid the $40 million drawn on the loan during July 2015 and the agreement was terminated upon unwinding of the Time Warner Cable collar agreement.

LIBERTY BROADBAND CORPORATION

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

(8) Stockholder's Equity

Liberty Broadband funded its purchase of shares of Charter Class A common stock using proceeds of $4.4 billion related to subscriptions for approximately 78.3 million newly issued shares of Liberty Broadband Series C common stock, par value $0.01 per share (the "Series C Shares"), at a price per share of $56.23, which was determined based upon the fair value of Liberty Broadband's net assets on a sum-of-the parts basis at the time the Investment Agreement was executed. The purchasers of the Series C Shares were Liberty Interactive through its Liberty Ventures Group and certain other third party investors, which all invested on substantially similar terms. One of the third party investors also held a position in Time Warner Cable and agreed to vote its Time Warner Cable shares in favor of the Time Warner Cable Merger. Each of Charter and Liberty Broadband obtained stockholder approval during September 2015 for the issuance of the Charter shares and the Series C Shares, respectively, in accordance with the rules and requirements of the Nasdaq Stock Market. The issuance of the Series C Shares was not registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act and the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

(9) 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 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 and nine months ended September 30, 2016 and 2015 (amounts in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Operating expense	$ 4	(12)	2	4
Selling, general and administrative	1,596	1,292	4,363	4,534
Research and development	136	171	217	244
	$ 1,736	1,451	4,582	4,782

Liberty Broadband – Grants of Stock Options

There were no options to purchase shares of Series A or Series C common stock granted during the nine months ended September 30, 2016.

The Company calculates the grant-date fair value 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. Since Liberty Broadband common stock has not traded on the stock market for a significant length of time, the volatility used in the calculation for Awards is based on the historical volatility of Charter common stock and the implied volatility of publicly traded Charter options; as the most significant asset within Liberty Broadband, the volatility of Charter served as a proxy for the expected volatility of Liberty Broadband. The Company uses a zero dividend rate and the risk-free rate for Treasury Bonds with a term similar to that of the subject option.

Liberty Broadband – Outstanding Awards

The following table presents 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.

	Series A (in thousands)	WAEP	Weighted average remaining contractual life (in years)	Aggregate intrinsic value (in millions)
Outstanding at January 1, 2016	630	$ 32.36		
Granted	—	$ —		
Exercised	(121)	$ 31.91		
Forfeited/cancelled	—	$ —		
Outstanding at September 30, 2016	509	$ 32.46	2.4	$ 19
Exercisable at September 30, 2016	489	$ 32.31	2.3	$ 18

	Series C (in thousands)	WAEP	Weighted average remaining contractual life (in years)	Aggregate intrinsic value (in millions)
Outstanding at January 1, 2016	2,761	$ 41.09		
Granted	—	$ —		
Exercised	(276)	$ 32.04		
Forfeited/cancelled	—	$ —		
Outstanding at September 30, 2016	2,485	$ 42.09	6.0	$ 73
Exercisable at September 30, 2016	915	$ 32.25	2.3	$ 36

As of September 30, 2016, the total unrecognized compensation cost related to unvested Awards was approximately$16 million. Such amount will be recognized in the Company's consolidated statements of operations over a weighted average period of approximately 2.8 years. As of September 30, 2016, Liberty Broadband reserved 3.0 million shares of Series A and Series C common stock for issuance under exercise privileges of outstanding stock Awards.

TruePosition Equity Incentive Plans

On July 29, 2016, all Skyhook Wireless Inc. ("Skyhook"), a wholly owned subsidiary of TruePosition, phantom stock appreciation rights ("PARs") were converted into PARs granted under the TruePosition Long Term Incentive Plan ("LTIP") and future awards under the Skyhook LTIP were suspended. Concurrent with the conversion, TruePosition made certain adjustments to the outstanding TruePosition PARs and phantom stock units ("PSUs") to standardize and simplify the valuation of awards granted under the TruePosition LTIP. TruePosition issued 4.1 million PARs during the nine months ended September 30, 2016. As of September 30, 2016, the fair value of outstanding PARs and PSUs was approximately

$3.5 million. As of September 30, 2016, $1.7 million (Level 3) is included in Other current liabilities in the accompanying condensed consolidated balance sheet for the fair value of TruePosition's vested long-term incentive plan obligations.

(10) Commitments and Contingencies

Leases

TruePosition leases various properties under operating leases expiring at various times through 2018. TruePosition's principal facility is under lease through December 2017. Including amounts due to Liberty under the facilities sharing agreement, the Company's total rental expense was $452 thousand and $622 thousand for each of the three months ended September 30, 2016 and 2015, respectively, and $1.0 million and $2.0 million for each of the nine months ended September 30, 2016 and 2015, respectively.

General Litigation

In the ordinary course of business, the Company and its consolidated subsidiaries are parties to legal proceedings and claims involving alleged infringement of third-party intellectual property rights, defamation, and other claims, including infringement of the intellectual property rights of the Company and its consolidated subsidiaries by third parties. 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.

Litigation

On September 10, 2010, Skyhook filed a patent infringement lawsuit in the U.S. District Court for the District of Massachusetts against Google, Inc. ("Google"). In March 2013, Skyhook amended its lawsuit to add additional claims. In total, at the time the case was to be tried, Skyhook alleged that Google infringed on eight Skyhook patents involving location technology and sought an injunction and/or award of damages in an amount to be determined at trial. The case had been scheduled to be tried before a jury commencing March 9, 2015. However, on March 5, 2015, the parties advised the District Court that the case had been settled and thereby dismissed the action without costs and without prejudice to the right, upon good cause shown within 45 days, to reopen the action if the settlement was not consummated. On March 27, 2015, the parties consummated a final settlement agreement and on April 24, 2015, Google paid Skyhook settlement consideration of $90 million. In return for payment of the settlement consideration, Google received dismissal of the action with prejudice, a license to the existing Skyhook patents and patent applications (and their continuations, divisionals, continuations-in-part), a three-year covenant not to sue (subject to limited exceptions) and a mutual release of claims. The settlement amount of $90 million is recorded net of approximately $29.5 million for legal fees in the statement of operations for the nine months ended September 30, 2015.

Indemnification Claims

In the normal course of business, TruePosition provides indemnification to certain customers against specified claims that might arise against those customers from the use of TruePosition's products. To date, TruePosition has not made any significant reimbursements to any of its customers for any losses related to these indemnification provisions. However, four such claims are currently pending. TruePosition is unable to estimate the maximum potential impact of these indemnification provisions on its future results of operations, although TruePosition's liabilities in certain of those arrangements are customarily limited in various respects, including monetarily. Accordingly, no accrual was recorded related to indemnification claims as of September 30, 2016 or December 31, 2015.

Certain Risks and Concentrations

The TruePosition business is subject to certain risks and concentrations including dependence on relationships with its customers. Historically, TruePosition had one significant customer whose contract expired on December 31, 2015. The loss of this customer is expected to have a material adverse effect on TruePosition's business unless TruePosition is able to generate significant new business to replace the financial impact of this customer. For the three and nine months ended September 30, 2015, this customer accounted for 84% and 79%, respectively, of TruePosition's total revenue.

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.

(11) 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 represent 10% or more of Liberty Broadband's annual pre-tax earnings.

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 nine months ended September 30, 2016, Liberty Broadband has identified the following consolidated subsidiary and equity method investment as its reportable segments:

- TruePosition—a wholly-owned subsidiary of the Company that, together with its subsidiary Skyhook, provides a WiFi based location platform focused on providing positioning technology, contextual location intelligence solutions, and 911 services domestically.

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Notes to Condensed Consolidated Financial Statements (Continued)

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- Charter—an equity method investment of the Company 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.

Performance Measures

	Three months ended September 30,			
	2016		2015	
	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA
	(amounts in thousands)			
TruePosition	$ 20,616	11,422	15,225	5,618
Charter	10,037,000	3,442,000	2,450,000	831,000
Corporate and other	—	(2,091)	—	(3,059)
	10,057,616	3,451,331	2,465,225	833,559
Eliminate equity method affiliate	(10,037,000)	(3,442,000)	(2,450,000)	(831,000)
Consolidated Liberty Broadband	$ 20,616	9,331	15,225	2,559

	Nine months ended September 30,			
	2016		2015	
	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA
	(amounts in thousands)			
TruePosition	$ 27,413	1,234	41,186	5,681
Charter	18,728,000	6,496,000	7,242,000	2,429,000
Corporate and other	—	(7,170)	—	(9,139)
	18,755,413	6,490,064	7,283,186	2,425,542
Eliminate equity method affiliate	(18,728,000)	(6,496,000)	(7,242,000)	(2,429,000)
Consolidated Liberty Broadband	$ 27,413	(5,936)	41,186	(3,458)

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Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

Other Information

	September 30, 2016		
	Total assets	Investments in affiliates	Capital expenditures
	(amounts in thousands)		
TruePosition	$ 53,415	—	154
Charter	148,897,000	—	32,247,000
Corporate and other	9,461,985	9,233,197	—
	158,412,400	9,233,197	32,247,154
Eliminate equity method affiliate	(148,897,000)	—	(32,247,000)
Consolidated Liberty Broadband	$ 9,515,400	9,233,197	154

The following table provides a reconciliation of segment Adjusted OIBDA to earnings (loss) before income taxes:

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
	(amounts in thousands)			
Consolidated segment Adjusted OIBDA	$ 9,331	2,559	(5,936)	(3,458)
Stock-based compensation	(1,736)	(1,451)	(4,582)	(4,782)
Depreciation and amortization	(971)	(820)	(2,935)	(4,920)
Net gain on legal settlement	—	—	—	60,505
Interest expense	(4,090)	(1,816)	(10,547)	(5,496)
Dividend and interest income	190	605	4,697	1,871
Share of earnings (loss) of affiliates	19,046	(3,999)	570,178	(65,747)
Realized and unrealized gains (losses) on financial instruments, net	—	(23,116)	92,990	(12,091)
Gain (loss) on dilution of investment in affiliate	(16,331)	(851)	760,074	(2,113)
Other, net	5	10	112	34
Earnings (loss) before income taxes	$ 5,444	(28,879)	1,404,051	(36,197)

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 our business, product and marketing strategies; new service offerings; the recoverability of our goodwill and other long-lived assets; the performance of our equity affiliate; our projected sources and uses of cash; and the anticipated non-material impact of certain contingent liabilities related to legal and tax proceedings and other matters arising in the ordinary course of business. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the 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 subsidiaries and equity affiliates) that could cause actual results or events to differ materially from those anticipated:

- the ability of Charter (as defined below) to sustain and grow revenue and cash flow from operations by offering video, Internet, voice, advertising and other services to residential and commercial customers, to adequately meet the customer experience demands in its markets 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 ("DSL") 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;

- general business conditions, economic uncertainty or downturn, high 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);

- the development and deployment of new products and technologies, including cloud-based user interface, Spectrum Guide®, and downloadable security for set top boxes and any other cloud-based 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;

- the effects of governmental regulation on our business or potential business combination transactions;

- the ability of suppliers and vendors to deliver products, equipment, software and services;

- the outcome of any pending or threatened litigation;

- availability of qualified personnel;

- 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 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;
- our ability to successfully monetize certain of our assets; and
- the ability of New Charter (as defined below) to achieve the synergies and value creation contemplated by the Time Warner Cable Merger and the Bright House Transaction (each as defined below and collectively, the "Transactions");
- New Charter's ability to promptly, efficiently and effectively integrate acquired operations;
- the ability of New Charter to manage a significantly larger company than before the completion of the Transactions;
- diversion of management time on issues related to the integration of Time Warner Cable and Bright House's operations;
- changes in Charter's, Time Warner Cable's or Bright House's (as they each existed before the Time Warner Cable Merger was completed) operations, businesses, future cash requirements, capital requirements, results of operations, revenues, financial condition and/or cash flows;
- disruption in New Charter's business relationships as a result of the Transactions;
- the increase in indebtedness as a result of the Transactions, which will increase interest expense and may decrease New Charter's operating flexibility;
- operating costs and business disruption that may be greater than expected;
- the ability to retain and hire key personnel and maintain relationships with providers or other business partners; and
- costs, disruptions and possible limitations on operating flexibility related to regulatory conditions applicable to New Charter as a result of the Transactions.

For additional risk factors, please see Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2015, as well as Part II, Item 1A of our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016. 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. Additionally, see note 1 in the accompanying condensed consolidated financial statements for an overview of new accounting standards that we have adopted or that we plan to adopt that have had or may have an impact on our financial statements.

Overview

During May 2014, the board of Liberty Media Corporation and its subsidiaries ("Liberty") authorized management to pursue a plan to spin-off to its stockholders common stock of a newly formed company, Liberty Broadband (as defined below), and to distribute subscription rights to acquire shares of Series C Liberty Broadband common stock (the "Broadband Spin-Off"). Liberty Broadband is comprised of, among other things, (i) Liberty's former interest in Charter Communications, Inc. ("Charter"), (ii) Liberty's former wholly-owned subsidiary TruePosition, Inc. ("TruePosition"), (iii) Liberty's former minority equity investment in Time Warner Cable, Inc. ("Time Warner Cable"), (iv) certain deferred tax liabilities, as well as liabilities related to the Time Warner Cable written call option and (v) initial indebtedness, pursuant to margin loans entered into prior to the completion of the Broadband Spin-Off. The Broadband Spin-Off was accounted for at historical cost due to the pro rata nature of the distribution to holders of Liberty common stock.

In the Broadband Spin-Off record holders of Liberty Series A, Series B and Series C common stock received one-fourth of a share of the corresponding series of Liberty Broadband common stock for each share of Liberty common stock held by them for the Broadband Spin-Off, with cash paid in lieu of fractional shares. In addition, following the completion of the Broadband Spin-Off, stockholders received a subscription right to acquire one share of Liberty Broadband Series C common stock for everyfive shares of Liberty Broadband common stock they held at a per share subscription price of $40.36, which was a 20% discount to the 20-trading day volume weighted average trading price of the Liberty Broadband Series C common stock following the completion of the Broadband Spin-Off. The rights offering was fully subscribed on January 9, 2015, with 17,277,224 shares of Series C common stock issued to those rightsholders exercising basic and, as applicable, oversubscription privileges. The Broadband Spin-Off and rights offering were intended to be tax-free to stockholders of Liberty and Liberty Broadband, respectively. The subscription rights were issued to raise capital for general corporate purposes of Liberty Broadband.

On May 18, 2016, Time Warner Cable merged with Charter (the “Time Warner Cable Merger”). In connection with the Time Warner Cable Merger, Charter underwent a corporate reorganization, resulting in New Charter, a former subsidiary of Charter, becoming the new publicly traded parent company. Also on May 18, 2016, the previously announced acquisition of Bright House Networks, LLC (“Bright House”) from Advance/Newhouse Partnership (“A/N”) by New Charter (the “Bright House Transaction”) was completed. In connection with the Time Warner Cable Merger and Bright House Transaction, Liberty Broadband entered into certain agreements with Charter, Liberty Interactive Corporation (“Liberty Interactive”) and Time Warner Cable. As a result of the Time Warner Cable Merger and Bright House Transaction, Liberty Broadband exchanged its shares of Time Warner Cable for shares of New Charter and purchased additional shares of New Charter. As a result, and pursuant to proxy agreements entered into with Liberty Interactive and A/N, Liberty Broadband controls 25.01% of the aggregate voting power of New Charter following the completion of the Transactions.

The financial information represents a consolidation of the historical financial information of TruePosition, Liberty Broadband’s interest in Charter, Liberty Broadband’s former minority equity investment in Time Warner Cable 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—September 30, 2016 and 2015

Consolidated operating results:

	Three months ended September 30, 2016	Three months ended September 30, 2015	Nine months ended September 30, 2016	Nine months ended September 30, 2015
	(amounts in thousands)			
Revenue	$ 20,616	15,225	27,413	41,186
Operating expense	778	1,102	2,097	4,443
Research and development	2,248	3,341	7,823	12,644
Selling, general and administrative	8,259	8,223	23,429	27,557
Stock-based compensation	1,736	1,451	4,582	4,782
Net gain on legal settlement (note 10)	—	—	—	(60,505)
Depreciation and amortization	971	820	2,935	4,920
Operating income (loss)	6,624	288	(13,453)	47,345
Less impact of stock-based compensation, net gain on legal settlement, and depreciation and amortization	2,707	2,271	7,517	(50,803)
Adjusted OIBDA	$ 9,331	2,559	(5,936)	(3,458)

Revenue

Revenue increased $5.4 million and decreased $13.8 million for the three and nine months ended September 30, 2016, respectively, as compared to the same periods in the prior year. The increase in revenue for the three months ended September 30, 2016 was due to a new license agreement entered into during the period. On September 1, 2016, TruePosition, together with its wholly-owned subsidiary Skyhook Wireless, Inc. ("Skyhook") entered into a confidential license agreement pursuant to which TruePosition and Skyhook agreed to grant to the licensee a perpetual, non-exclusive, non-transferable, worldwide license to patents and patent applications owned by the companies. In exchange for this grant, the licensee agreed to pay a one-time lump sum payment of $17.5 million that was recognized as revenue during the three months ended September 30, 2016. The three months ended revenue growth was partially offset by the loss of TruePosition's largest customer whose contract expired on December 31, 2015. The lost customer accounted for 84% and 79% of TruePosition's total revenue for the three and nine months ended September 30, 2015, respectively. A significant decline in TruePosition's operations is expected to continue unless TruePosition is able to generate sufficient new business to replace the financial impacts of this customer. For the nine month period ended September 30, 2016, the impacts from the loss of this customer more than offset those of the new license agreement.

Operating expense, research and development, and selling, general and administrative expenses

Operating expense and research and development expense decreased compared to the same periods in the prior year, primarily as a result of headcount reductions and other cost containment measures taken by TruePosition. Selling, general and administrative expense for the three months ended September 30, 2016 were relatively flat compared to the same period in the prior year as the impacts of headcount reductions and other cost containment measures were offset by legal expenses associated with the new license agreement and the settlement of a sales tax matter. For the nine month period ended September 30, 2016, selling, general and administrative expense decreased compared to the corresponding period in the prior year as a result of headcount reductions, other cost containment measures and decreased legal expenses. Legal expenses increased $927 thousand and decreased $2.0 million for the three and nine months ended September 30, 2016, respectively, compared to the same periods in the prior year. Legal expenses increased in the three months ended September 30, 2016 due to legal costs associated with the license agreement and decreased in the nine months ended September 30, 2016 primarily as a result of the settlement of Skyhook's patent infringement lawsuit during the first quarter of 2015, offset by corporate legal expenses during the second quarter of 2016 related to the Time Warner Cable Merger. Additionally, approximately $439 thousand of lobbying expenses related to the indoor accuracy regulations proposed by the FCC were incurred during the nine months ended September 30, 2015. Lobbying costs decreased significantly after the first quarter of 2015 based upon rulemaking timelines, and no lobbying costs have been incurred during 2016.

Stock-based compensation

The slight increase in stock-based compensation of $285 thousand for the three months ended September 30, 2016 as compared to the corresponding period in the prior year was due to adjustments made to certain outstanding awards which increased their fair value coupled with additional grants of awards made during the quarter. The slight decrease of $200 thousand for the nine months ended September 30, 2016 as compared to the corresponding period in the prior year, was primarily due to a decrease in the number of vested outstanding awards under TruePosition's long-term incentive plans as a result of headcount reductions.

Net gain on legal settlement

On September 10, 2010, Skyhook filed a patent infringement lawsuit in the U.S. District Court for the District of Massachusetts against Google, Inc. ("Google"). In March 2013, Skyhook amended its lawsuit to add additional claims. The case had been scheduled to be tried before a jury commencing March 9, 2015, with Skyhook alleging at that time that Google infringed on eight Skyhook patents involving location technology and seeking an injunction and/or award of damages in an amount to be determined at trial. However, on March 5, 2015, the parties advised the District Court that the case had been settled and thereby dismissed the action without costs and without prejudice to the right, upon good cause shown within 45 days, to reopen the action if settlement is not consummated. On March 27, 2015, the parties consummated a final settlement agreement and on April 24, 2015, Google paid Skyhook settlement consideration of $90 million. In return for payment of the settlement consideration, Google received dismissal of the action with prejudice, a license to the existing Skyhook patents and patent applications (and their continuations, divisionals, continuations-in-part), a three-year covenant not to sue (subject to limited exceptions) and a mutual release of claims. As a result of the settlement, Skyhook realized a net gain, after legal fees, of approximately $60.5 million during the first quarter of 2015.

Depreciation and amortization

Depreciation and amortization expense increased by $151 thousand and decreased by $2.0 million during the three and nine months ended September 30, 2016, respectively, as compared to the corresponding periods in the prior year. The slight increase during the three months ended September 30, 2016 as compared to the corresponding period in the prior year is due to the acquisition of certain intangible assets in September 2015. The decrease in depreciation and amortization expense during the nine months ended September 30, 2016 as compared to the corresponding period in the prior year is primarily due to the write-off of fixed assets during the first quarter of 2015. The assets written off were comprised of assets related to the abandonment of a product development project by TruePosition during the period.

Operating Income (Loss)

Operating income increased $6.3 million and decreased $60.8 million for the three and nine months ended September 30, 2016, respectively, as compared to the same periods in the prior year due to the items discussed above.

Adjusted OIBDA

We define Adjusted OIBDA as revenue less operating expenses and selling, general and administrative expenses (excluding stock 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 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 11 to the accompanying quarterly condensed consolidated financial statements for a reconciliation of Adjusted OIBDA to earnings (loss) before income taxes.

Adjusted OIBDA increased $6.8 million and decreased $2.5 million during the three and nine months ended September 30, 2016, respectively, as compared to the same periods in the prior year. Adjusted OIBDA for the three months ended September 30, 2016 and 2015 includes $2.1 million and $3.1 million of corporate selling, general and administrative costs, respectively. Adjusted OIBDA for the nine months ended September 30, 2016 and 2015 includes $7.2 million and $9.1 million of corporate selling, general and administrative costs, respectively. The increase in TruePosition Adjusted OIBDA for the three months ended September 30, 2016 is primarily due to the new license agreement partially offset by the loss of TruePosition's largest customer as discussed above. The decline in TruePosition Adjusted OIBDA for the nine months ended September 30, 2016 is due to the decline in revenue during the current period as a result of the loss of TruePosition's largest customer, partially offset by the new license agreement and lower operating expenses as discussed above.

Other Income and Expense

Components of Other Income (Expense) are presented in the table below.

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
	(amounts in thousands)			
Other income (expense):				
Interest expense	$ (4,090)	(1,816)	(10,547)	(5,496)
Dividend and interest income	190	605	4,697	1,871
Share of earnings (losses) of affiliates	19,046	(3,999)	570,178	(65,747)
Realized and unrealized gains (losses) on financial instruments, net	—	(23,116)	92,990	(12,091)
Gain (loss) on dilution of investment in affiliate	(16,331)	(851)	760,074	(2,113)
Other, net	5	10	112	34
	$ (1,180)	(29,167)	1,417,504	(83,542)

Interest expense

Interest expense increased $2.3 million and $5.1 million during the three and nine months ended September 30, 2016, respectively, as compared to the corresponding periods in the prior year. The increase is primarily due to additional amounts outstanding on the 2014 Margin Loan Agreements and 2016 Margin Loan Agreements (as defined in note 7 to the accompanying condensed consolidated financial statements) during the current periods as compared to corresponding periods in the prior year.

Dividend and interest income

Dividend and interest income decreased $415 thousand and increased $2.8 million during the three and nine months ended September 30, 2016, respectively, as compared to the corresponding periods in the prior year. The decrease in dividend and interest income for the three months ended September 30, 2016 as compared to the same period in the prior year is the result of a loss of dividend income due to the Time Warner Cable Merger during May 2016. The increase in dividend and interest income during the nine months ended September 30, 2016 as compared to the same period in the prior year is due to contractual commitments on the Time Warner Cable shares in 2015. While the dividend rate remained the same, a larger portion of the dividends were passed through to the counterparty in the prior periods, as written call option contracts and a collar agreement on Time Warner Cable shares were outstanding during 2015.

Share of earnings (losses) of affiliates

Share of earnings of affiliates increased $23.0 million and $635.9 million during the three and nine months ended September 30, 2016, respectively, as compared to the corresponding periods in the prior year.

In May 2013, the Company acquired approximately 26.9 million shares of common stock and approximately 1.1 million warrants to purchase shares of Charter common stock, for approximately $2.6 billion, which represented an approximate 27% beneficial ownership (including the warrants on an as-converted basis) in Charter at the time of purchase. Additionally, the Company purchased 897 thousand additional shares of Charter during May 2014 and exercised all of its outstanding warrants to purchase shares of Charter common stock during November 2014, subsequent to completion of the Broadband Spin-Off. Upon acquisition, Liberty Broadband allocated the excess basis between the book basis of Charter and fair value of the shares acquired primarily to intangible assets and debt. The Company's share of earnings (losses) of affiliates line item in the accompanying condensed consolidated statements of operations includes expenses of $18.5 million and $17.8 million, net of related taxes, for the three months ended September 30, 2016 and 2015, respectively, and expenses of $23.2 million and $27.6 million for the nine months ended September 30, 2016 and 2015, respectively, due to the amortization related to the excess basis of assets with identifiable useful lives and debt.

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 September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
	(amounts in millions)			
Revenue	$ 10,037	2,450	18,728	7,242
Operating expenses, excluding stock-based compensation	(6,595)	(1,619)	(12,232)	(4,813)
Adjusted OIBDA	3,442	831	6,496	2,429
Depreciation and amortization	(2,437)	(538)	(4,412)	(1,580)
Stock-based compensation	(81)	(20)	(168)	(58)
Operating income	924	273	1,916	791
Other expenses, net	(658)	(361)	(1,875)	(1,012)
Net earnings (loss) before income taxes	266	(88)	41	(221)
Income tax benefit (expense)	(16)	142	3,135	72
Net earnings (loss)	$ 250	54	3,176	(149)

Charter net earnings increased $196 million and $3,325 million for the three and nine months ended September 30, 2016, respectively, as compared to the corresponding periods in the prior year.

Charter's revenue increased $7,587 million and $11,486 million for the three and nine months ended September 30, 2016, respectively, as compared to the corresponding periods in the prior year. The Transactions increased revenues for the three and nine months ended September 30, 2016, as compared to the same periods in the prior year by approximately $7.4 billion and $11 billion, respectively. Revenue also increased due to increases in the number of residential Internet and triple play customers and in commercial business customers, growth rates driven by higher equipment revenue and rate increases, offset by a decrease in basic video customers.

The increase in revenue during the three and nine months ended September 30, 2016 was partially offset by the net impact of an increase in operating expenses, excluding stock-based compensation of $4,976 million and $7,419 million, respectively. The increase in operating expenses was primarily attributable to the Transactions which increased operating costs and expenses by approximately $4.7 billion and $7.0 billion for the three and nine months ended September 30, 2016 compared to the same periods in the prior year. Operating costs also increased due to an increase in programming costs as a result of annual contractual rate adjustments, including increases in amounts paid for retransmission consents, and the introduction of new networks, offset by synergies as a result of the Transactions and lower pay-per-view programming expenses. Charter expects programming expenses to continue to increase in future periods, and does not expect to be able to pass the cost increases on to its customers without a potential loss of customers. Depreciation and amortization increased $1,899 million and $2,832 million during the three and nine months ended September 30, 2016, respectively, compared to the same periods in the prior year. The increase in depreciation and amortization expense was the result of additional depreciation and amortization related to the Transactions inclusive of the incremental amounts as a result of the higher fair values recorded in acquisition accounting. Stock compensation expense increased $61 million and $110 million during the three and nine months ended September 30, 2016, respectively, compared to the same periods in the prior year, primarily due to increases in headcount and the value of equity issued. Charter's results were also impacted by an increase in other expenses, net of $297 million and $863 million for the three and nine months ended September 30, 2016, respectively. The increase in other expenses, net is primarily attributable to $724 million and $1,771 million of interest expense that was recognized during the three and nine months ended September 30, 2016 related to term loans and notes held in escrow during the period to fund the Transactions, and debt assumed from Time Warner Cable's existing debt at the time of the Transactions. Income tax benefit (expense) decreased $158 million and increased $3,063 million for the three and nine months ended September 30, 2016, respectively. Certain of the deferred tax liabilities that were assumed in connection with the closing of the Transactions will reverse and provide a source of future taxable income, resulting in a reduction of substantially all of Charter's preexisting valuation allowance associated with its deferred tax assets of approximately $3.3 billion. Such release of Charter's valuation allowance was recognized directly to income tax benefit in the consolidated statements of operations for the nine months ended September 30, 2016. Income tax expense and benefit for the three and nine months ended September 30, 2016, respectively, were impacted by a change in a state tax law that resulted in approximately $44 million of tax benefit. The tax provision in future periods will vary based on current and future temporary differences, as well as future operating results.

Realized and unrealized gains (losses) on financial instruments, net

Realized and unrealized gains on financial instruments, net improved $23.1 million and $105.1 million for the three and nine months ended September 30, 2016, respectively, as compared to the corresponding periods in the prior year. Realized and unrealized gains on financial instruments, net are attributable to changes in the fair value of our former investment in Time Warner Cable and corresponding outstanding written call options and collar agreement. Historically, the change in fair value of our investment in Time Warner Cable was directly correlated to changes in the underlying Time Warner Cable stock price. The change in fair value of our derivative instruments related to our former investment in Time Warner Cable was typically inversely correlated to changes in the underlying Time Warner Cable stock price. During the three months ended September 30, 2016 there was no net realized and unrealized gain (loss) as we exited the derivative and Time Warner Cable shares were exchanged for Charter shares during the second quarter of 2016. The net realized and unrealized gain of $93.0 million for the nine months ended September 30, 2016, was attributable to gains in the fair value of our investment in Time Warner Cable prior to the Time Warner Cable Merger, due to increases in the Time Warner Cable stock price during the period. The net realized and unrealized gains of $23.1 million and $12.1 million during the three and nine months ended September 30, 2015, respectively, were primarily attributable to changes in the fair value of our investment in Time Warner Cable and changes in the fair value of our corresponding outstanding written call options and collar agreement on our Time Warner Cable investment due to an increase in the trading price of Time Warner Cable shares during the respective periods.

Gain (loss) on dilution of investment in affiliate

The loss during the three months ended September 30, 2016 is primarily due to the issuance of Charter common stock from the exercise of warrants and stock options, held by outside investors (employees and other third parties), at prices below Liberty Broadband's book basis per share. The gain during the nine months ended September 30, 2016 is primarily due to the Time Warner Cable Merger. Even after considering the exchange of Time Warner Cable shares held by Liberty Broadband to shares of New Charter, Liberty Broadband's interest in New Charter was diluted as a result of the conversion of outstanding Time Warner Cable shares held by third parties into shares of New Charter. However, Liberty Broadband recognized a gain during the period as Liberty Broadband's investment basis in Charter was at a price per share below the new equity issued in the Time Warner Cable Merger. The loss during the three and nine months ended September 30, 2015 and the three months ended September 30, 2016 is the result of the issuance of Charter common stock from the exercise of warrants and stock options, held by outside investors (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 warrants and stock options, a loss is recorded with the effective sale of common stock, because the exercise price of Charter warrants or stock options is typically lower than the book value of the Charter shares held by Liberty Broadband.

Other, net

Other, net during the three and nine months ended September 30, 2016 is primarily attributable to a gain on the sale of shares of a certain TruePosition cost investment. Other, net during the three and nine months ended September 30, 2015 is attributable to a gain on the sale of property, plant, and equipment, offset by tax penalties.

Income tax benefit (expense)

During the three and nine months ended September 30, 2016, we had an income tax expense of $1.7 million and $532.3 million, respectively, and the effective rate was approximately 30.4% and 37.9%, respectively. For the three and nine months ended September 30, 2015 we had an income tax benefit of $9.6 million and $14.4 million, respectively, and the effective tax rate was approximately 33.2% and 39.8%, respectively. The difference between the effective income tax rate of 30.4% and the U.S. Federal income tax rate of 35% for the three months ended September 30, 2016 is primarily due to the effect of state income taxes. The difference between the effective income tax rate of 37.9% and the U.S. Federal income tax rate of 35% for the nine months ended September 30, 2016 is primarily due to the effect of state income taxes. The difference between the effective income tax rate of 33.2% and the U.S. Federal income tax rate of 35% for the three months ended September 30, 2015 is primarily due to a valuation allowance recorded for state NOL carryforwards. The difference between the effective income tax rate of 39.8% and the U.S. Federal income tax rate of 35% for the nine months ended September 30, 2015 is primarily due to the effect of state income taxes.

Liquidity and Capital Resources

As of September 30, 2016 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 subsidiaries (to the extent such cash exceeds the working capital needs of the subsidiaries), proceeds from asset sales, monetization of our investments, debt borrowings, equity issuances, and dividend and interest receipts.

As of September 30, 2016 Liberty Broadband had a cash balance of $259 million.

	Nine months ended September 30,	
	2016	2015
	(amounts in thousands)	
Cash flow information		
Net cash provided (used) by operating activities	$ (5,033)	51,626
Net cash provided (used) by investing activities	$ (4,990,687)	(2,504)
Net cash provided (used) by financing activities	$ 4,599,682	549,453

Prior to the loss of its significant customer on December 31, 2015, TruePosition generally collected the majority of its annual software maintenance from its customers during the first quarter of each calendar year, which is a significant factor contributing to the cash generated from operations in the nine months ended September 30, 2015. The other major factor contributing to the cash generated from operations in the nine months ended September 30, 2015 was the Google legal settlement, which resulted in net proceeds of $60.5 million.

As discussed in note 5 of the accompanying condensed consolidated financial statements, in support of the Time Warner Cable Merger, the Company issued $4.4 billion additional shares of Series C Liberty Broadband common stock to purchase $4.3 billion in shares of New Charter. Furthermore, as also discussed in note 5 of the accompanying condensed consolidated financial statements, Liberty Broadband used cash on hand and proceeds from the new margin loan to purchase an additional $700 million of New Charter shares in connection with Charter's proposed acquisition of Bright House Networks from A/N. Additionally, the Company had borrowings of $200 million during the nine months ended September 30, 2016. During the nine months ended September 30, 2015, the Company paid $152.0 million in net settlements of financial instruments. However, the Company received net proceeds of $697.3 million from the rights offering and borrowed $40 million pursuant to a revolving loan agreement during the nine months ended September 30, 2015, and subsequently repaid the $40 million revolving loan in July 2015.

On December 10, 2014, stockholders received a subscription right to acquireone share of Series C Liberty Broadband common stock for every five shares of Liberty Broadband common stock they held on the rights record date at a per share subscription price of $40.36, which was a 20% discount to the 20-trading day volume weighted average trading price of our Series C common stock following the completion of the Broadband Spin-Off. The rights offering was fully subscribed on January 9, 2015, with 17,277,224 shares of Series C common stock issued to those rightsholders exercising basic and, as applicable, oversubscription privileges, resulting in $697.3 million of proceeds.

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 to potentially refinance Liberty Broadband's margin loans that come due in 2017 and 2018. We expect corporate cash to cover these expenses for more than 5 years.

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 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 expect to manage our exposure to interest rates by achieving what we believe is an appropriate mix of fixed and variable rate debt. We believe this best protects us from interest rate risk. We anticipate achieving 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/or (iii) entering into interest rate swap arrangements when we deem appropriate. As of September 30, 2016, 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)			
$ 600	2.4%	$ —	NA

We are exposed to changes in stock prices primarily as a result of our significant holdings in publicly traded securities. We continually monitor changes in stock markets, in general, and changes in the stock prices of our holdings, specifically. We believe that changes in stock prices can be expected to vary as a result of general market conditions, technological changes, specific industry changes and other factors. We periodically use equity collars and other financial instruments to manage market risk associated with certain investment positions. These instruments are recorded at fair value based on option pricing models.

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 September 30, 2016 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 and nine months ended September 30, 2016 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, 2015 includes "Legal Proceedings" under Item 3 of Part I. Other than as described below, there have been no material changes from the legal proceedings described in our Form 10-K.

On August 21, 2015, a purported stockholder of Charter filed a lawsuit in the Delaware Court of Chancery, on behalf of a putative class of Charter stockholders, challenging the transactions between Charter, Time Warner Cable, A/N and Liberty Broadband announced by Charter on May 26, 2015 (collectively, the "Transactions"). The lawsuit is captioned *Sciabacucchi v. Liberty Broadband Corp*., C.A. No. 11418-VCG (the "Delaware Action"), and names as defendants Liberty Broadband, Charter, the board of directors of Charter, and New Charter. Plaintiff alleged that the Transactions improperly benefit Liberty Broadband at the expense of other Charter shareholders, and that Charter issued a false and misleading proxy statement in connection with the Transactions. Plaintiff requested, among other things, that the Delaware Court of Chancery enjoin the September 21, 2015 special meeting of Charter stockholders at which Charter stockholders were asked to vote on the Transactions until the defendants disclosed certain information relating to Charter and the Transactions. The disclosures demanded by the plaintiff included (i) certain unlevered free cash flow projections for Charter and (ii) a Form of Proxy and Right of First Refusal Agreement ("Proxy") by and among Liberty Broadband, A/N, Charter and New Charter, which was referenced in the description of the Second Amended and Restated Stockholders Agreement, dated May 23, 2015, among Charter, New Charter, Liberty Broadband and A/N. On September 9, 2015, Charter issued supplemental disclosures containing unlevered free cash flow projections for Charter and the Proxy. In return, the plaintiff agreed his disclosure claims were moot and withdrew his application to enjoin the Transactions. On April 22, 2016, the plaintiff filed an amended complaint in the action relating to the alleged breaches of fiduciary duties. The defendants in the Delaware Action believe that the complaint is without merit. The defendants have filed, and the parties have fully briefed, motions to dismiss the action, and the court has scheduled oral arguments for these motions on November 15, 2016. The defendants believe they have substantial defenses to this action.

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 Time Warner Cable infringed 12 patents purportedly relating to Voice over Internet Protocol ("VoIP") services. The plaintiff is seeking monetary damages as well as injunctive relief. On October 8, 2015, the court stayed this litigation based on a judgment in a parallel case against Cox Communications, Inc. ("Cox Communications") in the U.S. District Court for the District of Delaware invalidating six of the 12 patents at issue in that litigation. The stay applied to all 12 patents at issue in Sprint's complaint against Time Warner Cable. On September 23, 2016, the federal circuit sitting on appeal of the Cox Communications litigation reversed the district court's order dismissing the Cox Communications companion case. The stay in this case has now been lifted. Charter intends to defend against this lawsuit vigorously, but is unable to predict the outcome of this lawsuit or reasonably estimate a range of possible loss.

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 September 30, 2016, 60 shares of Liberty Broadband Series A common stock and 121 shares of Liberty Broadband Series C common stock were surrendered by certain of our officers and employees to pay withholding taxes and other deductions in connection with the vesting of their restricted stock.

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):

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: November 4, 2016	By: /s/ GREGORY B. MAFFEI Gregory B. Maffei *President and Chief Executive Officer*
Date: November 4, 2016	By: /s/ MARK D. CARLETON Mark D. Carleton *Chief Financial Officer* *(Principal Financial Officer and Principal Accounting Officer)*

EXHIBIT INDEX

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):

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

EXHIBIT 31.1

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: November 4, 2016

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

EXHIBIT 31.2

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: November 4, 2016

/s/ MARK D. CARLETON

Mark D. Carleton
Chief Financial Officer

Exhibit 32

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 September 30, 2016 (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: November 4, 2016	/s/ GREGORY B. MAFFEI
	Gregory B. Maffei
	President and Chief Executive Officer
Dated: November 4, 2016	/s/ MARK D. CARLETON
	Mark D. Carleton
	Chief Financial 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.