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 June 30, 2020
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: 1-35106

AMC Networks Inc.

(Exact name of registrant as specified in its charter)

Delaware	**27-5403694**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
11 Penn Plaza,	
New York, NY	**10001**
(Address of principal executive offices)	**(Zip Code)**

(212) 324-8500
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.01 per share	AMCX	The NASDAQ Stock Market LLC

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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, a smaller reporting company or an emerging growth company (as defined in Exchange Act Rule 12b-2).

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

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

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

The number of shares of common stock outstanding as of July 24, 2020:

Class A Common Stock par value $0.01 per share	40,557,330
Class B Common Stock par value $0.01 per share	11,484,408

AMC NETWORKS INC. AND SUBSIDIARIES

FORM 10-Q

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)
(unaudited)

	June 30, 2020	December 31, 2019
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 889,887	$ 816,170
Accounts receivable, trade (less allowance for doubtful accounts of $9,440 and $5,733)	796,834	857,143
Current portion of program rights, net	17,354	426,624
Prepaid expenses and other current assets	189,683	230,360
Total current assets	1,893,758	2,330,297
Property and equipment, net of accumulated depreciation of $235,687 and $347,302	259,783	283,752
Program rights, net	1,370,500	1,038,060
Intangible assets, net	425,233	524,531
Goodwill	665,890	701,980
Deferred tax asset, net	55,792	51,545
Operating lease right-of-use asset	154,676	170,056
Other assets	480,324	496,465
Total assets	$ 5,305,956	$ 5,596,686
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 89,971	$ 94,306
Accrued liabilities	245,281	251,214
Current portion of program rights obligations	286,143	304,692
Deferred revenue	58,871	63,921
Current portion of long-term debt	81,000	56,250
Current portion of lease obligations	33,179	33,959
Total current liabilities	794,445	804,342
Program rights obligations	222,631	239,813
Long-term debt	2,807,890	3,039,979
Lease obligations	214,334	211,047
Deferred tax liability, net	150,046	136,911
Other liabilities	133,933	163,638
Total liabilities	4,323,279	4,595,730
Commitments and contingencies		
Redeemable noncontrolling interests	307,532	309,451
Stockholders' equity:		
Class A Common Stock, $0.01 par value, 360,000 shares authorized, 64,348 and 63,886 shares issued and 40,557 and 44,078 shares outstanding, respectively	643	639
Class B Common Stock, $0.01 par value, 90,000 shares authorized, 11,484 shares issued and outstanding	115	115
Preferred stock, $0.01 par value, 45,000 shares authorized; none issued	—	—
Paid-in capital	308,288	286,491
Accumulated earnings	1,691,100	1,609,428
Treasury stock, at cost (23,790 and 19,808 shares Class A Common Stock, respectively)	(1,166,119)	(1,063,181)
Accumulated other comprehensive loss	(182,111)	(167,711)
Total AMC Networks stockholders' equity	651,916	665,781
Non-redeemable noncontrolling interests	23,229	25,724
Total stockholders' equity	675,145	691,505
Total liabilities and stockholders' equity	$ 5,305,956	$ 5,596,686

See accompanying notes to condensed consolidated financial statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	**2019**	**2020**	**2019**
Revenues, net	$ 646,291	$ 772,299	$ 1,380,666	$ 1,556,520
Operating expenses:				
Technical and operating (excluding depreciation and amortization)	282,503	385,623	626,563	725,771
Selling, general and administrative	155,163	173,364	339,812	345,876
Depreciation and amortization	25,905	25,893	52,635	49,949
Impairment charges	130,411	—	130,411	—
Restructuring and other related charges	3,507	17,162	9,473	19,804
Total operating expenses	597,489	602,042	1,158,894	1,141,400
Operating income	48,802	170,257	221,772	415,120
Other income (expense):				
Interest expense	(34,301)	(39,716)	(71,865)	(79,361)
Interest income	3,727	4,745	8,282	8,945
Loss on extinguishment of debt	—	—	(2,908)	—
Miscellaneous, net	8,713	(2,697)	(21,226)	(15,482)
Total other (expense) income	(21,861)	(37,668)	(87,717)	(85,898)
Income from operations before income taxes	26,941	132,589	134,055	329,222
Income tax (expense) benefit	(9,707)	1,396	(43,295)	(45,080)
Net income including noncontrolling interests	17,234	133,985	90,760	284,142
Net income attributable to noncontrolling interests	(2,273)	(5,242)	(7,132)	(12,002)
Net income attributable to AMC Networks' stockholders	$ 14,961	$ 128,743	$ 83,628	$ 272,140
Net income per share attributable to AMC Networks' stockholders:				
Basic	$ 0.29	$ 2.28	$ 1.55	$ 4.81
Diluted	$ 0.28	$ 2.25	$ 1.54	$ 4.73
Weighted average common shares:				
Basic	52,311	56,590	53,894	56,589
Diluted	52,797	57,335	54,429	57,529

See accompanying notes to condensed consolidated financial statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	**2019**	**2020**	**2019**
Net income including noncontrolling interests	$ 17,234	$ 133,985	$ 90,760	$ 284,142
Other comprehensive income (loss):				
Foreign currency translation adjustment	14,190	553	(14,092)	(5,210)
Unrealized gain (loss) on interest rate swaps	341	(1,625)	(1,656)	(2,263)
Other comprehensive income (loss), before income taxes	14,531	(1,072)	(15,748)	(7,473)
Income tax (expense) benefit	(79)	374	386	523
Other comprehensive income (loss), net of income taxes	14,452	(698)	(15,362)	(6,950)
Comprehensive income	31,686	133,287	75,398	277,192
Comprehensive income attributable to noncontrolling interests	(2,472)	(5,033)	(6,170)	(11,831)
Comprehensive income attributable to AMC Networks' stockholders	$ 29,214	$ 128,254	$ 69,228	$ 265,361

See accompanying notes to condensed consolidated financial statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)
(unaudited)

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	AMC Networks Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
Balance, March 31, 2020	$ 643	$ 115	$ 282,153	$ 1,676,139	$ (1,149,138)	$ (196,364)	$ 613,548	$ 23,848	$ 637,396
Net income attributable to AMC Networks' stockholders	—	—	—	14,961	—	—	14,961	—	14,961
Net loss attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	(818)	(818)
Settlement of treasury stock	—	—	10,988	—	—	—	10,988	—	10,988
Other comprehensive income	—	—	—	—	—	14,253	14,253	199	14,452
Share-based compensation expense	—	—	15,235	—	—	—	15,235	—	15,235
Treasury stock acquired	—	—	—	—	(16,981)	—	(16,981)	—	(16,981)
Restricted stock units converted to shares	—	—	(88)	—	—	—	(88)	—	(88)
Balance, June 30, 2020	$ 643	$ 115	$ 308,288	$ 1,691,100	$ (1,166,119)	$ (182,111)	$ 651,916	$ 23,229	$ 675,145

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	AMC Networks Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
Balance, December 31, 2019	$ 639	$ 115	$ 286,491	$ 1,609,428	$ (1,063,181)	$ (167,711)	$ 665,781	$ 25,724	$ 691,505
Net income attributable to AMC Networks' stockholders	—	—	—	83,628	—	—	83,628	—	83,628
Net loss attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	(1,085)	(1,085)
Adoption of ASU 2016-13, credit losses	—	—	—	(1,956)	—	—	(1,956)	—	(1,956)
Distributions to noncontrolling member	—	—	—	—	—	—	—	(448)	(448)
Other comprehensive loss	—	—	—	—	—	(14,400)	(14,400)	(962)	(15,362)
Share-based compensation expense	—	—	30,747	—	—	—	30,747	—	30,747
Treasury stock acquired	—	—	—	—	(102,938)	—	(102,938)	—	(102,938)
Restricted stock units converted to shares	4	—	(8,950)	—	—	—	(8,946)	—	(8,946)
Balance, June 30, 2020	$ 643	$ 115	$ 308,288	$ 1,691,100	$ (1,166,119)	$ (182,111)	$ 651,916	$ 23,229	$ 675,145

See accompanying notes to consolidated financial statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)
(unaudited)

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	AMC Networks Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
Balance, March 31, 2019	$ 634	$ 115	$ 242,322	$ 1,372,339	$ (993,574)	$ (166,446)	$ 455,390	$ 29,147	$ 484,537
Net income attributable to AMC Networks' stockholders	—	—	—	128,743	—	—	128,743	—	128,743
Net income attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	128	128
Distributions to noncontrolling member	—	—	—	—	—	—	—	(2,374)	(2,374)
Treasury stock not yet settled	—	—	(832)	—	—	—	(832)	—	(832)
Other comprehensive loss	—	—	—	—	—	(698)	(698)	(208)	(906)
Share-based compensation expense	—	—	16,725	—	—	—	16,725	—	16,725
Treasury stock acquired	—	—	—	—	(57,448)	—	(57,448)	—	(57,448)
Restricted stock units converted to shares	5	—	(65)	—	—	—	(60)	—	(60)
Balance, June 30, 2019	$ 639	$ 115	$ 258,150	$ 1,501,082	$ (1,051,022)	$ (167,144)	$ 541,820	$ 26,693	$ 568,513

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	AMC Networks Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
Balance, December 31, 2018	$ 633	$ 115	$ 239,767	$ 1,228,942	$ (992,583)	$ (160,194)	$ 316,680	$ 28,528	$ 345,208
Net income attributable to AMC Networks' stockholders	—	—	—	272,140	—	—	272,140	—	272,140
Net income attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	1,070	1,070
Distributions to noncontrolling member	—	—	—	—	—	—	—	(2,735)	(2,735)
Treasury stock not yet settled	—	—	(832)	—	—	—	(832)	—	(832)
Other comprehensive loss	—	—	—	—	—	(6,950)	(6,950)	(170)	(7,120)
Share-based compensation expense	—	—	36,624	—	—	—	36,624	—	36,624
Proceeds from the exercise of stock options	—	—	4,630	—	—	—	4,630	—	4,630
Treasury stock acquired	—	—	986	—	(58,439)	—	(57,453)	—	(57,453)
Restricted stock units converted to shares	6	—	(23,025)	—	—	—	(23,019)	—	(23,019)
Balance, June 30, 2019	$ 639	$ 115	$ 258,150	$ 1,501,082	$ (1,051,022)	$ (167,144)	$ 541,820	$ 26,693	$ 568,513

See accompanying notes to consolidated financial statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Six Months Ended June 30,	
	2020	**2019**
Cash flows from operating activities:		
Net income including noncontrolling interests	$ 90,760	$ 284,142
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	52,635	49,949
Impairment charges	130,411	—
Share-based compensation expense related to equity classified awards	30,747	36,624
Non-cash restructuring and other related charges	6,126	14,026
Amortization and write-off of program rights	415,255	468,987
Amortization of deferred carriage fees	13,749	7,761
Unrealized foreign currency transaction loss (gain)	13,941	(647)
Amortization of deferred financing costs and discounts on indebtedness	4,088	3,947
Loss on extinguishment of debt	2,908	—
Bad debt expense	1,744	2,937
Deferred income taxes	10,437	(40,065)
Write-down of non-marketable equity securities and note receivable	20,000	17,741
Other, net	(15,943)	(2,057)
Changes in assets and liabilities:		
Accounts receivable, trade (including amounts due from related parties, net)	55,365	(9,011)
Prepaid expenses and other assets	45,953	(40,017)
Program rights and obligations, net	(387,027)	(443,519)
Income taxes payable	256	8,948
Deferred revenue	(5,086)	1,107
Deferred carriage fees, net	(15,995)	(13,597)
Accounts payable, accrued liabilities and other liabilities	(45,412)	(58,319)
Net cash provided by operating activities	424,912	288,937
Cash flows from investing activities:		
Capital expenditures	(22,172)	(49,463)
Return of capital from investees	924	5,908
Acquisition of investment securities	(1,250)	—
Principal payment received on loan to investee	2,500	—
Proceeds from sale of investments	10,000	—
Net cash used in investing activities	(9,998)	(43,555)
Cash flows from financing activities:		
Proceeds from the issuance of long-term debt	6,000	—
Principal payments on long-term debt	(218,750)	(2,717)
Deemed repurchases of restricted stock units	(8,946)	(23,019)
Purchase of treasury stock	(102,938)	(58,440)
Proceeds from stock option exercises	—	4,630
Principal payments on finance lease obligations	(1,575)	(2,590)
Distributions to noncontrolling interests	(10,607)	(10,129)
Net cash used in financing activities	(336,816)	(92,265)
Net increase in cash and cash equivalents	78,098	153,117
Effect of exchange rate changes on cash and cash equivalents	(4,381)	(1,661)
Cash and cash equivalents at beginning of period	816,170	554,886
Cash and cash equivalents at end of period	$ 889,887	$ 706,342

See accompanying notes to condensed consolidated financial statements.

Note 1. Description of Business and Basis of Presentation

Description of Business

AMC Networks Inc. ("AMC Networks") and its subsidiaries (collectively referred to as the "Company") own and operate entertainment businesses and assets. The Company is comprised of two operating segments:

- *National Networks:* Includes activities of our five national programming networks, AMC Studios operations and AMC Broadcasting & Technology. Our national programming networks are AMC, WE tv, BBC AMERICA, IFC and SundanceTV and also include our AMC Premiere service. Our AMC Studios operations produces original programming for our programming networks and also licenses such program rights worldwide. AMC Networks Broadcasting & Technology is our technical services business, which primarily services most of the national programming networks.
- *International and Other*: Includes AMC Networks International ("AMCNI"), our international programming businesses consisting of a portfolio of channels around the world; AMC Networks SVOD, consisting of our targeted subscription streaming services (Acorn TV, Shudder, Sundance Now, UMC) and other subscription video on demand ("SVOD") initiatives; Levity, our production services and comedy venues business; and IFC Films, our independent film distribution business.

Basis of Presentation

Principles of Consolidation

The consolidated financial statements include the accounts of AMC Networks and its subsidiaries in which a controlling voting interest is maintained or variable interest entities ("VIEs") in which the Company has determined it is the primary beneficiary. All intercompany transactions and balances have been eliminated in consolidation.

Investments in business entities in which the Company lacks control but does have the ability to exercise significant influence over operating and financial policies are accounted for using the equity method of accounting.

Unaudited Interim Financial Statements

These condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and Article 10 of Regulation S-X of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the Company's consolidated financial statements and notes thereto for the year ended December 31, 2019 contained in the Company's Annual Report on Form 10-K ("2019 Form 10-K") filed with the SEC. The condensed consolidated financial statements presented in this Quarterly Report on Form 10-Q are unaudited; however, in the opinion of management, such financial statements reflect all adjustments, consisting solely of normal recurring adjustments, necessary for a fair presentation of the results for the interim periods presented.

The results of operations for interim periods are not necessarily indicative of the results that might be expected for future interim periods or for the full year ending December 31, 2020.

Risks and Uncertainties

In March 2020, the World Health Organization characterized the novel coronavirus ("COVID-19") a pandemic, and the President of the United States declared the COVID-19 outbreak a national emergency. The rapid spread of the pandemic and the continuously evolving responses to combat it have had an increasingly negative impact on the global economy.

The impact of COVID-19 and measures to prevent its spread are affecting our businesses in a number of ways. Beginning in mid-March, the Company experienced adverse advertising sales impacts, suspended content production, which has led to delays in the creation and availability of substantially all of its programming, and the temporary closure of its comedy venues. Operationally, nearly all Company employees are working remotely, and the Company has restricted business travel. If significant portions of our workforce, including key personnel, are unable to work effectively because of illness, government actions or other restrictions in connection with the COVID-19 pandemic, the impact of the pandemic on our businesses could be exacerbated.

The Company has evaluated and continues to evaluate the potential impact of the COVID-19 pandemic on its consolidated financial statements, including the impairment of goodwill (see Note 7) and indefinite-lived intangible assets and the fair value and collectibility of receivables. The COVID-19 pandemic has had a material impact on the Company's operations since mid-March 2020. The Company cannot reasonably predict the ultimate impact of the COVID-19 pandemic, including the extent of any adverse impact on our business, results of operations and financial condition, which will depend on, among other things, the duration and spread of the pandemic, the impact of governmental regulations that have been, and may continue to be, imposed in response to the pandemic, the effectiveness of actions taken to contain or mitigate the outbreak, the availability, safety and efficacy of a vaccine, and global economic conditions. The Company does not expect the COVID-19 pandemic and its related economic impact to affect its liquidity position or its ongoing ability to meet the covenants in its debt instruments.

Use of Estimates

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 and disclosure of contingent liabilities at the date of the financial statements; and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. Significant estimates and judgments inherent in the preparation of the consolidated financial statements include the useful lives and methodologies used to amortize and assess recoverability of program rights, the estimated useful lives of intangible assets and the valuation and recoverability of goodwill and intangible assets.

Recently Adopted Accounting Standards

Effective January 1, 2020, the Company adopted Financial Accounting Standard Board (“FASB”) Accounting Standards Update (“ASU”) 2016-13, *Measurement of Credit Losses on Financial Instruments*, which changed the impairment model for most financial assets and certain other instruments, including trade and other receivables, held-to-maturity debt securities and loans, and requires entities to use a new forward-looking "expected loss" model that would generally result in the earlier recognition of allowances for losses. The Company adopted the standard using the modified retrospective approach and recorded a decrease to opening retained earnings of $2.0 million, after taxes, for the cumulative-effect of the adoption.

Effective January 1, 2020, the Company adopted FASB ASU No. 2018-13, *Fair Value Measurement (Topic 820)*. The standard changed the disclosure requirements related to transfers between Level I and II assets, as well as several aspects surrounding the valuation process and unrealized gains and losses related to Level III assets. The adoption of the standard did not have any effect on the Company's consolidated financial statements.

Effective January 1, 2020, the Company adopted FASB ASU No. 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract*. The standard amended prior guidance to align the accounting for costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing costs associated with developing or obtaining internal-use software. Capitalized implementation costs must be expensed over the term of the hosting arrangement and presented in the same line item in the income statement as the fees associated with the hosting element (service) of the arrangement. The adoption of the standard did not have a material effect on the Company's consolidated financial statements.

Effective January 1, 2020, the Company adopted FASB ASU No. 2019-02, *Improvements to Accounting for Costs of Films and License Agreements for Program Materials.* The standard aligns the accounting for production costs of episodic television series with the accounting for production costs of films. In addition, the standard modifies certain aspects of the capitalization, impairment, presentation and disclosure requirements in Accounting Standards Codification (“ASC”) 926-20 and the impairment, presentation and disclosure requirements in ASC 920-350. The Company adopted the standard on a prospective basis. See Note 5 for further information.

Recently Issued Accounting Pronouncements

In December 2019, the FASB issued ASU No. 2019-12, *Simplifying the Accounting for Income Taxes*. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 - Income Taxes. These changes are effective for the first quarter of 2021, with early adoption permitted. The Company is currently evaluating the impact the adoption will have on its consolidated financial statements.

Note 2. Revenue Recognition

Transaction Price Allocated to Future Performance Obligations

As of June 30, 2020, other than contracts for which the Company has applied the practical expedients, the aggregate amount of transaction price allocated to future performance obligations was not material to our consolidated revenues.

Contract Balances from Contracts with Customers

The following table provides information about receivables, contract assets, and contract liabilities from contracts with customers.

(In thousands)	June 30, 2020	December 31, 2019
Balances from contracts with customers:		
Accounts receivable (including long-term, included in Other assets)	$ 1,056,628	$ 1,121,834
Contract assets, short-term (included in Other current assets)	5,011	7,283
Contract assets, long-term (included in Other assets)	2,547	9,964
Contract liabilities (Deferred revenue)	58,871	63,921

Revenue recognized for the six months ended June 30, 2020 relating to the contract liability at December 31, 2019 was $28.5 million.

Note 3. Net Income per Share

The following is a reconciliation between basic and diluted weighted average shares outstanding:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2020	2019	2020	2019
Basic weighted average common shares outstanding	52,311	56,590	53,894	56,589
Effect of dilution:				
Stock options	—	15	—	24
Restricted stock units	486	730	535	916
Diluted weighted average common shares outstanding	52,797	57,335	54,429	57,529

Approximately 1.2 million and 1.5 million restricted stock units outstanding as of June 30, 2020 and June 30, 2019, respectively, have been excluded from diluted weighted average common shares outstanding since a performance condition for these awards was not met in each of the respective periods. As of June 30, 2020 and June 30, 2019, 0.7 million and 0.3 million, respectively, of restricted stock units and stock options have been excluded from diluted weighted average common shares outstanding, as their impact would have been anti-dilutive.

Stock Repurchase Program

The Company's Board of Directors has authorized a program to repurchase up to $1.5 billion of its outstanding shares of common stock (the "Stock Repurchase Program"). The Stock Repurchase Program has no pre-established closing date and may be suspended or discontinued at any time. For the six months ended June 30, 2020, the Company repurchased 4.0 million shares of its Class A Common Stock at an average purchase price of approximately $25.85 per share. As of June 30, 2020, the Company has $385.9 million of authorization remaining for repurchase under the Stock Repurchase Program.

Note 4. Restructuring and Other Related Charges

Restructuring and other related charges of $3.5 million and $9.5 million for the three and six months ended June 30, 2020, respectively, related to restructuring costs associated with termination of distribution in certain territories as well as severance and other personnel related costs associated with previously announced restructuring activities.

Restructuring and other related charges of $17.2 million and $19.8 million for the three and six months ended June 30, 2019, respectively, primarily related to the direct to consumer re-organization as well as severance and other personnel related costs incurred at AMCNI associated with the termination of distribution in certain territories.

The following table summarizes the restructuring and other related charges recognized by operating segment:

(In thousands)	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
National Networks	$ 1,214	$ 274	$ 2,723	$ 576
International & Other	2,293	16,888	6,750	19,923
Inter-segment eliminations	—	—	—	(695)
Total restructuring and other related charges	$ 3,507	$ 17,162	$ 9,473	$ 19,804

The following table summarizes the accrued restructuring costs:

(In thousands)	Severance and employee-related costs	Other exit costs	Total
December 31, 2019	$ 27,407	$ 221	$ 27,628
Charges	5,157	4,316	9,473
Cash payments	(22,181)	(191)	(22,372)
Non-cash adjustments	(1,810)	(4,316)	(6,126)
Currency translation	1	(1)	—
Balance, June 30, 2020	$ 8,574	$ 29	$ 8,603

Accrued restructuring costs of $8.6 million are included in accrued liabilities in the condensed consolidated balance sheet at June 30, 2020.

Note 5. Program Rights

Effective January 1, 2020, the Company adopted FASB ASU No. 2019-02, *Improvements to Accounting for Costs of Films and License Agreements for Program Materials*. The new guidance impacts the Company as follows:

- Allows for the classification of acquired/licensed program rights as long-term assets. Previously, the Company reported a portion of these rights in current assets. Advances for live programming rights made prior to the live event and acquired/licensed program rights with license terms of less than one year continue to be reported in current assets.
- Aligns the capitalization of production costs for episodic television programs with the capitalization of production costs for theatrical content. Previously, theatrical content production costs could be fully capitalized while episodic television production costs were generally limited to the amount of contracted revenues.
- Introduces the concept of “predominant monetization strategy” to classify capitalized program rights for purposes of amortization and impairment as follows:
    - Individual program rights - programming value is predominantly derived from third-party revenues that are directly attributable to the specific film or television title (e.g., theatrical revenues, significant in-show advertising on the Company’s programming networks or specific content licensing revenues).
    - Group program rights - programming value is predominantly derived from third-party revenues that are not directly attributable to a specific film or television title (e.g., library of program rights for purpose of the Company’s programming networks or subscription revenue for direct-to-consumer SVOD targeted streaming services).

The determination of the predominant monetization strategy is made at commencement of production and is based on the means by which we derive third-party revenues from use of the programming. The classification of program rights as individual or group only changes if there is a significant change to the title’s monetization strategy relative to its initial assessment.

Total capitalized produced and licensed content by predominant monetization strategy is as follows:

	As of June 30, 2020		
(In thousands)	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total
Owned original program rights, net:			
Completed	$ 324,669	$ 39,631	$ 364,300
In-production and in-development	132,161	12,254	144,415
Total owned original program rights, net	$ 456,830	$ 51,885	$ 508,715
Licensed program rights, net:			
Licensed film and acquired series	$ 11,817	$ 595,252	$ 607,069
Licensed originals	229,345	—	229,345
Advances and content versioning costs	—	42,725	42,725
Total licensed program rights, net	241,162	637,977	879,139
Program rights, net	**$ 697,992**	**$ 689,862**	**$ 1,387,854**
Current portion of program rights, net			$ 17,354
Program rights, net (long-term)			1,370,500
			$ 1,387,854

Amortization, including write-offs, of owned and licensed program rights is as follows:

	Three Months Ended June 30,			Six Months Ended June 30,		
(In thousands)	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total
Owned original program rights	$ 62,229	$ 9,458	$ 71,687	$ 161,271	$ 15,977	$ 177,248
Licensed program rights	19,910	99,678	119,588	41,262	196,745	238,007
Program rights amortization	$ 82,139	$ 109,136	$ 191,275	$ 202,533	$ 212,722	$ 415,255

Rights to programming, including feature films and episodic series, acquired under license agreements are stated at the lower of unamortized cost or fair value. Such licensed rights along with the related obligations are recorded at the contract value when a license agreement is executed, unless there is uncertainty with respect to either cost, acceptability or availability. If such uncertainty exists, those rights and obligations are recorded at the earlier of when the uncertainty is resolved or the license period begins. Costs are amortized to technical and operating expense on a straight-line or accelerated basis, based on the expected exploitation strategy of the rights, over a period not to exceed the respective license periods.

Owned original programming costs, including estimated participation and residual costs, qualifying for capitalization as program rights are amortized to technical and operating expense over their estimated useful lives, commencing upon the first airing, based on attributable revenue for airings to date as a percentage of total projected attributable revenue, or ultimate revenue (individual-film-forecast-computation method). Projected attributable revenue is based on previously generated revenues for similar content in established markets, primarily consisting of distribution and advertising revenues, and projected program usage. Projected program usage is based on the Company's current expectation of future exhibitions taking into account historical usage of similar content. Projected attributable revenue can change based upon programming market acceptance, levels of distribution and advertising revenue and decisions regarding planned program usage. These calculations require management to make assumptions and to apply judgment regarding revenue and planned usage. Accordingly, the Company periodically reviews revenue estimates and planned usage and revises its assumptions if necessary, which could impact the timing of amortization expense or result in a write-down to fair value. Any capitalized development costs for programs that the Company determines will not be produced are written off.

The Company periodically reviews the programming usefulness of its licensed and owned original program rights based on several factors, including expected future revenue generation from airings on the Company's networks and other exploitation opportunities, ratings, type and quality of program material, standards and practices, and fitness for exhibition through various forms of distribution. If it is determined that film or other program rights have limited, or no, future programming usefulness, the useful life is updated, which generally results in a write-off of the unamortized cost to technical and operating expense in the consolidated statements of income. Program rights write-offs, included in technical and operating expense, were $7.9 million and $12.1 million for the three and six months ended June 30, 2020, respectively, and $10.3 million and $13.6 million for the three and six months ended June 30, 2019, respectively.

Note 6. Investments

The Company holds several investments and loans in non-consolidated entities which are included in Other assets in the condensed consolidated balance sheet. Equity method investments were $68.2 million at June 30, 2020 and $69.1 million at December 31, 2019.

Marketable Equity Securities

The Company classifies publicly traded investments with readily determinable fair values that are not accounted for under the equity method as marketable equity securities. Marketable equity securities are recorded at cost and adjusted to fair value at each reporting period. The changes in fair value between measurement dates are recorded in Miscellaneous, net in the condensed consolidated statement of income. In April 2020, one of our investments with a cost of $25.0 million, previously classified as a non-marketable equity security, became a publicly traded company. Accordingly, the investment is classified within marketable equity securities as of June 30, 2020. Investments in marketable equity securities were $43.3 million at June 30, 2020 and $4.4 million at December 31, 2019. For the three and six months ended June 30, 2020, unrealized gains on marketable equity securities were $15.0 million and $14.0 million, respectively, included in miscellaneous, net in the condensed consolidated statement of income.

Non-marketable Equity Securities

The Company classifies investments without readily determinable fair values that are not accounted for under the equity method as non-marketable equity securities. The accounting guidance requires non-marketable equity securities to be recorded at cost and adjusted to fair value at each reporting period. However, the guidance allows for a measurement alternative, which is to record the investments at cost, less impairment, if any, and subsequently adjust for observable price changes of identical or similar investments of the same issuer. The Company applies this measurement alternative to its non-marketable equity securities. When an observable event occurs, the Company estimates the fair values of its non-marketable equity securities based on Level 2 inputs that are derived from observable price changes of similar securities adjusted for insignificant differences in rights and obligations. The changes in value are recorded in miscellaneous, net in the condensed consolidated statement of income.

Investments in non-marketable equity securities were $16.8 million at June 30, 2020 and $61.8 million at December 31, 2019. For the six months ended June 30, 2020 and June 30, 2019, the Company recognized impairment charges of $20.0 million and $17.7 million, respectively, related to the write-down of certain non-marketable equity securities and a note receivable, included in miscellaneous, net in the condensed consolidated statements of income.

Note 7. Goodwill and Other Intangible Assets

The carrying amount of goodwill, by operating segment is as follows:

(In thousands)	National Networks	International and Other	Total
December 31, 2019	$ 237,103	$ 464,877	$ 701,980
Impairment charge	—	(25,062)	(25,062)
Amortization of "second component" goodwill	(664)	—	(664)
Foreign currency translation	—	(10,364)	(10,364)
June 30, 2020	$ 236,439	$ 429,451	$ 665,890

As of June 30, 2020 and December 31, 2019, accumulated impairment charges in the International and Other segment totaled $123.1 million and $98.0 million, respectively.

The reduction of $0.7 million in the carrying amount of goodwill for National Networks is due to the realization of a tax benefit for the amortization of "second component" goodwill at SundanceTV. Second component goodwill is the amount of tax deductible goodwill in excess of goodwill for financial reporting purposes. In accordance with the authoritative guidance at the time of the SundanceTV acquisition, the tax benefits associated with this excess are applied to first reduce the amount of goodwill, and then other intangible assets for financial reporting purposes, if and when such tax benefits are realized in the Company's tax returns.

The Company performs its annual goodwill impairment test as of December 1 each year. In addition to the annual impairment test, the Company is required to regularly assess whether a triggering event has occurred which would require an interim impairment test. As a result of the continuing impact of the COVID-19 pandemic, the Company qualitatively assessed whether it was more likely than not that goodwill and long-lived assets were impaired as of June 30, 2020. The Company considered the current and expected future economic and market conditions surrounding the COVID-19 pandemic and its impact on each of its reporting units. Further, the Company assessed the current forecasts (including significant assumptions about revenue growth rates, long-term growth rates and enterprise specific discount rates) and the amount of excess fair value over carrying value for each of its reporting units in the 2019 impairment test. In connection with the preparation of the second quarter financial information, the Company determined that a triggering event had occurred with respect to its AMCNI reporting unit, which required an interim impairment test to be performed as of June 30, 2020. As such, the Company performed a quantitative assessment for its AMCNI reporting unit. The fair value was determined using a combination of an income approach, using a discounted cash flow (DCF) model, and a market comparables approach. The DCF model includes significant assumptions about revenue growth rates, long-term growth rates and enterprise specific discount rates. Additionally, the market comparables approach is determined using guideline company financial multiples. Given the uncertainty in determining assumptions underlying the DCF approach, actual results may differ from those used in the valuations.

Based on the valuations performed, in response to current and expected trends across the International television broadcasting markets, the fair value of the Company's AMCNI reporting unit declined below its carrying amount. As a result, in June 2020, the Company recognized an impairment charge of $25.1 million related to the AMCNI reporting unit, included in impairment charges in the condensed consolidated income statement.

No impairment charge was required for any of the Company's other reporting units.

The determination of fair value of the Company's AMCNI reporting unit represents a Level 3 fair value measurement in the fair value hierarchy due to its use of internal projections and unobservable measurement inputs. Changes in significant judgments and estimates could significantly impact the concluded fair value of the reporting unit or the valuation of intangible assets. Changes to assumptions that would decrease the fair value of the reporting unit would result in corresponding increases to the impairment of goodwill at the reporting unit.

We are unable to predict how long the COVID-19 pandemic conditions will persist, what additional measures may be introduced by governments or private parties or what effect any such additional measures may have on our business. If these estimates or related assumptions change in the future, we may be required to record additional impairment charges related to goodwill.

The following tables summarize information relating to the Company's identifiable intangible assets:

	June 30, 2020					
(In thousands)		**Gross**		**Accumulated Amortization**		**Net**	**Estimated Useful Lives**
Amortizable intangible assets:							
Affiliate and customer relationships	$	611,324	$	(306,696)	$	304,628	6 to 25 years
Advertiser relationships		46,282		(23,924)		22,358	11 years
Trade names		110,918		(32,778)		78,140	3 to 20 years
Other amortizable intangible assets		2,799		(2,592)		207	5 to 15 years
Total amortizable intangible assets		771,323		(365,990)		405,333	
Indefinite-lived intangible assets:							
Trademarks		19,900		—		19,900	
Total intangible assets	$	791,223	$	(365,990)	$	425,233	

	December 31, 2019					
(In thousands)		**Gross**		**Accumulated Amortization**		**Net**
Amortizable intangible assets:						
Affiliate and customer relationships	$	616,197	$	(232,193)	$	384,004
Advertiser relationships		46,282		(21,820)		24,462
Trade names		113,075		(17,997)		95,078
Other amortizable intangible assets		2,798		(1,711)		1,087
Total amortizable intangible assets		778,352		(273,721)		504,631
Indefinite-lived intangible assets:						
Trademarks		19,900		—		19,900
Total intangible assets	$	798,252	$	(273,721)	$	524,531

Aggregate amortization expense for amortizable intangible assets for the six months ended June 30, 2020 and 2019 was $23.1 million and $22.3 million, respectively. Estimated aggregate amortization expense for intangible assets subject to amortization for each of the following five years is:

(In thousands) **Years Ending December 31,**		
2020	$	41,779
2021		37,567
2022		37,394
2023		37,288
2024		37,220

Impairment Test of Long-Lived Assets

In June 2020, given the continuing and expected future economic and market conditions surrounding the COVID-19 pandemic and its impact, the Company revised its outlook for the AMCNI business, resulting in lower expected future cash flows. As a result, the Company determined that sufficient indicators of potential impairment of long-lived assets existed and the Company performed a recoverability test of the long-lived asset groups within the AMCNI business. Based on the recoverability tests performed, the Company determined that certain long-lived assets were not recoverable and recognized an impairment charge of $105.3 million related primarily to certain identifiable intangible assets, as well as property and equipment, and operating lease right-of-use assets, which is included in impairment charges in the condensed consolidated statement of income.

Note 8. Accrued Liabilities

Accrued liabilities consist of the following:

(In thousands)	June 30, 2020	December 31, 2019
Employee related costs	$ 72,114	$ 89,753
Participations and residuals	91,620	70,682
Interest	29,340	29,767
Other accrued expenses	52,207	61,012
Total accrued liabilities	$ 245,281	$ 251,214

Note 9. Long-term Debt

The Company's long-term debt consists of the following:

(In thousands)	June 30, 2020	December 31, 2019
Senior Secured Credit Facility: (a)		
Term Loan A Facility	$ 712,500	$ 731,250
Senior Notes:		
4.75% Notes due August 2025	800,000	800,000
5.00% Notes due April 2024	1,000,000	1,000,000
4.75% Notes due December 2022	400,000	600,000
Other debt (b)	6,000	—
Total long-term debt	2,918,500	3,131,250
Unamortized discount	(20,696)	(24,351)
Unamortized deferred financing costs	(8,914)	(10,670)
Long-term debt, net	2,888,890	3,096,229
Current portion of long-term debt	81,000	56,250
Noncurrent portion of long-term debt	$ 2,807,890	$ 3,039,979

(a) The Company's $500 million revolving credit facility remains undrawn at June 30, 2020. Total undrawn revolver commitments are available to be drawn for general corporate purposes of the Company.

(b) A majority owned subsidiary of the Company has credit facilities totaling $7.0 million, which bear interest at the greater of 3.5% or the prime rate plus 1% and mature on August 25, 2020. As of June 30, 2020, there was $6.0 million of outstanding borrowings on the credit facilities.

4.75% Notes due December 2022

In March 2020, the Company redeemed $200 million principal amount of the outstanding $600 million principal amount of its 4.75% Notes due 2022. In connection with the redemption, the Company incurred a loss on extinguishment of debt for the six months ended June 30, 2020 of $2.9 million representing the redemption premium and the write-off of a portion of the unamortized discount and deferred financing costs.

Note 10. Leases

The following table summarizes the leases included in the condensed consolidated balance sheets as follows:

(In thousands)	Balance Sheet Location	June 30, 2020	December 31, 2019
Assets			
Operating	Operating lease right-of-use asset	$ 154,676	$ 170,056
Finance	Property and equipment, net	13,728	15,713
Total lease assets		$ 168,404	$ 185,769
Liabilities			
Current:			
Operating	Current portion of lease obligations	$ 29,780	$ 30,171
Finance	Current portion of lease obligations	3,399	3,788
		$ 33,179	33,959
Noncurrent:			
Operating	Lease obligations	$ 185,201	193,570
Finance	Lease obligations	29,133	17,477
		214,334	211,047
Total lease liabilities		$ 247,513	$ 245,006

For the six months ended June 30, 2020, impairment charges were recorded related to certain operating lease right-of-use assets at the AMCNI business. See Note 7 for additional details regarding the impairment test of long-lived assets.

Note 11. Fair Value Measurement

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting entity's pricing based upon their own market assumptions. The fair value hierarchy consists of the following three levels:

- Level I - Quoted prices for identical instruments in active markets.
- Level II - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level III - Instruments whose significant value drivers are unobservable.

The following table presents for each of these hierarchy levels, the Company's financial assets and liabilities that are measured at fair value on a recurring basis at June 30, 2020 and December 31, 2019:

(In thousands)	Level I	Level II	Level III	Total
At June 30, 2020:				
Assets				
Cash equivalents	$ 350,294	$ —	$ —	$ 350,294
Marketable securities	43,309	—	—	43,309
Foreign currency derivatives	—	1,955	—	1,955
Liabilities				
Interest rate swap contracts	$ —	$ 3,622	$ —	$ 3,622
Foreign currency derivatives	—	2,876	—	2,876
At December 31, 2019:				
Assets				
Cash equivalents	$ 191,214	$ —	$ —	$ 191,214
Marketable securities	4,448	—	—	4,448
Foreign currency derivatives	—	1,884	—	1,884
Liabilities				
Interest rate swap contracts	$ —	$ 1,966	$ —	$ 1,966
Foreign currency derivatives	—	1,888	—	1,888

The Company's cash equivalents and marketable securities are classified within Level I of the fair value hierarchy because they are valued using quoted market prices.

The Company's interest rate swap contracts and foreign currency derivatives are classified within Level II of the fair value hierarchy as their fair values are determined based on a market approach valuation technique that uses readily observable market parameters and the consideration of counterparty risk.

At June 30, 2020 and December 31, 2019, the Company did not have any assets or liabilities measured at fair value on a recurring basis that would be considered Level III.

Fair value measurements are also used in nonrecurring valuations performed in connection with acquisition accounting and impairment testing. These nonrecurring valuations primarily include the valuation of intangible assets and property and equipment. All of our nonrecurring valuations use significant unobservable inputs and therefore fall under Level III of the fair value hierarchy.

Credit Facility Debt and Senior Notes

The fair values of each of the Company's debt instruments are based on quoted market prices for the same or similar issues or on the current rates offered to the Company for instruments of the same remaining maturities.

The carrying values and estimated fair values of the Company's financial instruments, excluding those that are carried at fair value in the condensed consolidated balance sheets, are summarized as follows:

	June 30, 2020	
(In thousands)	Carrying Amount	Estimated Fair Value
Debt instruments:		
Term loan A facility	$ 706,099	$ 694,688
4.75% Notes due August 2025	789,173	784,000
5.00% Notes due April 2024	989,817	987,500
4.75% Notes due December 2022	397,801	400,000
Other debt	6,000	6,000
	$ 2,888,890	$ 2,872,188

	December 31, 2019	
(In thousands)	Carrying Amount	Estimated Fair Value
Debt instruments:		
Term loan A facility	$ 723,560	$ 724,303
4.75% Notes due August 2025	788,247	803,000
5.00% Notes due April 2024	988,609	1,020,000
4.75% Notes due December 2022	595,813	605,250
	$ 3,096,229	$ 3,152,553

Fair value estimates related to the Company's debt instruments presented above are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgments and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Note 12. Derivative Financial Instruments

Interest Rate Risk

To manage interest rate risk, the Company enters into interest rate swap contracts to adjust the amount of total debt that is subject to variable interest rates.

As of June 30, 2020, the Company had interest rate swap contracts outstanding with notional amounts aggregating $100.0 million that are designated as hedging instruments. The Company's outstanding interest rate swap contracts mature in December 2021.

Foreign Currency Exchange Rate Risk

We are exposed to foreign currency risk to the extent that we enter into transactions denominated in currencies other than our or our subsidiaries' respective functional currencies (non-functional currency risk), such as affiliation agreements, programming contracts, certain accounts payable and trade receivables (including intercompany amounts) that are denominated in a currency other than the applicable functional currency.

The fair values of the Company's derivative financial instruments included in the condensed consolidated balance sheets are as follows:

(In thousands)	Balance Sheet Location	June 30, 2020	December 31, 2019
Derivatives designated as hedging instruments:			
Liabilities:			
Interest rate swap contracts	Accrued liabilities	$ 3,622	$ 1,966
Derivatives not designated as hedging instruments:			
Assets:			
Foreign currency derivatives	Prepaid expenses and other current assets	$ 1,145	$ 891
Foreign currency derivatives	Other assets	810	993
Liabilities:			
Foreign currency derivatives	Accrued liabilities	$ 893	$ 687
Foreign currency derivatives	Other liabilities	1,983	1,202

The amounts of gains and losses related to the Company's derivative financial instruments designated as hedging instruments are as follows:

	Gain or (Loss) on Derivatives Recognized in OCI		Location of Gain or (Loss) in Earnings	Gain or (Loss) Reclassified from Accumulated OCI into Earnings	
	Three Months Ended June 30,			Three Months Ended June 30,	
(In thousands)	2020	2019		2020	2019
Derivatives in cash flow hedging relationships:					
Interest rate swap contracts	$ (176)	$ (1,274)	Interest expense	$ 517	$ 23

	Gain or (Loss) on Derivatives Recognized in OCI		Location of Gain or (Loss) in Earnings	Gain or (Loss) Reclassified from Accumulated OCI into Earnings	
	Six Months Ended June 30,			Six Months Ended June 30,	
(In thousands)	2020	2019		2020	2019
Derivatives in cash flow hedging relationships:					
Interest rate swap contracts	$ (2,410)	$ (1,925)	Interest expense	$ 754	$ 35

The amounts of gains and losses related to the Company's derivative financial instruments not designated as hedging instruments are as follows:

	Location of Gain or (Loss) Recognized in Earnings on Derivatives	Amount of Gain or (Loss) Recognized in Earnings on Derivatives			
		Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)		2020	2019	2020	2019
Foreign currency derivatives	Miscellaneous, net	$ (1,126)	$ (411)	$ (718)	$ 46

Note 13. Income Taxes

For the three and six months ended June 30, 2020, income tax expense was $9.7 million and $43.3 million, respectively, representing an effective tax rate of 36% and 32%, respectively, as compared to the federal statutory rate of 21%. For the three and six months ended June 30, 2020, the effective tax rate differs from the federal statutory rate due primarily to tax expense from foreign operations of $5.5 million and $9.4 million, state and local income tax expense of $2.6 million and $5.7 million and tax expense of $2.9 million and $5.6 million resulting from an increase in valuation allowances for foreign taxes and U.S. foreign tax credits, partially offset by a tax benefit of $5.2 million and $8.7 million relating to uncertain tax positions (including accrued interest) and tax benefit of $1.4 million and $2.9 million related to a foreign-derived intangible income deduction, respectively. The tax benefit relating to uncertain tax positions is primarily due to audit settlements and the filing of state income tax returns under voluntary disclosure agreements.

For the three and six months ended June 30, 2019, income tax benefit was $1.4 million and income tax expense was $45.1 million, respectively, representing a negative effective tax rate of 1% and an effective tax rate of 14%, respectively, as compared to the federal statutory rate of 21%. For the three and six months ended June 30, 2019, the effective tax rate differs from the federal statutory rate due primarily to a tax benefit of $25.0 million resulting from a decrease in valuation allowances for foreign tax assets, and a tax benefit of $7.2 million and $5.6 million relating to uncertain tax positions (including accrued interest), partially offset by state and local income tax expense of $4.1 million and $7.3 million, respectively. The decrease in the valuation allowance is primarily due to the expected utilization of foreign net operating loss carryforwards resulting from the planned implementation of certain tax planning strategies. The tax benefit relating to uncertain tax positions is primarily due to an audit settlement and the filing of state income tax returns under a voluntary disclosure agreement.

At June 30, 2020, the Company had foreign tax credit carry forwards of approximately $32.2 million, expiring on various dates from 2022 through 2030. These carryforwards have been reduced by a valuation allowance of $30.6 million as it is more likely than not that these carry forwards will not be realized. For the six months ended June 30, 2020, $0.7 million relating to amortization of tax deductible second component goodwill was realized as a reduction in tax liability (as determined on a 'with-and-without' approach).

Note 14. Commitments and Contingencies

Commitments

As of June 30, 2020, the Company's contractual obligations not reflected on the Company's condensed consolidated balance sheet decreased $104.0 million, as compared to December 31, 2019, to $829.9 million. The decrease primarily relates to payments for program rights and marketing commitments.

Legal Matters

On December 17, 2013, Frank Darabont ("Darabont"), Ferenc, Inc., Darkwoods Productions, Inc., and Creative Artists Agency, LLC (together, the "2013 Plaintiffs"), filed a complaint in New York Supreme Court in connection with Darabont's rendering services as a writer, director and producer of the television series entitled *The Walking Dead* and the agreement between the parties related thereto. The Plaintiffs asserted claims for breach of contract, breach of the covenant of good faith and fair dealing, for an accounting and for declaratory relief. On August 19, 2015, Plaintiffs filed their First Amended Complaint (the "Amended Complaint"), in which they retracted their claims for wrongful termination and failure to apply production tax credits in calculating Plaintiffs' contingent compensation. Plaintiffs also added a claim that Darabont is entitled to a larger share, on a percentage basis, of contingent compensation than he is currently being accorded. On September 26, 2016, Plaintiffs filed their note of issue and certificate of readiness for trial, which included a claim for damages of no less than $280 million. The parties each filed motions for summary judgment. Oral arguments of the summary judgment motions took place on September 15, 2017. On April 19, 2018, the Court granted the Company’s motion for leave to submit supplemental summary judgment briefing. A hearing on the supplemental summary judgment submissions was held on June 13, 2018. On December 10, 2018, the Court denied Plaintiffs' motion for partial summary judgment and granted in part Defendants' motion for summary judgment, dismissing four of Plaintiffs' causes of action. The Company believes that the remaining claims are without merit, denies the allegations and continues to defend the case vigorously. At this time, no determination can be made as to the ultimate outcome of this litigation or the potential liability, if any, on the part of the Company.

On January 18, 2018, the 2013 Plaintiffs filed a second action in New York Supreme Court in connection with Darabont’s services on *The Walking Dead* television series and agreements between the parties related thereto. The claims in the action allegedly arise from Plaintiffs' audit of their participation statements covering the accounting period from inception of *The Walking Dead* through September 30, 2014. Plaintiffs seek no less than $20 million in damages on claims for breach of contract, breach of the covenant of good faith and fair dealing, and declaratory relief. The Company filed an Answer to the Complaint on April 16, 2018. On August 30, 2018, Plaintiff's filed an Amended Complaint, and on September 19, 2018, the Company answered. The parties have agreed to consolidate this action for a joint trial with the action Plaintiffs filed in the New York Supreme Court on December 17, 2013. Following the conclusion of discovery, the Company filed a motion for summary judgment seeking the dismissal of the second action, which was denied on April 13, 2020. Due to the continued impact of the Coronavirus pandemic on the New York State courts, the joint trial, originally scheduled to begin on June 1, 2020, has been further delayed and is currently scheduled to begin on April 26, 2021. The Company believes that the asserted claims are without merit, denies the allegations and will defend the case vigorously. At this time, no determination can be made as to the ultimate outcome of this litigation or the potential liability, if any, on the part of the Company.

On August 14, 2017, Robert Kirkman, Robert Kirkman, LLC, Glen Mazzara, 44 Strong Productions, Inc., David Alpert, Circle of Confusion Productions, LLC, New Circle of Confusion Productions, Inc., Gale Anne Hurd, and Valhalla Entertainment, Inc. f/k/a Valhalla Motion Pictures, Inc. (together, the "California Plaintiffs") filed a complaint in California Superior Court in connection with California Plaintiffs’ rendering of services as writers and producers of the television series entitled *The Walking Dead*, as well as *Fear the Walking Dead* and/or *Talking Dead*, and the agreements between the parties related thereto (the "California Action"). The California Plaintiffs asserted that the Company has been improperly underpaying the California Plaintiffs under their contracts with the Company and they assert claims for breach of contract, breach of the covenant of good faith and fair dealing, inducing breach of contract, and liability for violation of Cal. Bus. & Prof. Code § 17200. On August 15, 2017, two of the California Plaintiffs, Gale Anne Hurd and David Alpert (and their associated loan-out companies), along with Charles Eglee and his loan-out company, United Bongo Drum, Inc., filed a complaint in New York Supreme Court alleging nearly identical claims as the California Action (the "New York Action"). Hurd, Alpert, and Eglee filed the New York Action in connection with their contract claims involving *The Walking Dead* because their agreements contained exclusive New York jurisdiction provisions. On October 23, 2017, the parties stipulated to discontinuing the New York Action without prejudice and consolidating all of the claims in the California Action. The California Plaintiffs seek compensatory and punitive damages and restitution. The Company filed an Answer on April 30, 2018 and believes that the asserted claims are without merit and will vigorously defend against them. On August 8, 2019, the judge in the California Action ordered a trial to resolve certain issues of contract interpretation only. The trial commenced on February 10, 2020 and concluded on March 10, 2020 after eight days of trial. On July 22, 2020, the judge in the California Action issued a Statement of Decision finding in the Company's favor on all seven matters of contract interpretation before the court in this first phase trial. At this time, no determination can be made as to the ultimate outcome of this litigation or the potential liability, if any, on the part of the Company.

The Company is party to various lawsuits and claims in the ordinary course of business, including the matters described above. Although the outcome of these matters cannot be predicted with certainty and while the impact of these matters on the Company's results of operations in any particular subsequent reporting period could be material, management does not believe that the resolution of these matters will have a material adverse effect on the financial position of the Company or the ability of the Company to meet its financial obligations as they become due.

Note 15. Equity Plans

In June 2020, AMC Networks granted 54,535 restricted stock units ("RSUs") under the 2011 Stock Plan for Non-Employee Directors to non-employee directors that vested on the date of grant.

In March 2020, AMC Networks granted 1,171,956 RSUs to certain executive officers and employees under the AMC Networks Inc. 2016 Employee Stock Plan. The RSUs vest ratably over a three-year period and the vesting criteria for 380,142 RSUs include the achievement of certain performance targets by the Company.

During the six months ended June 30, 2020, 477,764 RSUs and 325,836 PRSUs of AMC Networks Class A Common Stock previously issued to employees of the Company vested. On the vesting date, 199,377 RSUs and 142,882 PRSUs were surrendered to the Company to cover the required statutory tax withholding obligations and 278,387 RSU and 182,954 PRSU new shares of AMC Networks Class A Common Stock were issued. The units surrendered to satisfy the employees' statutory minimum tax withholding obligations for the applicable income and other employment tax had an aggregate value of $8.9 million, which has been reflected as a financing activity in the condensed consolidated statement of cash flows for the six months ended June 30, 2020.

Share-based compensation expense included in selling, general and administrative expense was $15.2 million and $30.7 million for the three and six months ended June 30, 2020, respectively, and $16.7 million and $36.6 million the for three and six months ended June 30, 2019, respectively.

As of June 30, 2020, there was $59.7 million of total unrecognized share-based compensation cost related to outstanding unvested share-based awards. The unrecognized compensation cost is expected to be recognized over a weighted-average remaining period of approximately 1.8 years.

Note 16. Redeemable Noncontrolling Interests

The following table summarizes activity related to redeemable noncontrolling interest for the six months ended June 30, 2020.

(In thousands)	Six Months Ended June 30, 2020
December 31, 2019	$ 309,451
Net earnings	8,217
Distributions	(10,159)
Other	23
June 30, 2020	$ 307,532

Note 17. Related Party Transactions

The Company and its related parties routinely enter into transactions with each other in the ordinary course of business. Revenues, net from related parties amounted to $1.2 million and $1.2 million for the three months ended June 30, 2020 and 2019, respectively, and $2.4 million and $2.4 million for the six months ended June 30, 2020 and 2019, respectively. Amounts charged to the Company, included in selling, general and administrative expenses, pursuant to transactions with its related parties amounted to $0.1 million and $0.3 million for the three months ended June 30, 2020 and 2019, respectively, and $0.1 million and $0.8 million for the six months ended June 30, 2020 and 2019, respectively.

Note 18. Cash Flows

The Company's non-cash investing and financing activities and other supplemental data are as follows:

	Six Months Ended June 30,	
(In thousands)	**2020**	**2019**
Non-Cash Investing and Financing Activities:		
Treasury stock not yet settled	$ —	$ 832
Finance lease additions	14,266	—
Capital expenditures incurred but not yet paid	1,906	1,731
Supplemental Data:		
Cash interest paid	68,129	76,664
Income taxes paid, net	29,723	77,985

Note 19. Segment Information

The Company classifies its operations into two operating segments: National Networks and International and Other. These operating segments represent strategic business units that are managed separately.

The Company generally allocates all corporate overhead costs within operating expenses to the Company's two operating segments based upon their proportionate estimated usage of services, including such costs as executive salaries and benefits, costs of maintaining corporate headquarters, facilities and common support functions (such as human resources, legal, finance, strategic planning and information technology) as well as sales support functions and creative and production services.

The Company evaluates segment performance based on several factors, of which the primary financial measure is operating segment adjusted operating income ("AOI"), a non-GAAP measure. The Company defines AOI as operating income (loss) before depreciation and amortization, cloud computing amortization, share-based compensation expense or benefit, impairment charges (including gains or losses on sales or dispositions of businesses), restructuring and other related charges and including the Company’s proportionate share of adjusted operating income (loss) from majority-owned equity method investees. The Company has presented the components that reconcile adjusted operating income to operating income, an accepted GAAP measure, and other information as to the continuing operations of the Company's operating segments below.

	Three Months Ended June 30, 2020			
(In thousands)	**National Networks**	**International and Other**	**Inter-segment eliminations**	**Consolidated**
Revenues, net				
Advertising	$ 187,434	$ 14,810	$ —	$ 202,244
Distribution	308,416	146,170	(10,539)	444,047
Consolidated revenues, net	$ 495,850	$ 160,980	$ (10,539)	$ 646,291
Operating income (loss)	$ 187,532	$ (138,973)	$ 243	$ 48,802
Share-based compensation expense	12,366	2,869	—	15,235
Depreciation and amortization	8,822	17,083	—	25,905
Impairment charges	—	130,411	—	130,411
Restructuring and other related charges	1,214	2,293	—	3,507
Majority-owned equity investees AOI	—	1,418	—	1,418
Adjusted operating income	$ 209,934	$ 15,101	$ 243	$ 225,278

(In thousands)	Three Months Ended June 30, 2019 National Networks	International and Other	Inter-segment eliminations	Consolidated
Revenues, net				
Advertising	$ 219,490	$ 23,535	$ (49)	242,976
Distribution	385,249	155,991	(11,917)	529,323
Consolidated revenues, net	$ 604,739	$ 179,526	$ (11,966)	$ 772,299
Operating income (loss)	$ 214,198	$ (27,284)	$ (16,657)	170,257
Share-based compensation expense	13,821	2,904	—	16,725
Depreciation and amortization	8,179	17,714	—	25,893
Restructuring and other related charges	274	16,888	—	17,162
Majority-owned equity investees AOI	—	1,608	—	1,608
Adjusted operating income	$ 236,472	$ 11,830	$ (16,657)	$ 231,645

(In thousands)	Six Months Ended June 30, 2020 National Networks	International and Other	Inter-segment eliminations	Consolidated
Revenues, net				
Advertising	$ 400,660	$ 34,174	$ (1)	$ 434,833
Distribution	662,129	297,299	(13,595)	945,833
Consolidated revenues, net	$ 1,062,789	$ 331,473	$ (13,596)	$ 1,380,666
Operating income (loss)	$ 382,756	$ (158,424)	$ (2,560)	$ 221,772
Share-based compensation expense	24,832	5,915	—	30,747
Depreciation and amortization	17,211	35,424	—	52,635
Impairment charges	—	130,411	—	130,411
Restructuring and other related charges	2,723	6,750	—	9,473
Majority-owned equity investees AOI	—	2,694	—	2,694
Adjusted operating income	$ 427,522	$ 22,770	$ (2,560)	$ 447,732

(In thousands)	Six Months Ended June 30, 2019 National Networks	International and Other	Inter-segment eliminations	Consolidated
Revenues, net				
Advertising	$ 458,579	$ 44,741	$ (51)	$ 503,269
Distribution	762,279	305,874	(14,902)	1,053,251
Consolidated revenues, net	$ 1,220,858	$ 350,615	$ (14,953)	$ 1,556,520
Operating income (loss)	$ 465,702	$ (41,031)	$ (9,551)	$ 415,120
Share-based compensation expense	30,090	6,534	—	36,624
Depreciation and amortization	16,791	33,158	—	49,949
Restructuring and other related charges	576	19,923	(695)	19,804
Majority-owned equity investees AOI	—	3,188	—	3,188
Adjusted operating income	$ 513,159	$ 21,772	$ (10,246)	$ 524,685

Inter-segment eliminations are primarily licensing revenues recognized between the National Networks and International and Other segments as well as revenues recognized by AMC Networks Broadcasting & Technology for transmission revenues recognized from the International and Other operating segment.

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2020	2019	2020	2019
Inter-segment revenues				
National Networks	$ (8,111)	$ (10,260)	$ (10,180)	$ (11,650)
International and Other	(2,428)	(1,706)	(3,416)	(3,303)
	$ (10,539)	$ (11,966)	$ (13,596)	$ (14,953)

The table below summarizes revenues based on customer location:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2020	2019	2020	2019
Revenues				
United States	$ 523,395	$ 605,114	$ 1,148,388	$ 1,267,578
Europe	91,836	111,983	164,315	191,417
Other	31,060	55,202	67,963	97,525
	$ 646,291	$ 772,299	$ 1,380,666	$ 1,556,520

The table below summarizes property and equipment based on asset location:

(In thousands)	June 30, 2020	December 31, 2019
Property and equipment, net		
United States	$ 246,786	$ 244,175
Europe	12,911	25,925
Other	86	13,652
	$ 259,783	$ 283,752

For the six months ended June 30, 2020, impairment charges were recorded related to certain property and equipment in Europe and Other. See Note 7 for additional details regarding the impairment test of long-lived assets.

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

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains statements that constitute forward-looking information within the meaning of the Private Securities Litigation Reform Act of 1995. In this Management's Discussion and Analysis of Financial Condition and Results of Operations there are statements concerning our future operating results and future financial performance. Words such as "expects," "anticipates," "believes," "estimates," "may," "will," "should," "could," "potential," "continue," "intends," "plans" and similar words and terms used in the discussion of future operating results and future financial performance identify forward-looking statements. You are cautioned that any such forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties and that actual results or developments may differ materially from the forward-looking statements as a result of various factors. Factors that may cause such differences to occur include, but are not limited to:

- the impact of COVID-19 on the economy and our business, including the measures taken by governmental authorities to address the pandemic, which may precipitate or exacerbate other risks and/or uncertainties;
- the level of our revenues;
- market demand, including changes in viewer consumption patterns, for our programming networks, our subscription streaming services, our programming, and our production services;
- demand for advertising inventory and our ability to deliver guaranteed viewer ratings;
- the highly competitive nature of the cable, telecommunications and programming industries;
- our ability to maintain and renew distribution or affiliation agreements with distributors;
- the cost of, and our ability to obtain or produce, desirable programming content for our networks, other forms of distribution, including digital and licensing in international markets, as well as our independent film distribution businesses;
- market demand for our owned original programming and our independent film content;
- changes in consumer demand for our comedy venues;
- the security of our program rights and other electronic data;
- the loss of any of our key personnel and artistic talent;
- changes in domestic and foreign laws or regulations under which we operate;
- economic and business conditions and industry trends in the countries in which we operate;
- fluctuations in currency exchange rates and interest rates;
- changes in laws or treaties relating to taxation, or the interpretation thereof, in the U.S. or in the countries in which we operate, including the impact of the Tax Cuts and Jobs Act and the Bipartisan Budget Act of 2018;
- the impact of new and proposed federal, state and international laws and regulations relating to data protection, privacy and security, including the E.U. General Data Protection Regulation;
- the impact of Brexit, particularly in the event of the U.K.'s departure from the E.U. without an agreement on terms;
- our substantial debt and high leverage;
- reduced access to capital markets or significant increases in costs to borrow;
- the level of our expenses;
- the level of our capital expenditures;
- future acquisitions and dispositions of assets;
- our ability to successfully acquire new businesses and, if acquired, to integrate, and implement our plan with respect to businesses we acquire;
- problems we may discover post-closing with the operations, including the internal controls and financial reporting process, of businesses we acquire;
- uncertainties regarding the financial results of equity method investees, issuers of our investments in marketable equity securities and non-marketable equity securities and changes in the nature of key strategic relationships with partners and joint ventures;
- the outcome of litigation and other proceedings;
- whether pending uncompleted transactions, if any, are completed on the terms and at the times set forth (if at all);
- other risks and uncertainties inherent in our programming businesses;
- financial community and rating agency perceptions of our business, operations, financial condition and the industry in which we operate;

- events that are outside our control, such as political unrest in international markets, terrorist attacks, natural disasters and other similar events; and
- the factors described under Item 1A, "Risk Factors" in our 2019 Annual Report on Form 10-K (the "2019 Form 10-K"), as filed with the Securities and Exchange Commission ("SEC") and under 1A, "Risk Factors" in this Quarterly Report on Form 10-Q.

We disclaim any obligation to update or revise the forward-looking statements contained herein, except as otherwise required by applicable federal securities laws.

Introduction

Management's discussion and analysis, or MD&A, of our results of operations and financial condition is provided as a supplement to, and should be read in conjunction with, the unaudited condensed consolidated financial statements and notes thereto included elsewhere herein and our 2019 Form 10-K to enhance the understanding of our financial condition, changes in financial condition and results of our operations. Unless the context otherwise requires, all references to "we," "us," "our," "AMC Networks" or the "Company" refer to AMC Networks Inc., together with its subsidiaries. MD&A is organized as follows:

Business Overview. This section provides a general description of our business and our operating segments, as well as other matters that we believe are important in understanding our results of operations and financial condition and in anticipating future trends.

Consolidated Results of Operations. This section provides an analysis of our results of operations for the three and six months ended June 30, 2020 compared to the three and six months ended June 30, 2019. Our discussion is presented on both a consolidated and operating segment basis. Our two operating segments are: (i) National Networks and (ii) International and Other.

Liquidity and Capital Resources. This section provides a discussion of our financial condition as of June 30, 2020, as well as an analysis of our cash flows for the six months ended June 30, 2020 and 2019. The discussion of our financial condition and liquidity includes summaries of (i) our primary sources of liquidity and (ii) our contractual obligations that existed at June 30, 2020 as compared to December 31, 2019.

Critical Accounting Policies and Estimates. This section provides an update, if any, to our significant accounting policies or critical accounting estimates since December 31, 2019.

Business Overview

We manage our business through the following two operating segments:

- *National Networks:* Includes activities of our five national programming networks, AMC Studios operations and AMC Broadcasting & Technology. Our national programming networks are AMC, WE tv, BBC AMERICA, IFC, and SundanceTV and also include our AMC Premiere service. Our AMC Studios operation produces original programming for our programming networks and also licenses such programming worldwide. AMC Networks Broadcasting & Technology is our technical services business, which primarily services most of the national programming networks.
- *International and Other*: Includes AMC Networks International ("AMCNI"), our international programming businesses consisting of a portfolio of channels around the world; AMC Networks SVOD, consisting of our targeted subscription streaming services (Acorn TV, Shudder, Sundance Now, UMC) and other subscription video on demand ("SVOD") initiatives; Levity, our production services and comedy venues business; and IFC Films, our independent film distribution business.

Financial Results Overview

The tables presented below set forth our consolidated revenues, net, operating income (loss) and adjusted operating income ("AOI"), defined below, for the periods indicated.

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2020**	**2019**	**2020**	**2019**
Revenues, net				
National Networks	$ 495,850	$ 604,739	$ 1,062,789	$ 1,220,858
International and Other	160,980	179,526	331,473	350,615
Inter-segment eliminations	(10,539)	(11,966)	(13,596)	(14,953)
Consolidated revenues, net	$ 646,291	$ 772,299	$ 1,380,666	$ 1,556,520
Operating income (loss)				
National Networks	$ 187,532	$ 214,198	$ 382,756	$ 465,702
International and Other	(138,973)	(27,284)	(158,424)	(41,031)
Inter-segment eliminations	243	(16,657)	(2,560)	(9,551)
Consolidated operating income	$ 48,802	$ 170,257	$ 221,772	$ 415,120
AOI				
National Networks	$ 209,934	$ 236,472	$ 427,522	$ 513,159
International and Other	15,101	11,830	22,770	21,772
Inter-segment eliminations	243	(16,657)	(2,560)	(10,246)
Consolidated AOI	$ 225,278	$ 231,645	$ 447,732	$ 524,685

We evaluate segment performance based on several factors, of which the primary financial measure is operating segment AOI. We define AOI, which is a financial measure that is not calculated in accordance with generally accepted accounting principles ("GAAP"), as operating income (loss) before depreciation and amortization, cloud computing amortization, share-based compensation expense or benefit, impairment charges (including gains or losses on sales or dispositions of businesses), restructuring and other related charges and including the Company’s proportionate share of adjusted operating income (loss) from majority-owned equity method investees. From time to time, we may exclude the impact of certain events, gains, losses or other charges (such as significant legal settlements) from AOI that affect our operating performance.

We believe that AOI is an appropriate measure for evaluating the operating performance on both an operating segment and consolidated basis. AOI and similar measures with similar titles are common performance measures used by investors, analysts and peers to compare performance in the industry.

Internally, we use revenues, net and AOI measures as the most important indicators of our business performance, and evaluate management's effectiveness with specific reference to these indicators. AOI should be viewed as a supplement to and not a substitute for operating income (loss), net income (loss), cash flows from operating activities and other measures of performance and/or liquidity presented in accordance with GAAP. Since AOI is not a measure of performance calculated in accordance with GAAP, this measure may not be comparable to similar measures with similar titles used by other companies.

The following is a reconciliation of consolidated operating income to AOI for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2020**	**2019**	**2020**	**2019**
Operating income	$ 48,802	$ 170,257	$ 221,772	$ 415,120
Share-based compensation expense	15,235	16,725	30,747	36,624
Depreciation and amortization	25,905	25,893	52,635	49,949
Restructuring and other related charges	3,507	17,162	9,473	19,804
Impairment charges	130,411	—	130,411	—
Majority-owned equity investees AOI	1,418	1,608	2,694	3,188
AOI	$ 225,278	$ 231,645	$ 447,732	$ 524,685

Impact of COVID-19 on Our Business

In March 2020, the World Health Organization characterized the novel coronavirus ("COVID-19") a pandemic, and the President of the United States declared the COVID-19 outbreak a national emergency. The rapid spread of the pandemic and the continuously evolving responses to combat it have had an increasingly negative impact on the global economy.

The impact of COVID-19 and measures to prevent its spread are affecting our businesses in a number of ways. Beginning in mid-March, we have experienced adverse advertising sales impacts, suspended content production, which has led to delays in the creation and availability of substantially all of our programming, and the temporary closure of our comedy venues. Operationally, nearly all of our employees are working remotely, and we have restricted business travel. If significant portions of our workforce, including key personnel, are unable to work effectively because of illness, government actions or other restrictions in connection with the COVID-19 pandemic, the impact of the pandemic on our businesses could be exacerbated.

The Company has evaluated and continues to evaluate the potential impact of the COVID-19 pandemic on its consolidated financial statements, including the impairment of goodwill (see Note 7) and indefinite-lived intangible assets and the fair value and collectibility of receivables. The COVID-19 pandemic has had a material impact on the Company's operations since mid-March 2020. The Company cannot reasonably predict the ultimate impact of the COVID-19 pandemic, including the extent of any adverse impact on our business, results of operations and financial condition, which will depend on, among other things, the duration and spread of the pandemic, the impact of governmental regulations that have been, and may continue to be, imposed in response to the pandemic, the effectiveness of actions taken to contain or mitigate the outbreak, the availability, safety and efficacy of a vaccine, and global economic conditions. The Company does not expect the COVID-19 pandemic and its related economic impact to affect its liquidity position or its ongoing ability to meet the covenants in its debt instruments.

National Networks

In our National Networks segment, we earn revenue principally from the distribution of our programming and the sale of advertising. Distribution revenue primarily includes subscription fees paid by distributors to carry our programming networks and content licensing revenue from the licensing of original programming for digital, foreign and home video distribution. Subscription fees paid by distributors represent the largest component of distribution revenue. Our subscription fee revenues are based on a per subscriber fee, and, to a lesser extent, fixed fees under multi-year contracts, commonly referred to as "affiliation agreements," which generally provide for annual rate increases. The specific subscription fee revenues we earn vary from period to period, distributor to distributor and also vary among our networks, but are generally based upon the number of each distributor's subscribers who receive our programming, referred to as viewing subscribers. Content licensing revenue from the licensing of original programming for digital and foreign distribution is recognized upon availability or distribution by the licensee.

Under affiliation agreements with our distributors, we have the right to sell a specified amount of national advertising time on our programming networks. Our advertising revenues are more variable than subscription fee revenues because the majority of our advertising is sold on a short-term basis, not under long-term contracts. Our arrangements with advertisers provide for a set number of advertising units to air over a specific period of time at a negotiated price per unit. Additionally, in these advertising sales arrangements, our programming networks generally guarantee specified viewer ratings for their programming.

On August 5, 2020, the Company filed a program carriage complaint with the Federal Communications Commission (the "FCC") alleging that, in connection with the negotiation of a new affiliation agreement between AT&T and the Company, AT&T has been engaging in discriminatory conduct that violates Section 616 of the Communications Act of 1934, as amended, and the FCC’s program carriage rules.

Programming expense, included in technical and operating expense, represents the largest expense of the National Networks segment and primarily consists of amortization and write-offs of programming rights, such as those for original programming, feature films and licensed series, as well as participation and residual costs. The other components of technical and operating expense primarily include distribution and production related costs and program operating costs including cost of delivery, such as origination, transmission, uplinking and encryption.

To an increasing extent, the success of our business depends on original programming, both scripted and unscripted, across all of our networks. In recent years, we have introduced a number of scripted original series. These series generally result in higher ratings for our networks. Among other things, higher audience ratings drive increased revenues through higher advertising revenues. The timing of exhibition and distribution of original programming varies from period to period, which results in greater variability in our revenues, earnings and cash flows from operating activities. We will continue to increase our investment in programming across all of our networks. There may be significant changes in the level of our technical and operating expenses due to the amortization of content acquisition and/or original programming costs and/or the impact of management's periodic assessment of programming usefulness. Such costs will also fluctuate with the level of revenues derived from owned original programming in each period as these costs are amortized based on the individual-film-forecast-computation method.

Most original series require us to make up-front investments, which are often significant amounts. Not all of our programming efforts are commercially successful, which could result in a write-off of program rights. If it is determined that programming rights have limited, or no, future programming usefulness based on actual demand or market conditions, a write-off of the unamortized cost is recorded in technical and operating expense. Program rights write-offs, included in technical and operating expense, were $7.5 million and $13.4 million for the six months ended June 30, 2020 and June 30, 2019, respectively.

International and Other

Our International and Other segment primarily includes the operations of AMCNI, AMC Networks SVOD, Levity, and IFC Films.

In our International and Other segment, we earn revenue principally from the international distribution of programming and, to a lesser extent, the sale of advertising from our AMCNI programming networks. We also earn revenue from; (i) production services from Levity, (ii) our subscription streaming services Acorn TV, Shudder, Sundance Now and UMC (Urban Movie Channel) from our AMC Networks SVOD business, (iii) the distribution of content of IFC Films and RLJE, and (iv) Levity's operation of comedy venues (all of which are temporarily closed as a result of the COVID-19 pandemic). For the six months ended June 30, 2020, distribution revenues represented 90% of the revenues of the International and Other segment. Distribution revenue primarily includes subscription fees paid by distributors or consumers to carry our programming networks or subscription-based streaming services and production services revenue generated from Levity. Our subscription revenues are generally based on either a per-subscriber fee or a fixed contractual annual fee, under multi-year affiliation agreements, which may provide for annual rate increases, and a monthly fee paid by consumers for our subscription-based streaming services. Our production services revenues are based on master production agreements whereby a third-party engages us to produce content on its behalf. Production services revenues are recognized based on the percentage of cost incurred to total estimated cost of the contract. Distribution revenues are derived from the distribution of our programming networks primarily in Europe and to a lesser extent, Latin America as well as from our owned subscription streaming services available in the United States, Canada, Latin America, parts of Europe, India, Australia and New Zealand.

Programming expense, program operating costs and production costs incurred to produce content for third parties are included in technical and operating expense, and represent the largest expense of the International and Other segment. Programming expense primarily consist of amortization of acquired content, costs of dubbing and sub-titling of programs, production costs, participation and residual costs. Program operating costs include costs such as origination, transmission, uplinking and encryption of our linear AMCNI channels as well as content hosting and delivery costs at our various on-line content distribution initiatives. Not all of our programming efforts are commercially successful, which could result in a write-off of program rights. If it is determined that programming rights have limited, or no, future programming usefulness based on actual demand or market conditions, a write-off of the unamortized cost is recorded in technical and operating expense.

We view our investments in international expansion and our various developing on-line content distribution initiatives as important long-term strategies. We may experience an adverse impact to the International and Other segment's operating results and cash flows in periods of increased investment by the Company in these aforementioned initiatives.

Corporate Expenses

We allocate corporate overhead within operating expenses to each segment based upon its proportionate estimated usage of services. The segment financial information set forth below, including the discussion related to individual line items, does not reflect inter-segment eliminations unless specifically indicated.

Impact of Economic Conditions

Our future performance is dependent, to a large extent, on general economic conditions including the impact of direct competition, our ability to manage our businesses effectively, and our relative strength and leverage in the marketplace, both with suppliers and customers.

Capital and credit market disruptions, as well as other events such as the COVID-19 pandemic, could cause economic downturns, which may lead to lower demand for our products, such as lower demand for television advertising and a decrease in the number of subscribers receiving our programming networks from our distributors. Events such as these may adversely impact our results of operations, cash flows and financial position.

Consolidated Results of Operations

The amounts presented and discussed below represent 100% of each operating segment's revenues, net and expenses. Where we have management control of an entity, we consolidate 100% of such entity in our consolidated statements of operations notwithstanding that a third-party owns a significant interest in such entity. The noncontrolling owner's interest in the operating results of majority-owned or controlled subsidiaries are reflected in net income attributable to noncontrolling interests in our consolidated statements of operations.

Three Months Ended June 30, 2020 Compared to Three Months Ended June 30, 2019

The following table sets forth our consolidated results of operations for the periods indicated.

	Three Months Ended June 30,					
	2020		2019			
(In thousands)	Amount	% of Revenues, net	Amount	% of Revenues, net	$ change	% change
Revenues, net	$ 646,291	100.0 %	$ 772,299	100.0 %	$ (126,008)	(16.3) %
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	282,503	43.7	385,623	49.9	(103,120)	(26.7)
Selling, general and administrative	155,163	24.0	173,364	22.4	(18,201)	(10.5)
Depreciation and amortization	25,905	4.0	25,893	3.4	12	—
Impairment charges	130,411	20.2	—	—	130,411	n/m
Restructuring and other related charges	3,507	0.5	17,162	2.2	(13,655)	(79.6)
Total operating expenses	597,489	92.4	602,042	78.0	(4,553)	(0.8)
Operating income	48,802	7.6	170,257	22.0	(121,455)	(71.3)
Other income (expense):						
Interest expense, net	(30,574)	(4.7)	(34,971)	(4.5)	4,397	(12.6)
Miscellaneous, net	8,713	1.3	(2,697)	(0.3)	11,410	(423.1)
Total other income (expense)	(21,861)	(3.4)	(37,668)	(4.9)	15,807	(42.0)
Net income from operations before income taxes	26,941	4.2	132,589	17.2	(105,648)	(79.7)
Income tax expense	(9,707)	(1.5)	1,396	0.2	(11,103)	(795.3)
Net income including noncontrolling interests	17,234	2.7	133,985	17.3	(116,751)	(87.1)
Net income attributable to noncontrolling interests	(2,273)	(0.4)	(5,242)	(0.7)	2,969	(56.6) %
Net income attributable to AMC Networks' stockholders	$ 14,961	2.3 %	$ 128,743	16.7 %	$ (113,782)	(88.4) %

National Networks Segment Results

The following table sets forth our National Networks segment results for the periods indicated.

	Three Months Ended June 30,					
	2020		2019			
(In thousands)	Amount	% of Revenues, net	Amount	% of Revenues, net	$ change	% change
Revenues, net	$ 495,850	100.0 %	$ 604,739	100.0 %	$ (108,889)	(18.0)%
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	203,074	41.0	269,147	44.5	(66,073)	(24.5)
Selling, general and administrative	95,208	19.2	112,941	18.7	(17,733)	(15.7)
Depreciation and amortization	8,822	1.8	8,179	1.4	643	7.9
Restructuring and other related charges	1,214	0.2	274	—	940	n/m
Operating income	$ 187,532	37.8 %	$ 214,198	35.4 %	$ (26,666)	(12.4)%
Share-based compensation expense	12,366	2.5	13,821	2.3	(1,455)	(10.5)
Depreciation and amortization	8,822	1.8	8,179	1.4	643	7.9
Restructuring and other related charges	1,214	0.2	274	—	$ 940	n/m
AOI	$ 209,934	42.3 %	$ 236,472	39.1 %	$ (26,538)	(11.2)%

International and Other Segment Results

The following table sets forth our International Networks segment results for the periods indicated.

	Three Months Ended June 30,					
	2020		2019			
(In thousands)	Amount	% of Revenues, net	Amount	% of Revenues, net	$ change	% change
Revenues, net	$ 160,980	100.0 %	$ 179,526	100.0 %	$ (18,546)	(10.3)%
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	90,198	56.0	111,722	62.2	(21,524)	(19.3)
Selling, general and administrative	59,968	37.3	60,486	33.7	(518)	(0.9)
Depreciation and amortization	17,083	10.6	17,714	9.9	(631)	(3.6)
Impairment charges	130,411	81.0	—	—	130,411	n/m
Restructuring and other related charges	2,293	1.4	16,888	9.4	(14,595)	(86.4)
Operating loss	$ (138,973)	(86.3)%	$ (27,284)	(15.2)%	$ (111,689)	n/m
Share-based compensation expense	2,869	1.8	2,904	1.6	(35)	(1.2)
Depreciation and amortization	17,083	10.6	17,714	9.9	(631)	(3.6)
Impairment charges	130,411	81.0	—	—	130,411	n/m
Restructuring and other related charges	2,293	1.4	16,888	9.4	(14,595)	(86.4)
Majority-owned equity investees AOI	1,418	0.9	1,608	0.9	(190)	(11.8)
AOI	$ 15,101	9.4 %	$ 11,830	6.6 %	$ 3,271	27.7 %

Revenues, net

Revenues, net decreased $126.0 million to $646.3 million for the three months ended June 30, 2020 as compared to the three months ended June 30, 2019. The net change by segment was as follows:

	Three Months Ended June 30,					
(In thousands)	2020	% of total	2019	% of total	$ change	% change
National Networks	$ 495,850	76.7 %	$ 604,739	78.3 %	$ (108,889)	(18.0) %
International and Other	160,980	24.9	179,526	23.2	(18,546)	(10.3)
Inter-segment eliminations	(10,539)	(1.6)	(11,966)	(1.5)	1,427	(11.9)
Consolidated revenues, net	$ 646,291	100.0 %	$ 772,299	100.0 %	$ (126,008)	(16.3) %

National Networks

The decrease in National Networks revenues, net was attributable to the following:

	Three Months Ended June 30,					
(In thousands)	2020	% of total	2019	% of total	$ change	% change
Advertising	$ 187,434	37.8 %	$ 219,490	36.3 %	$ (32,056)	(14.6) %
Distribution	308,416	62.2	385,249	63.7	(76,833)	(19.9)
	$ 495,850	100.0 %	$ 604,739	100.0 %	$ (108,889)	(18.0) %

- The decrease of $32.1 million in advertising revenues was primarily attributable to the timing of our original programming and the impact of the COVID-19 pandemic, both of which resulted in lower pricing across all of our networks. Most of our advertising revenues vary based on the timing of our original programming series and the popularity of our programming as measured by Nielsen. Due to these factors, we expect advertising revenues to vary from quarter to quarter.
- Distribution revenues decreased $76.8 million due to a decrease of $28.3 million in subscription revenues as compared to the prior comparable period due to lower subscribers. Content licensing revenues decreased $48.5 million due to a decrease in the number of original programs we distributed. Distribution revenues may vary based on the impact of renewals of affiliation agreements and content licensing revenues vary based on the timing of availability of our programming to distributors. Because of these factors, we expect distribution revenues to vary from quarter to quarter.

International and Other

The decrease in International and Other revenues, net was attributable to the following:

	Three Months Ended June 30,					
(In thousands)	2020	% of total	2019	% of total	$ change	% change
Advertising	$ 14,810	9.2 %	$ 23,535	13.1 %	$ (8,725)	(37.1) %
Distribution	146,170	90.8	155,991	86.9	(9,821)	(6.3)
	$ 160,980	100.0 %	$ 179,526	100.0 %	$ (18,546)	(10.3) %

Advertising revenues decreased $7.7 million at AMCNI, excluding the impact of foreign currency fluctuations, primarily related to lower demand resulting from the impact of the COVID-19 pandemic. Foreign currency translation had an unfavorable impact to advertising revenues of $1.0 million. Distribution revenues decreased $25.6 million at Levity, due to the impact of the COVID-19 pandemic on its operations, which resulted in a temporary halt in production activities and closure of comedy venues. The decrease in distribution revenues was partially offset by an increase of $21.9 million related to an increase in subscription revenues at AMC Networks SVOD targeted streaming services. In addition, distribution revenues decreased $3.5 million at IFC Films and $2.1 million at AMCNI, excluding the impact of foreign currency fluctuations. Foreign currency translation had an unfavorable impact to distribution revenues of $2.7 million.

Technical and operating expense (excluding depreciation and amortization)

The components of technical and operating expense primarily include the amortization and impairments or write-offs of program rights, such as those for original programming, feature films and licensed series, participation and residual costs, distribution and production related costs and program operating costs, such as origination, transmission, uplinking and encryption.

Technical and operating expense (excluding depreciation and amortization) decreased $103.1 million to $282.5 million for the three months ended June 30, 2020 as compared to the three months ended June 30, 2019. The net change by segment was as follows:

(In thousands)	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	$ change	% change
National Networks	$ 203,074	$ 269,147	$ (66,073)	(24.5)%
International and Other	90,198	111,722	(21,524)	(19.3)%
Inter-segment eliminations	(10,769)	4,754	(15,523)	n/m
Total	$ 282,503	$ 385,623	$ (103,120)	(26.7)%
Percentage of revenues, net	43.7 %	49.9 %		

National Networks

The decrease in technical and operating expense of $66.1 million was due to a decrease in program amortization of $64.8 million primarily attributable to the mix of original programming as compared to the prior comparable period, which was impacted by the production stoppages resulting from the COVID-19 pandemic. In addition, other direct programming costs decreased $1.3 million. Program rights amortization expense includes write-offs of $7.5 million and $10.1 million for the three months ended June 30, 2020 and June 30, 2019, respectively. Program write-offs are based on management's periodic assessment of programming usefulness.

There may be significant changes in the level of our technical and operating expenses due to content acquisition and/or original programming costs and/or the impact of management's periodic assessment of programming usefulness. Such costs will also fluctuate with the level of revenues derived from owned original programming in each period as these costs are amortized based on the film-forecast-computation method. As additional competition for programming increases and alternate distribution technologies continue to develop in the industry, costs for content acquisition and original programming may increase.

International and Other

Technical and operating expense decreased $17.0 million related to Levity, $6.1 million at AMCNI and $2.6 million at IFC Films. The decrease at Levity was due to the impact of the COVID-19 pandemic on its operations, which resulted in a temporary halt in production activities and closure of comedy venues. These decreases were partially offset by an increase of $4.4 million at AMC Networks SVOD targeted streaming services. Foreign currency translation had a favorable impact to the change in technical and operating expense of $2.3 million.

Selling, general and administrative expense

The components of selling, general and administrative expense primarily include sales, marketing and advertising expenses, administrative costs and costs of non-production facilities.

Selling, general and administrative expense decreased $18.2 million to $155.2 million for the three months ended June 30, 2020, as compared to the three months ended June 30, 2019. The net change by segment was as follows:

(In thousands)	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	$ change	% change
National Networks	$ 95,208	$ 112,941	$ (17,733)	(15.7)%
International and Other	59,968	60,486	(518)	(0.9)
Inter-segment eliminations	(13)	(63)	50	(79.4)
Total	$ 155,163	$ 173,364	$ (18,201)	(10.5)%
Percentage of revenues, net	24.0 %	22.4 %		

National Networks

Selling, general and administrative expense decreased $17.7 million principally due to a decrease in advertising and marketing expenses of $15.8 million related to the mix of original programming, which was impacted by the COVID-19 pandemic.

There may be significant changes in the level of our selling, general and administrative expense from quarter to quarter and year to year due to the timing of promotion and marketing of original programming series and subscriber retention marketing efforts.

International and Other

Selling, general and administrative expense decreased $0.5 million. Decreases in selling, general and administrative expense included $5.5 million at AMCNI primarily related to advertising and marketing expenses, and $5.8 million at Levity primarily related to the impact of the COVID-19 pandemic. These decreases were partially offset by an increase of $13.0 million at AMC Networks SVOD targeted streaming services primarily related to advertising and marketing expenses. Foreign currency translation had a favorable impact to the change in selling, general and administrative expense of $1.3 million.

Depreciation and amortization

Depreciation and amortization expense was $25.9 million for both the three months ended June 30, 2020 and June 30, 2019. The net change by segment was as follows:

(In thousands)	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	$ change	% change
National Networks	$ 8,822	$ 8,179	$ 643	7.9 %
International and Other	17,083	17,714	(631)	(3.6)
	$ 25,905	$ 25,893	$ 12	— %

Impairment charges

As a result of the continuing impact of the COVID-19 pandemic, we qualitatively assessed whether it was more likely than not that goodwill and long-lived assets were impaired as of June 30, 2020. Based on our current projections and updated forecasts, we determined that sufficient indicators of potential impairment of long-lived assets existed and, in connection with the preparation of the Company's second quarter financial information, the Company performed a recoverability test of certain long-lived asset groups within the AMCNI reporting unit. This resulted in an impairment charge of $105.3 million primarily related to certain identifiable intangible assets, as well as property and equipment, and operating lease right-of-use assets. The Company then performed a goodwill impairment test and determined that the carrying value of the AMCNI reporting unit exceeded its fair value, resulting in an impairment charge of $25.1 million.

Restructuring and other related charges

Restructuring and other related charges of $3.5 million for the three months ended June 30, 2020 primarily consisted of charges at AMCNI of $2.3 million related to costs associated with termination of distribution in certain territories and charges of $1.2 million related to severance associated with previously announced restructuring activities.

Restructuring expense of $17.2 million for the three months ended June 30, 2019 primarily related to the direct to consumer re-organization and consisted of severance and other personnel related costs of $1.3 million and programming write-offs of $13.0 million related to a change in programming strategy, as well as $2.9 million related to severance associated with previously announced restructuring activities.

Operating Income

(In thousands)	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	$ change	% change
National Networks	$ 187,532	$ 214,198	$ (26,666)	(12.4)%
International and Other	(138,973)	(27,284)	(111,689)	n/m
Inter-segment Eliminations	243	(16,657)	16,900	n/m
	$ 48,802	$ 170,257	$ (121,455)	(71.3)%

The decrease in operating income at the National Networks segment was primarily attributable to a decrease in revenue of $108.9 million, partially offset by a decrease in technical and operating expense of $66.1 million and a decrease in selling, general and administrative expense of $17.7 million.

The increase in operating losses at the International and Other segment was primarily attributable to the impairment charges of $130.4 million and a decrease in revenues of $18.5 million, partially offset by a decrease in technical and operating expense of $21.5 and a decrease in restructuring and other related charges of $14.6 million.

AOI

The following is a reconciliation of our consolidated operating income to AOI:

(In thousands)	Three Months Ended June 30, 2020	2019	$ change	% change
Operating income	$ 48,802	$ 170,257	$ (121,455)	(71.3)%
Share-based compensation expense	15,235	16,725	(1,490)	(8.9)
Depreciation and amortization	25,905	25,893	12	—
Impairment charges	130,411	—	130,411	n/m
Restructuring and other related charges	3,507	17,162	(13,655)	(79.6)
Majority-owned equity investees AOI	1,418	1,608	(190)	(11.8)
AOI	$ 225,278	$ 231,645	$ (6,367)	(2.7)%

AOI decreased $6.4 million for the three months ended June 30, 2020 as compared to the three months ended June 30, 2019. The net change by segment was as follows:

(In thousands)	Three Months Ended June 30, 2020	2019	$ change	% change
National Networks	$ 209,934	$ 236,472	$ (26,538)	(11.2)%
International and Other	15,101	11,830	3,271	27.7
Inter-segment eliminations	243	(16,657)	16,900	n/m
AOI	$ 225,278	$ 231,645	$ (6,367)	(2.7)%

AOI decreased at the National Networks segment principally due to a decrease in operating income.

As a result of the factors discussed above impacting the variability in revenues and operating expenses, we expect AOI to vary from quarter to quarter.

Interest expense, net

The decrease in interest expense, net of $4.4 million is primarily due to lower average outstanding balances.

Miscellaneous, net

Miscellaneous, net was income of $8.7 million for the three months ended June 30, 2020 as compared to expense of $2.7 million for the three months ended June 30, 2019. The increase in miscellaneous, net income of $11.4 million was primarily related to an unrealized gain of $14.9 million from certain marketable equity securities, partially offset by unfavorable variance of $2.8 million in the foreign currency remeasurement of monetary assets and liabilities (principally intercompany loans) that are denominated in currencies other than the underlying functional currency of the applicable entity.

Income tax expense

For the three months ended June 30, 2020, income tax expense was $9.7 million representing an effective tax rate of 36%. The effective tax rate differs from the federal statutory rate of 21% due primarily to tax expense from foreign operations of $5.5 million, state and local income tax expense of $2.6 million and tax expense of $2.9 million resulting from an increase in valuation allowances for foreign taxes and U.S. foreign tax credits, partially offset by a tax benefit of $5.2 million relating to uncertain tax positions (including accrued interest) and tax benefit of $1.4 million related to a foreign-derived intangible income deduction. The tax benefit relating to uncertain tax positions is primarily due to an audit settlement and the filing of state income tax returns under a voluntary disclosure agreement.

For the three months ended June 30, 2019, income tax benefit was $1.4 million representing a negative effective tax rate of 1%. The effective tax rate differs from the federal statutory rate of 21% due primarily to a tax benefit of $25.0 million resulting from a decrease in valuation allowances for foreign tax assets, and a tax benefit of $7.2 million relating to uncertain tax positions (including accrued interest), partially offset by state and local income tax expense of $4.1 million. The decrease in the valuation allowance is primarily due to the expected utilization of foreign net operating loss carryforwards resulting from the planned implementation of certain tax planning strategies. The tax benefit relating to uncertain tax positions is primarily due to an audit settlement and the filing of state income tax returns under a voluntary disclosure agreement.

Six Months Ended June 30, 2020 Compared to Six Months Ended June 30, 2019

The following table sets forth our consolidated results of operations for the periods indicated.

	Six Months Ended June 30,					
	2020		2019			
(In thousands)	Amount	% of Revenues, net	Amount	% of Revenues, net	$ change	% change
Revenues, net	$ 1,380,666	100.0 %	$ 1,556,520	100.0 %	$ (175,854)	(11.3)%
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	626,563	45.4	725,771	46.6	(99,208)	(13.7)
Selling, general and administrative	339,812	24.6	345,876	22.2	(6,064)	(1.8)
Depreciation and amortization	52,635	3.8	49,949	3.2	2,686	5.4
Impairment charges	130,411	9.4	—	—	130,411	n/m
Restructuring and other related charges	9,473	0.7	19,804	1.3	(10,331)	(52.2)
Total operating expenses	1,158,894	83.9	1,141,400	73.3	17,494	1.5
Operating income	221,772	16.1	415,120	26.7	(193,348)	(46.6)
Other income (expense):						
Interest expense, net	(63,583)	(4.6)	(70,416)	(4.5)	6,833	(9.7)
Loss on extinguishment of debt	(2,908)	(0.2)	—	—	(2,908)	n/m
Miscellaneous, net	(21,226)	(1.5)	(15,482)	(1.0)	(5,744)	37.1
Total other income (expense)	(87,717)	(6.4)	(85,898)	(5.5)	(1,819)	2.1
Net income from operations before income taxes	134,055	9.7	329,222	21.2	(195,167)	(59.3)
Income tax expense	(43,295)	(3.1)	(45,080)	(2.9)	1,785	(4.0)
Net income including noncontrolling interests	90,760	6.6	284,142	18.3	(193,382)	(68.1)
Net income attributable to noncontrolling interests	(7,132)	(0.5)	(12,002)	(0.8)	4,870	(40.6)
Net income attributable to AMC Networks' stockholders	$ 83,628	6.1 %	$ 272,140	17.5 %	$ (188,512)	(69.3)%

National Networks Segment Results

The following table sets forth our National Networks segment results for the periods indicated.

	Six Months Ended June 30,					
	2020		2019			
(In thousands)	Amount	% of Revenues, net	Amount	% of Revenues, net	$ change	% change
Revenues, net	$ 1,062,789	100.0 %	$ 1,220,858	100.0 %	$ (158,069)	(12.9)%
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	440,745	41.5	510,407	41.8	(69,662)	(13.6)
Selling, general and administrative	219,354	20.6	227,382	18.6	(8,028)	(3.5)
Depreciation and amortization	17,211	1.6	16,791	1.4	420	2.5
Restructuring and other related charges	2,723	0.3	576	—	2,147	n/m
Operating income	$ 382,756	36.0 %	$ 465,702	38.1 %	$ (82,946)	(17.8)%
Share-based compensation expense	24,832	2.3	30,090	2.5	(5,258)	(17.5)
Depreciation and amortization	17,211	1.6	16,791	1.4	420	2.5
Restructuring and other related charges	2,723	0.3	576	—	2,147	n/m
AOI	$ 427,522	40.2 %	$ 513,159	42.0 %	$ (85,637)	(16.7)%

International and Other Segment Results

The following table sets forth our International and Other segment results for the periods indicated.

	Six Months Ended June 30,					
	2020		2019			
(In thousands)	Amount	% of Revenues, net	Amount	% of Revenues, net	$ change	% change
Revenues, net	$ 331,473	100.0 %	$ 350,615	100.0 %	$ (19,142)	(5.5)%
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	196,826	59.4	219,994	62.7	(23,168)	(10.5)
Selling, general and administrative	120,486	36.3	118,571	33.8	1,915	1.6
Depreciation and amortization	35,424	10.7	33,158	9.5	2,266	6.8
Impairment charges	130,411	39.3	—	—	130,411	n/m
Restructuring and other related charges	6,750	2.0	19,923	5.7	(13,173)	(66.1)
Operating loss	$ (158,424)	(47.8)%	$ (41,031)	(11.7)%	$ (117,393)	n/m
Share-based compensation expense	5,915	1.8	6,534	1.9	(619)	(9.5)
Depreciation and amortization	35,424	10.7	33,158	9.5	2,266	6.8
Impairment charges	130,411	39.3	—	—	130,411	n/m
Restructuring and other related charges	6,750	2.0	19,923	5.7	(13,173)	(66.1)
Majority-owned equity investees AOI	2,694	0.8	3,188	0.9	(494)	(15.5)
AOI	$ 22,770	6.9 %	$ 21,772	6.2 %	$ 998	4.6 %

Revenues, net

Revenues, net decreased $175.9 million to $1,380.7 million for the six months ended June 30, 2020 as compared to the six months ended June 30, 2019. The net change by segment was as follows:

	Six Months Ended June 30,					
(In thousands)	**2020**	**% of total**	**2019**	**% of total**	**$ change**	**% change**
National Networks	$ 1,062,789	77.1 %	$ 1,220,858	78.4 %	$ (158,069)	(12.9) %
International and Other	331,473	24.0	350,615	22.5	(19,142)	(5.5)
Inter-segment eliminations	(13,596)	(1.0)	(14,953)	(1.0)	1,357	(9.1)
Consolidated revenues, net	$ 1,380,666	100.1 %	$ 1,556,520	99.9 %	$ (175,854)	(11.3) %

National Networks

The decrease in National Networks revenues, net was attributable to the following:

	Six Months Ended June 30,					
(In thousands)	**2020**	**% of total**	**2019**	**% of total**	**$ change**	**% change**
Advertising	$ 400,660	37.7 %	$ 458,579	37.6 %	$ (57,919)	(12.6) %
Distribution	662,129	62.3	762,279	62.4	(100,150)	(13.1)
	$ 1,062,789	100.0 %	$ 1,220,858	100.0 %	$ (158,069)	(12.9) %

- The decrease of $57.9 million in advertising revenues was primarily attributable to the timing of our original programming and the impact of the COVID-19 pandemic, both of which resulted in lower pricing across all of our networks. Most of our advertising revenues vary based on the timing of our original programming series and the popularity of our programming as measured by Nielsen. Due to these factors, we expect advertising revenues to vary from quarter to quarter.
- Distribution revenues decreased $100.2 million due to a decrease of $49.9 million in subscription revenues as compared to the prior comparable period due to lower subscribers. Content licensing revenues decreased $50.3 million due to a decrease in the number of original programs we distributed. Subscription revenues may vary based on the impact of renewals of affiliation agreements and content licensing revenues vary based on the timing of availability of our programming to distributors. Because of these factors, we expect distribution revenues to vary from quarter to quarter.

International and Other

The decrease in International and Other revenues, net was attributable to the following:

	Six Months Ended June 30,					
(In thousands)	**2020**	**% of total**	**2019**	**% of total**	**$ change**	**% change**
Advertising	$ 34,174	10.3 %	$ 44,741	12.8 %	$ (10,567)	(23.6) %
Distribution	297,299	89.7	305,874	87.2	(8,575)	(2.8)
	$ 331,473	100.0 %	$ 350,615	100.0 %	$ (19,142)	(5.5) %

Advertising revenues decreased $9.0 million at AMCNI, excluding the impact of foreign currency fluctuations, primarily related to lower demand resulting from the impact of the COVID-19 pandemic. Foreign currency translation had an unfavorable impact to advertising revenues of $1.6 million. Distribution revenues decreased $27.3 million at Levity, due to the impact of the COVID-19 pandemic on its operations, which resulted in a temporary halt in production activities and closure of comedy venues. The decrease in distribution revenues was offset by an increase of $31.4 million related to an increase in subscription revenues at AMC Networks SVOD targeted streaming services. In addition, distribution revenues decreased $6.1 million at IFC Films and $4.3 million at AMCNI, excluding the impact of foreign currency fluctuations. Foreign currency translation had an unfavorable impact to distribution revenues of $4.8 million.

Technical and operating expense (excluding depreciation and amortization)

The components of technical and operating expense primarily include the amortization and write-offs of program rights, such as those for original programming, feature films and licensed series, participation and residual costs, distribution and production related costs and program delivery costs, such as transmission, encryption, hosting, and formatting.

Technical and operating expense (excluding depreciation and amortization) decreased $99.2 million to $626.6 million for the six months ended June 30, 2020 as compared to the six months ended June 30, 2019. The net change by segment was as follows:

(In thousands)	Six Months Ended June 30, 2020	2019	$ change	% change
National Networks	$ 440,745	$ 510,407	$ (69,662)	(13.6)%
International and Other	196,826	219,994	(23,168)	(10.5)
Inter-segment eliminations	(11,008)	(4,630)	(6,378)	137.8
Total	$ 626,563	$ 725,771	$ (99,208)	(13.7)%
Percentage of revenues, net	45.4 %	46.6 %		

National Networks

The decrease in technical and operating expense of $69.7 million was due to a decrease in program amortization of $67.1 million primarily attributable to the mix of original programming as compared to the prior comparable period, which was impacted by the production stoppages resulting from the COVID-19 pandemic. In addition, other direct programming costs decreased $2.6 million. Program rights amortization expense includes write-offs of $7.5 million for the six months ended June 30, 2020 as compared to program rights write-offs of $13.4 million for the six months ended June 30, 2019. Programming write-offs are based on management's periodic assessment of programming usefulness.

There may be significant changes in the level of our technical and operating expenses due to content acquisition and/or original programming costs and/or the impact of management's periodic assessment of programming usefulness. Such costs will also fluctuate with the level of revenues derived from owned original programming in each period as these costs are amortized based on the film-forecast-computation method. As additional competition for programming increases and alternate distribution technologies continue to develop in the industry, costs for content acquisition and original programming may increase.

International and Other

Technical and operating expense decreased $15.9 million related to Levity, $6.6 million at AMCNI and $4.7 million at IFC Films. The decrease at Levity is due to the impact of the COVID-19 pandemic on its operations, which resulted in a temporary halt in production activities and closure of comedy venues. These decreases were partially offset by an increase of $6.4 million at AMC Networks SVOD targeted streaming services. Foreign currency translation had a favorable impact to the change in technical and operating expense of $4.1 million.

Selling, general and administrative expense

The components of selling, general and administrative expense primarily include sales, marketing and advertising expenses, administrative costs and costs of non-production facilities.

Selling, general and administrative expense decreased $6.1 million to $339.8 million for the six months ended June 30, 2020, as compared to the six months ended June 30, 2019. The net change by segment was as follows:

(In thousands)	Six Months Ended June 30, 2020	2019	$ change	% change
National Networks	$ 219,354	$ 227,382	$ (8,028)	(3.5)%
International and Other	120,486	118,571	1,915	1.6
Inter-segment eliminations	(28)	(77)	49	(63.6)
Total	$ 339,812	$ 345,876	$ (6,064)	(1.8)%
Percentage of revenues, net	24.6 %	22.2 %		

National Networks

Selling, general and administrative expense decreased $8.0 million principally due to a decrease in advertising and marketing expenses of $12.8 million related to the mix of original programming, which was impacted by the COVID-19 pandemic, partially offset by an increase in legal fees.

There may be significant changes in the level of our selling, general and administrative expense from quarter to quarter and year to year due to the timing of promotion and marketing of original programming series and subscriber retention marketing efforts.

International and Other

Selling, general and administrative expense increased $1.9 million. The increase in selling, general and administrative expense related to $17.3 million at AMC Networks SVOD targeted streaming services primarily related to advertising and marketing expenses, which was partially offset by decreases of $6.6 million at AMCNI primarily related to advertising and marketing expenses, and $6.3 million at Levity primarily related to the impact of the COVID-19 pandemic. Foreign currency translation had a favorable impact to the change in selling, general and administrative expense of $2.3 million.

Depreciation and amortization

Depreciation and amortization expense increased $2.7 million to $52.6 million for the six months ended June 30, 2020, as compared to the six months ended June 30, 2019. The net change by segment was as follows:

	Six Months Ended June 30,			
(In thousands)	**2020**	**2019**	**$ change**	**% change**
National Networks	$ 17,211	$ 16,791	$ 420	2.5 %
International and Other	35,424	33,158	2,266	6.8
	$ 52,635	$ 49,949	$ 2,686	5.4 %

The increase in depreciation and amortization expense in the National Networks segment was primarily due to depreciation of equipment at our AMC Networks Broadcasting and Technology facilities. The increase in depreciation and amortization expense in the International and Other segment was primarily due to an increase in depreciation expense related to leasehold additions.

Impairment charges

As a result of the continuing impact of the COVID-19 pandemic, we qualitatively assessed whether it was more likely than not that goodwill and long-lived assets were impaired as of June 30, 2020. Based on our current projections and updated forecasts, we determined that sufficient indicators of potential impairment of long-lived assets existed and, in connection with the preparation of the Company's second quarter financial information, the Company performed a recoverability test of certain long-lived asset groups within the AMCNI reporting unit. This resulted in an impairment charge of $105.1 million primarily related to certain identifiable intangible assets, as well as property and equipment, and operating lease right-of-use assets. The Company then performed a goodwill impairment test and determined that the carrying value of the AMCNI reporting unit exceeded its fair value, resulting in an impairment charge of $25.1 million.

Restructuring and other related charges

Restructuring and other related charges of $9.5 million for the six months ended June 30, 2020 primarily consisted of charges at AMCNI of $6.2 million related to costs associated with termination of distribution in certain territories and charges of $3.3 million related to severance associated with previously announced restructuring activities.

Restructuring expense of $19.8 million for the six months ended June 30, 2019 primarily related to the direct to consumer re-organization and consisted of severance and other personnel related costs of $1.3 million and programming write-offs of $13.0 million related to a change in programming strategy, as well as $5.5 million related to severance associated with previously announced restructuring activities.

Operating Income

	Six Months Ended June 30,			
(In thousands)	**2020**	**2019**	**$ change**	**% change**
National Networks	$ 382,756	$ 465,702	$ (82,946)	(17.8)%
International and Other	(158,424)	(41,031)	(117,393)	n/m
Inter-segment Eliminations	(2,560)	(9,551)	6,991	n/m
	$ 221,772	$ 415,120	$ (193,348)	(46.6)%

The decrease in operating income at the National Networks segment was primarily attributable to a decrease in revenue of $158.1 million and an increase in restructuring and other related charges of $2.1 million, partially offset by a decrease in technical and operating expense of $69.7 million and a decrease in selling, general and administrative expense of $8.0 million.

The increase in operating losses at the International and Other segment was primarily attributable to the impairment charges of $130.4 million and a decrease in revenues of $19.1 million, partially offset by a decrease in technical and operating expense of $23.2 million and a decrease in restructuring and other related charges of $13.2 million.

AOI

The following is a reconciliation of our consolidated operating income to AOI:

	Six Months Ended June 30,			
(In thousands)	**2020**	**2019**	**$ change**	**% change**
Operating income	$ 221,772	$ 415,120	$ (193,348)	(46.6)%
Share-based compensation expense	30,747	36,624	(5,877)	(16.0)
Depreciation and amortization	52,635	49,949	2,686	5.4
Impairment charges	130,411	—	130,411	n/m
Restructuring and other related charges	9,473	19,804	(10,331)	(52.2)
Majority-owned equity investees AOI	2,694	3,188	(494)	(15.5)
AOI	$ 447,732	$ 524,685	$ (76,953)	(14.7)%

AOI decreased $77.0 million for the six months ended June 30, 2020 as compared to the six months ended June 30, 2019. The net change by segment was as follows:

	Six Months Ended June 30,			
(In thousands)	**2020**	**2019**	**$ change**	**% change**
National Networks	$ 427,522	$ 513,159	$ (85,637)	(16.7)%
International and Other	22,770	21,772	998	4.6
Inter-segment eliminations	(2,560)	(10,246)	7,686	n/m
AOI	$ 447,732	$ 524,685	$ (76,953)	(14.7)%

AOI decreased at the National Networks segment principally due to a decrease in operating income.

As a result of the factors discussed above impacting the variability in revenues and operating expenses, we expect AOI to vary from quarter to quarter.

Interest expense, net

The decrease in interest expense, net of $6.8 million is primarily due to lower average outstanding balances.

Loss on extinguishment of debt

In March 2020, we redeemed $200 million principal amount of the outstanding $600 million principal amount of our 4.75% Notes due 2022. The loss on extinguishment of debt for the six months ended June 30, 2020 of $2.9 million represents the redemption premium, the write-off of a portion of the unamortized discount and deferred financing costs.

Miscellaneous, net

The increase in miscellaneous expense, net of $5.7 million for the six months ended June 30, 2020 as compared to the six months ended June 30, 2019 was primarily due to an unfavorable variance of $18.1 million in the foreign currency remeasurement of monetary assets and liabilities (principally intercompany loans) that are denominated in currencies other than the underlying functional currency of the applicable entity, partially offset by an unrealized gain of $13.6 million from certain marketable equity securities.

Income tax expense

For the six months ended June 30, 2020, income tax expense was $43.3 million representing an effective tax rate of 32%. The effective tax rate differs from the federal statutory rate of 21% due primarily to tax expense from foreign operations of $9.4 million, state and local income tax expense of $5.7 million and tax expense of $5.6 million resulting from an increase in valuation allowances for foreign taxes and U.S. foreign tax credits, partially offset by a tax benefit of $8.7 million relating to uncertain tax positions (including accrued interest) and tax benefit of $2.9 million related to a foreign-derived intangible income deduction. The tax benefit relating to uncertain tax positions is primarily due to audit settlements and the filing of state income tax returns under voluntary disclosure agreements.

For the six months ended June 30, 2019, income tax expense was $45.1 million representing an effective tax rate of 14%. The effective tax rate differs from the federal statutory rate of 21% due primarily to a tax benefit of $25.0 million resulting from a decrease in valuation allowances for foreign tax assets, and a tax benefit of $5.6 million relating to uncertain tax positions (including accrued interest), partially offset by state and local income tax expense of $7.3 million. The decrease in the valuation allowance is primarily due to the expected utilization of foreign net operating loss carryforwards resulting from the planned implementation of certain tax planning strategies. The tax benefit relating to uncertain tax positions is primarily due to an audit settlement and the filing of state income tax returns under a voluntary disclosure agreement.

Liquidity and Capital Resources

Our operations have historically generated positive net cash flow from operating activities. However, each of our programming businesses has substantial programming acquisition and production expenditure requirements.

Sources of cash primarily include cash flow from operations, amounts available under our revolving credit facility and access to capital markets. Although we currently believe that amounts available under our revolving credit facility will be available when and if needed, we can provide no assurance that access to such funds will not be impacted by adverse conditions in the financial markets. The obligations of the financial institutions under our revolving credit facility are several and not joint and, as a result, a funding default by one or more institutions does not need to be made up by the others. As a public company, we may have access to other sources of capital such as the public bond markets.

The Company's Board of Directors has authorized a program to repurchase up to $1.5 billion of its outstanding shares of common stock (the "Stock Repurchase Program"). The Stock Repurchase Program has no pre-established closing date and may be suspended or discontinued at any time. For the three months ended June 30, 2020, the Company repurchased 0.7 million shares of its Class A common stock at an average purchase price of approximately $24.68 per share. As of June 30, 2020, the Company has $385.9 million of authorization remaining for repurchase under the Stock Repurchase Program.

Our principal uses of cash include the acquisition and production of programming, investments and acquisitions, repurchases of outstanding debt and common stock, debt service, and payments for income taxes. Although impacted by the COVID-19 pandemic, we continue to increase our investment in original programming, the funding of which generally occurs six to nine months in advance of a program's airing. In March 2020, we redeemed $200 million principal amount of the outstanding $600 million principal amount of our 4.75% Notes due 2022.

As of June 30, 2020, our consolidated cash and cash equivalents balance includes approximately $173.0 million held by foreign subsidiaries. Most or all of the earnings of our foreign subsidiaries will continue to be permanently reinvested in foreign operations and we do not expect to incur any significant, additional taxes related to such amounts, nor have any been provided for in the current period.

We believe that a combination of cash-on-hand, cash generated from operating activities and availability under our revolving credit facility will provide sufficient liquidity to service the principal and interest payments on our indebtedness, along with our other funding and investment requirements over the next twelve months and over the longer term. However, we do not expect to generate sufficient cash from operations to repay at maturity the entirety of the then outstanding balances of our debt. As a result, we will then be dependent upon our ability to access the capital and credit markets in order to repay or refinance the outstanding balances of our indebtedness. Failure to raise significant amounts of funding to repay these obligations at maturity would adversely affect our business. In such a circumstance, we would need to take other actions including selling assets, seeking strategic investments from third parties or reducing other discretionary uses of cash.

Our level of debt could have important consequences on our business including, but not limited to, increasing our vulnerability to general adverse economic and industry conditions, limiting the availability of our cash flow to fund future programming investments, capital expenditures, working capital, business activities and other general corporate requirements and limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate. For information relating to our outstanding debt obligations, refer to Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Debt Financing Agreements" of our 2019 Form 10-K.

In addition, economic or market disruptions could lead to lower demand for our services, such as lower levels of advertising. These events would adversely impact our results of operations, cash flows and financial position.

The revolving credit facility was not drawn upon at June 30, 2020. The total undrawn revolver commitment is available to be drawn for our general corporate purposes.

AMC Networks was in compliance with all of its debt covenants as of June 30, 2020.

Cash Flow Discussion

The following table is a summary of cash flows provided by (used in) operating, investing and financing activities for the six months ended June 30:

	Six Months Ended June 30,	
(In thousands)	**2020**	**2019**
Cash provided by operating activities	$ 424,912	$ 288,937
Cash used in investing activities	(9,998)	(43,555)
Cash used in financing activities	(336,816)	(92,265)
Net increase in cash and cash equivalents	78,098	153,117

Operating Activities

Net cash provided by operating activities amounted to $424.9 million for the six months ended June 30, 2020 as compared to $288.9 million for the six months ended June 30, 2019. Net cash provided by operating activities for the six months ended June 30, 2020 primarily resulted from $776.9 million of net income before amortization of program rights, depreciation and amortization, and other non-cash items, which was partially offset by payments for program rights of $387.0 million, a decrease in accounts payable, accrued expenses and other liabilities of $45.4 million primarily related to lower employee related liabilities and an increase in deferred carriage fees payable of $16.0 million. In addition, net cash provided by operating activities increased as a result of a decrease in accounts receivable of $55.4 million and a decrease in prepaid expense and other assets of $46.0 million primarily related to a decrease in long-term receivables. Changes in all other assets and liabilities resulted in a decrease of $4.8 million.

Net cash provided by operating activities amounted to $288.9 million for the six months ended June 30, 2019. Net cash provided by operating activities for the six months ended June 30, 2019 primarily resulted from $843.3 million of net income before amortization of program rights, depreciation and amortization, and other non-cash items, which was partially offset by payments for program rights of $443.5 million, an increase in prepaid expense and other assets of $40.0 million primarily related to an increase in long-term receivables and a decrease in accounts payable, accrued expenses and other liabilities of $58.3 million primarily related to lower employee related liabilities. Changes in all other assets and liabilities resulted in a decrease of $12.6 million.

Investing Activities

Net cash used in investing activities for the six months ended June 30, 2020 and 2019 was $10.0 million and $43.6 million, respectively. For the six months ended June 30, 2020, cash used in investing activities included capital expenditures of $22.2 million, partially offset by partial proceeds received from the sale of an investment of $10.0 million and principal payments received from a loan to an investee of $2.5 million. For the six months ended June 30, 2019, cash used in investing activities included capital expenditures of $49.5 million, partially offset by a return of capital from investees of $5.9 million.

Financing Activities

Net cash used in financing activities amounted to $336.8 million for the six months ended June 30, 2020 and primarily consisted of principal payments, net of proceeds, on long-term debt (including the redemption of $200 million of 4.75% Notes due 2022), of $212.8 million, purchases of our common stock of $102.9 million, taxes paid in lieu of shares issued for equity-based compensation of $8.9 million, distributions to noncontrolling interests of $10.6 million, and payments on finance leases of $1.6 million.

Net cash used in financing activities amounted to $92.3 million for the six months ended June 30, 2019 and primarily consisted of purchases of our common stock of $58.4 million, taxes paid in lieu of shares issued for equity-based compensation of $23.0 million, distributions to noncontrolling interests of $10.1 million, and principal payments on debt and finance leases of $5.3 million, partially offset by proceeds from stock option exercises of $4.6 million.

Contractual Obligations

As of June 30, 2020, our contractual obligations not reflected on the condensed consolidated balance sheet decreased $104.0 million, as compared to December 31, 2019, to $829.9 million. The decrease primarily relates to payments for program rights and marketing commitments.

Supplemental Guarantor Financial Information

The following is a description of the terms and conditions of the guarantees with respect to the outstanding notes for which AMC Networks is the issuer.

Note Guarantees

Debt of AMC Networks as of June 30, 2020 includes $400.0 million of 4.75% Notes due December 2022, $1.0 billion of 5.00% Notes due April 2024 and $800.0 million of 4.75% Notes due August 2025 (collectively, the “notes”). The notes were issued by AMC Networks and are unconditionally guaranteed, jointly and severally, on an unsecured basis, by each of AMC Networks’ existing and future domestic restricted subsidiaries, subject to certain exceptions (each, a “Guarantor Subsidiary,” and collectively, the “Guarantor Subsidiaries”). The obligations of each Guarantor Subsidiary under its note guarantee are limited as necessary to prevent such note guarantee from constituting a fraudulent conveyance under applicable law. A guarantee of the notes by a Guarantor Subsidiary is subject to release in the following circumstances: (i) any sale or other disposition of all of the capital stock of a Guarantor Subsidiary to a person that is not (either before or after giving effect to such transaction) a restricted subsidiary, in compliance with the terms of the applicable indenture; (ii) the designation of a restricted subsidiary as an “Unrestricted Subsidiary” under the applicable indenture; or (iii) the release or discharge of the guarantee (including the guarantee under the AMC Networks’ credit agreement) which resulted in the creation of the note guarantee (provided that such Guarantor Subsidiary does not have any preferred stock outstanding at such time that is not held by AMC Networks or another Guarantor Subsidiary).

Foreign subsidiaries of AMC Networks do not and will not guarantee the notes.

The following tables present the summarized financial information specified in Rule 1-02(bb)(1) of Regulation S-X for AMC Networks and each Guarantor Subsidiary. The summarized financial information has been prepared in accordance with Rule 13-01 of Regulation S-X.

Summarized Financial Information

Income Statement

	Six Months Ended June 30, 2020	
(In thousands)	**Parent Company**	**Guarantor Subsidiaries**
Revenues	$ —	$ 974,389
Operating expenses	—	658,100
Operating income	—	316,289
Income before income taxes	118,767	196,708
Net income	$ 79,454	$ 192,292

Balance Sheet	**June 30, 2020**		**December 31, 2019**	
(In thousands)	**Parent Company**	**Guarantor Subsidiaries**	**Parent Company**	**Guarantor Subsidiaries**
Assets				
Amounts due from subsidiaries	$ 5	$ 88,238	$ 1,760	$ 100,485
Current assets	18,920	1,387,925	28,768	1,590,932
Non-current assets	3,853,059	3,136,906	4,050,648	3,044,865
Liabilities and equity:				
Amounts due to subsidiaries	24,167	1,319	—	—
Current liabilities	141,596	461,157	100,081	470,027
Non-current liabilities	3,082,641	352,655	3,315,314	361,324

Critical Accounting Policies and Estimates

We describe our significant accounting policies in Note 2 to the Company's Consolidated Financial Statements included in our 2019 Form 10-K. Other than the adoption of ASU 2019-02 described in Note 5 to the accompanying condensed consolidated financial statements of the Company included herein, there have been no significant changes in our significant accounting policies since December 31, 2019.

We discuss our critical accounting estimates in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," in the same 2019 Form 10-K. There have been no significant changes in our critical accounting estimates since December 31, 2019.

The Company performs its annual goodwill impairment test as of December 1 each year. In addition to the annual impairment test, the Company is required to regularly assess whether a triggering event has occurred which would require an interim impairment test. The Company considered the current and expected future economic and market conditions surrounding the COVID-19 pandemic and its impact on each of its reporting units. Further, the Company assessed the current forecasts (including significant assumptions about revenue growth rates, long-term growth rates and enterprise specific discount rates) and the amount of excess fair value over carrying value for each of its reporting units in the 2019 impairment test. In connection with the preparation of the second quarter financial information, the Company determined that a triggering event had occurred with respect to its AMCNI reporting unit, which required an interim impairment test to be performed as of June 30, 2020. As such, the Company performed a quantitative assessment for its AMCNI reporting unit. The fair value was determined using a combination of an income approach, using a discounted cash flow (DCF) model, and a market comparables approach. The DCF model includes significant assumptions about revenue growth rates, long-term growth rates and enterprise specific discount rates. Additionally, the market comparables approach is determined using guideline company financial multiples. Given the uncertainty in determining assumptions underlying the DCF approach, actual results may differ from those used in the valuations.

Based on the valuations performed, in response to current and expected trends across the International television broadcasting markets, the fair value of the Company's AMCNI reporting unit declined below its carrying amount. As a result, in June 2020, the Company recognized an impairment charge of $25.1 million related to the AMCNI reporting unit, included in impairment charges in the condensed consolidated income statement.

No impairment charge was required for any of the Company's other reporting units.

As we are unable to predict how long the COVID-19 pandemic conditions will persist, what additional measures may be introduced by governments or private parties or what effect any such additional measures may have on our business. If these estimates or related assumptions change in the future, we may be required to record additional impairment charges related to goodwill.

Recently Issued Accounting Pronouncements

See Note 1 to the accompanying Condensed Consolidated Financial Statements of the Company for a discussion of recently issued accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Fair Value of Debt

Based on the level of interest rates prevailing at June 30, 2020, the carrying value of our fixed rate debt of $2.18 billion was more than its fair value of $2.17 billion by approximately $5.3 million. The fair value of these financial instruments is estimated based on reference to quoted market prices for these or comparable securities. A hypothetical 100 basis point decrease in interest rates prevailing at June 30, 2020 would increase the estimated fair value of our fixed rate debt by approximately $71.8 million to approximately $2.24 billion.

Managing our Interest Rate Risk

To manage interest rate risk, we enter into interest rate swap contracts from time to time to adjust the amount of total debt that is subject to variable interest rates. Such contracts effectively fix the borrowing rates on floating rate debt to limit the exposure against the risk of rising rates. We do not enter into interest rate swap contracts for speculative or trading purposes and we only enter into interest rate swap contracts with financial institutions that we believe are credit worthy counterparties. We monitor the financial institutions that are counterparties to our interest rate swap contracts and to the extent possible diversify our swap contracts among various counterparties to mitigate exposure to any single financial institution.

As of June 30, 2020, we had $2.9 billion of debt outstanding (excluding finance leases), of which $0.7 billion is outstanding under our loan facility and is subject to variable interest rates (before consideration of the interest rate swaps contracts described below).

As of June 30, 2020, we had interest rate swap contracts outstanding with notional amounts aggregating $100 million. The aggregate fair value of interest rate swap contracts at June 30, 2020 was a net liability of $3.6 million. As a result of these transactions, the interest rate paid on approximately 79% of our debt (excluding finance leases) as of June 30, 2020 is effectively fixed (76% being fixed rate obligations and 3% effectively fixed through utilization of these interest rate swap contracts).

A hypothetical 100 basis point increase in interest rates prevailing at June 30, 2020 would not have a material impact on our annual interest expense.

Managing our Foreign Currency Exchange Rate Risk

We are exposed to foreign currency risk to the extent that we enter into transactions denominated in currencies other than our subsidiaries' respective functional currencies (non-functional currency risk), such as affiliation agreements, programming contracts, certain trade receivables and accounts payable (including intercompany amounts) that are denominated in a currency other than the applicable functional currency. Changes in exchange rates with respect to amounts recorded in our consolidated balance sheets related to these items will result in unrealized (based upon period-end exchange rates) or realized foreign currency transaction gains and losses upon settlement of the transactions. Moreover, to the extent that our revenue, costs and expenses are denominated in currencies other than our respective functional currencies, we will experience fluctuations in our revenue, costs and expenses solely as a result of changes in foreign currency exchange rates. The Company recognized a $6.8 million loss and $16.4 million loss net, for the three and six months ended June 30, 2020, respectively, related to foreign currency transactions. Such amounts are included in miscellaneous, net in the condensed consolidated statement of income.

To manage foreign currency exchange rate risk, we may enter into foreign currency contracts from time to time with financial institutions to limit our exposure to fluctuations in foreign currency exchange rates. We do not enter into foreign currency contracts for speculative or trading purposes.

We also are exposed to fluctuations of the U.S. dollar (our reporting currency) against the currencies of our operating subsidiaries when their respective financial statements are translated into U.S. dollars for inclusion in our condensed consolidated financial statements. Cumulative translation adjustments are recorded in accumulated other comprehensive income (loss) as a separate component of equity. Any increase (decrease) in the value of the U.S. dollar against any foreign currency that is the functional currency of one of our operating subsidiaries will cause us to experience unrealized foreign currency translation losses (gains) with respect to amounts already invested in such foreign currencies. Accordingly, we may experience a negative impact on our comprehensive income (loss) and equity with respect to our holdings solely as a result of changes in foreign currency exchange rates.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

An evaluation was carried out under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based upon that evaluation as of June 30, 2020, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting

During the three months ended June 30, 2020, there were no changes in the Company's internal control over financial reporting, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Since our 2019 Form 10-K, there have been no material developments in legal proceedings in which we are involved. See Note 14, Commitments and Contingencies to the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

In addition to the other information set forth in this Form 10-Q, you should carefully consider the risk factors disclosed under the caption "Risk Factors" in our 2019 Form 10-K, as well as the following additional risk factor.

General Risks

The COVID-19 pandemic has significantly impacted worldwide economic conditions and could have a material adverse effect on our operations and business

In March 2020, the World Health Organization characterized the novel coronavirus ("COVID-19") a pandemic, and the President of the United States declared the COVID-19 outbreak a national emergency. The rapid spread of the pandemic and the continuously evolving responses to combat it have had an increasingly negative impact on the global economy.

The impact of COVID-19 and measures to prevent its spread are affecting our businesses in a number of ways. To date, we have experienced adverse advertising sales impacts, suspended content production, which has led to delays in the creation and availability of some of our television programming, and the temporary closure of our comedy venues.

Operationally, nearly all of our employees are working remotely, and we have restricted business travel. If significant portions of our workforce, including key personnel, are unable to work effectively because of illness, government actions or other restrictions in connection with the COVID-19 pandemic, the impact of the pandemic on our businesses could be exacerbated. In addition, the remote work environment has placed additional strain on our resources and the effects of the COVID-19 pandemic will heighten the other risks described in the section entitled "Risk Factors" in our 2019 Form 10-K, including evolving cybersecurity risks, which could result in the disclosure, theft or destruction of confidential information, disruption of our programming, damage to our brands and reputation, legal exposure and financial losses.

The Company has evaluated and continues to evaluate the potential impact of the COVID-19 pandemic on its consolidated financial statements, including the impairment of goodwill (see Note 7) and indefinite-lived intangible assets and the fair value and collectibility of receivables. The COVID-19 pandemic has had a material impact on the Company's operations since mid-March 2020. The Company cannot reasonably predict the ultimate impact of the COVID-19 pandemic, including the extent of any adverse impact on our business, results of operations and financial condition, which will depend on, among other things, the duration and spread of the pandemic, the impact of governmental regulations that have been, and may continue to be, imposed in response to the pandemic, the effectiveness of actions taken to contain or mitigate the outbreak, the availability, safety and efficacy of a vaccine, and global economic conditions. The COVID-19 pandemic may also affect our business, operations or financial condition in a manner that is not presently known to us or that we currently do not consider to present significant risks. In addition, the COVID-19 pandemic may also exacerbate other risks described in Item 1A, "Risk Factors" in our 2019 Form 10-K.

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

The Company's Board of Directors has authorized a program to repurchase up to $1.5 billion of its outstanding shares of common stock (the "Stock Repurchase Program"). The authorization of up to $500 million was announced on March 7, 2016, an additional authorization of $500 million was announced on June 7, 2017, and an additional authorization of $500 million was announced on June 13, 2018. The Stock Repurchase Program has no pre-established closing date and may be suspended or discontinued at any time.

Set forth below is information concerning acquisitions of AMC Networks Class A Common Stock by the Company during the three months ended June 30, 2020.

Period	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
April 1, 2020 to April 30, 2020	688,100	$ 24.68	688,100	$ 385,873,963
May 1, 2020 to May 31, 2020	—	$ —	—	$ 385,873,963
June 1, 2020 to June 30, 2020	—	$ —	—	$ 385,873,963
Total	688,100	$ 24.68	688,100	

Item 6. Exhibits.

(a) Index to Exhibits.

10.1	AMC Networks Inc. Amended and Restated 2016 Employee Stock Plan
10.2	AMC Networks Inc. Amended and Restated 2011 Stock Plan For Non-Employee Directors
22	Guarantor Subsidiaries of the Registrant
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

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.

AMC Networks Inc.

Date: August 5, 2020

By: /s/ Sean S. Sullivan

Sean S. Sullivan

Executive Vice President and Chief Financial Officer

AMC Networks Inc. Amended and Restated 2016 Employee Stock Plan

1. **Purpose**. The purpose of the AMC Networks Inc. 2016 Employee Stock Plan is to compensate employees of the Company and its Affiliates who are and have been largely responsible for the management and growth of the business of the Company and its Affiliates and to advance the interests of the Company by encouraging and enabling the acquisition of a personal proprietary interest in the Company by employees upon whose judgment and keen interest the Company and its Affiliates are largely dependent for the successful conduct of their operations. It is anticipated that such compensation and the acquisition of such proprietary interest in the Company will stimulate the efforts of such employees on behalf of the Company and its Affiliates, and strengthen their desire to remain with the Company and its Affiliates. It is also expected that such compensation and the opportunity to acquire such a proprietary interest will enable the Company and its Affiliates to attract and retain desirable personnel.

This Plan replaces the AMC Networks, Inc. Amended and Restated 2011 Employee Stock Plan (as amended to the Effective Date, the “Prior Plan”) for Awards granted on or after the effective date set forth in Section 23 (the “Effective Date”). Awards may not be granted under the Prior Plan beginning on the Effective Date, but this Plan will not affect the terms or conditions of any option, stock appreciation right, restricted share or restricted stock unit or other award made under the Prior Plan before the Effective Date except as provided in Section 5.

The amendments to this Plan will not affect the terms or conditions of any Award granted prior to the effective date of such amendments provided in Section 23.

2. **Definitions.** When used in this Plan, unless the context otherwise requires:

(a) “Affiliate” shall mean (i) any Entity controlling, controlled by, or under common control with the Company or any other Affiliate and (ii) any Entity in which the Company owns at least five percent of the outstanding equity interests of such Entity.

(b) “Award” shall mean an Option, Right, Restricted Share or Restricted Stock Unit or other equity based award which is granted or made under the Plan.

(c) “Award Agreement” shall mean an agreement which may be entered into by a Participant under the Plan and the Company, setting forth the terms and provisions applicable to Awards granted to such Participant.

(d) “Board of Directors” shall mean the Board of Directors of the Company, as constituted at any time.

(e) “Committee” shall mean the Compensation Committee of the Board of Directors, as described in Section 3.

(f) “Company” shall mean AMC Networks Inc., a Delaware corporation.

(g) “Consent” shall mean (i) any listing, registration or qualification requirement in respect of an Award or Share with respect to any securities exchange or under any federal, state or local law, rule or regulation, (ii) any and all written agreements and representations by the Participant with respect to the disposition of Shares, or with respect to any other matter, which the Committee may deem necessary or desirable to comply with the terms of any such listing, registration or qualification requirement or to obtain an exemption therefrom, (iii) any and all other consents, clearances and approvals in respect of an action under the Plan by any governmental or other regulatory body or any stock exchange or self-regulatory agency, (iv) any and all consents by the Participant to (A) the Company’s supplying to any third party recordkeeper of the Plan such personal information as the Committee deems advisable to administer the Plan and (B) the Company’s imposing sales and transfer procedures and restrictions on Shares delivered under the Plan and (v) any and all other consents or authorizations required to comply with, or required to be obtained under law.

(h) “Entity” shall mean any business, corporation, partnership, limited liability company or other entity.

(i) “Fair Market Value” on a specified date shall mean the closing price for a Share on the stock exchange, if any, on which such Shares are primarily traded, but if no Shares were traded on such date, the average of the bid and asked closing prices at which one Share is traded on the over-the-counter market, as reported on the NASDAQ Stock Market or any other stock exchange on which the Shares may be traded, or, if none of the above is applicable, the value of a Share as established by the Committee for such date using any reasonable method of valuation. Notwithstanding the generality of the foregoing, if the Company has established an electronic exercise program with a broker for the exercise of Options or Rights and the Shares underlying the Options are publicly traded, the Fair Market Value of a Share for purposes of net cashless exercise and withholding taxes shall be the price of a Share on such stock exchange at the time of exercise.

(j) “GAAP” shall mean accounting principles generally accepted in the United States of America.

(k) “Internal Revenue Code” shall mean the Internal Revenue Code of 1986, as amended.

(l) “Options” shall mean the stock options granted pursuant to Section 6 hereof.

(m) “Participant” shall mean any employee or former employee of the Company or any Affiliate who holds an outstanding Award granted under the Plan.

(n) “Performance Criteria” shall mean a goal or goals established by the Committee and measured over a period or periods selected by the Committee, such goal(s) to constitute a requirement that must be met in connection with the vesting, exercise and/or payment of an Award under the Plan as specified by the Committee. The performance criteria may, without limitation, be determined by reference to the performance of the Company, an Affiliate or a business unit, product, production, network or service thereof or any combination of the foregoing. Such criteria may also be measured on a per customer, subscriber, viewer (or available viewer), basic or diluted share basis or any combination of the foregoing and may reflect absolute performance, incremental performance or comparative performance to other companies (or their products or services) determined on a gross, net, GAAP or non-GAAP basis, with respect to one or more of the following in each case without limitation: (i) net or operating income or other measures of profit, including, without limitation adjusted operating income (AOI); (ii) measures of revenue; (iii) earnings before interest, taxes, depreciation and amortization (EBITDA); (iv) cash flow, free cash flow, adjusted operating cash flow (AOCF), unlevered free cash flow, cash flow from operations and similar measures; (v) return on equity, investment, assets or capital; (vi) gross or operating margins or savings; (vii) performance relative to budget, forecast or market expectations; (viii) market share or penetration, subscriber or customer acquisition or retention, ratings or viewership; (ix) operating metrics relating to sales, subscriptions or customer service or satisfaction; (x) capital spending management or product or service deployments; (xi) achievement of strategic business objectives such as acquisitions, dispositions or investments; (xii) a specified increase in the fair market value of the Shares; (xiii) a specified increase in the private market value of the Company; (xiv) the Share price; (xv) earnings per share; and/or (xvi) total shareholder return.

(o) “Plan” shall mean this AMC Networks Inc. 2016 Employee Stock Plan, as amended from time to time.

(p) “Restricted Period” shall mean the period of time during which Restrictions shall apply to a Restricted Share, as determined by the Committee pursuant to Section 9 hereof.

(q) “Restricted Shares” shall mean the Shares awarded pursuant to Section 9 hereof that are subject to restrictions upon their sale, assignment, transfer, pledge or other disposal or encumbrance as determined by the Committee.

(r) “Restricted Stock Units” shall mean awards made pursuant to Section 10 hereof, each such unit representing an unfunded and unsecured promise to deliver a Share (or cash or other property equal in value to the Share).

(s) “Restrictions” shall mean the restrictions upon sale, assignment, transfer, pledge or other disposal or encumbrance on a Restricted Share as determined by the Committee in respect of an Award of a Restricted Share pursuant to Section 9 hereof.

(t) “Rights” shall mean stock appreciation rights granted pursuant to Section 7 hereof.

(u) “Share” shall mean a share of AMC Networks Inc. Class A Common Stock, par value $0.01 per share.

(v) “Subsidiary” shall mean any “subsidiary corporation,” as defined in Section 424(f) of the Internal Revenue Code.

3. **Administration.** (a) The Plan shall be administered by the Committee, which shall consist of at least the minimum number of members of the Board of Directors required by Section 162(m) of the Internal Revenue Code. Such members shall be appointed by, and shall serve at the pleasure of, the Board of Directors. Except as otherwise determined by the Board of Directors, the members of the Committee shall be “non-employee directors” as defined in Rule 16b-3 of the Securities Exchange Act of 1934 (the “Exchange Act”); provided, however, that the failure of the Committee to be so comprised shall not cause any Award to be invalid. The Committee may delegate any of its powers under the Plan to a subcommittee of the Committee (which hereinafter shall also be referred to as the Committee). With respect to any actions taken in connection with

an Award that is intended to be grandfathered from the amendments to Section 162(m) of the Internal Revenue Code implemented by the Tax Cuts and Jobs Act of 2017 (if any), the members of the Committee (or subcommittee) shall be “outside directors” to the extent required by Section 162(m) of the Internal Revenue Code; provided, however, that the failure of the Committee (or subcommittee) to be so comprised shall not cause any Award to be invalid. The Committee may also delegate (i) to any person who is not a member of the Committee or (ii) to any administrative group within the Company, any of its powers, responsibilities or duties. In delegating its authority, the Committee shall consider the extent to which any delegation may cause Awards to fail to be deductible under Section 162(m) of the Internal Revenue Code or to fail to meet the requirements of Rule 16(b)-3(d)(1) or Rule 16b-3(e) under the Exchange Act.

(b) The Committee shall have full authority, subject to the terms of the Plan (including Section 19), to (a) exercise all of the powers granted to it under the Plan, (b) construe, interpret and implement the Plan and all Awards and Award Agreements, (c) prescribe, amend and rescind rules and regulations relating to the Plan, including rules governing its own operations, (d) make all determinations necessary or advisable in administering the Plan, (e) correct any defect, supply any omission and reconcile any inconsistency in the Plan, (f) amend the Plan, (g) grant Awards and determine who shall receive Awards and the terms and conditions of such Awards, including, but not limited to, conditioning the exercise, vesting, payout or other term or condition of an Award on the achievement of Performance Criteria, (h) amend any outstanding Award in any respect, including, without limitation, to (1) accelerate the time or times at which the Award becomes vested or unrestricted or may be exercised or at which Shares are delivered under the Award (and, without limitation on the Committee’s rights, in connection with such acceleration, the Committee may provide that any Shares delivered pursuant to such Award shall be Restricted Shares, which are subject to vesting, transfer, forfeiture or repayment provisions similar to those in the Participant’s underlying Award) or (2) waive or amend any goals, restrictions, conditions or Performance Criteria (subject to the requirements of Section 162(m) of the Internal Revenue Code, if applicable to the Award) applicable to such Award, or impose new goals or restrictions and (i) determine at any time whether, to what extent and under what circumstances and method or methods (1) Awards may be (A) settled in cash, Shares, other securities, other Awards or other property, (B) exercised or (C) canceled, forfeited or suspended or (2) Shares, other securities, cash, other Awards or other property and other amounts payable with respect to an Award may be deferred either automatically or at the election of the participant or of the Committee. Subject to the requirements of Section 162(m) of the Internal Revenue Code, if applicable to the Award, the enumeration of the foregoing powers is not intended and should not be construed to limit in any way the authority of the Committee under the Plan which is intended, to the fullest extent permitted by law, to be plenary. The Plan, and all such rules, regulations, determinations and interpretations, shall be binding and conclusive upon the Company, its stockholders and all Participants, and upon their respective legal representatives, heirs, beneficiaries, successors and assigns and upon all other persons claiming under or through any of them. Any provisions set forth in the Plan regarding deductibility under Section 162(m) of the Internal Revenue Code shall apply solely to any Awards that are intended to be grandfathered from the amendments to Section 162(m) of the Internal Revenue Code implemented by the Tax Cuts and Jobs Act of 2017.

(c) No member of the Board of Directors or the Committee or any employee of the Company or any of its Affiliates (each such person a “Covered Person”) shall have any liability to any person (including, without limitation, any Participant) for any action taken or omitted to be taken or any determination made in good faith with respect to the Plan or any Award. Each Covered Person shall be indemnified and held harmless by the Company against and from any loss, cost, liability or expense (including attorneys’ fees) that may be imposed upon or incurred by such Covered Person in connection with or resulting from any action, suit or proceeding to which such Covered Person may be a party or in which such Covered Person may be involved by reason of any action taken or omitted to be taken under the Plan and against and from any and all amounts paid by such Covered Person, with the Company’s approval, in settlement thereof, or paid by such Covered Person in satisfaction of any judgment in any such action, suit or proceeding against such Covered Person; provided that, the Company shall have the right, at its own expense, to assume and defend any such action, suit or proceeding and, once the Company gives notice of its intent to assume the defense, the Company shall have sole control over such defense with counsel of the Company’s choice. The foregoing right of indemnification shall not be available to a Covered Person to the extent that a court of competent jurisdiction in a final judgment or other final adjudication, in either case, not subject to further appeal, determines that the acts or omissions of such Covered Person giving rise to the indemnification claim resulted from such Covered Person’s bad faith, fraud or willful criminal act or omission. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which Covered Persons may be entitled under the Company’s Certificate of Incorporation or By-laws, as a matter of law, by agreement or otherwise, or any other power that the Company may have to indemnify such persons or hold them harmless.

4. **Participants.** Except as hereinafter provided, all employees of the Company and its Affiliates shall be eligible to receive Awards under the Plan, except that Options that are intended to qualify as incentive stock options within the meaning of Section 422 of the Internal Revenue Code shall be granted only to employees of the Company or a Subsidiary. Nothing herein contained shall be construed to prevent the making of one or more Awards at the same or different times to the same employee.

5. **Share Limitations.** (a) The Committee may make Awards under this Plan for up to an aggregate number of 12,000,000 Shares, which may be either treasury Shares or authorized but unissued Shares. To the extent that (i) an Award shall be paid, settled or exchanged or shall expire, lapse, terminate or be cancelled for any reason, in whole or in part, without the issuance of Shares, (ii) any Shares under an Award are not issued because of payment or withholding obligations or (iii) Restricted Shares shall revert back to the Company prior to the lapse of the Restrictions or be applied by the Company for purposes of tax withholding obligations, then the Committee may also grant Awards with respect to such Shares or Restricted Shares. To the extent that the number of performance-vested restricted stock units that vest under awards that the Company granted under the Prior Plan in 2016 result in the delivery by the Company of Shares exceeding the number of Shares that may be issued under the Prior Plan (the “Prior Plan Limit”), then the number of Shares that exceed the Prior Plan Limit shall be counted against the Share limit under this Plan. Awards payable only in cash or property other than Shares shall not reduce the aggregate remaining number of Shares with respect to which Awards may be made under the Plan and Shares relating to any other Awards that are settled in cash or property other than Shares, when settled, shall be added back to the aggregate remaining number of Shares with respect to which Awards may be made under the Plan. The maximum number of Shares that may be issued under the Plan shall be adjusted by the Committee as appropriate to account for the events provided for in Section 12 hereof. Any Shares with respect to which the Company becomes obligated to make Awards through the assumption of, or in substitution for, outstanding awards previously granted by an acquired entity, shall not count against the Shares available to be delivered pursuant to Awards under this Plan.

(b) In no event shall any Participant be granted Awards during any one (1) calendar year for, or that relate to, an aggregate number of Shares exceeding 2,000,000. The maximum number of Shares underlying Awards that may be granted to an individual in any one (1) calendar year under the Plan shall be adjusted by the Committee as appropriate to account for the events provided for in Section 12 hereof.

(c) If, after the Effective Date, the Company creates a new class of capital stock (a “new class”), then the Committee may grant Awards for shares of the new class. Each share of the new class granted pursuant to an Award shall count against the Share limitation in Section 5(a) as one Share (or such other number as equitably determined by the Committee). Effective as of the date on which any new class is created by an amendment to the Company’s Amended and Restated Certificate of Incorporation, “Share” shall mean a share of AMC Networks Inc. Class A Common Stock, par value $0.01 per share, or a share of such new class, as applicable.

6. **Options.** Options granted under the Plan shall be either incentive stock options, within the meaning of Section 422 of the Internal Revenue Code, or non-qualified options, as determined by the Committee in its sole discretion.

(a) **Terms and Conditions**. The form, terms and conditions of each Option shall be determined by the Committee and shall be set forth in an Award Agreement. Such terms and conditions may include, without limitation, provisions relating to the vesting and exercisability of such Options as well as the conditions or circumstances upon which such Options may be accelerated, extended, forfeited or otherwise modified. The Committee may, in its sole discretion, establish one or more conditions to the vesting or exercise of an Option including, without limitation, conditions the satisfaction of which are measured by Performance Criteria; provided that, if such Option is designated as an incentive stock option, then such condition or conditions shall not be inconsistent with Section 422 of the Internal Revenue Code. Unless the Award Agreement specifies that the Option is an incentive stock option, it shall be a non-qualified stock option. All or any part of any Options granted to any Participant may be made exercisable upon the occurrence of such special circumstances or events as determined in the sole discretion of the Committee.

(b) **Exercise Price for Options**. The exercise price per Share of the Shares to be purchased pursuant to any Option shall be fixed by the Committee at the time an Option is granted, but in no event shall it be less than the Fair Market Value of a Share on the day on which the Option is granted. Such exercise price shall thereafter be subject to adjustment as required by the Award Agreement relating to each Option or Section 12 hereof.

(c) **Duration of Options**. The duration of any Option granted under this Plan shall be for a period fixed by the Committee but shall, except as described in the next sentence, in no event be more than ten (10) years. Notwithstanding the foregoing, an Award Agreement may provide that, in the event the Participant dies while the Option is outstanding, the Option will remain outstanding until the first anniversary of the Participant’s date of death, and whether or not such first anniversary occurs prior to or following the expiration of ten (10) years from the date the Option was granted.

(d) **Incentive Stock Options Granted to Ten Percent Stockholders**. To the extent required by Section 422 of the Internal Revenue Code, no Option which is intended to qualify as an incentive stock option shall be granted under this Plan to any employee who, at the time the Option is granted, owns, or is considered owning, within the meaning of Section 422 of the Internal Revenue Code, shares possessing more than ten percent (10%) of the total combined voting power or value of all classes of stock of the Company or any Subsidiary, unless the exercise price under such Option is at least one hundred and ten percent (110%) of the Fair Market Value of a Share on the date such Option is granted and the duration of such option is no more than five (5) years.

(e) **Initial Exercisability Limitation**. The aggregate Fair Market Value (determined at the time that an Option is granted) of the Shares with respect to incentive stock options granted in any calendar year under all stock option plans of the Company or any corporation which (at the time of the granting of such incentive stock option) was a parent or Subsidiary of the Company, or of any predecessor corporation of any such corporation, which are exercisable for the first time by a Participant during any calendar year shall not exceed $100,000, or, if different, the maximum allowed under Section 422 of the Internal Revenue Code.

(f) **Settlement of an Option**. When an Option is exercised pursuant to Section 8 hereof, the Committee, in its sole discretion, may elect, in lieu of issuing Shares pursuant to the terms of the Option, to settle the Option by paying the Participant an amount equal to the product obtained by multiplying (i) the excess of the Fair Market Value of one Share on the date the Option is exercised over the exercise price of the Option (the “Option Spread”) by (ii) the number of Shares with respect to which the Option is exercised. The amount payable to the Participant in these circumstances shall be paid by the Company either in cash or in Shares having a Fair Market Value equal to the Option Spread, or a combination thereof, as the Committee shall determine at the time the Option is exercised or at the time the Option is granted.

7. **Rights**. The Committee may grant to employees the right to receive such number of Rights, as determined by the Committee in its sole discretion.

(a) **Terms and Conditions**. The form, terms and conditions of each Right shall be determined by the Committee and shall be set forth in an Award Agreement. Such terms and conditions may include, without limitation, provisions relating to the vesting and exercisability of such Rights as well as the conditions or circumstances upon which such Rights may be accelerated, extended, forfeited or otherwise modified. The Committee may, in its sole discretion, establish one or more conditions to the vesting or exercise of a Right including, without limitation, conditions the satisfaction of which are measured by Performance Criteria. All or any part of any outstanding Rights granted to any Participant may be made exercisable upon the occurrence of such special circumstances or events as determined in the sole discretion of the Committee.

(b) **Exercise Price for Rights**. The exercise price of each Right shall be fixed by the Committee at the time a Right is granted, but in no event shall it be less than the Fair Market Value of a Share on the day on which the Right is granted. Such exercise price shall thereafter be subject to adjustment as required by the Award Agreement relating to each Right or Section 12 hereof.

(c) **Duration of Rights**. The duration of any Right granted under this Plan shall be for a period fixed by the Committee but shall, except as described in the next sentence, in no event be more than ten (10) years. Notwithstanding the foregoing, an Award Agreement may provide that, in the event the Participant dies while the Right is outstanding, the Right will remain outstanding until the first anniversary of the Participant’s date of death, and whether or not such first anniversary occurs prior to or following the expiration of ten (10) years from the date the Right was granted.

(d) **Settlement of Rights**. Upon the exercise of any Rights, the Participant shall be entitled to receive from the Company an amount equal to the product obtained by multiplying (i) the excess of the Fair Market Value of one Share on the date the Rights are exercised over the exercise price of the related Right by (ii) the number of Shares to which such Rights are related. Such amount shall be paid in cash, in Shares having a Fair Market Value equal to such amount, or a combination of cash and Shares, as the Committee shall determine at the time the Right is exercised or at the time the Right is granted.

8. **Exercise of Options and Rights**. (a) An Option or Right shall be exercised by the delivery to any person who has been designated by the Company for the purpose of receiving the same, of a written notice duly signed by the Participant (or the representative of the estate or the heirs of a deceased Participant) to such effect (or electronic notice in a manner, if any, previously approved by the Company). Unless the Company chooses to settle an Option in cash, Shares or a combination thereof pursuant to Section 6(f) hereof, the Participant shall be required to deliver to the Company, within five (5) days of the delivery of the notice described above, either cash, a check payable to the order of the Company, Shares duly endorsed over to the Company (which Shares shall be valued at their Fair Market Value as of the date preceding the day of such exercise) or any combination of such methods of payment, which together amount to the full exercise price of the Shares purchased pursuant to the exercise of the Option. Notwithstanding the preceding sentence, the Company may establish an electronic exercise program with a broker and the Company and the Participant may agree upon any other reasonable manner of providing for payment of the exercise price of the Option.

(b) Except to the extent the Committee chooses to settle any Option or Right in cash pursuant to Section 6(f) or 7(d) hereof, within a reasonable time after exercise of an Option or Right the Company shall either issue to the Participant a certificate representing the Shares purchased pursuant to the exercise of the Option or Right or credit the number of such Shares to a book-entry account. To the extent the Committee chooses to settle any Option or Right in cash pursuant to Section 6(f) or 7(d), within a reasonable time after exercise of an Option or Right the Company shall cause to be delivered to the person entitled thereto a payment for the amount payable pursuant to the exercise of the Option or Right.

9. **Restricted Shares**. The Committee may grant to employees the right to receive such number of Restricted Shares, as determined by the Committee in its sole discretion.

(a) **Issuance; Terms and Conditions**. The form, terms and conditions of each Restricted Share shall be determined by the Committee and shall be set forth in an Award Agreement. Such terms and conditions may include, without limitation, the Restrictions upon such Restricted Shares, the dates as of which Restrictions upon such Restricted Shares will cease, and the conditions or circumstances upon which such Restricted Shares will be forfeited or otherwise modified. The Committee may, in its sole discretion, establish one or more Restrictions to the vesting of a Restricted Share that relate to the satisfaction of Performance Criteria.

(b) **Payment of Par Value**. To the extent a Participant is required by law to pay to the Company the par value of a Restricted Share, such Participant shall have forty-five (45) business days from the date of such grant to pay to the Company, in cash or by check, an amount equal to the par value of a Share multiplied by the number of Shares or Restricted Shares which have been granted to the employee by the Committee. In such instances, if the Participant fails to make payment to the Company for such Shares or Restricted Shares within forty-five (45) business days of the grant thereof, the Company shall withhold, or shall cause to be withheld, the amount of such payment from compensation otherwise due the employee from the Company or any Affiliate. Unless the Committee determines otherwise, a Participant’s prior service with the Company or any of its Affiliates shall be deemed sufficient consideration for such Restricted Shares and no payment therefore (including, without limitation, for the par value of the Restricted Shares) shall be due from the Participant. Subject to the provisions of Section 15 hereof, the Committee, in its sole discretion, shall either issue to the employee a certificate representing such Restricted Shares or credit the number of such Restricted Shares to a book-entry account upon the payment due, if any, pursuant to this paragraph.

(c) **Restriction on Shares**. In no event shall a Restricted Share be sold, assigned, transferred, pledged or otherwise disposed of or encumbered until the expiration of the Restricted Period which relates to such Restricted Share. All or any part of any outstanding Restricted Shares granted to any Participant may be vested in full and the Restrictions thereon shall lapse upon the occurrence of such special circumstances or events as determined in the sole discretion of the Committee.

(d) **Forfeiture of Restricted Shares**. If Restricted Shares are forfeited pursuant to the terms of the Plan or an Award Agreement, such Restricted Shares shall revert back and belong to the Company. In the event that any Restricted Shares should be forfeited by the Participant, revert back and belong to the Company, any stock certificate or certificates representing such Restricted Shares shall be cancelled and the Restricted Shares shall be returned to the treasury of the Company. Upon the reversion of such Restricted Shares, the Company shall repay to the employee or (in the case of death) to the representative of the employee’s estate, the full cash amount paid, if any, to the Company by the employee for such Restricted Shares pursuant to Section 9(b) hereof.

(e) **Right to Vote and Receive Dividends on Restricted Shares**. Each Participant shall, during the Restricted Period, be the beneficial and record owner of such Restricted Shares and shall have full voting rights with respect thereto. Unless the Committee determines otherwise, during the Restricted Period, all ordinary cash dividends (as determined by the Committee in its sole discretion) paid upon any Restricted Share shall be retained by the Company for the account of the relevant Participant. Such dividends shall revert back to the Company if for any reason the Restricted Share upon which such dividends were paid reverts back to the Company. Upon the expiration of the Restricted Period, all such dividends made on such Restricted Share and retained by the Company will be paid to the relevant Participant.

10. **Restricted Stock Units**. The Committee may grant employees such number of Restricted Stock Units as it may determine in its sole discretion.

(a) **Terms and Conditions**. The form, terms and conditions of each Restricted Stock Unit shall be determined by the Committee and shall be set forth in an Award Agreement. Such terms and conditions may include, without limitation, the conditions or circumstances upon which such Restricted Stock Unit will be paid, forfeited or otherwise modified, and the date or dates upon which any Shares, cash or other property shall be delivered to the Participant in respect of the Restricted Stock Units. The Committee may, in its sole discretion, establish one or more conditions to the vesting of a Restricted Stock Unit including, without limitation, conditions the satisfaction of which are measured by Performance Criteria. All or any part of any outstanding Restricted Stock Unit granted to any Participant may be vested in full or paid upon the occurrence of such special circumstances or events as determined in the sole discretion of the Committee.

(b) **Settlement of Restricted Stock Units**. The Committee, in its sole discretion, may instruct the Company to pay on the date when Shares would otherwise be issued pursuant to a Restricted Stock Unit, in lieu of such Shares, a cash amount equal to the number of such Shares multiplied by the Fair Market Value of a Share on the date when Shares would otherwise have been issued. If a Participant is entitled to receive other stock, securities or other property as a result of an adjustment, pursuant to Section 12 hereof, the Committee, in its sole discretion, may instruct the Company to pay, in lieu of such other stock, securities or other property, cash equal to the fair market value thereof as determined in good faith by the Committee. Until the delivery of such Shares, cash, securities or other property, the rights of a Participant with respect to a Restricted Stock Unit shall be only those of a general unsecured creditor of the Company.

(c) **Right to Receive Dividends on Restricted Stock Units**. Unless the Committee determines otherwise, during the period prior to payment of the Restricted Stock Unit, all ordinary cash dividends (as determined by the Committee in its sole discretion) that would have been paid upon any Share underlying a Restricted Stock Unit had such Shares been issued shall be paid only at the time and to the extent such Restricted Stock Unit is vested.

11. **Grant of Other Stock-Based Awards**. The Committee may grant other types of equity-based or equity-related Awards (including unrestricted Shares) in such amounts and subject to such terms and conditions as the Committee shall determine. Such Awards may entail the transfer of actual Shares, or payment in cash or otherwise of amounts based on the value of Shares.

12. **Certain Adjustments**. (a) In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, forward or reverse stock split, reorganization, merger, consolidation, spin-off, combination, repurchase, share exchange, liquidation, dissolution or other similar corporate transaction or event affects Shares such that the failure to make an adjustment to an Award would not fairly protect the rights represented by the Award in accordance with the essential intent and principles thereof (each such event, an “Adjustment Event”), then the Committee shall, in such manner as it may determine to be equitable in its sole discretion, adjust any or all of the terms of an outstanding Award (including, without limitation, the number of Shares covered by such outstanding Award, the type of property to which the Award is subject and the exercise price of such Award). In determining adjustments to be made under this Section 12(a), the Committee may take into account such factors as it determines to be appropriate, including without limitation (i) the provisions of applicable law and (ii) the potential tax or accounting consequences of an adjustment (or not making an adjustment) and, in light of such factors or others, may make adjustments that are not uniform or proportionate among outstanding Awards.

(b) **Fractional Shares or Securities**. Any fractional shares or securities payable upon the exercise of an Award as a result of an adjustment pursuant to this Section 12 shall, at the election of the Committee, be payable in cash, Shares, or a combination thereof, on such bases as the Committee may determine in its sole discretion.

13. **No Rights of a Stockholder**. A Participant shall not be deemed to be the holder of, or have any of the rights of a stockholder with respect to, any Shares subject to Options, Rights or Restricted Stock Units unless and until the Company shall have issued and delivered Shares to the Participant and said Participant’s name shall have been entered as a stockholder of record on the books of the Company. Thereupon, such Participant shall have full voting, dividend and other ownership rights with respect to such Shares. The Company will not be obligated to issue or deliver any Shares unless and until all legal matters in connection with the issuance and delivery of Shares have been approved by the Company’s counsel and the Company’s counsel determines that all applicable federal, state and other laws and regulations have been complied with and all listing requirements for relevant stock exchanges have been met.

14. **No Right to Continued Employment**. Nothing in the Plan or in any Award Agreement shall confer upon any Participant the right to continued employment by the Company or any Affiliate or affect any right which the Company or any Affiliate may have to terminate such employment.

15. **Issuance of Shares and Consents**. If the Committee shall at any time determine that any Consent is necessary or desirable as a condition of, or in connection with, the granting of any Award, the delivery of Shares or the delivery of any cash, securities or other property under the Plan, or the taking of any other action, then such action shall not be taken, in whole or in part, unless and until such Consent shall have been effected or obtained to the full satisfaction of the Committee. Any stock certificate representing Restricted Shares shall contain an appropriate legend referring to the Plan and the Restrictions upon such Restricted Shares. Simultaneously with delivery of any stock certificate for Restricted Shares, the Company may cause a stop transfer order with respect to such certificate to be placed with the transfer agent of the Shares.

16. **Withholding**. If the Company or an Affiliate shall be required to withhold any amounts by reason of a federal, state or local tax laws, rules or regulations in respect of any Award, the Company or an Affiliate shall be entitled to deduct or withhold such amounts from any payments (including, without limitation Shares which would otherwise be issued to the Participant pursuant to the Award; provided that, to the extent desired for GAAP purposes, such withholding shall not exceed the statutory minimum amount required to be withheld) to be made to the Participant. In any event, the Participant shall make available to the Company or Affiliate, promptly when requested by the Company or such Affiliate, sufficient funds or Shares to meet the requirements of such withholding and the Company or Affiliate shall be entitled to take and authorize such steps as it may deem advisable in order to have such funds made available to the Company or Affiliate out of any funds or property due to the Participant.

17. **Right of Offset.** The Company shall have the right to offset against its obligation to deliver Shares, cash or other property under any Award that does not constitute “non-qualified deferred compensation” pursuant to Section 409A of the Internal Revenue Code any outstanding amounts of whatever nature that the Participant then owes to the Company or any of its Affiliates.

18. **Non-Transferability of Awards**. Unless the Committee shall permit (on such terms and conditions as it shall establish) an Award to be transferred to a member of the Participant’s immediate family or to a trust or similar vehicle for the benefit of members of the Participant’s immediate family (collectively, the “Permitted Transferees”), no Award shall be assignable or transferable except by will or by the laws of descent and distribution, and except to the extent required by law, no right or interest of any Participant shall be subject to any lien, obligation or liability of the Participant. All rights with respect to Awards granted to a Participant under the Plan shall be exercisable during the Participant’s lifetime only by such Participant or, if applicable, the Permitted Transferees.

19. **Administration and Amendment of the Plan**. The Board of Directors or the Committee may discontinue the Plan at any time and from time to time may amend or revise the terms of the Plan or any Award Agreement, as permitted by applicable law, except that it may not (a) make any amendment or revision in a manner unfavorable to a Participant (other than if immaterial), without the consent of the Participant or (b) make any amendment or revision without the approval of the stockholders of the Company if such approval is required by the rules of an exchange on which Shares are traded. Consent of the Participant shall not be required solely pursuant to the previous sentence in respect of any adjustment made pursuant to Section 12(a) except to the extent the terms of an Award Agreement expressly refer to an Adjustment Event, in which case such terms shall not be amended in a manner unfavorable to a Participant (other than if immaterial) without such Participant’s consent.

20. **Clawback**. Notwithstanding any other provisions in this Plan, any Award which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement, or any clawback policy adopted by the Company.

21. **No Repricing & Reloads**. Unless otherwise approved by the stockholders of the Company, Options and Rights will not be repriced (other than in accordance with the adjustment provisions of Section 12), be repurchased for cash on a date when the exercise price of such Option or Right is equal to or exceeds the Fair Market Value of a Share or be subject to automatic reload provisions.

22. **Section 409A**. It is the Company’s intent that Awards under this Plan be exempt from, or comply with, the requirements of Section 409A of the Internal Revenue Code, and that this Plan be administered and interpreted accordingly. If and to the extent that any Award made under this Plan is determined by the Company to constitute “non-qualified deferred compensation” subject to Section 409A of the Internal Revenue Code and is payable to a Participant by reason of the Participant’s termination of employment, then (a) such payment or benefit shall be made or provided to the Participant only upon a “separation from service” as defined for purposes of Section 409A of the Internal Revenue Code under applicable regulations and (b) if the Participant is a “specified employee” (within the meaning of Section 409A of the Internal Revenue Code and as determined by the Company), such payment or benefit shall not be made or provided before the date that is six months after the date of the Participant’s separation from service (or the Participant’s earlier death).

23. **Effective Date**. The Plan became effective upon approval by the stockholders of the Company on June 8, 2016. The amendments to the Plan shall become effective upon approval by the stockholders of the Company on June 11, 2020.

24. **Severability**. If any of the provisions of this Plan or any Award Agreement is finally held to be invalid, illegal or unenforceable (whether in whole or in part), such provision shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining provisions shall not be affected thereby; provided that, if any of

such provisions is finally held to be invalid, illegal, or unenforceable because it exceeds the maximum scope determined to be acceptable to permit such provision to be enforceable, such provision shall be deemed to be modified to the minimum extent necessary to modify such scope in order to make such provision enforceable hereunder.

25. **Plan Headings**. The headings in this Plan are for the purpose of convenience only and are not intended to define or limit the construction of the provisions hereof.

26. **Non-Uniform Treatment**. The Committee’s determinations under the Plan need not be uniform and may be made by it selectively among persons who receive, or are eligible to receive, Awards (whether or not such persons are similarly situated). Without limiting the generality of the foregoing, the Committee shall be entitled, among other things, to make non-uniform and selective determinations, amendments and adjustments, and to enter into non-uniform and selective Award Agreements, as to the persons to receive Awards under the Plan, and the terms and provisions of Awards under the Plan.

27. **Governing Law**. The Plan and any Award Agreements shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws.

28. **Successors and Assigns**. The terms of this Plan shall be binding upon and inure to the benefit of the Company and its successors and assigns.

29. **Duration**. This Plan shall remain in effect until June 11, 2030 unless sooner terminated by the Committee or the Board of Directors. Awards theretofore granted may extend beyond that date in accordance with the provisions of the Plan.

AMC Networks Inc. Amended and Restated 2011 Stock Plan For Non-Employee Directors

1. **Purpose.** The purposes of the AMC Networks Inc. 2011 Stock Plan for Non–Employee Directors are to attract and retain individuals who are not employees of the Company as members of the Board of Directors, by encouraging them to acquire a proprietary interest in the Company which is parallel to that of the stockholders of the Company.

The amendments to this Plan will not affect the terms or conditions of any Award granted prior to the effective date of such amendments provided in Section 14.

2. **Definitions.** The following terms shall have the respective meanings assigned to them as used herein:

(a) "Award" shall mean an Option, Restricted Stock Unit or other stock–based award granted under the Plan.

(b) "Award Agreement" shall mean an agreement which may be entered into by a Participant and the Company, setting forth the terms and provisions applicable to Awards granted to such Participant.

(c) "Board of Directors" shall mean the Board of Directors of the Company, as constituted at any time.

(d) "Committee" shall mean the Compensation Committee of the Board of Directors, as described in Section 3.

(e) "Company" shall mean AMC Networks Inc., a Delaware corporation.

(f) "Consent" shall mean (i) any listing, registration or qualification requirement in respect of an Award or Share with respect to any securities exchange or under any federal, state or local law, rule or regulation, (ii) any and all written agreements and representations by the Participant with respect to the disposition of Shares, or with respect to any other matter, which the Committee may deem necessary or desirable to comply with the terms of any such listing, registration or qualification requirement or to obtain an exemption therefrom, (iii) any and all other consents, clearances and approvals in respect of an action under the Plan by any governmental or other regulatory body or any stock exchange or self–regulatory agency, (iv) any and all consents by the Participant to (A) the Company's supplying to any third party recordkeeper of the Plan such personal information as the Committee deems advisable to administer the Plan and (B) the Company's imposing sales and transfer procedures and restrictions on Shares delivered under the Plan and (v) any and all other consents or authorizations required to comply with, or required to be obtained under law.

(g) "Fair Market Value" on a specified date shall mean the closing price for a Share on the stock exchange, if any, on which such Shares are primarily traded, but if no Shares were traded on such date, the average of the bid and asked closing prices at which one Share is traded on the over–the–counter market, as reported on the National Association of Securities Dealers Automated Quotation System, or, if none of the above is applicable, the value of a Share as established by the Committee for such date using any reasonable method of valuation. Notwithstanding the generality of the foregoing, if the Company has established an electronic exercise program with a broker for the exercise of Options and the Shares underlying the Options are publicly traded, the Fair Market Value of a Share for purposes of net cashless exercise and withholding taxes shall be the price of a Share on such stock exchange at the time of exercise.

(h) "GAAP" shall mean accounting principles generally accepted in the United States of America.

(i) "Internal Revenue Code" shall mean the Internal Revenue Code of 1986, as amended.

(j) "Non–Employee Director" shall mean a member of the Board of Directors who is not a current employee of the Company or its subsidiaries.

(k) "Option" shall mean an option granted pursuant to Section 6.1 of the Plan.

(l) "Participant" shall mean a Non–Employee Director who has been granted an Award under the Plan.

(m) "Plan" shall mean the AMC Networks Inc. 2011 Stock Plan for Non–Employee Directors, as amended from time to time.

(n) "Restricted Stock Unit" shall mean a restricted stock unit granted pursuant to Section 6.2 of the Plan, each such unit representing an unfunded and unsecured promise to deliver a Share (or cash or other property equal in value to the Share).

(o) “Share” shall mean a share of AMC Networks Inc. Class A Common Stock, par value $0.01 per share.

3. Plan Administration.

3.1 **Committee.** The Plan shall be administered by the Committee, which shall consist of at least two members of the Board of Directors who shall be appointed by, and shall serve at the pleasure of, the Board of Directors. Except as otherwise determined by the Board of Directors, the members of the Committee shall be “non–employee directors” under Rule 16b–3 of the Securities Exchange Act of 1934 (the “Exchange Act”); provided, however, that the failure of the Committee to be so comprised shall not cause any Award to be invalid. The Committee may delegate any of its powers under the Plan to a subcommittee of the Committee (which hereinafter shall also be referred to as the Committee). It is expected and permitted that members of the Committee shall be Participants.

3.2 **Authority.** The Committee shall have full authority, subject to the terms of the Plan (including Section 12), to (a) exercise all of the powers granted to it under the Plan, (b) construe, interpret and implement the Plan and all Awards and Award Agreements, (c) prescribe, amend and rescind rules and regulations relating to the Plan, including rules governing its own operations, (d) make all determinations necessary or advisable in administering the Plan, (e) correct any defect, supply any omission and reconcile any inconsistency in the Plan, (f) amend the Plan, (g) grant Awards and determine who shall receive Awards and the terms and conditions of such Awards, (h) amend any outstanding Award in any respect, including, without limitation, to (1) accelerate the time or times at which the Award becomes vested or unrestricted or may be exercised or at which Shares are delivered under the Award (and, without limitation on the Committee’s rights, in connection with such acceleration, the Committee may provide that any Shares delivered pursuant to such Award shall be subject to vesting, transfer, forfeiture or repayment provisions similar to those in the Participant’s underlying Award) or (2) waive or amend any restrictions or conditions applicable to such Award, or impose new restrictions or conditions and (i) determine at any time whether, to what extent and under what circumstances and method or methods (1) Awards may be (A) settled in cash, Shares, other securities, other Awards or other property, (B) exercised or (C) canceled, forfeited or suspended or (2) Shares, other securities, cash, other Awards or other property and other amounts payable with respect to an Award may be deferred either automatically or at the election of the Participant or of the Committee. The enumeration of the foregoing powers is not intended and should not be construed to limit in any way the authority of the Committee under the Plan which is intended, to the fullest extent permitted by law, to be plenary. The Plan, and all such rules, regulations, determinations and interpretations, shall be binding and conclusive upon the Company, its stockholders and all Participants, and upon their respective legal representatives, heirs, beneficiaries, successors and assigns and upon all other persons claiming under or through any of them.

3.3 **Liability.** No member of the Board of Directors or the Committee or any employee of the Company or any of its affiliates (each such person a “Covered Person”) shall have any liability to any person (including, without limitation, any Participant) for any action taken or omitted to be taken or any determination made in good faith with respect to the Plan or any Award. Each Covered Person shall be indemnified and held harmless by the Company against and from any loss, cost, liability or expense (including attorneys’ fees) that may be imposed upon or incurred by such Covered Person in connection with or resulting from any action, suit or proceeding to which such Covered Person may be a party or in which such Covered Person may be involved by reason of any action taken or omitted to be taken under the Plan and against and from any and all amounts paid by such Covered Person, with the Company’s approval, in settlement thereof, or paid by such Covered Person in satisfaction of any judgment in any such action, suit or proceeding against such Covered Person, provided that the Company shall have the right, at its own expense, to assume and defend any such action, suit or proceeding and, once the Company gives notice of its intent to assume the defense, the Company shall have sole control over such defense with counsel of the Company’s choice. The foregoing right of indemnification shall not be available to a Covered Person to the extent that a court of competent jurisdiction in a final judgment or other final adjudication, in either case, not subject to further appeal, determines that the acts or omissions of such Covered Person giving rise to the indemnification claim resulted from such Covered Person’s bad faith, fraud or willful criminal act or omission. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which Covered Persons may be entitled under the Company’s Certificate of Incorporation or by–laws, as a matter of law, or otherwise, or any other power that the Company may have to indemnify such persons or hold them harmless.

4. **Eligibility.** All Non–Employee Directors are eligible for the grant of Awards.

5. **Shares Subject to the Plan.**

5.1 **Number.** The aggregate number of Shares that may be subject to Awards granted under this Plan shall not exceed 665,000, which may be either treasury Shares or authorized but unissued Shares. To the extent that (i) an Award shall be paid, settled or exchanged or shall expire, lapse, terminate or be cancelled for any reason without the issuance of Shares or (ii) any Shares under an Award are not issued because of payment or withholding obligations, then the Committee may also grant

Awards with respect to such Shares. Awards payable only in cash or property other than Shares shall not reduce the aggregate remaining number of Shares with respect to which Awards may be made under the Plan and Shares relating to any other Awards that are settled in cash or property other than Shares, when settled, shall be added back to the aggregate remaining number of Shares with respect to which Awards may be made under the Plan. The maximum number of Shares that may be issued under the Plan shall be adjusted by the Committee as appropriate to account for the adjustments provided for in Section 5.2 hereof. Any Shares with respect to which the Company becomes obligated to make Awards through the assumption of, or in substitution for, outstanding awards previously granted by an acquired entity, shall not count against the Shares available to be delivered pursuant to Awards under this Plan.

5.2 **Adjustment in Capitalization.** In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, forward or reverse stock split, reorganization, merger, consolidation, spin-off, combination, repurchase, share exchange, liquidation, dissolution or other similar corporate transaction or event affects Shares such that the failure to make an adjustment to an Award would not fairly protect the rights represented by the Award in accordance with the essential intent and principles thereof (each such event, an "Adjustment Event"), then the Committee shall, in such manner as it may determine to be equitable in its sole discretion, adjust any or all of the terms of an outstanding Award (including, without limitation, the number of Shares covered by such outstanding Award, the type of property to which the Award is subject and the exercise price of such Award). In determining adjustments to be made under this Section 5.2, the Committee may take into account such factors as it determines to be appropriate, including without limitation (i) the provisions of applicable law and (ii) the potential tax or accounting consequences of an adjustment (or not making an adjustment) and, in light of such factors or others, may make adjustments that are not uniform or proportionate among outstanding Awards. Any fractional shares or securities payable upon the exercise of an Award as a result of an adjustment pursuant to this Section 5.2 shall, at the election of the Committee, be payable in cash, Shares, or a combination thereof, on such bases as the Committee may determine in its sole discretion.

6. **Terms and Conditions of Awards.**

6.1. **Options.**

6.1.1 **Terms and Conditions.** The form, terms and conditions of each Option shall be determined by the Committee and shall be set forth in an Award Agreement. Such terms and conditions may include, without limitation, provisions relating to the vesting and exercisability of such Options as well as the conditions or circumstances upon which such Options may be accelerated, extended, forfeited or otherwise modified; provided, however, that unless the Award Agreement states otherwise, all Options granted under the Plan shall be fully vested and exercisable on the date of grant. All or any part of any unexercised Options granted to any Participant, to the extent not otherwise exercisable, may be made exercisable upon the occurrence of such special circumstances or events as determined in the sole discretion of the Committee.

6.1.2 **Exercise Price.** The exercise price per Share of the Shares to be purchased pursuant to each Option shall be fixed by the Committee at the time an Option is granted, but in no event shall it be less than the Fair Market Value of a Share on the date on which the Option is granted. Such exercise price shall thereafter be subject to adjustment as required by the Award Agreement relating to each Option or Section 5.2 hereof.

6.1.3 **Duration of Options.** The duration of any Option granted under this Plan shall be for a period fixed by the Committee but shall, except as described in the next sentence, in no event be more than ten (10) years. Notwithstanding the foregoing, an Award Agreement may provide that, in the event the Participant dies while the Option is outstanding, the Option will remain outstanding until the first anniversary of the Participant's date of death, and whether or not such first anniversary occurs prior to or following the expiration of ten (10) years from the date the Option was granted.

6.1.4 **Written Notice for Exercise.** An Option shall be exercised by the delivery to any person who has been designated by the Company for the purpose of receiving the same, of a written notice duly signed by the Participant (or the representative of the estate or the heirs of a deceased Participant) to such effect (or electronic notice in a manner, if any, previously approved by the Company).

6.1.5 **Payment.** Unless the Company chooses to settle an Option in cash, Shares or a combination thereof pursuant to Section 6.1.6 hereof, the Participant shall be required to deliver to the Company, within five (5) days of the delivery of the notice described above, either cash, a check payable to the order of the Company, Shares duly endorsed over to the Company (which Shares shall be valued at their Fair Market Value as of the date preceding the day of such exercise) or any combination of such methods, which together amount to the full exercise price of the Shares purchased pursuant to the exercise of the Option. Notwithstanding the preceding sentence, the Company may establish an electronic exercise program with a broker and the Company and the Participant may agree upon any other reasonable manner of providing for payment of the exercise price of the Option. Except to the extent the Committee chooses to settle any Option in cash pursuant to Section 6.1.6 hereof, within a reasonable time after exercise of an Option the Company shall either issue to the Participant a certificate representing the Shares purchased pursuant to the exercise of the Option or credit the number of such Shares to a book–entry account. To the extent the Committee chooses to settle any Option in cash pursuant to Section 6.1.6, within a reasonable time after exercise of an Option, the Company shall cause to be delivered to the person entitled thereto a payment for the amount payable pursuant to the exercise of the Option.

6.1.6 **Settlement of an Option.** When an Option is exercised pursuant to Section 6.1.4 hereof, the Committee, in its sole discretion, may elect, in lieu of issuing Shares pursuant to the terms of the Option, to settle the Option by paying the Participant an amount equal to the product obtained by multiplying (i) the excess of the Fair Market Value of one Share on the date the Option is exercised over the exercise price of the Option (the "Option Spread") by (ii) the number of Shares with respect to which the Option is exercised. The amount payable to the Participant in these circumstances shall be paid by the Company either in cash or in Shares having a Fair Market Value equal to the Option Spread, or a combination thereof, as the Committee shall determine at the time the Option is exercised or at the time the Option is granted.

6.2. **Restricted Stock Units.**

6.2.1 **Terms and Conditions.** The form, terms and conditions of each Restricted Stock Unit shall be determined by the Committee and shall be set forth in an Award Agreement. Such terms and conditions may include, without limitation, the conditions or circumstances upon which such Restricted Stock Unit will be paid, forfeited or otherwise modified, and the date or dates upon which any Shares, cash or other property shall be delivered to the Participant in respect of the Restricted Stock Units; provided, however, that unless the Award Agreement states otherwise, all Restricted Stock Units granted under the Plan shall be fully vested on the date of grant and shall be payable on such date as determined by the Committee. All or any part of any Restricted Stock Units granted to any Participant, to the extent not otherwise paid, may be paid to the Participant upon the occurrence of such special circumstances or events as determined in the sole discretion of the Committee.

6.2.2 **Settlement of Restricted Stock Units.** The Committee, in its sole discretion, may instruct the Company to pay on the date when Shares would otherwise be issued pursuant to a Restricted Stock Unit, in lieu of such Shares, a cash amount equal to the number of such Shares multiplied by the Fair Market Value of a Share on the date when Shares would otherwise have been issued. If a Participant is entitled to receive other stock, securities or other property as a result of adjustment, pursuant to Section 5.2 hereof, the Committee, in its sole discretion, may instruct the Company to pay, in lieu of such other stock, securities or other property, cash equal to the fair market value thereof as determined in good faith by the Committee. Until the delivery of such Shares, cash, securities or other property, the rights of a Participant with respect to a Restricted Stock Unit shall be only those of a general unsecured creditor of the Company.

6.2.3 **Right to Receive Dividends on Restricted Stock Units.** Unless the Committee determines otherwise, during the period prior to payment of the Restricted Stock Unit, all ordinary cash dividends (as determined by the Committee in its sole discretion) that would have been paid upon any Share underlying a Restricted Stock Unit had such Shares been issued shall be paid only at the time and to the extent such Restricted Stock Unit is vested.

6.3. **Grant of Other Stock–Based Awards.** The Committee may grant other types of equity–based or equity–related Awards (including, without limitation, restricted Shares, unrestricted Shares and stock appreciation rights) in such amounts and subject to such terms and conditions as the Committee shall determine. Such Awards may entail the transfer of actual Shares, or payment in cash or otherwise of amounts based on the value of Shares.

7. **No Rights of a Stockholder.** A Participant shall not have any of the rights or privileges of a stockholder of the Company with respect to the Shares subject to an Award unless and until such Shares have been issued and have been duly registered in the Participant's name. Thereupon, such Participant shall have full voting, dividend and other ownership rights with respect to such Shares. The Company will not be obligated to issue or deliver any Shares unless and until all legal matters in connection with the issuance and delivery of Shares have been approved by the Company's counsel and the Company's counsel determines that all applicable federal, state and other laws and regulations have been complied with and all listing requirements for relevant stock exchanges have been met.

8. **Compliance with Rule 16b–3.** It is the Company's intent that the Plan comply in all respects with Rule 16b–3 under the Securities Exchange Act of 1934, as amended (the "Act"). If any provision of the Plan is later found not to be in compliance with such Rule, the provision shall be deemed null and void. All actions with respect to Awards under the Plan shall be executed in accordance with the requirements of Section 16 of the Act, as amended, and any regulations promulgated thereunder. To the extent that any of the provisions contained herein do not conform with Rule 16b–3 of the Act or any

amendments thereto or any successor regulation, then the Committee may make such modifications so as to conform the Plan and any Awards granted thereunder to the Rule’s requirements.

9. **Consents.** If the Committee shall at any time determine that any Consent is necessary or desirable as a condition of, or in connection with, the granting of any Award, the delivery of Shares or the delivery of any cash, securities or other property under the Plan, or the taking of any other action, then such action shall not be taken, in whole or in part, unless and until such Consent shall have been effected or obtained to the full satisfaction of the Committee.

10. **Withholding.** If the Company shall be required to withhold any amounts by reason of a federal, state or local tax laws, rules or regulations in respect of any Award, the Company shall be entitled to deduct or withhold such amounts from any payments (including, without limitation Shares which would otherwise be issued to the Participant pursuant to the Award; provided that, to the extent desired for GAAP purposes, such withholding shall not exceed the statutory minimum amount required to be withheld) to be made to the Participant. In any event, the Participant shall make available to the Company, promptly when requested by the Company, sufficient funds or Shares to meet the requirements of such withholding and the Company shall be entitled to take and authorize such steps as it may deem advisable in order to have such funds made available to the Company out of any funds or property due to the Participant.

11. **Non–Transferability of Awards.** Unless the Committee shall permit (on such terms and conditions as it shall establish) an Award to be transferred to a member of the Participant’s immediate family or to a trust or similar vehicle for the benefit of members of the Participant’s immediate family (collectively, the “Permitted Transferees”), no Award shall be assignable or transferable except by will or by the laws of descent and distribution, and except to the extent required by law, no right or interest of any Participant shall be subject to any lien, obligation or liability of the Participant. All rights with respect to Awards granted to a Participant under the Plan shall be exercisable during the Participant’s lifetime only by such Participant or, if applicable, the Permitted Transferees.

12. **Administration and Amendment of Plan.** The Board of Directors or the Committee may discontinue the Plan at any time and from time to time may amend or revise the terms of the Plan or any Award Agreement, as permitted by applicable law, except that it may not (a) make any amendment or revision in a manner unfavorable to a Participant (other than if immaterial), without the consent of the Participant or (b) make any amendment or revision without the approval of the stockholders of the Company if such approval is required by the rules of an exchange on which Shares are traded. Consent of the Participant shall not be required solely pursuant to the previous sentence in respect of any adjustment made pursuant to Section 5.2 except to the extent the terms of an Award Agreement expressly refer to an Adjustment Event, in which case such terms shall not be amended in a manner unfavorable to a Participant (other than if immaterial) without such Participant’s consent.

13. **Section 409A.** It is the Company’s intent that Awards under this Plan be exempt from, or comply with, the requirements of Section 409A of the Internal Revenue Code, and that this Plan be administered and interpreted accordingly. If and to the extent that any Award made under this Plan is determined by the Company to constitute “non-qualified deferred compensation” subject to Section 409A of the Internal Revenue Code and is payable to a Participant by reason of the Participant’s termination of employment, then (a) such payment or benefit shall be made or provided to the Participant only upon a “separation from service” as defined for purposes of Section 409A of the Internal Revenue Code under applicable regulations and (b) if the Participant is a “specified employee” (within the meaning of Section 409A of the Internal Revenue Code and as determined by the Company), such payment or benefit shall not be made or provided before the date that is six months after the date of the Participant’s separation from service (or the Participant’s earlier death).

14. **Effective Date.** The Plan became effective upon approval by the stockholders of the Company. The amendments to the Plan shall become effective upon approval by the stockholders of the Company on June 11, 2020.

15. **Severability.** If any of the provisions of this Plan or any Award Agreement is finally held to be invalid, illegal or unenforceable (whether in whole or in part), such provision shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining provisions shall not be affected thereby; provided that, if any of such provisions is finally held to be invalid, illegal, or unenforceable because it exceeds the maximum scope determined to be acceptable to permit such provision to be enforceable, such provision shall be deemed to be modified to the minimum extent necessary to modify such scope in order to make such provision enforceable hereunder.

16. **Plan Headings.** The headings in this Plan are for the purpose of convenience only and are not intended to define or limit the construction of the provisions hereof.

17. **Non–Uniform Treatment.** The Committee's determinations under the Plan need not be uniform and may be made by it selectively among Participants (whether or not such Participants are similarly situated). Without limiting the generality of the foregoing, the Committee shall be entitled, among other things, to make non–uniform and selective determinations, amendments and adjustments, and to enter into non–uniform and selective Award Agreements, as to the terms and provisions of Awards under the Plan.

18. **Governing Law.** The Plan and any Award Agreements shall be governed by, and construed in accordance with, the laws of the state of Delaware, without reference to principles of conflicts of laws.

19. **Successors and Assigns.** The terms of the Plan shall be binding upon and inure to the benefit of the Company and its successors and assigns.

20. **Duration.** This Plan shall remain in effect until June 11, 2030 unless sooner terminated by the Committee or the Board of Directors. Awards theretofore granted may extend beyond that date in accordance with the provisions of the Plan.

List of Guarantor Subsidiaries

As of June 30, 2020, the following subsidiaries of AMC Networks Inc. guarantee the notes issued by AMC Networks Inc.

Guarantor	Jurisdiction of Formation
2nd Party LLC	Delaware
61st Street Productions I LLC	Delaware
AMC Film Holdings LLC	Delaware
AMC Network Entertainment LLC	New York
AMC Networks Broadcasting & Technology	New York
AMC Networks International Asia-Pacific LLC	Delaware
AMC Networks International LLC	Delaware
AMC Networks Productions LLC	Delaware
AMC Premiere LLC	Delaware
AMC TV Studios LLC	Delaware
AMC/Sundance Channel Global Networks LLC	Delaware
AMCN Properties LLC	Delaware
American Movie Classics IV Holding Corp	Delaware
Anthem Productions LLC	Delaware
Badlands Productions I LLC	Louisiana
Badlands Productions II LLC	Delaware
Benders Productions I LLC	Delaware
Brockmire Productions I LLC	Delaware
Cobalt Productions LLC	Delaware
Comic Scribe LLC	Delaware
Crossed Pens Development LLC	Delaware
Digital Store LLC	Delaware
Dispatches Productions I LLC	Delaware
Expedition Productions I LLC	Delaware
Five Families Productions I LLC	Delaware
Five Moons Productions I LLC	Delaware
Geese Productions LLC	Delaware
Ground Work Productions LLC	Delaware
Halt and Catch Fire Productions I LLC	Delaware
Halt and Catch Fire Productions II LLC	Delaware
Halt and Catch Fire Productions III LLC	Delaware
Halt and Catch Fire Productions IV LLC	Delaware
Halt and Catch Fire Productions LLC	Delaware
Hap and Leonard Productions I LLC	Louisiana
Hap and Leonard Productions II LLC	Delaware
Hap and Leonard Productions III LLC	Delaware
IFC Entertainment Holdings LLC	Delaware
IFC Entertainment LLC	Delaware
IFC Films LLC	Delaware
IFC In Theaters LLC	Delaware
IFC Productions I L.L.C.	Delaware

Guarantor	Jurisdiction of Formation
IFC Television Holdings LLC	Delaware
IFC Theatres Concessions LLC	Delaware
IFC Theatres, LLC	Delaware
IFC TV LLC	Delaware
IFC TV Studios Holdings LLC	Delaware
IFC TV Studios LLC	Delaware
IPTV LLC	Delaware
Kindred Spirit Productions LLC	Delaware
Kopus Productions II LLC	Delaware
Kopus Productions LLC	Delaware
Living With Yourself Productions I LLC	Delaware
Lodge Productions I LLC	Delaware
Lodge Productions II LLC	Delaware
Making Waves Studio Productions LLC	Delaware
Monument Productions I LLC	Delaware
Newfound Lake Productions I LLC	Delaware
NOS4A2 Productions I LLC	Rhode Island
Peach Pit Properties LLC	Delaware
Pens Down LLC	Delaware
Premier Quills LLC	Delaware
Rainbow Film Holdings LLC	Delaware
Rainbow Media Enterprises, Inc.	Delaware
Rainbow Media Holdings LLC	Delaware
Rainbow Programming Holdings LLC	Delaware
Rectify Productions II LLC	Delaware
Rectify Productions III LLC	Delaware
Rectify Productions IV LLC	Delaware
Rectify Productions LLC	Delaware
Red Monday Programming LLC	Delaware
RNC Holding Corporation	Delaware
RNC II Holding Corporation	Delaware
Roughhouse Productions I LLC	Delaware
Selects VOD LLC	Delaware
Shudder LLC	Delaware
Sleuth Secrets Productions LLC	Delaware
Stalwart Productions LLC	Delaware
Stan Productions I LLC	Delaware
Stan Productions II LLC	Delaware
Sundance Channel Originals LLC	Delaware
Sundance Film Holdings LLC	Delaware
SundanceTV LLC	Delaware
The Son Productions I LLC	Delaware
Turn Productions II LLC	Delaware
Turn Productions III LLC	Delaware

Guarantor	Jurisdiction of Formation
Turn Productions IV LLC	Delaware
Turn Productions LLC	Delaware
TWD Productions IV LLC	Delaware
TWD Productions IX LLC	Delaware
TWD Productions V LLC	Delaware
TWD Productions VI LLC	Delaware
TWD Productions VII LLC	Delaware
TWD Productions VIII LLC	Delaware
TWD Productions X LLC	Delaware
TWD Productions XI LLC	Delaware
Universe Productions LLC	Delaware
Voom HD Holdings LLC	Delaware
WE tv Asia LLC	Delaware
WE TV Holdings LLC	Delaware
WE tv LLC	Delaware
We TV Studios LLC	Delaware
Woodbury Studios LLC	Delaware

Exhibit 31.1

I, Joshua W. Sapan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AMC Networks Inc.;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. The Registrant's other certifying officer 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 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 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 report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this 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 officer 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 functions):

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:	August 5, 2020	By:	/s/ Joshua W. Sapan
			Joshua W. Sapan
			President and Chief Executive Officer

Exhibit 31.2

I, Sean S. Sullivan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AMC Networks Inc.;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. The Registrant's other certifying officer 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 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 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 report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this 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 officer 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 functions):

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:	August 5, 2020	By:	/s/ Sean S. Sullivan
			Sean S. Sullivan
			Executive Vice President and Chief Financial Officer

Certifications

Pursuant to 18 U.S.C. § 1350, each of the undersigned officers of AMC Networks Inc. ("AMC Networks") hereby certifies, to such officer's knowledge, that AMC Networks' Quarterly Report on Form 10-Q for the quarter ended 6/30/2020 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of AMC Networks.

Date:	August 5, 2020	By:	/s/ Joshua W. Sapan
			Joshua W. Sapan
			President and Chief Executive Officer
Date:	August 5, 2020	By:	/s/ Sean S. Sullivan
			Sean S. Sullivan
			Executive Vice President and Chief Financial Officer