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

FORM 10-Q

(Mark One)

☑ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2012

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

(212) 324-8500
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company (as defined in Exchange Act Rule 12b-2).

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

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

The number of shares of common stock outstanding as of August 1, 2012:

Class A Common Stock par value $0.01 per share	58,164,199
Class B Common Stock par value $0.01 per share	13,534,408

AMC NETWORKS INC. AND SUBSIDIARIES

FORM 10-Q

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	June 30, 2012	December 31, 2011
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 307,803	$ 215,836
Accounts receivable, trade (less allowance for doubtful accounts of $2,599 and $3,092)	293,930	286,810
Amounts due from related parties, net	4,795	5,540
Program rights, net	236,986	235,171
Prepaid expenses and other current assets	49,488	67,370
Deferred tax asset, net	12,652	59,272
Total current assets	905,654	869,999
Property and equipment, net of accumulated depreciation of $142,815 and $132,745	63,300	63,814
Program rights, net	768,554	765,609
Amounts due from related parties, net	3,369	3,214
Deferred carriage fees, net	42,937	47,304
Intangible assets, net	266,723	305,673
Goodwill	83,173	83,173
Other assets	39,729	45,148
Total assets	$2,173,439	$ 2,183,934
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current Liabilities:		
Accounts payable	$ 69,148	$ 61,605
Accrued liabilities:		
Interest	28,681	31,254
Employee related costs	48,718	57,160
Other accrued expenses	14,335	11,385
Amounts due to related parties, net	722	5,336
Program rights obligations	161,425	146,339
Deferred revenue	32,687	23,853
Credit facility debt	5,950	5,950
Capital lease obligations	1,484	1,314
Total current liabilities	363,150	344,196
Program rights obligations	419,951	472,690
Senior notes	686,917	686,434
Credit facility debt	1,547,280	1,598,896
Capital lease obligations	14,902	14,363
Deferred tax liability, net	43,040	51,905
Other liabilities	57,320	52,445
Total liabilities	3,132,560	3,220,929
Commitments and contingencies		
Stockholders' deficiency:		
Class A Common Stock, $0.01 par value, 360,000,000 shares authorized, 58,798,794 and 58,628,764 shares issued and 58,170,976 and 58,434,704 shares outstanding, respectively	588	586
Class B Common Stock, $0.01 par value, 90,000,000 shares authorized, 13,534,408 shares issued and outstanding	135	135
Preferred stock, $0.01 par value, 45,000,000 shares authorized; none issued	—	—
Paid-in capital	17,913	5,942
Accumulated deficit	(945,263)	(1,029,954)
Treasury stock, at cost (627,818 and 194,060 shares Class A Common Stock, respectively)	(17,665)	(1,677)
Accumulated other comprehensive loss	(14,829)	(12,027)
Total stockholders' deficiency	(959,121)	(1,036,995)
Total liabilities and stockholders' deficiency	$2,173,439	$ 2,183,934

See accompanying notes to consolidated financial statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
Three and Six Months Ended June 30, 2012 and 2011
(In thousands, except per share amounts)
(unaudited)

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Revenues, net (including revenues, net from related parties of $8,102, $8,028, $16,175 and $15,968, respectively)	$ 327,570	$ 291,965	$ 653,809	$ 564,868
Operating expenses:				
Technical and operating (excluding depreciation and amortization shown below and including charges from related parties of $310, $1,396, $310 and $2,601, respectively)	114,349	95,883	219,279	186,294
Selling, general and administrative (including charges from related parties of $1,108, $26,459, $3,104 and $50,750, respectively)	90,878	88,564	190,100	175,485
Restructuring credit	—	(15)	(3)	(49)
Depreciation and amortization	24,067	25,259	49,118	50,185
	229,294	209,691	458,494	411,915
Operating income	98,276	82,274	195,315	152,953
Other income (expense):				
Interest expense	(29,431)	(15,353)	(59,228)	(33,703)
Interest income	102	163	207	620
Write-off of deferred financing costs	—	(5,703)	(312)	(5,703)
Loss on extinguishment of debt	—	(14,518)	—	(14,518)
Miscellaneous, net	(644)	7	(632)	79
	(29,973)	(35,404)	(59,965)	(53,225)
Income from continuing operations before income taxes	68,303	46,870	135,350	99,728
Income tax expense	(26,898)	(19,812)	(50,868)	(42,948)
Income from continuing operations	41,405	27,058	84,482	56,780
Income from discontinued operations, net of income taxes	105	97	209	193
Net income	$ 41,510	$ 27,155	$ 84,691	$ 56,973
Basic net income per share:				
Income from continuing operations	$ 0.59	$ 0.39	$ 1.20	$ 0.82
Income from discontinued operations	$ —	$ —	$ —	$ —
Net income	$ 0.59	$ 0.39	$ 1.21	$ 0.82
Diluted net income per share:				
Income from continuing operations	$ 0.57	$ 0.39	$ 1.17	$ 0.82
Income from discontinued operations	$ —	$ —	$ —	$ —
Net income	$ 0.58	$ 0.39	$ 1.17	$ 0.82
Weighted average common shares:				
Basic weighted average common shares	70,479	69,161	70,175	69,161
Diluted weighted average common shares	72,183	69,161	72,157	69,161

See accompanying notes to consolidated financial statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Three and Six Months Ended June 30, 2012 and 2011
(Dollars in thousands)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net income	$ 41,510	$ 27,155	$ 84,691	$ 56,973
Other comprehensive loss:				
Unrealized loss on interest rate swaps	(3,628)	—	(4,448)	—
Other comprehensive loss, before income taxes	(3,628)	—	(4,448)	—
Income tax benefit	1,343	—	1,646	—
Other comprehensive loss, net of income taxes	(2,285)	—	(2,802)	—
Comprehensive income	$ 39,225	$ 27,155	$ 81,889	$ 56,973

See accompanying notes to consolidated financial statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Six Months Ended June 30, 2012 and 2011
(Dollars in thousands)
(unaudited)

	2012	2011
Cash flows from operating activities:		
Income from continuing operations	$ 84,482	$ 56,780
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	49,118	50,185
Share-based compensation expense related to equity classified awards	8,484	8,343
Amortization and write-off of program rights	145,044	112,872
Amortization of deferred carriage fees	4,369	11,981
Amortization and write-off of financing and other costs	4,563	7,449
Loss on extinguishment of debt	—	14,518
(Recovery of) provision for doubtful accounts	(96)	547
Deferred income taxes	39,401	36,008
Excess tax benefits from share-based compensation arrangements	(1,492)	—
Changes in assets and liabilities:		
Accounts receivable, trade	(7,024)	172
Amounts due from/to related parties, net	(3,675)	580
Prepaid expenses and other assets	21,651	(16,081)
Program rights and obligations, net	(187,457)	(131,642)
Deferred carriage fees and deferred carriage fees payable, net	(434)	(2,622)
Accounts payable, accrued expenses and other liabilities	8,670	(29,968)
Net cash provided by operating activities	165,604	119,122
Cash flows from investing activities:		
Capital expenditures	(6,619)	(4,340)
Acquisition of investment securities	(750)	—
Payment for acquisition of a business	(185)	(135)
Proceeds from sale of equipment, net of costs of disposal	100	13
Net cash used in investing activities	(7,454)	(4,462)
Cash flows from financing activities:		
Capital contributions from Cablevision	—	20,813
Capital distributions to Cablevision	—	(20,813)
Repayment of credit facility debt	(52,975)	(775,000)
Redemption of senior notes	—	(300,000)
Redemption of senior subordinated notes, including tender premium and fees	—	(338,365)
Payments for financing costs	(211)	(23,900)
Proceeds from credit facility debt	—	1,442,364
Purchase of treasury stock	(15,988)	—
Proceeds from stock option exercises	1,997	—
Excess tax benefits from share-based compensation arrangements	1,492	—
Principal payments on capital lease obligations	(690)	(2,242)
Net cash (used in) provided by financing activities	(66,375)	2,857
Net increase in cash and cash equivalents from continuing operations	91,775	117,517
Cash flows from discontinued operations:		
Net cash provided by (used in) operating activities	192	(16)
Net cash provided by investing activities	—	376
Net cash provided by (used in) financing activities	—	—
Net increase in cash and cash equivalents from discontinued operations	192	360
Cash and cash equivalents at beginning of period	215,836	79,960
Cash and cash equivalents at end of period	$ 307,803	$ 197,837

See accompanying notes to consolidated financial statements.

AMC NETWORKS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except per share amounts)
(unaudited)

Note 1. Description of Business and Basis of Presentation

Description of Business

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

- *National Networks:* Includes four nationally distributed programming networks: AMC, WE tv, IFC and Sundance Channel. These programming networks are distributed throughout the United States ("U.S.") via cable and other multichannel video programming distribution platforms, including direct broadcast satellite ("DBS") and platforms operated by telecommunications providers (we refer collectively to these cable and other multichannel video programming distributors as "multichannel video programming distributors" or "distributors"); and
- *International and Other:* Principally includes AMC/Sundance Channel Global, the Company's international programming business; IFC Films, the Company's independent film distribution business; and AMC Networks Broadcasting & Technology, the Company's network technical services business, which primarily services the programming networks of the Company. AMC and Sundance Channel are distributed in Canada and Sundance Channel and WE tv are distributed in other countries throughout Europe and Asia. The International and Other reportable segment also includes VOOM HD Holdings LLC ("VOOM HD"), which the Company is winding down, and which continues to sell certain limited amounts of programming internationally through program license agreements.

On June 30, 2011, Cablevision Systems Corporation (Cablevision Systems Corporation and its subsidiaries are referred to as "Cablevision") spun-off the Company (the "Distribution") and AMC Networks became an independent public company. In connection with the Distribution, Cablevision contributed all of the membership interests of Rainbow Media Holdings LLC ("RMH") to AMC Networks, which was an indirect wholly-owned subsidiary of Cablevision immediately prior to the Distribution. RMH owned, directly or indirectly, the businesses included in Cablevision's Rainbow segment. On June 30, 2011, Cablevision effected the Distribution of all of AMC Networks' outstanding common stock to its shareholders. Both Cablevision and the Company continue to be controlled by Charles F. Dolan, certain members of his immediate family and certain family related entities (collectively the "Dolan Family").

Basis of Presentation

These unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and Article 10 of Regulation S-X of the Securities and Exchange Commission ("SEC") for interim financial information. Accordingly, these unaudited consolidated financial statements do not include all the information and notes required for complete annual financial statements.

These unaudited consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2011 contained in the Company's 2011 Annual Report on Form 10-K ("2011 Form 10-K") filed with the SEC.

The consolidated financial statements as of June 30, 2012 and for the three and six months ended June 30, 2012 and 2011 are unaudited; however, in the opinion of management, such consolidated financial statements include all adjustments, consisting solely of normal recurring adjustments, necessary for a fair presentation of the results for the periods presented. All intercompany transactions and balances have been eliminated in consolidation.

The results of operations for the 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, 2012.

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 determination of ultimate revenues as it relates to accounting for amortization of owned original programming costs, valuation and recoverability of long-lived assets, income taxes and contingencies and litigation matters.

The Company’s consolidated financial statements for periods prior to the Distribution have been derived from the consolidated financial statements and accounting records of Cablevision and reflect certain assumptions and allocations. The results of operations and cash flows of the Company for those periods could differ from those that might have resulted had the Company been operated autonomously or as an entity independent of Cablevision. The Company’s consolidated financial statements after the Distribution reflect certain revenues and expenses related to transactions with or charges from Cablevision and The Madison Square Garden Company and its subsidiaries (“MSG”) as described in Note 11.

Discontinued Operations

Discontinued operations consists of receipts related to the sale of the Lifeskool and Sportskool video-on-demand services in September and October 2008, respectively, which were recorded under the installment sales method.

Recently Adopted Accounting Pronouncements

In September 2011, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2011-08, Intangibles - Goodwill and Other (Topic 350): Testing Goodwill for Impairment (ASU 2011-08), to allow entities to use a qualitative approach to test goodwill for impairment. ASU 2011-08 permits an entity to first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If it is concluded that this is the case, it is necessary to perform the prescribed two-step goodwill impairment test. Otherwise, the two-step goodwill impairment test is not required. The Company adopted ASU 2011-08 effective January 1, 2012 and applied it to the Company’s annual impairment test as of the end of February 2012 (see Note 3).

In June 2011, the FASB issued ASU No. 2011-05, Comprehensive Income (Topic 220): Presentation of Comprehensive Income (ASU 2011-05). The provisions of ASU 2011-05 provide that an entity that reports items of other comprehensive income has the option to present comprehensive income as (i) a single statement that presents the components of net income and total net income, the components of other comprehensive income and total other comprehensive income and a total for comprehensive income or (ii) in a two-statement approach, whereby an entity must present the components of net income and total net income in the first statement and that statement is immediately followed by a financial statement that presents the components of other comprehensive income, a total for other comprehensive income and a total for comprehensive income. The previous option under GAAP that permitted the presentation of other comprehensive income in the statement of stockholders’ equity has been eliminated. In December 2011, the FASB issued ASU No. 2011-12, Deferral of the Effective Date for Amendments to the Presentation of Reclassification of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05 (ASU 2011-12). ASU 2011-12 defers the requirement in ASU 2011-05 to present reclassification adjustments for each component of accumulated other comprehensive income (“AOCI”) in both other comprehensive income and net income on the face of the financial statements, and the presentation of reclassification adjustments is not required in interim periods. The Company adopted ASU 2011-05 and ASU 2011-12 effective January 1, 2012 and presents comprehensive income using the two-statement approach.

(Dollars in thousands, except per share amounts)

In May 2011, the FASB issued ASU No. 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in GAAP and IFRSs (ASU 2011-04). ASU 2011-04 provides amendments to Topic 820 that change the wording used to describe many of the requirements in GAAP for measuring fair value and for disclosing information about fair value measurements. The Company adopted ASU 2011-04 effective January 1, 2012. The adoption of this authoritative guidance did not have any impact on the Company's consolidated financial statements.

Recently Issued Accounting Pronouncements

In July 2012, the FASB issued ASU No. 2012-02, Intangibles - Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment (ASU 2012-02), to allow entities to use a qualitative approach to test indefinite-lived intangible assets for impairment. ASU 2012-02 permits an entity to first perform a qualitative assessment to determine whether the existence of events and circumstances indicates that it is more likely than not that the indefinite-lived intangible asset is impaired. If it is concluded that this is the case, an entity is required to determine the fair value of the indefinite-lived intangible asset and perform the quantitative impairment test by comparing the fair value with the carrying amount in accordance with Subtopic 350-30. Otherwise, the quantitative impairment test is not required. This guidance will be effective for the Company's 2013 annual impairment test and earlier adoption is permitted. The Company will evaluate performing a qualitative assessment in 2013.

Note 2. Net Income per Share

The consolidated statements of income present basic and diluted net income per share ("EPS"). Basic EPS is based upon net income divided by the weighted-average number of common shares outstanding during the period. Diluted EPS reflects the dilutive effects of AMC Networks stock options (including those held by directors and employees of related parties of the Company) and AMC Networks restricted shares/units (including those held by employees of related parties of the Company).

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Basic weighted average shares outstanding	70,479,000	69,161,000	70,175,000	69,161,000
Effect of dilution:				
Stock options	819,000	—	859,000	—
Restricted shares/units	885,000	—	1,123,000	—
Diluted weighted average shares outstanding	72,183,000	69,161,000	72,157,000	69,161,000

The number of shares used to compute basic and diluted EPS for the three and six months ended June 30, 2011 of approximately 69,161,000, represents the number of shares of AMC Networks common stock issued to Cablevision shareholders on the Distribution date, and excludes unvested outstanding restricted shares, based on a distribution ratio of one share of AMC Networks common stock for every four shares of Cablevision common stock outstanding. The dilutive effect of the Company's share-based awards that were issued in connection with the adjustment or conversion of Cablevision's share-based awards upon the Distribution (including Cablevision stock options and restricted share awards granted prior to the Distribution) and subsequent Company grants, are included in the computation of diluted EPS in periods subsequent to the Distribution.

For the three and six months ended June 30, 2012, approximately 231,000 restricted shares/units have been excluded from diluted weighted average common shares outstanding since the performance criteria on these awards has not yet been satisfied. As of June 30, 2012, approximately 334,000 restricted shares/units have been excluded from diluted weighted average common shares outstanding since they would have been anti-dilutive.

AMC NETWORKS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Dollars in thousands, except per share amounts)
(unaudited)

Note 3. Goodwill and Other Intangible Assets

The carrying amount of goodwill, by reporting unit and reportable segment, as of both June 30, 2012 and December 31, 2011 is as follows:

Reporting Unit and Segment	
AMC	$34,251
WE tv	5,214
IFC	13,582
Sundance Channel	28,930
Total National Networks	81,977
AMC Networks Broadcasting & Technology	1,196
Total International and Other	1,196
	$83,173

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

	June 30, 2012		
	Gross	Accumulated Amortization	Net
Amortizable intangible assets:			
Affiliation agreements and affiliate relationships	$ 911,357	$ (672,457)	$238,900
Advertiser relationships	74,248	(66,514)	7,734
Other amortizable intangible assets	644	(455)	189
Total amortizable intangible assets	986,249	(739,426)	246,823
Indefinite-lived intangible assets:			
Trademarks	19,900	—	19,900
Total intangible assets	$1,006,149	$ (739,426)	$266,723

	December 31, 2011		
	Gross	Accumulated Amortization	Net
Amortizable intangible assets:			
Affiliation agreements and affiliate relationships	$ 911,357	$ (637,394)	$273,963
Advertiser relationships	103,723	(92,166)	11,557
Other amortizable intangible assets	644	(391)	253
Total amortizable intangible assets	1,015,724	(729,951)	285,773
Indefinite-lived intangible assets:			
Trademarks	19,900	—	19,900
Total intangible assets	$1,035,624	$ (729,951)	$305,673

During the six months ended June 30, 2012, the Company retired $29,475 of fully amortized advertiser relationships.

(Dollars in thousands, except per share amounts)

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Aggregate amortization expense for amortizable intangible assets for the six months ended June 30, 2012 and 2011 was $38,950 and $39,554, respectively. The Company expects its future aggregate amortization expense for existing intangible assets subject to amortization to be as follows:

Years Ending December 31,	
2012	$64,489
2013	31,631
2014	9,759
2015	9,746
2016	9,746

Impairment of Goodwill and Identifiable Indefinite-Lived Intangible Assets

In accordance with the accounting guidance adopted on January 1, 2012, the annual goodwill impairment test allows for the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. An entity may choose to perform the qualitative assessment on none, some or all of its reporting units or an entity may bypass the qualitative assessment for any reporting unit and proceed directly to step one of the quantitative impairment test. If it is determined, on the basis of qualitative factors, that the fair value of a reporting unit is, more likely than not, less than its carrying value, the quantitative impairment test is required. The quantitative impairment test is a two-step process. The first step compares the carrying amount of a reporting unit, including goodwill, with its fair value utilizing an enterprise-value based approach. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of the goodwill impairment loss, if any. The second step compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess. The implied fair value of goodwill is determined in the same manner as the amount of goodwill that would be recognized in a business combination.

In assessing the recoverability of goodwill and other long-lived assets, the Company must make assumptions regarding estimated future cash flows and other factors to determine the fair value of the respective assets. These estimates and assumptions could have a significant impact on whether an impairment charge is recognized and also the magnitude of any such charge. Fair value estimates are made at a specific point in time, based on relevant information. 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. Estimates of fair value are primarily determined using discounted cash flows and comparable market transactions. These valuations are based on estimates and assumptions including projected future cash flows, discount rate and determination of appropriate market comparables and determination of whether a premium or discount should be applied to comparables. These valuations also include assumptions for renewals of affiliation agreements, the projected number of subscribers and the projected average rates per basic and viewing subscribers and growth in fixed price contractual arrangements used to determine affiliation fee revenue, access to program rights and the cost of such program rights, amount of programming time that is advertiser supported, number of advertising spots available and the sell through rates for those spots, average fee per advertising spot and operating margins, among other assumptions. If these estimates or material related assumptions change in the future, we may be required to record impairment charges related to our long-lived assets.

The impairment test for identifiable indefinite-lived intangible assets consists of a comparison of the estimated fair value of the intangible asset with its carrying value. If the carrying value exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. Significant judgments inherent in a valuation include the selection of appropriate discount and royalty rates, estimating the amount and timing of estimated future cash flows and identification of appropriate continuing growth rate assumptions. The discount rates used in the analysis are intended to reflect the risk inherent in the projected future cash flows generated by the respective intangible assets.

Based on the Company's annual impairment test for goodwill and identifiable indefinite-lived intangible assets as of the end of February 2012, no impairment charge was required for any of the reporting units. The Company performed a qualitative assessment for the AMC, WE tv, IFC and AMC Networks Broadcasting and Technology reporting units, which included, but was not limited to, consideration of the historical significant excesses of the estimated fair value of each reporting unit over its respective carrying value (including allocated goodwill), macroeconomic conditions, industry and market considerations, cost factors and historical and projected cash flows. The Company performed a quantitative assessment for the Sundance Channel reporting unit. Based on the quantitative assessment, if the fair value of the Sundance Channel reporting unit decreased by 11%, the Company would be required to perform step-two of the quantitative assessment.

The Company's indefinite-lived trademark intangible assets relate to Sundance Channel trademarks, which were valued using a relief-from-royalty method in which the expected benefits are valued by discounting estimated royalty revenue over projected revenues covered by the trademarks. In order to evaluate the sensitivity of the fair value calculations for the Company's identifiable indefinite-lived intangible assets, the Company applied a hypothetical 20% decrease to the estimated fair value of the identifiable indefinite-lived intangible assets. This hypothetical decrease in estimated fair value would not result in an impairment.

Note 4. Income Taxes

For the three and six months ended June 30, 2012, income tax expense attributable to continuing operations was $26,898 and $50,868, respectively, representing an effective tax rate of 39% and 38%, respectively. The effective tax rate differs from the federal statutory rate of 35% due primarily to state income tax expense of $1,710 and $3,064, and tax expense of $866 and $1,630 related to uncertain tax positions, including accrued interest, for the three and six months ended June 30, 2012, respectively, partially offset by a tax benefit of $1,800 resulting from a decrease in the valuation allowance with regard to certain local income tax credit carry forwards, for the six months ended June 30, 2012.

For the three and six months ended June 30, 2011, income tax expense attributable to continuing operations was $19,812 and $42,948, respectively, representing an effective tax rate of 42% and 43%, respectively. The effective tax rate differs from the federal statutory rate of 35% due primarily to state income tax expense of $2,487 and $5,290, tax expense of $546 and $2,069 related to uncertain tax positions, including accrued interest, and tax expense of $107 and $492 resulting from an increase in the valuation allowance with regard to certain local income tax credit carry forwards, for the three and six months ended June 30, 2011, respectively.

At June 30, 2012, the Company had federal net operating loss carry forwards ("NOLs") of approximately $6,000 expiring in 2031 and 2032, alternative minimum tax credit carry forwards of $5,000 with no expiration and foreign tax credit carry forwards of approximately $15,900, expiring on various dates from 2014 through 2022. The NOLs and the alternative minimum tax credit carry forwards relate to excess tax benefits that have not yet been realized (as determined on a 'with-and-without' approach), including 'windfall' deductions on share-based compensation awards and amortization of certain tax deductible goodwill. Upon realization as a reduction in tax liability, excess tax benefits are recorded as an increase to paid-in capital with regard to share-based compensation awards and as a decrease in goodwill with regard to certain tax deductible goodwill. For the six months ended June 30, 2012, an increase to paid-in capital of $1,492 was recorded for excess tax benefits realized from share-based compensation awards. For the six months ended June 30, 2012, the utilization of NOLs reduced current deferred income tax assets by $50,000.

Under the Company's Tax Disaffiliation Agreement with Cablevision, Cablevision is liable for all income taxes of the Company for periods prior to the Distribution except for New York City Unincorporated Business Tax. The City of New York is currently auditing the Company's Unincorporated Business Tax Returns for the years 2006 through 2008.

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Note 5. Debt

Long-term debt consists of:

	June 30, 2012	December 31, 2011
Credit facility debt: [(a)]		
Term A Facility	$ 975,665	$1,025,065
Term B Facility	577,565	579,781
Senior notes	686,917	686,434
	2,240,147	2,291,280
Less: current portion	5,950	5,950
Total	$2,234,197	$2,285,330

(a) The Company's $500,000 revolving credit facility remains undrawn at June 30, 2012. Total undrawn revolver commitments are available to be drawn for general corporate purposes of the Company.

In March 2012, the Company voluntarily prepaid $50,000 under the Term A Facility. In July 2012, the Company voluntarily prepaid an additional $50,000 of the outstanding balance under the Term A Facility. These voluntary prepayments were applied to the earliest required quarterly installments due, and were in addition to the regularly scheduled quarterly principal payments made under the Term B Facility. As a result of these voluntary prepayments, the next required quarterly installment under the Term A Facility will be due on September 30, 2014 in the amount of $11,875. The Company wrote-off $312 of deferred financing costs associated with the voluntary prepayment that was made during the six months ended June 30, 2012.

Pursuant to a registration rights agreement, dated as of June 30, 2011, among AMC Networks, the Subsidiary Guarantors (as defined in the agreement) and the initial purchasers of the $700,000 of AMC Networks 7.75% Senior Notes due July 15, 2021 (the "Notes"), AMC Networks filed a registration statement with the SEC on April 24, 2012 with respect to an offer to exchange the Notes for registered notes (the "Exchange Offer") with terms identical in all material respects to the Notes except that the registered notes do not contain terms that provide for restrictions on transfer (the "Registered Notes"), which was declared effective by the SEC on June 7, 2012. On July 10, 2012, the Exchange Offer was completed and all of AMC Networks' original Notes were exchanged for Registered Notes.

Note 6. Derivative Financial Instruments

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. Such contracts effectively fix the borrowing rates on floating rate debt to limit the exposure against the risk of rising interest rates. The Company does not enter into interest rate swap contracts for speculative or trading purposes and it has only entered into interest rate swap contracts with financial institutions that it believes are creditworthy counterparties. The Company monitors the financial institutions that are counterparties to its interest rate swap contracts and to the extent possible diversifies its swap contracts among various counterparties to mitigate exposure to any single financial institution.

The Company's risk management objective and strategy with respect to interest rate swap contracts is to protect the Company against adverse fluctuations in interest rates by reducing its exposure to variability in cash flows relating to interest payments on a portion of its outstanding debt. The Company is meeting its objective by hedging the risk of changes in its cash flows (interest payments) attributable to changes in the LIBOR index rate, the designated benchmark interest rate being hedged (the "hedged risk"), on an amount of the Company's debt principal equal to the then-outstanding swap notional. The forecasted interest payments are deemed to be probable of occurring.

The Company's interest rate swap contracts are designated as cash flow hedges for accounting and tax purposes. The Company assesses, both at the hedge's inception and on an ongoing basis, hedge effectiveness based on the overall changes in the fair value of the interest rate swap contracts. Hedge effectiveness of the interest rate swap contracts is based on a hypothetical derivative methodology. Any ineffective portion of the interest rate swap contracts is recorded in current-period earnings.

(Dollars in thousands, except per share amounts)

As of June 30, 2012, the Company had interest rate swap contracts outstanding with notional amounts aggregating $935,000, which includes interest rate swap contracts with notional amounts aggregating $200,000 that are effective beginning July 2012. The Company's outstanding interest rate swap contracts have varying maturities ranging from September 2015 to July 2017. At June 30, 2012, the Company's interest rate cash flow hedges were highly effective, in all material respects.

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

	Liability Derivatives		
	Balance Sheet Location	Fair Value	
		June 30, 2012	December 31, 2011
Derivatives designated as hedging instruments:			
Interest rate swap contracts	Other liabilities	$23,539	$ 19,091
Total derivatives		$23,539	$ 19,091

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

	Amount of Loss Recognized in Other Comprehensive Income ("OCI") on Derivatives (Effective Portion)		Location of Loss Reclassified from Accumulated OCI into Earnings (Effective Portion)	Amount of Loss Reclassified from Accumulated OCI into Earnings (Effective Portion)(a)	
	Three Months Ended June 30, 2012	Six Months Ended June 30, 2012		Three Months Ended June 30, 2012	Six Months Ended June 30, 2012
Derivatives in Cash Flow Hedging Relationships:					
Interest rate swap contracts	$ 5,794	$ 8,728	Interest expense	$ 2,166	$ 4,280

(a) There were no gains or losses recognized in earnings related to any ineffective portion of the hedging relationship or related to any amount excluded from the assessment of hedge effectiveness for the three and six months ended June 30, 2012.

Note 7. Commitments and Contingencies

Commitments

As of June 30, 2012, the Company's off-balance sheet arrangements not reflected on the Company's consolidated balance sheet decreased approximately $42,300 to approximately $301,300 as compared to approximately $343,600 at December 31, 2011. The decrease relates primarily to future program rights obligations.

Legal Matters

DISH Network Contract Dispute

In 2005, subsidiaries of the Company entered into agreements with EchoStar Communications Corporation and its affiliates by which EchoStar Media Holdings Corporation acquired a 20% interest in VOOM HD and EchoStar Satellite LLC (the predecessor to DISH Network LLC ("DISH Network")) agreed to distribute VOOM on the satellite delivered programming of DISH Network for a 15-year term. The affiliation agreement with DISH Network for such distribution provides that if VOOM HD fails to spend $100,000 per year (subject to reduction to the extent that the number of offered channels is reduced to fewer than 21), up to a maximum of $500,000 in the aggregate, on VOOM, DISH Network may seek to terminate the agreement under certain circumstances. On January 30, 2008, DISH Network purported to terminate the affiliation agreement, effective February 1, 2008, based on its assertion that VOOM HD had failed to comply with this spending provision in 2006. On January 31, 2008, VOOM HD sought and obtained a temporary restraining order from the New York Supreme Court for New York County prohibiting DISH Network from terminating the affiliation agreement. In conjunction with its request for a temporary restraining order, VOOM HD also requested a preliminary injunction and filed a lawsuit against DISH Network asserting that DISH Network did not have the right to terminate the affiliation agreement. In a decision filed on May 5, 2008, the court denied VOOM HD's motion for a preliminary injunction. On or about May 13, 2008, DISH Network ceased distribution of VOOM on its DISH Network. On May 27, 2008, VOOM HD amended its complaint to seek damages for DISH Network's improper termination of the affiliation agreement. On June 24, 2008, DISH Network answered VOOM HD's amended complaint and asserted counterclaims alleging breach of contract and breach of the duty of good faith and fair dealing with respect to the affiliation agreement. On July 14, 2008, VOOM HD replied to DISH Network's counterclaims. The Company believes that the counterclaims asserted by DISH Network are without merit. VOOM HD and DISH Network each filed cross-motions for summary judgment. In November 2010, the court denied both parties' cross-motions for summary judgment but granted VOOM HD's motion for sanctions based on DISH Network's spoliation of evidence as well as its motion to exclude DISH Network's principal damages expert. DISH Network appealed these latter two rulings. On January 31, 2012, the Appellate Division of the New York Supreme Court issued a decision affirming (i) the trial court's finding of spoliation and imposition of the sanction of an adverse inference at trial; and (ii) the trial court's decision to exclude DISH Network's damages expert. On February 6, 2012, DISH Network filed a motion seeking leave from the Appellate Division to appeal the order. On April 26, 2012, the Appellate Division denied DISH Network's motion, thereby precluding any further appeal of the trial court rulings. The stay of the pending trial court proceedings was lifted on May 1, 2012 and a trial date has been set for September 2012.

In connection with the Distribution, CSC Holdings, LLC ("CSC Holdings"), a wholly-owned subsidiary of Cablevision and AMC Networks and Rainbow Programming Holdings, LLC, an indirect wholly-owned subsidiary of AMC Networks (collectively, the "AMC Parties") entered into an agreement which provides that from and after the Distribution date, CSC Holdings retains full control over the pending litigation with DISH Network. Any decision with respect to settlement will be made jointly by CSC Holdings and the AMC Parties. CSC Holdings and the AMC Parties will share equally in the proceeds (including in the value of any non-cash consideration) of any settlement or final judgment in the pending litigation with DISH Network that are received by subsidiaries of the Company from VOOM HD. The AMC Parties are responsible for the legal fees and costs until such costs reach an agreed upon threshold, at which point CSC Holdings and the AMC Parties will bear such fees and expenses equally, which the Company expects will occur in the third quarter of 2012.

Other Legal Matters

On April 15, 2011, Thomas C. Dolan, a director of the Company and Executive Vice President, Strategy and Development, in the Office of the Chairman and a director of Cablevision, filed a lawsuit against Cablevision and RMH in New York Supreme Court. The lawsuit raises compensation-related claims (seeking approximately $11,000) related to events in 2005. The matter is being handled under the direction of an independent committee of the board of directors of Cablevision. In connection with the Distribution Agreement, Cablevision indemnified the Company and RMH against any liabilities and expenses related to this lawsuit. Based on the indemnification and Cablevision's and the Company's assessment of this possible loss contingency, no provision has been made for this matter in the consolidated financial statements.

In addition to the matters discussed above, the Company is party to various lawsuits and claims in the ordinary course of business. Although the outcome of these other matters cannot be predicted with certainty and the impact of the final resolution of these other matters on the Company's results of operations in a particular subsequent reporting period is not known, 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 8. Equity and Long-Term Incentive Plans

In connection with the Distribution, the Company adopted the AMC Networks Inc. 2011 Employee Stock Plan (the "2011 Employee Stock Plan"), the AMC Networks Inc. 2011 Stock Plan for Non-Employee Directors (the "2011 Non-Employee Director Plan") and the AMC Networks Inc. 2011 Cash Incentive Plan (the "2011 Cash Incentive Plan"). All Plans were amended and restated and approved by the Company's shareholders on June 5, 2012.

On March 15, 2012, AMC Networks granted 441,111 restricted share units to certain executive officers and employees under the 2011 Employee Stock Plan that vest on the third anniversary of the grant date. The vesting criteria for 97,915 of those restricted share units include the achievement of certain performance targets by the Company. Also in March 2012, AMC Networks granted three-year performance based awards to certain executive officers and employees under the 2011 Cash Incentive Plan.

On June 5, 2012, AMC Networks granted 30,393 restricted share units under the 2011 Non-Employee Director Plan to non-employee directors that vested on the date of grant.

Share-based compensation expense included in continuing operations, a component of selling, general and administrative expense, for the three and six months ended June 30, 2012 was $4,901 and $8,484, respectively, related to equity classified awards. For the three and six months ended June 30, 2011, share-based compensation expense allocated by Cablevision was $4,412 and $8,343, respectively, related to equity classified awards. For the six months ended June 30, 2012, there was no share-based compensation expense included in continuing operations for liability classified awards (stock appreciation rights). For the three and six months ended June 30, 2011, there was $101 and $147, respectively, of share-based compensation expense included in continuing operations for liability classified awards. For periods prior to the Distribution, the Company's share-based compensation expense includes amounts related to Company employees participating in the Cablevision equity awards programs, as well as amounts related to Cablevision corporate employees and non-employee directors to the extent allocated to the Company. For periods after the Distribution, the Company no longer receives an allocation of share-based compensation expense for Cablevision corporate employees and non-employee directors, including expense related to the Company's Executive Chairman with respect to his participation in the Cablevision equity awards program (since he remained an executive officer of Cablevision).

As of June 30, 2012, there was $33,764 of total unrecognized share-based compensation cost related to Company employees who held unvested AMC Networks and Cablevision restricted shares/units. The unrecognized compensation cost is expected to be recognized over a weighted-average remaining period of approximately 2.2 years.

During the six months ended June 30, 2012, 1,032,018 shares of AMC Networks Class A common stock previously issued to employees of Cablevision, MSG and the Company vested. In connection with the employees' satisfaction of the statutory minimum tax withholding obligations for the applicable income and other employment taxes, 352,910 of these shares, with an aggregate value of $15,988, were surrendered to the Company. These acquired shares, as well as 80,848 forfeited unvested restricted shares, have been classified as treasury stock.

Long-term incentive plan compensation expense included in continuing operations for the three and six months ended June 30, 2012 was $2,045 and $5,070, respectively. For the three and six months ended June 30, 2011, long-term incentive plan compensation expense allocated by Cablevision was $3,967 and $7,285, respectively. Such amount is accrued for performance-based awards for which the performance criteria had not yet been met as the awards are based on achievement of certain performance criteria through December 31, 2014. The Company has accrued the pro-rata amount earned that it currently believes will ultimately be paid based upon the performance criteria established for these performance-based awards. If the Company subsequently determines that the performance criteria for the awards are not probable of being achieved, the Company would reverse the accrual in respect of the award at that time.

Note 9. 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.

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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:

	Level I	Level II	Level III	Total
At June 30, 2012:				
Assets:				
Cash equivalents [(a)]	$294,068	$ —	$ —	$294,068
Liabilities:				
Interest rate swap contracts	$ —	$23,539	$ —	$ 23,539
At December 31, 2011:				
Assets:				
Cash equivalents [(a)]	$202,276	$ —	$ —	$202,276
Liabilities:				
Interest rate swap contracts	$ —	$19,091	$ —	$ 19,091

(a) Represents the Company's investment in money market funds.

The Company's cash equivalents 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 are classified within Level II of the fair value hierarchy and their fair values are determined based on a market approach valuation technique that uses readily observable market parameters and the consideration of counterparty risk.

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 consolidated balance sheets are summarized as follows:

	June 30, 2012	
	Carrying Amount	Estimated Fair Value
Debt instruments:		
Credit facility debt	$1,553,230	$1,522,982
Senior notes	686,917	771,750
	$2,240,147	$2,294,732

	December 31, 2011	
	Carrying Amount	Estimated Fair Value
Debt instruments:		
Credit facility debt	$1,604,846	$1,550,960
Senior notes	686,434	761,250
	$2,291,280	$2,312,210

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.

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Note 10. Concentration of Risk

Financial Instruments

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents and trade accounts receivable. Cash is invested in money market funds and bank time deposits. The Company monitors the financial institutions and money market funds where it invests its cash and cash equivalents with diversification among counterparties to mitigate exposure to any single financial institution. The Company's emphasis is primarily on safety of principal and liquidity and secondarily on maximizing the yield on its investments.

Customers

Two customers accounted for the following percentages of the Company's revenues, net:

	Six Months Ended June 30,	
	2012	2011
Customer 1	*	11%
Customer 2	12%	13%

* Less than 10%.

The Company's programming networks have affiliation agreements that expire at various dates through 2018. Failure to renew affiliation agreements with the Company's largest customers, or renewal on less favorable terms, or the termination of those agreements could have a material adverse effect on the Company's business. A reduced distribution of the Company's programming networks would adversely affect the Company's affiliation fee revenue, and impact the Company's ability to sell advertising or the rates the Company charges for such advertising.

At June 30, 2012, no single customer accounted for 10% or more of the Company's net trade receivable balances.

Note 11. Related Party Transactions

Members of the Dolan Family, for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, including trusts for the benefit of the Dolan Family, collectively beneficially own all of the Company's outstanding Class B Common Stock and own approximately 3% of the Company's outstanding Class A Common Stock. Such shares of the Company's Class A Common Stock and Class B Common Stock, collectively, represent approximately 70% of the aggregate voting power of the Company's outstanding common stock. Members of the Dolan Family are also the controlling stockholders of both Cablevision and MSG.

In connection with the Distribution, the Company entered into various agreements with Cablevision, such as a distribution agreement, a tax disaffiliation agreement, a transition services agreement, an employee matters agreement and certain related party arrangements. These agreements govern certain of the Company's relationships with Cablevision subsequent to the Distribution and provide for the allocation of employee benefits, taxes and certain other liabilities and obligations attributable to periods prior to the Distribution. These agreements also include arrangements with respect to transition services and a number of on-going commercial relationships. The distribution agreement includes an agreement that the Company and Cablevision agree to provide each other with indemnities with respect to liabilities arising out of the businesses Cablevision transferred to the Company.

The Company provides services to and receives services from Cablevision and MSG. Until the Distribution date, the consolidated financial statements of the Company reflect the application of certain cost allocation policies of Cablevision. Management believes that these allocations were made on a reasonable basis. However, it is not practicable to determine whether the charged amounts represent amounts that might have been incurred on a stand-alone basis, including as a separate independent publicly owned company, as there are no company-specific or comparable industry benchmarks with which to make such estimates. Further, as many of these transactions are conducted between subsidiaries under common control of the Dolan Family, amounts charged for these services may not represent amounts that might have been received or incurred if the transactions were based upon arm's-length negotiations. Through the Distribution date, the Company paid Cablevision a management fee pursuant to a consulting agreement between Cablevision and certain of the Company's subsidiaries. The consulting agreement was terminated on the Distribution date and the Company did not replace it.

(Dollars in thousands, except per share amounts)

The Company records affiliation fee revenues earned, net of amortization of deferred carriage fees, under affiliation agreements with subsidiaries of Cablevision. In addition, AMC Networks Broadcasting & Technology has entered into agreements with MSG to provide various transponder, technical and support services through 2020. Revenues, net from related parties amounted to $8,102 and $8,028 for the three months ended June 30, 2012 and 2011, respectively. Revenues, net from related parties amounted to $16,175 and $15,968 for the six months ended June 30, 2012 and 2011, respectively.

In addition, the Company and its related parties routinely enter into transactions with each other in the ordinary course of business. Amounts charged to the Company, included in technical and operating expenses, pursuant to transactions with its related parties amounted to $310 for the three and six months ended June 30, 2012 and $1,396 and $2,601 for the three and six months ended June 30, 2011, respectively. Amounts charged to the Company, included in selling, general and administrative expenses, pursuant to the transition services agreement and for other transactions, including management fees allocated by Cablevision for periods through the Distribution date, with its related parties amounted to $1,108 and $26,459 for the three months ended June 30, 2012 and 2011, respectively, and $3,104 and $50,750 for the six months ended June 30, 2012 and 2011, respectively.

Note 12. Cash Flows

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

	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Non-Cash Investing and Financing Activities:		
Continuing Operations:		
Deemed capital contributions related to the utilization of Cablevision tax losses	$ —	$ 39,982
Deemed capital contribution, net related to adjustments to liability for uncertain tax positions and net deferred tax assets as a result of the Distribution	—	44,259
Capital distribution for the transfer of a promissory note receivable to Cablevision (see Promissory Note discussion below)	—	(17,113)
Deemed capital distribution to Cablevision related to employee benefit plans as a result of the Distribution (see Employee Matters Agreement discussion below)	—	(6,602)
Deemed capital distribution associated with the issuance of debt to Cablevision (see Issuance of Debt to Cablevision discussion below)	—	(1,250,000)
Deemed capital contribution related to the allocation of Cablevision share-based compensation expense	—	8,343
Leasehold improvements paid by landlord	2,071	—
Increase in capital lease obligations and related assets	1,399	39
Supplemental Data:		
Cash interest paid — continuing operations	57,564	51,630
Income taxes paid, net — continuing operations (see Income Taxes Paid discussion below)	13,535	5,574

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Promissory Note

In September 2009, RMH and one of its subsidiaries that was transferred by the Company to Cablevision on December 31, 2010 agreed to the terms of a promissory note having an initial principal amount of $0 and increasing from time to time by advances made by RMH, with an interest rate of 8.625%. Interest income recognized by RMH related to this note amounted to $120 for the three and six months ended June 30, 2011. On January 31, 2011, RMH distributed to a subsidiary of Cablevision all of its rights, title and interest in and to the promissory note. This distribution, which amounted to $17,113, including principal and accrued and unpaid interest, is reflected as a non-cash capital distribution for the six months ended June 30, 2011.

Employee Matters Agreement

In connection with the Distribution, AMC Networks entered into an Employee Matters Agreement with Cablevision which allocated assets, liabilities and responsibilities with respect to certain employee compensation and benefit plans and programs and certain other related matters. As a result of such agreement, as of June 30, 2011, AMC Networks recorded a net receivable from Cablevision of $876, an increase in accrued employee related costs of $7,478 and a capital distribution of $6,602 which decreased additional paid-in capital for the transfer to the Company from Cablevision of the obligations related to the Company's employees' participant accounts in the Cablevision Excess Savings Plan $(3,616) and the Cablevision Excess Cash Balance Pension Plan $(3,862) and for the Company's obligation to Cablevision for the $6,193 unfunded liability associated with Company employee participants in Cablevision's Cash Balance Pension Plan. In addition, the Company reduced its long-term incentive plan and stock appreciation rights liabilities and increased amounts due to related parties by $6,742 for its obligation to pay Cablevision for its allocated share of the related expense for Cablevision corporate employees through June 30, 2011. As of December 31, 2011, these related party balances were settled.

Issuance of Debt to Cablevision

In connection with the Distribution, as partial consideration for Cablevision's contribution of the membership interests in RMH to the Company, $1,250,000, net of discount, of AMC Networks debt was issued to CSC Holdings, which was reflected as a deemed capital distribution in the consolidated statement of stockholders' deficiency for the year ended December 31, 2011.

Income Taxes Paid, Net

Income taxes paid, net increased by $7,961 primarily due to federal estimated tax payments during the six months ended June 30, 2012, which were based on annualized taxable income after utilization of NOLs.

Note 13. Segment Information

As discussed in Note 1, the Company classifies its operations into two reportable segments: National Networks, and International and Other. These reportable segments are strategic business units that are managed separately.

The Company generally allocates all corporate overhead costs to the Company's two reportable 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, tax, accounting, audit, treasury, risk management, 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 business segment adjusted operating cash flow (defined as operating income (loss) before depreciation and amortization, share-based compensation expense or benefit and restructuring expense or credit), a non-GAAP measure. The Company has presented the components that reconcile adjusted operating cash flow to operating income, an accepted GAAP measure. Information as to the continuing operations of the Company's reportable segments is set forth below.

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	Three Months Ended June 30, 2012			
	National Networks	International and Other	Inter-segment eliminations	Consolidated
Revenues, net				
Advertising	$129,528	$ 10	$ —	$ 129,538
Affiliation fee and other	175,656	26,259	(3,883)	198,032
Consolidated revenues, net	$305,184	$ 26,269	$ (3,883)	$ 327,570
Adjusted operating cash flow (deficit)	$135,623	$ (9,414)	$ 1,035	$ 127,244
Depreciation and amortization	(20,527)	(3,540)	—	(24,067)
Share-based compensation expense	(3,799)	(1,102)	—	(4,901)
Operating income (loss)	$111,297	$ (14,056)	$ 1,035	$ 98,276

	Three Months Ended June 30, 2011			
	National Networks	International and Other	Inter-segment eliminations	Consolidated
Revenues, net				
Advertising	$114,213	$ 5	$ —	$ 114,218
Affiliation fee and other	152,515	30,221	(4,989)	177,747
Consolidated revenues, net	$266,728	$ 30,226	$ (4,989)	$ 291,965
Adjusted operating cash flow (deficit)	$116,892	$ (4,758)	$ (103)	$ 112,031
Depreciation and amortization	(21,741)	(3,518)	—	(25,259)
Share-based compensation expense	(3,635)	(878)	—	(4,513)
Restructuring credit	—	15	—	15
Operating income (loss)	$ 91,516	$ (9,139)	$ (103)	$ 82,274

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	Six Months Ended June 30, 2012			
	National Networks	International and Other	Inter-segment eliminations	Consolidated
Revenues, net				
Advertising	$258,765	$ 10	$ —	$ 258,775
Affiliation fee and other	350,642	52,605	(8,213)	395,034
Consolidated revenues, net	$609,407	$ 52,615	$ (8,213)	$ 653,809
Adjusted operating cash flow (deficit)	$268,995	$ (17,621)	$ 1,540	$ 252,914
Depreciation and amortization	(41,832)	(7,286)	—	(49,118)
Share-based compensation expense	(6,648)	(1,836)	—	(8,484)
Restructuring credit	—	3	—	3
Operating income (loss)	$220,515	$ (26,740)	$ 1,540	$ 195,315
Capital Expenditures	$ 860	$ 5,759	$ —	$ 6,619

	Six Months Ended June 30, 2011			
	National Networks	International and Other	Inter-segment eliminations	Consolidated
Revenues, net				
Advertising	$213,836	$ 10	$ —	$ 213,846
Affiliation fee and other	304,737	55,597	(9,312)	351,022
Consolidated revenues, net	$518,573	$ 55,607	$ (9,312)	$ 564,868
Adjusted operating cash flow (deficit)	$223,248	$ (11,862)	$ 193	$ 211,579
Depreciation and amortization	(43,052)	(7,133)	—	(50,185)
Share-based compensation expense	(6,785)	(1,705)	—	(8,490)
Restructuring credit	—	49	—	49
Operating income (loss)	$173,411	$ (20,651)	$ 193	$ 152,953
Capital Expenditures	$ 1,850	$ 2,490	$ —	$ 4,340

Inter-segment eliminations are primarily revenues recognized by the International and Other segment for transmission revenues recognized by AMC Networks Broadcasting & Technology and the licensing of its program rights by the national programming networks.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Inter-segment revenues				
National Networks	$ (201)	$ (185)	$ (504)	$ (255)
International and Other	(3,682)	(4,804)	(7,709)	(9,057)
	$ (3,883)	$ (4,989)	$ (8,213)	$ (9,312)

Substantially all revenues and assets of the Company are attributed to or located in the U.S.

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 level of our revenues;
- market demand for new programming services;
- demand for advertising inventory;
- the demand for our programming among cable and other multichannel video programming distribution platforms, including direct broadcast satellite ("DBS") and platforms operated by telecommunications providers (we refer collectively to these cable and other multichannel video programming distributors as "multichannel video programming distributors" or "distributors") and our ability to maintain and renew affiliation agreements with multichannel video programming distributors (see also "DISH Network Carriage Termination" discussion below);
- the cost of, and our ability to obtain or produce, desirable programming content for our networks and film distribution businesses;
- market demand for our services internationally and for our film distribution business, and our ability to profitably provide those services;
- the security of our program rights and other electronic data;
- the loss of any of our key personnel and artistic talent;
- the highly competitive nature of the cable programming industry;
- changes in both domestic and foreign laws or regulations under which we operate;
- the outcome of litigation and other proceedings, including the matters described in the notes to our consolidated financial statements;
- general economic conditions in the areas in which we operate;
- 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;
- 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, and the additional factors described herein, and
- the factors described under Item 1A, "Risk Factors" in our 2011 Annual Report on Form 10-K (the "2011 Form 10-K"), as filed with the Securities and Exchange Commission ("SEC").

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

All dollar amounts and subscriber data included in the following Management's Discussion and Analysis of Financial Condition and Results of Operations are presented in thousands.

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 consolidated financial statements and notes thereto included elsewhere herein and our 2011 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 direct and indirect subsidiaries. Our MD&A is organized as follows:

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

Results of Operations. This section provides an analysis of our results of operations for the three and six months ended June 30, 2012 compared to the three and six months ended June 30, 2011. Our discussion is presented on both a consolidated and segment basis. Our two 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, 2012, as well as an analysis of our cash flows for the six months ended June 30, 2012 and 2011. The discussion of our financial condition and liquidity includes summaries of (i) our primary sources of liquidity and (ii) our off-balance sheet arrangements that existed at June 30, 2012 and December 31, 2011.

Critical Accounting Policies. This section provides an update to, and should be read in conjunction with, the critical accounting policies and estimates summarized in our 2011 Form 10-K under "Item 7- Management Discussion and Analysis of Financial Condition and Results of Operations." Specifically, our goodwill and identifiable indefinite-lived intangible assets policy is updated in order to provide the results of our annual impairment testing performed as of the end of February 2012. In addition, our program rights policy is updated to provide additional clarification regarding the role this policy has in understanding our results of operations.

Business Overview

We manage our business through the following two reportable segments:

- *National Networks:* Includes four nationally distributed programming networks: AMC, WE tv, IFC and Sundance Channel. These programming networks are distributed throughout the United States ("U.S.") via multichannel video programming distributors;
- *International and Other:* Principally includes AMC/Sundance Channel Global, our international programming business; IFC Films, our independent film distribution business; and AMC Networks Broadcasting & Technology, our network technical services business, which supplies services primarily to our national programming networks. AMC and Sundance Channel are distributed in Canada and Sundance Channel and WE tv are distributed in other countries throughout Europe and Asia. The International and Other reportable segment also includes VOOM HD, which we are winding down, and which continues to sell certain limited amounts of programming internationally through program license agreements.

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

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Revenues, net				
National Networks	$ 305,184	$ 266,728	$609,407	$518,573
International and Other	26,269	30,226	52,615	55,607
Inter-segment eliminations	(3,883)	(4,989)	(8,213)	(9,312)
Consolidated revenues, net	$ 327,570	$ 291,965	$653,809	$564,868
Operating income (loss)				
National Networks	$ 111,297	$ 91,516	$220,515	$173,411
International and Other	(14,056)	(9,139)	(26,740)	(20,651)
Inter-segment eliminations	1,035	(103)	1,540	193
Consolidated operating income	$ 98,276	$ 82,274	$195,315	$152,953
AOCF				
National Networks	$ 135,623	$ 116,892	$268,995	$223,248
International and Other	(9,414)	(4,758)	(17,621)	(11,862)
Inter-segment eliminations	1,035	(103)	1,540	193
Consolidated AOCF	$ 127,244	$ 112,031	$252,914	$211,579

We evaluate segment performance based on several factors, of which the primary financial measure is business segment AOCF. We define AOCF, which is not a generally accepted accounting principles ("GAAP") financial measure, as operating income (loss) before depreciation and amortization, share-based compensation expense or benefit and restructuring expense or credit.

We believe that AOCF is an appropriate measure for evaluating the operating performance on both a business segment and consolidated basis. AOCF 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 AOCF measures as the most important indicators of our business performance, and evaluate management's effectiveness with specific reference to these indicators. AOCF 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 AOCF 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 AOCF for the periods indicated:

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Operating income	$ 98,276	$ 82,274	$195,315	$152,953
Share-based compensation expense	4,901	4,513	8,484	8,490
Restructuring credit	—	(15)	(3)	(49)
Depreciation and amortization	24,067	25,259	49,118	50,185
AOCF	$ 127,244	$ 112,031	$252,914	$211,579

National Networks

In our National Networks segment, which accounted for 93% of our consolidated revenues for the six months ended June 30, 2012, we earn revenues in two principal ways. First, we receive distribution revenue from affiliation fees paid by distributors. These revenues are generally based on a per subscriber fee under multi-year contracts, commonly referred to as "affiliation agreements," which generally provide for annual affiliation rate increases. The specific affiliation 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." The terms of certain other affiliation agreements provide that the affiliation fee revenues we earn are a fixed contractual monthly fee, which could be adjusted for acquisitions and dispositions of multichannel video programming systems by the distributor. Other sources of distribution revenue include the licensing of original programming for foreign and digital distribution to distributors, which is recognized upon availability for distribution by the licensee.

Advertising is our second principal source of revenues. Under our affiliation agreements with our distributors, we have the right to sell a specified amount of national advertising time on certain of our programming networks. Our advertising revenues are more variable than affiliation fee revenues because virtually all of our advertising is sold on a short-term basis, not under long-term contracts. Our advertising 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. In certain advertising sales arrangements, our programming networks guarantee specified viewer ratings for their programming. If these guaranteed viewer ratings are not met, we are generally required to provide additional advertising units to the advertiser at no charge. For these types of arrangements, a portion of the related revenue is deferred if the guaranteed viewer ratings are not met and is subsequently recognized either when we provide the required additional advertising time, the guarantee obligation contractually expires or performance requirements become remote. Most of our advertising revenues vary based upon the popularity of our programming as measured by Nielsen Media Research (“Nielsen”). As of June 30 2012, our national programming networks had approximately 1,000 advertisers representing companies in a broad range of sectors, including the health, insurance, food, automotive and retail industries. Our AMC, WE tv and IFC programming networks use a traditional advertising sales model, while Sundance Channel principally sells sponsorships. Prior to December 2010, IFC principally sold sponsorships.

Changes in revenue are primarily derived from changes in contractual affiliation rates charged for our services, changes in the number of subscribers and changes in the prices and level of advertising on our networks. We seek to grow our revenues by increasing the number of viewing subscribers of the distributors that carry our services. We refer to this as our “penetration.” AMC, which is widely distributed, has a more limited ability to increase its penetration than WE tv, IFC and Sundance Channel. WE tv, IFC and Sundance Channel, although carried by substantially all of the larger distributors, have higher growth opportunities due to their current penetration levels with those distributors. IFC and Sundance Channel are currently carried primarily on digital tiers, while WE tv is carried on either analog expanded basic or digital tiers. Therefore, WE tv, IFC and Sundance Channel penetration rates may increase if distributors are successful in converting their analog subscribers to digital tiers of service that include those networks. Our revenues may also increase over time through contractual rate increases stipulated in most of our affiliation agreements. In negotiating for increased or extended carriage, we have in some instances made upfront payments in exchange for additional subscribers or extended carriage, which we record as deferred carriage fees and which are amortized as a reduction to revenue over the period of the related affiliation agreements, or agreed to waive for a specified period or accept lower per subscriber fees if certain additional subscribers are provided. We also may help fund the distributors’ efforts to market our channels. We believe that these transactions generate a positive return on investment over the contract period. We seek to increase our advertising revenues by increasing the number of minutes of national advertising sold and by increasing the rates we charge for such advertising, but, ultimately, the level of our advertising revenues, in most cases, is directly related to the overall distribution of our programming, penetration of our services and the popularity (including within desirable demographic groups) of our services as measured by Nielsen.

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

Our principal goal is to increase our revenues by increasing distribution and penetration of our services, and increasing our ratings. To do this, we must continue to contract for and produce high-quality, attractive programming. As competition for programming from programming services increases and alternative distribution technologies continue to emerge and develop in the industry, costs for content acquisition and original programming may increase. There is a concentration of subscribers in the hands of a few distributors, which could create disparate bargaining power between the largest distributors and us by giving those distributors greater leverage in negotiating the price and other terms of affiliation agreements.

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, primarily on AMC, that have been critically acclaimed, award winning and commercially successful. These successful series have resulted in higher audience ratings for our networks. Historically, in periods when we air original programming, our ratings have increased. In 2012, AMC expects to air five scripted original series. This may result in higher audience ratings for AMC. Among other things, higher audience ratings drive increased revenues particularly 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.

Scripted 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 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.

See " — Critical Accounting Policies and Estimates" for a discussion of the amortization and write-off of program rights.

DISH Network Carriage Termination

Effective May 20, 2012 with regard to Sundance Channel and July 1, 2012 with regard to AMC, WE tv and IFC, DISH Network, LLC ("DISH Network") terminated carriage of our national networks. We believe that DISH Network's termination of carriage is directly related to the ongoing litigation between DISH Network and VOOM HD (see Note 7, Commitments and Contingencies in the unaudited consolidated financial statements included elsewhere herein). The financial impact on us will depend on several factors, including the length of time our networks are not carried on DISH Network's platform and if, when and on what terms DISH Network and the Company enter into new carriage agreements. The termination of DISH Network's carriage will have a material impact on our revenues, net, AOCF and operating income in future periods. Although DISH Network's termination has reduced the Company's total subscribers under affiliation agreements by approximately 13%, the impact on our AOCF and operating income, if it continues, will be materially higher.

International and Other

Our International and Other segment primarily includes the operations of AMC/Sundance Channel Global, IFC Films, AMC Networks Broadcasting & Technology and VOOM HD.

VOOM HD historically offered a suite of channels, produced exclusively in high definition ("HD") and marketed for distribution to DBS and other multichannel video programming distributors. VOOM was available in the U.S. only on the cable television systems of Cablevision Systems Corporation (Cablevision Systems Corporation and its subsidiaries are referred to as "Cablevision") and on the satellite delivered programming of DISH Network. In December 2008, we decided to discontinue funding the domestic offerings of VOOM, which were subsequently terminated. VOOM HD discontinued the VOOM international channel as of December 31, 2009 but continued distributing the Rush HD channel in Europe through April 2011. VOOM HD, which we are winding down, continues to sell certain limited amounts of programming internationally through program license agreements. See also Note 7, Commitments and Contingencies in the unaudited consolidated financial statements included elsewhere herein.

Although we view our international expansion as an important long-term strategy, international expansion is currently expected to represent only a small amount of our projected overall financial results over the next five years. However, international expansion could provide a benefit to our financial results if we are able to grow this portion of our business faster than expected. Similar to our domestic businesses, the most significant business challenges we expect to encounter in our international business include programming competition (from both foreign and domestic programmers), limited channel capacity on distributors' platforms, the growth of subscribers on those platforms and economic pressures on affiliation fees. Other significant business challenges unique to international expansion include increased programming costs for international rights and translation (i.e., dubbing and subtitling), a lack of availability of international rights for a portion of our domestic programming content, increased distribution costs for cable, satellite or fiber feeds and a limited physical presence in each territory.

Spin-off from Cablevision

On June 30, 2011, Cablevision spun-off the Company (the "Distribution") and we became an independent public company. In connection with the Distribution, Cablevision contributed all of the membership interests of Rainbow Media Holdings LLC ("RMH") to us. Both Cablevision and the Company continue to be controlled by the Dolan family.

Corporate Expenses

Our historical results of operations reflected in our consolidated financial statements, for periods prior to the Distribution, include management fee charges and the allocation of expenses related to certain corporate functions historically provided by Cablevision. Our results of operations after the Distribution reflect certain revenues and expenses related to transactions with or charges from related parties as described in Note 11 in the unaudited consolidated financial statements included elsewhere herein. As a separate, stand-alone public company, we have expanded our financial, administrative and other staff to support the related new requirements. In addition, we continue to add staff and are adding systems to replace some of the functions previously provided by Cablevision. However, our corporate operating costs as a separate company subsequent to the Distribution, including those associated with being a publicly-traded company, through June 30, 2012 have been, and are expected to continue to be, lower than the historical allocation of expenses related to certain corporate functions (including management fee charges). Pursuant to a consulting agreement with Cablevision, until the Distribution date, the Company paid a management fee calculated based on certain of our subsidiaries gross revenues (as defined under the terms of the consulting agreement) on a monthly basis. We terminated the consulting agreement on the Distribution date and did not replace it.

We allocate corporate overhead to each segment based upon their 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.

Cautionary Note Concerning Historical Financial Statements

As noted above, our consolidated financial statements for periods prior to the Distribution have been derived from the consolidated financial statements and accounting records of Cablevision and reflect certain assumptions and allocations. Our results of operations and cash flows could differ from those that might have resulted had we operated autonomously or as an entity independent of Cablevision.

Our capital structure after the Distribution is different from the capital structure presented in the historical consolidated financial statements for periods prior to the Distribution and, accordingly, our interest expense in periods after June 30, 2011 as a separate independent entity is, and we expect will continue to be, materially higher than the interest expense reflected in our historical consolidated financial statements in periods prior to June 30, 2011.

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.

Additional capital and credit market disruptions 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. We have experienced some of the effects of the recent economic downturn. Continuation of events such as these may adversely impact our results of operations, cash flows and financial position.

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Consolidated Results of Operations

Three Months Ended June 30, 2012 Compared to Three Months Ended June 30, 2011

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

	Three Months Ended June 30, 2012 Amount	2012 % of Revenues, net	2011 Amount	2011 % of Revenues, net	$ change	% change
Revenues, net	$327,570	100%	$291,965	100%	$ 35,605	12%
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	114,349	35	95,883	33	18,466	19
Selling, general and administrative	90,878	28	88,564	30	2,314	3
Restructuring credit	—	—	(15)	—	15	(100)
Depreciation and amortization	24,067	7	25,259	9	(1,192)	(5)
Total operating expenses	229,294	70	209,691	72	19,603	9
Operating income	98,276	30	82,274	28	16,002	19
Other income (expense):						
Interest expense, net	(29,329)	(9)	(15,190)	(5)	(14,139)	93
Write-off of deferred financing costs	—	—	(5,703)	(2)	5,703	(100)
Loss on extinguishment of debt	—	—	(14,518)	(5)	14,518	(100)
Miscellaneous, net	(644)	—	7	—	(651)	(9300)
Total other income (expense)	(29,973)	(9)	(35,404)	(12)	5,431	(15)
Income from continuing operations before income taxes	68,303	21	46,870	16	21,433	46
Income tax expense	(26,898)	(8)	(19,812)	(7)	(7,086)	36
Income from continuing operations	41,405	13	27,058	9	14,347	53
Income from discontinued operations, net of income taxes	105	—	97	—	8	8
Net Income	$ 41,510	13%	$ 27,155	9%	$ 14,355	53%

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

	Three Months Ended June 30, 2012	2011	$ change	% change
Operating income	$ 98,276	$ 82,274	$16,002	19%
Share-based compensation expense	4,901	4,513	388	9
Restructuring credit	—	(15)	15	(100)
Depreciation and amortization	24,067	25,259	(1,192)	(5)
Consolidated AOCF	$ 127,244	$ 112,031	$15,213	14%

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National Networks Segment Results

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

	Three Months Ended June 30,					
	2012		2011			
	Amount	% of Revenues, net	Amount	% of Revenues, net	$ change	% change
Revenues, net	$305,184	100%	$266,728	100%	$38,456	14%
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	99,306	33	79,726	30	19,580	25
Selling, general and administrative	74,054	24	73,745	28	309	—
Depreciation and amortization	20,527	7	21,741	8	(1,214)	(6)
Operating income	$111,297	36%	$ 91,516	34%	$19,781	22%

The following is a reconciliation of our National Networks segment operating income to AOCF:

	Three Months Ended June 30,			
	2012	2011	$ change	% change
Operating income	$ 111,297	$ 91,516	$19,781	22%
Share-based compensation expense	3,799	3,635	164	5
Depreciation and amortization	20,527	21,741	(1,214)	(6)
AOCF	$ 135,623	$ 116,892	$18,731	16%

International and Other Segment Results

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

	Three Months Ended June 30,					
	2012		2011			
	Amount	% of Revenues, net	Amount	% of Revenues, net	$ change	% change
Revenues, net	$ 26,269	100%	$30,226	100%	$(3,957)	(13)%
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	19,842	76	20,773	69	(931)	(4)
Selling, general and administrative	16,943	64	15,089	50	1,854	12
Restructuring credit	—	—	(15)	—	15	(100)
Depreciation and amortization	3,540	13	3,518	12	22	1
Operating loss	$(14,056)	(54)%	$ (9,139)	(30)%	$(4,917)	54%

The following is a reconciliation of our International and Other segment operating loss to AOCF deficit:

	Three Months Ended June 30, 2012	2011	$ change	% change
Operating loss	$ (14,056)	$ (9,139)	$(4,917)	54%
Share-based compensation expense	1,102	878	224	26
Restructuring credit	—	(15)	15	(100)
Depreciation and amortization	3,540	3,518	22	1
AOCF deficit	$ (9,414)	$ (4,758)	$(4,656)	98%

Revenues, net

Revenues, net increased $35,605 to $327,570 for the three months ended June 30, 2012 as compared to the three months ended June 30, 2011. The net increase by segment was as follows:

	Three Months Ended June 30, 2012	% of total	2011	% of total	$ change	% change
National Networks	$305,184	93%	$266,728	91%	$38,456	14%
International and Other	26,269	8	30,226	10	(3,957)	(13)
Inter-segment eliminations	(3,883)	(1)	(4,989)	(2)	1,106	(22)
Consolidated revenues, net	$327,570	100%	$291,965	100%	$35,605	12%

National Networks

The increase in National Networks revenues, net is attributable to the following:

	Three Months Ended June 30, 2012	% of total	2011	% of total	$ change	% change
Advertising	$129,528	42%	$114,213	43%	$15,315	13%
Affiliation fee and other	175,656	58	152,515	57	23,141	15
	$305,184	100%	$266,728	100%	$38,456	14%

- Advertising revenues increased $15,315 primarily at AMC resulting from higher pricing per unit sold due to an increased demand for our programming by advertisers and an increased number of original programming series, as compared to the number of original programming series that aired on AMC during the three months ended June 30, 2011. As previously discussed, 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 this variability, the increase in advertising revenues at AMC for the three months ended June 30, 2012 as compared to the same period in 2011 is not necessarily indicative of what we expect for the remainder of 2012; and
- Affiliation fee and other revenues increased $23,141 due to an increase in affiliation fee revenues of $12,732 primarily attributable to an increase in rates, including the impact of lower amortization of deferred carriage fees, and subscribers and an increase in other revenues of $10,409 due primarily to increased digital distribution, home video and international revenues derived from licensing our National Networks programming, primarily at AMC.

The following table presents certain subscriber information at June 30, 2012, March 31, 2012 and June 30, 2011:

National Programming Networks:	Estimated Domestic Subscribers June 30, 2012	March 31, 2012	June 30, 2011
AMC (1)	96,900	96,400	97,000
WE tv (1)	78,500	76,600	77,300
IFC (1)	66,900	66,300	62,200
Sundance Channel (2)	40,400	42,400	40,300

(1) Estimated U.S. subscribers as measured by Nielsen.
(2) Subscriber counts are based on internal management reports and represent viewing subscribers.

The Company believes the WE tv, IFC and Sundance Channel programming services would benefit from increased distribution, especially on the digital tiers of cable television distributors as digital penetration increases, and increased advertising/sponsorship revenues as cable networks, including advertiser-supported niche programming networks (such as WE tv and IFC), attract a greater advertising market share. These increases could potentially be offset by lower net effective rates per viewing subscriber for our programming services due to the consolidation of distributors. Opportunities are more limited for increases in distribution in the U.S. for our substantially fully penetrated AMC programming service. The decline in Sundance Channel subscribers shown as of June 30, 2012 as compared to March 31, 2012 principally reflects the impact of carriage being terminated by DISH Network on May 20, 2012. This termination did not have a material impact to revenues, net for the three months ended June 30, 2012 compared to the same period in 2011.

International and Other

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

	Three Months Ended June 30, 2012	% of total	2011	% of total	$ change	% change
Advertising	$ 10	— %	$ 5	— %	$ 5	100%
Affiliation fee and other	26,259	100	30,221	100	(3,962)	(13)
	$26,269	100%	$30,226	100%	$(3,957)	(13)%

- Affiliation fee and other revenues (excluding VOOM HD) decreased $3,084 primarily related to a decrease in theatrical revenue at IFC Films and decreased transmission revenue at AMC Networks Broadcasting & Technology due to the expiration of certain agreements, partially offset by increased foreign affiliation fee revenues from our international distribution of Sundance and WE tv channels due to expanded distribution in Asia and Europe; and
- Affiliation fees and other revenues at VOOM HD decreased $878 primarily related to lower foreign licensing revenues.

Technical and operating expense (excluding depreciation and amortization)

The components of technical and operating expense primarily include the amortization 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) increased $18,466 to $114,349 for the three months ended June 30, 2012 as compared to the three months ended June 30, 2011. The net increase by segment was as follows:

	Three Months Ended June 30,			
	2012	2011	$ change	% change
National Networks	$ 99,306	$ 79,726	$19,580	25%
International and Other	19,842	20,773	(931)	(4)
Inter-segment eliminations	(4,799)	(4,616)	(183)	4
Total	$ 114,349	$ 95,883	$18,466	19%
Percentage of revenues, net	35%	33%		

National Networks

The increase in the National Networks segment is primarily attributable to the increased amortization of program rights at AMC. 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. As additional competition for programming increases from programming services and alternate distribution technologies continue to develop in the industry, costs for content acquisition and original programming may increase. As we continue to increase our investment in original programming, we expect the amortization of program rights to increase for the remainder of 2012 over the prior year comparable period.

International and Other

The decrease in the International and Other segment (excluding VOOM HD) consists of a net decrease of $1,168 related to program acquisition costs at IFC Films, partially offset by an increase of $325 in transmission and programming related costs at AMC/Sundance Channel Global due to increased distribution in Asia and Europe. Programming costs at VOOM HD decreased $88.

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 facilities.

Selling, general and administrative expenses increased $2,314 to $90,878 for the three months ended June 30, 2012, as compared to the three months ended June 30, 2011. The net increase by segment was as follows:

	Three Months Ended June 30,			
	2012	2011	$ change	% change
National Networks	$ 74,054	$ 73,745	$ 309	— %
International and Other	16,943	15,089	1,854	12
Inter-segment eliminations	(119)	(270)	151	(56)
Total	$ 90,878	$ 88,564	$ 2,314	3%
Percentage of revenues, net	28%	30%		

National Networks

The net $309 increase in the National Networks segment consists of a $9,607 increase for sales and marketing expenses principally at AMC due to the airing of a higher number of original programming series during the three months ended June 30, 2012 compared to the same period in 2011, a net decrease in other general and administrative costs of $431 primarily due to a reduction of corporate allocations from Cablevision following the Distribution, partially offset by an increase in higher employee related expenses and costs incurred in connection with becoming a stand-alone public company, a decrease in management fees (see below) of $7,218 and a decrease of $1,649 in share-based compensation expense and expenses relating to long-term incentive plans.

Prior to the Distribution, pursuant to a consulting agreement with Cablevision, we paid a management fee calculated based on certain subsidiaries' gross revenues (as defined under the terms of the consulting agreement) on a monthly basis. We terminated the consulting agreement on the Distribution date and did not replace it.

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

International and Other

The increase in the International and Other segment consists of a net increase of $131 for selling, marketing and advertising costs primarily due to an increase at AMC/Sundance Channel Global due to increased distribution in Asia and Europe, partially offset by a decrease at IFC Films due to decreased spending on titles being distributed and a net increase of $891 for general and administrative costs incurred in connection with becoming a stand-alone public company, net of a reduction of corporate allocations from Cablevision following the Distribution. In addition, selling, general and administrative expenses increased due to an increase of $717 related to VOOM HD principally due to increased legal fees and other related costs and expenses in connection with the DISH Network contract dispute and an increase in share-based compensation expense and expenses relating to long-term incentive plans of $115.

Depreciation and amortization

Depreciation and amortization decreased $1,192 to $24,067 for the three months ended June 30, 2012, as compared to the three months ended June 30, 2011. The net decrease by segment was as follows:

	Three Months Ended June 30,			
	2012	2011	$ change	% change
National Networks	$ 20,527	$ 21,741	$(1,214)	(6)%
International and Other	3,540	3,518	22	1
	$ 24,067	$ 25,259	$(1,192)	(5)%

The decrease in the National Networks segment consists of a decrease in depreciation expense of $611 and a decrease in amortization expense of $603. The decrease in depreciation expense is due to certain assets becoming fully depreciated and the decrease in amortization expense is primarily due to a decrease in amortization expense at Sundance Channel as certain intangible assets became fully amortized in the second quarter of 2012.

AOCF

AOCF increased $15,213 for the three months ended June 30, 2012 as compared to the three months ended June 30, 2011. The net increase by segment was as follows:

	Three Months Ended June 30,			
	2012	2011	$ change	% change
National Networks	$ 135,623	$ 116,892	$18,731	16%
International and Other	(9,414)	(4,758)	(4,656)	98
Inter-segment eliminations	1,035	(103)	1,138	(1105)
AOCF	$ 127,244	$ 112,031	$15,213	14%

National Networks AOCF increased due to an increase in revenues, net of $38,456 and a decrease in management fees, partially offset by an increase in technical and operating expenses resulting primarily from an increase in amortization of program rights expense and marketing expense due to the increase in the number of original programming series.

International and Other AOCF deficit increased due primarily to a decrease in revenues, net of $3,957 primarily at AMC Networks Broadcasting & Technology and an increase in legal fees and other costs in connection with the DISH Network contract dispute.

Interest expense, net

The increase in interest expense, net of $14,139 for the three months ended June 30, 2012 as compared to the three months ended June 30, 2011 was attributable to the following:

	Three Months Ended June 30, 2012
Indebtedness incurred in connection with the Distribution	$ 26,862
Repayment of the RNS senior notes in May 2011 and the RNS credit facility and the RNS senior subordinated notes in June 2011	(15,004)
Interest rate swap contracts	2,166
Decrease in interest income	61
Other	54
	$ 14,139

Write-off of deferred financing costs

The write-off of deferred financing costs of $5,703 for the three months ended June 30, 2011 represents $1,186 of deferred financing costs written off in connection with the redemption of the Rainbow National Services LLC (“RNS”) 8 3/4% senior notes in May 2011, and $2,062 and $2,455 of deferred financing costs written off in connection with the repayment of the outstanding borrowings under the RNS credit facility and the RNS 10 3/8% senior subordinated notes, respectively, in June 2011 in connection with the Distribution.

Loss on extinguishment of debt

The loss on extinguishment of debt of $14,518 for the three months ended June 30, 2011 primarily represents $14,168 for the excess of the redemption price, premium paid and related fees along with the accretion to principal over the carrying value of the $325,000 RNS 10 3/8% senior subordinated notes redeemed June 30, 2011 associated with the tender offer which occurred in connection with the Distribution.

Income tax expense

For the three months ended June 30, 2012, income tax expense attributable to continuing operations was $26,898, representing an effective tax rate of 39%. The effective tax rate differs from the federal statutory rate of 35% due primarily to state income tax expense of $1,710 and tax expense of $866 related to uncertain tax positions, including accrued interest. We expect to fully utilize our net operating loss carry forward in the third quarter of 2012. We expect our effective tax rate to be approximately 39% in future quarters.

For the three months ended June 30, 2011, income tax expense attributable to continuing operations was $19,812, representing an effective tax rate of 42%. The effective tax rate differs from the federal statutory rate of 35% due primarily to state income tax expense of $2,487, tax expense of $546 related to uncertain tax positions, including accrued interest and tax expense of $107 resulting from an increase in the valuation allowance with regard to certain local income tax credit carry forwards.

Six Months Ended June 30, 2012 Compared to Six Months Ended June 30, 2011

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

	Six Months Ended June 30,					
	2012		2011			
	Amount	% of Revenues, net	Amount	% of Revenues, net	$ change	% change
Revenues, net	$653,809	100%	$564,868	100%	$ 88,941	16%
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	219,279	34	186,294	33	32,985	18
Selling, general and administrative	190,100	29	175,485	31	14,615	8
Restructuring credit	(3)	—	(49)	—	46	(94)
Depreciation and amortization	49,118	8	50,185	9	(1,067)	(2)
Total operating expenses	458,494	70	411,915	73	46,579	11
Operating income	195,315	30	152,953	27	42,362	28
Other income (expense):						
Interest expense, net	(59,021)	(9)	(33,083)	(6)	(25,938)	78
Write-off of deferred financing costs	(312)	—	(5,703)	(1)	5,391	(95)
Loss on extinguishment of debt	—	—	(14,518)	(3)	14,518	(100)
Miscellaneous, net	(632)	—	79	—	(711)	(900)
Total other income (expense)	(59,965)	(9)	(53,225)	(9)	(6,740)	13
Income from continuing operations before income taxes	135,350	21	99,728	18	35,622	36
Income tax expense	(50,868)	(8)	(42,948)	(8)	(7,920)	18
Income from continuing operations	84,482	13	56,780	10	27,702	49
Income from discontinued operations, net of income taxes	209	—	193	—	16	8
Net Income	$ 84,691	13%	$ 56,973	10%	$ 27,718	49%

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

	Six Months Ended June 30,			
	2012	2011	$ change	% change
Operating income	$ 195,315	$ 152,953	$42,362	28%
Share-based compensation expense	8,484	8,490	(6)	—
Restructuring credit	(3)	(49)	46	(94)
Depreciation and amortization	49,118	50,185	(1,067)	(2)
Consolidated AOCF	$ 252,914	$ 211,579	$41,335	20%

National Networks Segment Results

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

	Six Months Ended June 30, 2012 Amount	2012 % of Revenues, net	2011 Amount	2011 % of Revenues, net	$ change	% change
Revenues, net	$609,407	100%	$518,573	100%	$90,834	18%
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	189,390	31	155,620	30	33,770	22
Selling, general and administrative	157,670	26	146,490	28	11,180	8
Depreciation and amortization	41,832	7	43,052	8	(1,220)	(3)
Operating income	$220,515	36%	$173,411	33%	$47,104	27%

The following is a reconciliation of our National Networks segment operating income to AOCF:

	Six Months Ended June 30, 2012	2011	$ change	% change
Operating income	$ 220,515	$ 173,411	$47,104	27%
Share-based compensation expense	6,648	6,785	(137)	(2)
Depreciation and amortization	41,832	43,052	(1,220)	(3)
AOCF	$ 268,995	$ 223,248	$45,747	20%

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, 2012 Amount	2012 % of Revenues, net	2011 Amount	2011 % of Revenues, net	$ change	% change
Revenues, net	$ 52,615	100%	$ 55,607	100%	$(2,992)	(5)%
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	39,437	75	39,738	71	(301)	(1)
Selling, general and administrative	32,635	62	29,436	53	3,199	11
Restructuring credit	(3)	—	(49)	—	46	(94)
Depreciation and amortization	7,286	14	7,133	13	153	2
Operating loss	$(26,740)	(51)%	$(20,651)	(37)%	$(6,089)	29%

The following is a reconciliation of our International and Other segment operating loss to AOCF deficit:

	Six Months Ended June 30, 2012	2011	$ change	% change
Operating loss	$ (26,740)	$ (20,651)	$(6,089)	29%
Share-based compensation expense	1,836	1,705	131	8
Restructuring credit	(3)	(49)	46	(94)
Depreciation and amortization	7,286	7,133	153	2
AOCF deficit	$ (17,621)	$ (11,862)	$(5,759)	49%

Revenues, net

Revenues, net increased $88,941 to $653,809, for the six months ended June 30, 2012 as compared to the six months ended June 30, 2011. The net increase by segment was as follows:

	Six Months Ended June 30, 2012	% of total	2011	% of total	$ change	% change
National Networks	$609,407	93%	$518,573	92%	$90,834	18%
International and Other	52,615	8	55,607	10	(2,992)	(5)
Inter-segment eliminations	(8,213)	(1)	(9,312)	(2)	1,099	(12)
Consolidated revenues, net	$653,809	100%	$564,868	100%	$88,941	16%

National Networks

The increase in National Networks revenues, net is attributable to the following:

	Six Months Ended June 30, 2012	% of total	2011	% of total	$ change	% change
Advertising	$258,765	42%	$213,836	41%	$44,929	21%
Affiliation fee and other	350,642	58	304,737	59	45,905	15
	$609,407	100%	$518,573	100%	$90,834	18%

- Advertising revenues increased $44,929 primarily at AMC resulting from higher pricing per unit sold due to an increased demand for our programming by advertisers and an increased number of original programming series, as compared to the number of original programming series that aired on AMC during the six months ended June 30, 2011. 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 this variability, the increase in advertising revenues at AMC for the six months ended June 30, 2012 as compared to the same period in 2011 is not necessarily indicative of what we expect for the remainder of 2012; and
- Affiliation fee and other revenues increased $45,905 due to an increase in affiliation fee revenues of $24,098 primarily attributable to an increase in rates, including the impact of lower amortization of deferred carriage fees, and subscribers and an increase in other revenues of $21,807 due primarily to increased digital distribution, international and home video revenues derived from licensing our National Networks programming, primarily at AMC.

International and Other

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

	Six Months Ended June 30, 2012	% of total	2011	% of total	$ change	% change
Advertising	$ 10	— %	$ 10	— %	$ —	— %
Affiliation fee and other	52,605	100	55,597	100	(2,992)	(5)
	$52,615	100%	$55,607	100%	$(2,992)	(5)%

- Affiliation fees and other revenues (excluding VOOM HD) decreased $1,377 primarily related to decreased transmission revenue at AMC Networks Broadcasting & Technology due to the expiration of certain agreements and decreased digital distribution revenue at IFC Films, partially offset by increased foreign affiliation fee revenues from our international distribution of Sundance and WE tv channels due to expanded distribution in Asia and Europe; and
- Affiliation fees and other revenues at VOOM HD decreased $1,615 primarily related to lower foreign affiliation fee and licensing revenue and ceasing distribution of the Rush HD channel in Europe in April 2011.

Technical and operating expense (excluding depreciation and amortization)

Technical and operating expense (excluding depreciation and amortization) increased $32,985 to $219,279 for the six months ended June 30, 2012, respectively, as compared to the six months ended June 30, 2011. The net increase by segment was as follows:

	Six Months Ended June 30, 2012	2011	$ change	% change
National Networks	$189,390	$155,620	$33,770	22%
International and Other	39,437	39,738	(301)	(1)
Inter-segment eliminations	(9,548)	(9,064)	(484)	5
Total	$219,279	$186,294	$32,985	18%
Percentage of revenues, net	34%	33%		

National Networks

The increase in the National Networks segment consists of $34,894 for the increased amortization of program rights primarily at AMC and WE tv, partially offset by a decrease of $1,124 for programming related costs. 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. As additional competition for programming from other programming services increases and alternate distribution technologies continue to develop in the industry, costs for content acquisition and original programming may increase. As we continue to increase our investment in original programming, we expect the amortization of program rights to increase for the remainder of 2012 over the prior year comparable period.

International and Other

The International and Other segment (excluding VOOM HD) increased primarily due to an increase of $412 related to programming costs and an increase of $1,393 in transmission and programming related expenses primarily at AMC/Sundance Channel Global due to increased distribution in Asia and Europe, partially offset by a decrease in transmission expenses at AMC Networks Broadcasting & Technology due to a reduction in revenue. Overall technical and operating expenses in the International and Other segment decreased because programming costs at VOOM HD decreased $2,106 resulting primarily from ceasing distribution of the Rush HD channel in Europe in April 2011.

Selling, general and administrative expense

Selling, general and administrative expense increased $14,615 to $190,100 for the six months ended June 30, 2012 as compared to the six months ended June 30, 2011. The increase by segment was as follows:

	Six Months Ended June 30, 2012	2011	$ change	% change
National Networks	$157,670	$146,490	$11,180	8%
International and Other	32,635	29,436	3,199	11
Inter-segment eliminations	(205)	(441)	236	(54)
Total	$190,100	$175,485	$14,615	8%
Percentage of revenues, net	29%	31%		

National Networks

The increase in the National Networks segment consists of a $26,285 increase for sales and marketing expenses principally due to the airing of a higher number of original programming series during the six months ended June 30, 2012 as well as a net increase in other general and administrative costs of $1,100 primarily due to higher employee related expenses and costs incurred in connection with becoming a stand-alone public company net of a reduction of corporate allocations from Cablevision following the Distribution. These increases were partially offset by a reduction of $13,958 in management fees as well as a decrease of $2,247 in share-based compensation expense and expenses relating to long-term incentive plans.

Prior to the Distribution, pursuant to a consulting agreement with Cablevision, we paid a management fee calculated based on certain subsidiaries' gross revenues (as defined under the terms of the consulting agreement) on a monthly basis. We terminated the consulting agreement on the Distribution date and did not replace it.

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

International and Other

The increase in the International and Other segment (excluding VOOM HD) consists of an increase of $2,926 for selling, marketing and advertising costs primarily at AMC/Sundance Channel Global and IFC Films due to increased spending on titles being distributed, a net increase of $1,533 for general and administrative costs incurred in connection with becoming a stand-alone public company, net of a reduction of corporate allocations from Cablevision following the Distribution and an increase in share-based compensation expense and expenses relating to long-term incentive plans of $26. Such increases are partially offset by a decrease of $1,286 related to VOOM HD due primarily to lower legal fees and other related costs and expenses in connection with the DISH Network contract dispute.

Depreciation and amortization

Depreciation and amortization decreased $1,067 to $49,118 for the six months ended June 30, 2012, as compared to the six months ended June 30, 2011. The net decrease by segment was as follows:

	Six Months Ended June 30, 2012	2011	$ change	% change
National Networks	$ 41,832	$ 43,052	$(1,220)	(3)%
International and Other	7,286	7,133	153	2
	$ 49,118	$ 50,185	$(1,067)	(2)%

The decrease in the National Networks segment consists of a decrease in depreciation expense of $616 and a decrease in amortization expense of $604. The decrease in depreciation expense is due to certain assets becoming fully depreciated and the decrease in amortization expense is primarily due to a decrease in amortization expense at Sundance Channel as certain intangible assets became fully amortized in the second quarter of 2012.

AOCF

AOCF increased $41,335 for the six months ended June 30, 2012 as compared to the six months ended June 30, 2011. The net increase by segment was as follows:

	Six Months Ended June 30, 2012	2011	$ change	% change
National Networks	$ 268,995	$ 223,248	$45,747	20%
International and Other	(17,621)	(11,862)	(5,759)	49
Inter-segment eliminations	1,540	193	1,347	698
AOCF	$ 252,914	$ 211,579	$41,335	20%

National Networks AOCF increased due to an increase in revenues, net of $90,834 and a decrease in management fees, partially offset by an increase in technical and operating expenses resulting primarily from an increase in amortization of program rights expense and marketing expense due to the increase in the number of original programming premieres.

International and Other AOCF deficit increased primarily due a decrease in revenues, net of $2,992 and an increase in selling, general and administrative expenses and programming and transmission related costs and selling costs at AMC/Sundance Channel Global, partially offset by a decrease in legal fees and other costs in connection with the DISH Network contract dispute.

Interest expense, net

The increase in interest expense, net of $25,938 for the six months ended June 30, 2012 as compared to the six months ended June 30, 2011 is attributable to the following:

	Six Months Ended June 30, 2012
Indebtedness incurred in connection with the Distribution	$ 54,134
Repayment of the RNS senior notes in May 2011 and the RNS credit facility and the RNS senior subordinated notes in June 2011	(32,904)
Interest rate swap contracts	4,280
Decrease in interest income	413
Other	15
	$ 25,938

Write-off of deferred financing costs

In connection with the $50,000 voluntary prepayment in March 2012 of our Term A Facility (as defined below), deferred financing costs of $312 were written off in the six months ended June 30, 2012. The write-off of deferred financing costs of $5,703 for the six months ended June 30, 2011 represents $1,186 of deferred financing costs written off in connection with the redemption of the RNS 8 3/4% senior notes in May 2011, and $2,062 and $2,455 of deferred financing costs written off in connection with the repayment of the outstanding borrowings under the RNS credit facility and the RNS 10-3/8% senior subordinated notes, respectively, in June 2011 in connection with the Distribution.

Loss on extinguishment of debt

The loss on extinguishment of debt of $14,518 for the six months ended June 30, 2011 primarily represents $14,168 for the excess of the redemption price, premium paid and related fees along with the accretion to principal over the carrying value of the $325,000 RNS 10 3/8% senior subordinated notes redeemed June 30, 2011 associated with the tender offer which occurred in connection with the Distribution.

Income tax expense

For the six months ended June 30, 2012, income tax expense attributable to continuing operations was $50,868, representing an effective tax rate of 38%. The effective tax rate differs from the federal statutory rate of 35% due primarily to state income tax expense of $3,064 and tax expense of $1,630 related to uncertain tax positions, including accrued interest, partially offset by a tax benefit of $1,800 resulting from a decrease in the valuation allowance with regard to certain local income tax credit carry forwards. We expect to fully utilize our net operating loss carry forward in the third quarter of 2012. We expect our effective tax rate to be approximately 39% in future quarters.

For the six months ended June 30, 2011, income tax expense attributable to continuing operations was $42,948, representing an effective tax rate of 43%. The effective tax rate differs from the federal statutory rate of 35% due primarily to state income tax expense of $5,290, tax expense of $2,069 related to uncertain tax positions, including accrued interest and tax expense of $492 resulting from an increase in the valuation allowance with regard to certain local income tax credit carry forwards.

Liquidity and Capital Resources

The operations of the businesses that are included in our consolidated financial statements collectively 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 and amounts available under our revolving credit facility. 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.

Our principal uses of cash include our debt service and the acquisition and production of programming. 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. We expect this increased investment to continue for the remainder of 2012. Historically, our businesses have not required significant capital expenditures. However, since the Distribution, as we continue to invest in infrastructure, we expect that our capital expenditures may be higher in future periods. In the six months ended June 30, 2012, we voluntarily prepaid $50,000 of the outstanding balance of the Term A Facility (as defined below) and also paid quarterly installments of $2,975 under the Term B Facility (as defined below). The required term loan repayments over the next twelve months will be $5,950. 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 for 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.

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.

On June 30, 2011 AMC Networks, as Borrower, and substantially all of its subsidiaries, as restricted subsidiaries, entered into a credit agreement (the “Credit Facility”). The Credit Facility provides AMC Networks with senior secured credit facilities consisting of a $1,130,000 term loan A facility (the “Term A Facility”), a $595,000 term loan B facility (the “Term B Facility”) and a $500,000 revolving credit facility (the “Revolving Facility”). The Term A Facility and the Term B Facility were discounted $5,650 and

$12,986, respectively, upon original issuance. The Term A Facility matures June 30, 2017, the Term B Facility matures December 31, 2018 and the Revolving Facility matures June 30, 2016. As of June 30, 2012, amounts outstanding, net of discount, under the Term A Facility and Term B Facility were $975,665 and $577,565, respectively.

The Revolving Facility remains undrawn at June 30, 2012. Total undrawn revolver commitments are available to be drawn for our general corporate purposes.

The borrowings under the Term A Facility and Revolving Facility portions of the Credit Facility may be voluntarily prepaid without premiums and penalty at any time. During 2011 and during the six months ended June 30, 2012, we voluntarily prepaid $100,000 and $50,000, respectively, of the outstanding balance under the Term A Facility. In July 2012, the Company voluntarily prepaid an additional $50,000 of the outstanding balance under the Term A Facility. These voluntary prepayments were applied to the earliest required quarterly installments due. As a result, the next required quarterly installment under the Term A Facility will be due on September 30, 2014 in the amount of $11,875.

AMC Networks was in compliance with all of its covenants under its Credit Facility as of June 30, 2012.

We may request an increase in the Term A Facility and/or Revolving Facility by an aggregate amount not exceeding the greater of $400,000 and an amount, which after giving effect to such increase, would not cause the ratio of senior secured debt to annual operating cash flow, as defined in the Credit Facility, to exceed 4.75:1. As of June 30, 2012, the Company does not have any commitments for an incremental facility.

Cash Flow Discussion

The following table is a summary of cash flows provided by (used in) continuing operations and discontinued operations for the six months ended June 30:

	2012	2011
Continuing operations:		
Cash flow provided by operating activities	$165,604	$119,122
Cash flow used in investing activities	(7,454)	(4,462)
Cash flow (used in) provided by financing activities	(66,375)	2,857
Net increase in cash from continuing operations	91,775	117,517
Discontinued operations:		
Net increase in cash flow from discontinued operations	$ 192	$ 360

Continuing Operations

Operating Activities

Net cash provided by operating activities amounted to $165,604 for the six months ended June 30, 2012 as compared to $119,122 for the six months ended June 30, 2011. The June 30, 2012 cash provided by operating activities resulted from $333,873 of net income before depreciation and amortization, amortization of program rights and other non-cash items as well as a net increase in other asset and liability balances of $19,188 partially offset by payments for program rights of $187,457.

Cash flows from operating activities for the six months ended June 30, 2012 is not necessarily indicative of what we expect for the remainder of 2012 due to factors, including the timing of our cash investments in our original programming and the impact of the DISH Network Carriage Termination (discussed elsewhere herein).

The June 30, 2011 cash provided by operating activities resulted from $298,683 of net income before depreciation and amortization and other non-cash items, partially offset by a decrease in cash resulting from the acquisition of and payment of obligations relating to program rights totaling $131,642, a decrease in accounts payable, accrued expenses and other liabilities of $29,968, an increase in prepaid expenses and other assets of $16,081 and a decrease of other net liabilities of $1,870.

Investing Activities

Net cash used in investing activities for the six months ended June 30, 2012 and 2011 was $7,454 and $4,462, respectively, which consisted primarily of capital expenditures of $6,619 and $4,340 for the six months ended June 30, 2012 and 2011, respectively.

Financing Activities

Net cash (used in) provided by financing activities amounted to $(66,375) for the six months ended June 30, 2012 as compared to $2,857 for the six months ended June 30, 2011. For the six months ended June 30, 2012, financing activities consisted of repayments of credit facility debt of $52,975, treasury stock acquired from the acquisition of restricted shares of $15,988, principal payments on capital leases of $690 and payments for financing costs of $211, partially offset by proceeds from stock option exercises of $1,997 and the excess tax benefits from share-based compensation arrangements of $1,492.

Net cash provided by financing activities amounted to $2,857 for the six months ended June 30, 2011. For the six months ended June 30, 2011, financing activities consisted of proceeds from credit facility debt of $1,442,364, partially offset by the repayment of credit facility debt of $775,000, payments for the redemption of senior notes and senior subordinated notes, including tender premiums and fees of $638,365, deferred financing costs of $23,900 and principal payments on capital leases of $2,242.

Off-Balance Sheet Arrangements

As of June 30, 2012, our off-balance sheet arrangements not reflected on the consolidated balance sheet decreased approximately $42,300 to approximately $301,300 as compared to approximately $343,600 at December 31, 2011. The decrease relates primarily to future program rights obligations.

Registration Rights Agreement

Pursuant to a registration rights agreement, dated as of June 30, 2011, among AMC Networks, the Subsidiary Guarantors (as defined in the agreement) and the initial purchasers of the $700,000 of AMC Networks 7.75% Senior Notes due July 15, 2021 (the “Notes”), AMC Networks filed a registration statement with the SEC on April 24, 2012 with respect to an offer to exchange the Notes for registered notes (the “Exchange Offer”) with terms identical in all material respects to the Notes except that the registered notes do not contain terms that provide for restrictions on transfer (the “Registered Notes”), which was declared effective by the SEC on June 7, 2012. On July 10, 2012, the Exchange Offer was completed and all of AMC Networks’ original Notes were exchanged for Registered Notes.

Critical Accounting Policies

The following discussion has been included to provide a discussion of our annual impairment testing of goodwill and identifiable indefinite-lived intangible assets performed during the first quarter of 2012 and to further expand our discussion relating to program rights addressing the role this policy has in understanding our results of operations. Accordingly, we have not repeated herein a discussion of the Company’s other critical accounting policies as set forth in our 2011 Form 10-K.

Impairment of Goodwill and Identifiable Indefinite-Lived Intangible Assets

In accordance with the accounting guidance adopted on January 1, 2012, the annual goodwill impairment test allows for the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. An entity may choose to perform the qualitative assessment on none, some or all of its reporting units or an entity may bypass the qualitative assessment for any reporting unit and proceed directly to step one of the quantitative impairment test. If it is determined, on the basis of qualitative factors, that the fair value of a reporting unit is, more likely than not, less than its carrying value, the quantitative impairment test is required. The quantitative impairment test is a two-step process. The first step compares the carrying amount of a reporting unit, including goodwill, with its fair value utilizing an enterprise-value based approach. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of the goodwill impairment loss, if any. The second step compares the implied fair value of the reporting unit’s goodwill with the carrying amount of that goodwill. If the carrying amount of the reporting unit’s goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess. The implied fair value of goodwill is determined in the same manner as the amount of goodwill that would be recognized in a business combination.

For the purpose of evaluating goodwill impairment at the annual impairment test date, we have five reporting units, which recognized goodwill. These reporting units are AMC, WE tv, IFC and Sundance Channel, which are included in the National Networks reportable segment and AMC Networks Broadcasting & Technology, which is included in the International and Other reportable segment.

In assessing the recoverability of goodwill and other long-lived assets, we must make assumptions regarding estimated future cash flows and other factors to determine the fair value of the respective assets. These estimates and assumptions could have a significant impact on whether an impairment charge is recognized and also the magnitude of any such charge. Fair value estimates are made at a specific point in time, based on relevant information. 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. Estimates of fair value are primarily determined using discounted cash flows and comparable market transactions. These valuations are based on estimates and assumptions including projected future cash flows, discount rate and determination of appropriate market comparables and determination of whether a premium or discount should be applied to comparables. These valuations also include assumptions for renewals of affiliation agreements, the projected number of subscribers and the projected average rates per basic and viewing subscribers and growth in fixed price contractual arrangements used to determine affiliation fee revenue, access to program rights and the cost of such program rights, amount of programming time that is advertiser supported, number of advertising spots available and the sell through rates for those spots, average fee per advertising spot and operating margins, among other assumptions. If these estimates or material related assumptions change in the future, we may be required to record impairment charges related to our long-lived assets.

The impairment test for identifiable indefinite-lived intangible assets consists of a comparison of the estimated fair value of the intangible asset with its carrying value. If the carrying value exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. Significant judgments inherent in a valuation include the selection of appropriate discount and royalty rates, estimating the amount and timing of estimated future cash flows and identification of appropriate continuing growth rate assumptions. The discount rates used in the analysis are intended to reflect the risk inherent in the projected future cash flows generated by the respective intangible assets.

Based on our annual impairment test for goodwill and identifiable indefinite-lived intangible assets during the first quarter of 2012, no impairment charge was required for any of our reporting units. We performed a qualitative assessment for our AMC, WE tv, IFC and AMC Networks Broadcasting and Technology reporting units, which included, but was not limited to, consideration of the historical significant excesses of the estimated fair value of each reporting unit over its respective carrying value (including allocated goodwill), macroeconomic conditions, industry and market considerations, cost factors and historical and projected cash flows. We performed a quantitative assessment for our Sundance Channel reporting unit. Based on the quantitative assessment, if the fair value of the Sundance Channel reporting unit decreased by 11%, the Company would be required to perform step-two of the quantitative assessment.

Our indefinite-lived trademark intangible assets relate to Sundance Channel trademarks, which were valued using a relief-from-royalty method in which the expected benefits are valued by discounting estimated royalty revenue over projected revenues covered by the trademarks. In order to evaluate the sensitivity of the fair value calculations for our identifiable indefinite-lived intangible assets, we applied a hypothetical 20% decrease to the estimated fair value of the identifiable indefinite-lived intangible assets. This hypothetical decrease in estimated fair value would have no impact on the impairment analysis.

Program Rights

Rights to programming, including feature films and episodic series, acquired under license agreements are stated at the lower of amortized cost or net realizable 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 when the license period begins. Costs are amortized to technical and operating expense on a straight-line basis over a period not to exceed the respective license periods.

Our owned original programming is primarily produced by independent production companies, with the remainder produced by us. 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 (film-forecast-computation method). Projected attributable revenue is based on previously generated revenues for similar content in established markets, primarily consisting of affiliation fee and advertising revenues, and may also include licensing and digital distribution revenues. Projected program usage is based on the historical usage of similar content. Estimated attributable revenue can change based upon programming market acceptance, levels of affiliation fee revenue, advertising revenue, distribution revenue and program usage. These calculations require management to make assumptions and to apply judgment regarding revenue and planned usage. We periodically review revenue estimates and planned usage and revise our assumptions if necessary, which could either accelerate or delay the timing of amortization expense or result in a write-down of the program right to net realizable value. We believe the most sensitive factor affecting our estimate of ultimate revenues is the program's audience ratings. A program's strong performance could result in increased usage and increased revenues resulting in accelerated amortization of production costs. Poor ratings may result in the reduction of planned usage or the abandonment of a program, which would require a write-off of any unamortized production costs. A failure to adjust for a downward change in estimates of ultimate revenues could result in the understatement of program rights amortization expense for the period. Historically, actual ultimate revenue amounts have not significantly differed from our estimates of ultimate revenue.

We periodically review the programming usefulness of our licensed and owned original program rights based on a series of factors, including expected future revenue generation from airings on our 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 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. There were no program rights write-offs for the six months ended June 30, 2012. Program rights write-offs of $274 were recorded for the six months ended June 30, 2011.

Recently Issued Accounting Pronouncements

In July 2012, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2012-02, Intangibles - Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment (ASU 2012-02), to allow entities to use a qualitative approach to test indefinite-lived intangible assets for impairment. ASU 2012-02 permits an entity to first perform a qualitative assessment to determine whether the existence of events and circumstances indicates that it is more likely than not that the indefinite-lived intangible asset is impaired. If it is concluded that this is the case, an entity is required to determine the fair value of the indefinite-lived intangible asset and perform the quantitative impairment test by comparing the fair value with the carrying amount in accordance with Subtopic 350-30. Otherwise, the quantitative impairment test is not required. This guidance will be effective for our 2013 annual impairment test and earlier adoption is permitted. We will evaluate performing a qualitative assessment in 2013.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

All dollar amounts included in the following discussion under this Item 3 are presented in thousands.

Fair Value of Debt

Based on the level of interest rates prevailing at June 30, 2012, the fair value of our fixed rate debt of $771,750 was more than its carrying value of $686,917 by $84,833. 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, 2012 would increase the estimated fair value of our fixed rate debt by approximately $28,000 to approximately $800,000.

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 creditworthy 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, 2012, we have $2,240,147 of debt outstanding (excluding capital leases), of which $1,553,230 outstanding under our Credit Facility is subject to variable interest rates. A hypothetical 100 basis point increase in interest rates prevailing at June 30, 2012 could increase our annual interest expense approximately $15,500.

As of June 30, 2012, we have interest rate swap contracts outstanding with notional amounts aggregating $935,000, which includes swap contracts with notional amounts aggregating $200,000 that are effective beginning July 2012. The aggregate fair value of interest rate swap contracts at June 30, 2012 was a liability of $23,539 (included in other liabilities). Accumulated other comprehensive loss consists of $14,829 of cumulative unrealized losses, net of tax, on the floating-to-fixed interest rate swaps. As a result of these transactions, the interest rate paid on approximately 63% of the Company’s debt (excluding capital leases) as of June 30, 2012 is effectively fixed (31% being fixed rate obligations and 32% effectively fixed through utilization of these interest rate swap contracts). At June 30, 2012, the Company’s interest rate cash flow hedges were highly effective, in all material respects.

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, 2012, 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

This report does not include management’s assessment regarding changes in internal control over financial reporting due to a transition period established by rules of the SEC for newly public companies.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

See Note 7, Commitments and Contingencies, in the unaudited consolidated financial statements included elsewhere herein.

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

Set forth below is information concerning acquisitions of AMC Networks Class A Common Stock by the Company during the three months ended June 30, 2012.

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
April 1, 2012 to April 30, 2012	1,186	$ 42.97	N/A	N/A
May 1, 2012 to May 31, 2012	—	$ —	N/A	N/A
June 1, 2012 to June 30, 2012	—	$ —	N/A	N/A
Total	1,186	$ 42.97	N/A	

During the second quarter of 2012, certain restricted shares of AMC Networks Class A common stock previously issued to an employee of Cablevision vested. In connection with the employee's satisfaction of the statutory minimum tax withholding obligations for the applicable income and other employment taxes, 1,186 shares, with an aggregate value of $51 thousand, were surrendered to the Company. The 1,186 acquired shares have been classified as treasury stock.

The table above does not include any shares received in connection with forfeitures of awards pursuant to the Company's employee stock plan.

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Item 6. Exhibits.

(a) Index to Exhibits.

10.1	AMC Networks Inc. Amended and Restated 2011 Employee Stock Plan.
10.2	AMC Networks Inc. Amended and Restated 2011 Cash Incentive Plan.
10.3	AMC Networks Inc. Amended and Restated 2011 Stock Plan for Non-Employee Directors.
10.4	Form of AMC Networks Inc. Non-Employee Director Award Agreement.
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.
** 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.

** Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise are not subject to liability under those sections.

SIGNATURES

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

AMC Networks Inc.

Date: August 9, 2012

By: /s/ Sean S. Sullivan
Sean S. Sullivan
Executive Vice President and Chief Financial Officer

AMC Networks Inc. Amended and Restated 2011 Employee Stock Plan

1. ***Purpose***. The purpose of the AMC Networks Inc. Amended and Restated 2011 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. The AMC Networks Inc. 2011 Employee Stock Plan was originally adopted on May 16, 2011 and is being amended and restated effective as of June 5, 2012 subject to approval by the stockholders of the Company.

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 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 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. To the extent that an Award of Restricted Shares or Restricted Stock Units or another stock based award (other than Options and Rights) is intended to satisfy the requirements for deductibility under Section 162(m) of the Internal Revenue Code, the payment of the Award will be conditioned on the satisfaction of one or more of the performance criteria listed below over a period or periods selected by the Compensation Committee. The performance criteria may 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: (i) net or operating income or other measures of profit; (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. Amended and Restated 2011 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”), and “outside directors” to the extent required by Section 162(m) of the Internal Revenue Code; 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). The Committee may also delegate to any person who is not a member of the Committee or 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(c)(1) or Rule 16b-3(d) 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.

(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, 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 5,000,000 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 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. 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.

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. ***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).

22. ***Effective Date***. The Plan shall become effective upon approval by the stockholders of the Company on June 5, 2012.

23. ***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.

24. ***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.

25. ***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.

26. ***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.

27. ***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.

28. ***Duration***. This Plan shall remain in effect until June 5, 2022 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.

29. ***Distribution Issuance***. (a) Notwithstanding Section 3 of the Plan, the Compensation Committee (the “Cablevision Committee”) of the Board of Directors of Cablevision Systems Corporation (“Cablevision”) may grant Awards with respect to outstanding equity awards of Cablevision in connection with the distribution by Cablevision to holders of its common stock of all of the outstanding Shares (such distribution, the “Distribution”). In this capacity, the Cablevision Committee shall have full authority to grant Awards in connection with the Distribution and determine the recipients, terms and conditions of such Awards, and each member of the Cablevision Committee shall be considered a “Covered Person” for purposes of Section 3(c) of the Plan. Actions taken by the Cablevision Committee in accordance with this Section 29 which have effect after the effective date of this Plan shall be valid even if such action is taken prior to the effective date of this Plan.

(b) Notwithstanding Section 6(b) and Section 7(b) of the Plan, the exercise price of each Option and Right granted by the Cablevision Committee in connection with the Distribution may be less than the Fair Market Value of a Share on the day on which the Option or Right is granted, in order to preserve the intrinsic value of the outstanding Cablevision equity awards prior to the Distribution.

Exhibit 10.2

AMC Networks Inc. Amended and Restated 2011 Cash Incentive Plan

1. ***Purpose***. The purposes of the AMC Networks Inc. Amended and Restated 2011 Cash Incentive Plan are (a) to advance the interests of the Company and its shareholders by providing a means to motivate the employees of the Company and its Affiliates, upon whose judgment, initiative and efforts the continued success, growth and development of the Company is dependent; (b) to link the rewards of the employees of the Company and its Affiliates to the achievement of specific performance objectives and goals when so desired; (c) to assist the Company and its Affiliates in maintaining a competitive total compensation program that serves to attract and retain the most highly qualified individuals; and (d) to permit the grant and payment of awards that are deductible to the Company pursuant to Section 162(m) of the Internal Revenue Code when so desired. The AMC Networks Inc. 2011 Cash Incentive Plan was originally adopted on May 16, 2011 and is being amended and restated effective as of June 5, 2012 subject to approval by the stockholders of the Company.

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) “Annual Incentive Award” shall mean an annual incentive award to be earned (and therefore payable) in respect of a Participant’s performance over one Plan Year, granted pursuant to Section 6.

(c) “Award” shall mean a cash award which is granted or made under the Plan including an Annual Incentive Award and a Long-Term Incentive Award.

(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) “Covered Employee” shall mean any employee of the Company or its subsidiaries who, in the discretion of the Committee, is likely to be a “covered employee” under Section 162(m) of the Internal Revenue Code for the year in which an Award is payable and any employee of the Company or an Affiliate designated by the Committee as such, in its discretion, for purposes of an Award.

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

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

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

(k) “Long-Term Incentive Award” shall mean a long-term incentive award to be earned over a period extending beyond one Plan Year, granted pursuant to Section 5.

(l) “Participant” shall mean an employee of the Company or an Affiliate who is granted an Award by the Committee under the Plan.

(m) "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. To the extent that an Award is intended to satisfy the requirements for deductibility under Section 162(m) of the Internal Revenue Code, the payment of the Award will be conditioned on the satisfaction of one or more of the performance criteria listed below over a period or periods selected by the Compensation Committee. The performance criteria may 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: (i) net or operating income or other measures of profit; (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 Company's common stock; (xiii) a specified increase in the private market value of the Company; (xiv) the price of the Company's common stock; (xv) earnings per share; and/or (xvi) total shareholder return.

(n) "Permitted Transferees" shall have the meaning set forth in Paragraph 9 hereof.

(o) "Plan" shall mean the AMC Networks Inc. Amended and Restated 2011 Cash Incentive Plan, as it may be amended from time to time.

(p) "Plan Year" shall mean the Company's fiscal year.

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") and "outside directors" to the extent required by Section 162(m) of the Internal Revenue Code; 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). The Committee may also delegate to any person who is not a member of the Committee or 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 16(b)-3(e) under the Exchange Act.

(b) The Committee, acting in its sole discretion, shall have full authority, subject to the terms of the Plan (including Section 10), to (a) exercise all of the powers granted to it under the Plan, (b) construe, interpret and implement the Plan, grant terms and grant notices, and all Awards and Award certificates or 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 payout or other term or condition of an Award on the achievement of Performance Criteria, if so desired, (h) amend any outstanding Award in any respect including, without limitation, to (1) accelerate the time or times at which an Award is paid 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 paid, canceled, forfeited or suspended or (2) 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.

(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 “Affected 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 Affected 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 Affected Person in connection with or resulting from any action, suit or proceeding to which such Affected Person may be a party or in which such Affected 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 Affected Person, with the Company’s approval, in settlement thereof, or paid by such Affected Person in satisfaction of any judgment in any such action, suit or proceeding against such Affected 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 an Affected 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 Affected Person giving rise to the indemnification claim resulted from such Affected 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 Affected 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. ***Participants.*** All employees of the Company or an Affiliate shall be eligible to receive Awards under the Plan. 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. ***Long–Term Incentive Awards.***

(a) Terms and Conditions. The amount, form, terms and conditions of each Long-Term Incentive Award shall be determined by the Committee in its sole discretion and may be set forth in an Award certificate or agreement. Such terms and conditions may include, without limitation, the date or dates and the conditions or circumstances upon which such Award shall be paid to the Participant, forfeited or otherwise modified. The Committee may, in its sole discretion, establish one or more conditions to the entitlement of a Long-Term Incentive Award including, without limitation, conditions the satisfaction of which are measured by the achievement of Performance Criteria.

(b) Duration of Awards. The duration of any Long-Term Incentive Award granted under this Plan shall be for a period fixed by the Committee but shall in no event be more than ten years.

(c) Dollar Limitation. At the time a Long-Term Incentive Award is granted, the Committee shall determine whether it is intended to satisfy the requirements of Section 162(m) of the Internal Revenue Code. In no event shall any Covered Employee be granted, in any one Plan Year, Long-Term Incentive Awards intended to satisfy such requirements that provide for the maximum payment of an aggregate amount exceeding $10 million.

(d) Committee Certification. If the Company establishes conditions to the entitlement of a Long-Term Incentive Award relating to the achievement of Performance Criteria pursuant to Section 5(a), the Committee shall determine (in a writing consistent with the requirements of Section 162(m) of the Internal Revenue Code with respect to any Covered Employee) whether the Performance Criteria have been met with respect to any affected Participant and, if they have, so certify and ascertain the amount of the applicable Long-Term Incentive Award. No such Long-Term Incentive Award will be paid until such certification is made by the Committee.

(e) Payment of Long-Term Incentive Awards. Except as otherwise provided herein, Long-Term Incentive Awards shall be payable as soon as practicable following the certification by the Committee described in Section 5(d). All or any part of any outstanding Long-Term Incentive Awards granted to any Participant shall be payable upon the occurrence of such special circumstances or events as determined in the sole discretion of the Committee.

6. ***Annual Incentive Awards.***

(a) Terms and Conditions. The amount, form, terms and conditions of each Annual Incentive Award shall be determined by the Committee in its sole discretion and may be set forth in an Award certificate or agreement. Such terms and conditions may include, without limitation, the date or dates and the conditions upon which such Award shall be paid to the Participant or forfeited. The Committee may, in its sole discretion, establish one or more conditions to the entitlement of an Annual Incentive Award including, without limitation, conditions the satisfaction of which are measured by the achievement of Performance Criteria.

(b) Dollar Limitation. At the time an Annual Incentive Award is granted, the Committee shall determine whether it is intended to satisfy the requirements of Section 162(m) of the Internal Revenue Code. In no event shall any Covered Employee be granted, in respect of performance in any one Plan Year, Annual Incentive Awards intended to satisfy such requirements in a maximum amount exceeding in the aggregate $10 million.

(c) Committee Certification. If the Company establishes conditions to the entitlement of an Annual Incentive Award relating to the achievement of Performance Criteria pursuant to Section 6(a), the Committee shall determine (in a writing consistent with the requirements of Section 162(m) of the Internal Revenue Code with respect to any Covered Employee) whether the Performance Criteria have been met with respect to any affected Participant and, if they have, so certify and ascertain the amount of the applicable Annual Incentive Award. No Annual Incentive Award will be paid until such certification is made by the Committee.

(d) Payment of Annual Incentive Awards. Except as otherwise set forth herein, Annual Incentive Awards shall be payable as soon as practicable following the certification by the Committee described in Section 6(c). All or any part of any outstanding Annual Incentive Awards granted to any Participant shall be payable upon the occurrence of such special circumstances or events as determined in the sole discretion of the Committee.

7. ***No Right to Continued Employment.*** Nothing in the Plan or in any Award certificate or 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.

8. ***Withholding.*** If the Company or an Affiliate shall be required to withhold any amounts by reason of federal, state or local tax laws, rules or regulations in respect of the payment of an Award to the Participant, the Company or an Affiliate shall be entitled to deduct or withhold such amounts from any cash payments 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 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.

9. ***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 by a Participant 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.

10. ***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, as permitted by applicable law, except that it may not amend or revise, in any manner unfavorable to a recipient (other than if immaterial), any Long-Term Incentive Award, without the consent of the recipient of that Long-Term Incentive Award.

11. ***Right of Offset***. The Company shall have the right to offset against its obligation to deliver amounts 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.

12. ***Effective Date.*** The Plan shall become effective upon approval by the stockholders of the Company on June 5, 2012.

13. ***Severability.*** If any of the provisions of this Plan 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.

14. ***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.

15. ***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 certificates or agreements, as to the persons who receive Awards under the Plan, and the terms and provisions of Awards under the Plan.

16. ***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.

17. ***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).

18. ***Governing Law.*** All rights and obligations under the Plan shall be construed and interpreted in accordance with the laws of the State of New York, without giving effect to principles of conflict of laws.

19. ***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.

20. ***Final Issuance Date.*** No Awards shall be made under this Plan after June 5, 2017.

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.

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. Non-Employee Directors of Cablevision Systems Corporation (“Cablevision”) are also eligible for the grant of Shares in connection with the spin-off of the Company from Cablevision in respect of their outstanding awards issued by Cablevision.

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 465,000, 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 shall become effective upon approval by the stockholders of the Company.

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 5, 2022 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.

21. ***Distribution Issuance***.

21.1. Notwithstanding Section 3 of the Plan, the Compensation Committee (the "Cablevision Committee") of the Board of Directors of Cablevision Systems Corporation ("Cablevision") may grant Awards with respect to outstanding equity awards of Cablevision in connection with the distribution by Cablevision to holders of its common stock of all of the outstanding Shares (such distribution, the "Distribution"). In this capacity, the Cablevision Committee shall have full authority to grant Awards in connection with the Distribution and determine the recipients, terms and conditions of such Awards, and each member of the Cablevision Committee shall be considered a "Covered Person" for purposes of Section 3.3 of the Plan.

21.2. Notwithstanding Section 6.1.2 of the Plan, the exercise price per Share of the Shares to be purchased pursuant to each Option granted by the Cablevision Committee in connection with the Distribution may be less than the Fair Market Value of a Share on the date on which the Option is granted, in order to preserve the intrinsic value of the outstanding Cablevision equity awards prior to the Distribution.

NON-EMPLOYEE DIRECTOR AGREEMENT

[Full Name of Director]

[Date]

Dear [Name]:

Pursuant to the AMC Networks Inc. (the "Company") 2011 Amended and Restated Stock Plan for Non-Employee Directors (the "Plan"), you have been granted, effective as of June 5, 2012, [#] restricted stock units ("Units"), representing the number of shares of AMC Networks Inc. Class A common stock, par value $.01 per share ("Shares"), equal to $[__________] divided by $[__________], the twenty (20) trading day average closing price of a Share on The Nasdaq Stock Market LLC concluding on June 4, 2012. The Units are granted subject to the terms and conditions set forth below and in the Plan:

1. **<u>RESTRICTED STOCK UNITS</u>**

1.1 Each Unit shall represent a fully vested unfunded, unsecured promise by the Company to deliver to you one Share or, in the sole discretion of the Committee pursuant to Section 6.2.2 of the Plan, cash equal to the Fair Market Value of a Share, on the first business day after the expiration of 90 days following the date on which you terminate your service as a member of the Board of Directors (the "Delivery Date").

1.2 Notwithstanding any other provision to the contrary, if you die prior to the Delivery Date, the Shares (or cash in lieu of all or any portion thereof) corresponding to your outstanding Units shall be delivered as soon as practicable thereafter to your estate.

1.3 Prior to the Delivery Date, at or promptly after the time of distribution of any ordinary cash dividend paid by the Company in respect of the Shares, the record date for which occurs on or after the date hereof, you shall be entitled to receive an amount in cash equal to such regular cash dividend payment that would have been made in respect of the Shares underlying the Units, as if the Shares had been actually delivered.

2. **NONTRANSFERABILITY OF UNITS**

The Units (or any rights and obligations thereunder) granted to you may not be sold, exchanged, transferred, assigned, pledged, hypothecated or otherwise disposed of, whether voluntarily or involuntarily, other than by will or by the laws of descent and distribution, and all such Units (and any rights thereunder) shall be exercisable during your lifetime only by you or your legal representative. Notwithstanding the immediately preceding sentence, the Committee may permit, under such terms and conditions that it deems appropriate in its sole discretion, you to transfer any Unit to any person or entity that the Committee so determines. Any assignment in violation of the provisions of this Section or Section 11 of the Plan shall be void.

3. **COMPLIANCE WITH LAWS**

It is the Company's intent that the award of Units granted comply in all respects with Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the "Act"). All actions with respect to Units 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 Units granted thereunder to the Rule's requirements.

4. **TAX WITHHOLDING**

If the Company shall be required to withhold any amounts by reason of any federal, state or local tax laws, rules or regulations in respect of the Units, you shall make available to the Company, promptly when requested by the Company, sufficient funds 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 available to the Company out of any funds or property to become due to you.

5. **SECTION 409A**

It is the Company's intent that the award of Units comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A") and that the award be administered and interpreted accordingly. If and to the extent that any payment or benefit under the award is determined by the Company to constitute "non-qualified deferred compensation" subject to Section 409A and is payable to you by reason of your termination of employment, then (a) such payment or benefit shall be made or provided to you only upon a "separation from service" as defined for purposes of Section 409A under applicable regulations and (b) if you are a "specified employee" (within the meaning of Section 409A 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 your separation from service (or earlier death). Notwithstanding any provision of Sections 3.2, 7 or 9 of the Plan to the contrary, any amendment to the terms of any outstanding award or any delay in the issuance or delivery of Shares shall comply with Section 409A.

6. **GENERAL**

The Units granted by this letter are being issued pursuant and subject to the Plan**.** Capitalized terms used herein without definition shall have the meanings given to such terms that are defined in the Plan.

AMC NETWORKS INC.

By: ______________________________

Joshua Sapan
Chief Executive Officer and President

By your electronic signature, you (i) acknowledge that a complete copy of the Plan and the final execution version of this Agreement have been made available to you and (ii) agree to all of the terms and conditions set forth in the Plan and this Agreement.

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 quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this quarterly report;

4. The Registrant's other certifying 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)) 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 their consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) [*Omitted pursuant to SEC Release No. 34-54942*];

c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and

d) disclosed in this quarterly report any change in the Registrant's internal control over financial reporting that occurred during the Registrants' most recent fiscal quarter (the Registrants' 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 9, 2012

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 quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this quarterly report;

4. The Registrant's other certifying 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)) 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 their consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) [*Omitted pursuant to SEC Release No. 34-54942*];

c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and

d) disclosed in this quarterly report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying 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 each 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 9, 2012

By: /s/ Sean S. Sullivan
Sean S. Sullivan
Executive Vice President and Chief Financial Officer

Exhibit 32

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 June 30, 2012 (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 9, 2012	By: /s/ Joshua W. Sapan Joshua W. Sapan President and Chief Executive Officer
Date: August 9, 2012	By: /s/ Sean S. Sullivan Sean S. Sullivan Executive Vice President and Chief Financial Officer