

AMC Networks Inc.
Form 10-Q
August 07, 2014

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, 2014

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

10001
(Zip 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, 2014:
Class A Common Stock par value \$0.01 per share 60,599,687
Class B Common Stock par value \$0.01 per share 11,484,408

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
CONDENSED CONSOLIDATED BALANCE SHEETS(Dollars in thousands, except per share amounts)
(unaudited)

	June 30, 2014	December 31, 2013
ASSETS		
Current Assets:		
Cash and cash equivalents	\$283,992	\$521,951
Accounts receivable, trade (less allowance for doubtful accounts of \$1,799 and \$931)	518,112	378,831
Amounts due from related parties, net	4,044	4,774
Current portion of program rights, net	398,563	317,922
Prepaid expenses and other current assets	57,606	65,512
Deferred tax asset, net	29,584	15,668
Assets held for sale	18,709	—
Total current assets	1,310,610	1,304,658
Property and equipment, net of accumulated depreciation of \$179,433 and \$164,865	130,040	71,068
Program rights, net	971,456	853,516
Amounts due from related parties, net	1,935	2,096
Deferred carriage fees, net	51,781	44,032
Intangible assets, net	498,361	209,552
Goodwill	601,921	76,748
Other assets	119,746	75,019
Total assets	\$3,685,850	\$2,636,689
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current Liabilities:		
Accounts payable	\$131,932	\$48,126
Accrued liabilities	127,388	131,290
Current portion of program rights obligations	261,274	210,190
Deferred revenue	43,220	23,429
Current portion of long-term debt	37,000	—
Current portion of capital lease obligations	2,834	1,718
Liabilities held for sale	17,632	—
Total current liabilities	621,280	414,753
Program rights obligations	490,499	449,587
Long-term debt	2,721,353	2,157,183
Capital lease obligations	29,038	12,387
Deferred tax liability, net	124,280	95,275
Other liabilities	95,489	78,755
Total liabilities	4,081,939	3,207,940
Commitments and contingencies		
Stockholders' deficiency:		
Class A Common Stock, \$0.01 par value, 360,000,000 shares authorized, 61,735,126 and 61,692,561 shares issued and 60,599,187 and 60,794,114 shares outstanding, respectively	617	617
	115	115

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Class B Common Stock, \$0.01 par value, 90,000,000 shares authorized, 11,484,408 shares issued and outstanding

Preferred stock, \$0.01 par value, 45,000,000 shares authorized; none issued	—	—	
Paid-in capital	84,168	64,731	
Accumulated deficit	(472,664	) (602,686)
Treasury stock, at cost (1,135,939 and 898,447 shares Class A Common Stock, respectively)	(47,605	) (29,801)
Accumulated other comprehensive income (loss)	6,792	(4,495)
Total AMC Networks stockholders' deficiency	(428,577	) (571,519)
Noncontrolling interests	32,488	268	
Total stockholders' deficiency	(396,089	) (571,251)
Total liabilities and stockholders' deficiency	\$3,685,850	\$2,636,689	

See accompanying notes to condensed consolidated financial statements.

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AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

Three and Six Months Ended June 30, 2014 and 2013

(In thousands, except per share amounts)

(unaudited)

	Three Months Ended June 30, 2014	2013	Six Months Ended June 30, 2014	2013
Revenues, net (including revenues, net from related parties of \$7,525, \$8,127, \$15,214 and \$16,268, respectively)	\$522,093	\$379,322	\$1,046,647	\$761,283
Operating expenses:				
Technical and operating (excluding depreciation and amortization shown below and including charges from related parties of \$0, \$155, \$0 and \$310 respectively)	232,044	137,656	449,215	274,335
Selling, general and administrative (including charges from related parties of \$890, \$1,428, \$1,549 and \$2,222, respectively)	141,890	108,978	287,246	208,431
Restructuring expense	1,153	—	1,153	—
Depreciation and amortization	17,531	18,308	31,925	36,653
Litigation settlement gain	—	(132,944)	—	(132,944)
	392,618	131,998	769,539	386,475
Operating income	129,475	247,324	277,108	374,808
Other income (expense):				
Interest expense	(33,923)	(27,768)	(65,695)	(57,137)
Interest income	318	169	659	422
Miscellaneous, net	869	(144)	(4,241)	(346)
	(32,736)	(27,743)	(69,277)	(57,061)
Income from continuing operations before income taxes	96,739	219,581	207,831	317,747
Income tax expense	(36,559)	(83,850)	(75,664)	(120,499)
Income from continuing operations	60,180	135,731	132,167	197,248
Loss from discontinued operations, net of income taxes	(1,732)	—	(2,482)	—
Net income including noncontrolling interests	58,448	135,731	129,685	197,248
Net loss attributable to noncontrolling interests	207	—	337	—
Net income attributable to AMC Networks' stockholders	\$58,655	\$135,731	\$130,022	\$197,248
Basic net income per share attributable to AMC Networks' stockholders:				
Income from continuing operations	\$0.84	\$1.90	\$1.84	\$2.76
Loss from discontinued operations	\$(0.02)	\$—	\$(0.03)	\$—
Net income	\$0.81	\$1.90	\$1.81	\$2.76
Diluted net income per share attributable to AMC Networks' stockholders:				
Income from continuing operations	\$0.83	\$1.87	\$1.83	\$2.72
Loss from discontinued operations	\$(0.02)	\$—	\$(0.03)	\$—
Net income	\$0.81	\$1.87	\$1.80	\$2.72
Weighted average common shares:				
Basic weighted average common shares	72,043	71,568	71,910	71,430
Diluted weighted average common shares	72,802	72,643	72,343	72,613

See accompanying notes to condensed consolidated financial statements.

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AMC NETWORKS INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 Three and Six Months Ended June 30, 2014 and 2013
 (Dollars in thousands)
 (unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Net income including noncontrolling interests	\$58,448	\$135,731	\$129,685	\$197,248
Other comprehensive income:				
Foreign currency translation adjustment	4,502	—	10,052	—
Unrealized gain on interest rate swaps	1,171	2,260	1,957	4,112
Other comprehensive income, before income taxes	5,673	2,260	12,009	4,112
Income tax expense	(432)	(838)	(722)	(1,525)
Other comprehensive income, net of income taxes	5,241	1,422	11,287	2,587
Comprehensive income	63,689	137,153	140,972	199,835
Comprehensive loss attributable to noncontrolling interests	207	—	337	—
Comprehensive income attributable to AMC Networks' stockholders	\$63,896	\$137,153	\$141,309	\$199,835

See accompanying notes to condensed consolidated financial statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Six Months Ended June 30, 2014 and 2013

(Dollars in thousands)

(unaudited)

	Six Months Ended June 30,	
	2014	2013
Cash flows from operating activities:		
Net income	\$ 129,685	\$ 197,248
Loss from discontinued operations	2,482	—
Loss attributable to noncontrolling interests	337	—
Adjustments to reconcile income from continuing operations to net cash from operating activities:		
Depreciation and amortization	31,925	36,653
Share-based compensation expense related to equity classified awards	13,839	9,941
Amortization and write-off of program rights	291,467	202,076
Amortization of deferred carriage fees	5,501	5,158
Unrealized foreign transaction gain	(1,338	) 17
Unrealized gain on derivative contracts, net	(1,038	) (2,796)
Amortization of deferred financing costs and discounts on indebtedness	4,205	3,665
Bad debt expense (recoveries)	1,095	(32)
Deferred income taxes	5,300	138,479
Excess tax benefits from share-based compensation arrangements	(4,708	) (2,893)
Other, net	(339	) (657)
Changes in assets and liabilities:		
Accounts receivable, trade	(4,326	) (15,295)
Amounts due from/to related parties, net	891	2,519
Prepaid expenses and other assets	35,989	(20,616)
Program rights and obligations, net	(336,284	) (241,658)
Income taxes payable	11,992	(113,025)
Deferred revenue	19,867	(318,806)
Deferred carriage fees and deferred carriage fees payable, net	(13,110	) (406)
Accounts payable, accrued expenses and other liabilities	(15,981	) (20,094)
Net cash provided by (used in) operating activities	177,451	(140,522)
Cash flows from investing activities:		
Capital expenditures	(18,755	) (13,670)
Payment for acquisition of a business, net of cash acquired	(993,210) —
Proceeds from insurance settlements	654	657
Net cash used in investing activities	(1,011,311	) (13,013)
Cash flows from financing activities:		
Proceeds from the issuance of long-term debt	600,000	—
Payments for financing costs	(9,266	) (532)
Purchase of treasury stock	(17,804	) (11,950)
Proceeds from stock option exercises	925	1,551
Excess tax benefits from share-based compensation arrangements	4,708	2,893
Principal payments on capital lease obligations	(1,312	) (760)
Distributions from noncontrolling interests	835	—
Net cash provided by (used in) financing activities	578,086	(8,798)
Net decrease in cash and cash equivalents from continuing operations	(255,774) (162,333)
Cash flows from discontinued operations:		

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Net cash used in operating activities	(2,719) —
Net decrease in cash and cash equivalents from discontinued operations	(2,719) —
Effect of exchange rate changes on cash and cash equivalents	20,534	—
Cash and cash equivalents at beginning of period	521,951	610,970
Cash and cash equivalents at end of period	\$283,992	\$448,637
See accompanying notes to condensed consolidated financial statements.		

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AMC NETWORKS INC. AND SUBSIDIARIES
NOTES TO CONDENSED 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.

As of March 31, 2014, following the Chellomedia acquisition on January 31, 2014 (see Note 2), the manner in which the President and Chief Executive Officer, who is the chief operating decision maker, evaluates performance and makes decisions about how to allocate resources changed, resulting in the reorganization of the Company's operating segments. The National Networks operating segment now includes the results of AMC and Sundance Channel in Canada and AMC Networks Broadcasting & Technology, the Company's network technical services business, which primarily services the nationally distributed programming networks of the Company. Previously, the results of these operations were included in the International and Other operating segment. The results of AMC Networks International (formerly Chellomedia and AMC/Sundance Channel Global) are included in the International and Other operating segment. Operating segment information for the prior period has been recast to reflect these changes.

The Company is comprised of two operating segments:

National Networks: Principally includes four nationally distributed programming networks: AMC, WE tv, IFC and SundanceTV. 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”). AMC, IFC and SundanceTV are also distributed in Canada. The National Networks operating segment also includes AMC Networks Broadcasting & Technology.

International and Other: Principally includes AMC Networks International (formerly Chellomedia and AMC/Sundance Channel Global), the Company’s international programming businesses; IFC Films, the Company’s independent film distribution business; AMC Networks International - DMC (formerly Chello DMC), the broadcast solutions unit of certain networks of AMC Networks International; and various developing on-line content distribution initiatives. AMC Networks International consists of a portfolio of programming networks in Europe, Latin America, the Middle East and parts of Asia and Africa.

Basis of Presentation

Principles of Consolidation

These unaudited condensed consolidated financial statements include the accounts of AMC Networks and its majority-owned subsidiaries in which a controlling interest is maintained. All intercompany transactions and balances have been eliminated in consolidation.

These unaudited condensed 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 condensed consolidated financial statements do not include all the information and notes required for complete annual financial statements.

These unaudited condensed consolidated financial statements should be read in conjunction with the Company’s audited condensed consolidated financial statements and notes thereto for the year ended December 31, 2013 contained in the Company’s 2013 Annual Report on Form 10-K (“2013 Form 10-K”) filed with the SEC.

The condensed consolidated financial statements as of June 30, 2014 and for the three and six months ended June 30, 2014 and 2013 are unaudited; however, in the opinion of management, such condensed consolidated financial statements include all adjustments, consisting solely of normal recurring adjustments, necessary for a fair presentation of the results for the periods presented.

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, 2014.

AMC NETWORKS INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

(Dollars in thousands, except per share amounts)

(unaudited)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. Significant estimates and judgments inherent in the preparation of the condensed consolidated financial statements include the valuation of acquisition-related assets and liabilities, the useful lives and methodologies used to amortize and assess recoverability of program rights, the estimated useful lives of intangible assets, valuation and recoverability of goodwill and long-lived intangible assets and income taxes.

Discontinued Operations

In connection with the acquisition of Chellomedia (see Note 2), management committed to a plan to dispose of the operations of Chellomedia's advertising sales unit, Atmedia. Accordingly, the assets and liabilities of Atmedia are classified as held for sale in the condensed consolidated balance sheet as of June 30, 2014 and the operating results have been classified as discontinued operations in the condensed consolidated statements of income for the three and six months ended June 30, 2014 (see Note 4).

Recently Issued Accounting Pronouncements

In April 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-08, Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity (ASU 2014-08). ASU 2014-08 defines a discontinued operation as a disposal of a component or group of components that is disposed of or is classified as held for sale and "represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results." The standard states that a strategic shift could include a disposal of (i) a major geographical area of operations, (ii) a major line of business, (iii) a major equity method investment, or (iv) other major parts of an entity. Although "major" is not defined, the standard provides examples of when a disposal qualifies as a discontinued operation. An entity is required to present in the statement of cash flows or disclose in a note either (i) total operating and investing cash flows for discontinued operations, or (ii) depreciation, amortization, capital expenditures, and significant operating and investing noncash items related to discontinued operations. Additional disclosures are required when an entity retains significant continuing involvement with a discontinued operation after its disposal, including the amount of cash flows to and from a discontinued operation. ASU 2014-08 is effective in the first quarter of 2015 and early adoption is permitted. The adoption of ASU 2014-08 is not expected to have a material effect on the Company's consolidated financial statements.

In May 2014, the FASB and International Accounting Standards Board ("IASB") issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). ASU 2014-09 provides new guidance related to how an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard requires an evaluation of (i) transfer of control, (ii) variable consideration, (iii) allocation of selling price for multiple elements, (iv) intellectual property licenses, (v) time value of money and (vi) contract costs. The standard also expands the required disclosures related to revenue and cash flows from contracts with customers to provide greater insight into both revenue that has been recognized, and revenue that is expected to be recognized in the future from existing contracts. ASU 2014-09 is effective in the first quarter of 2017 and can be adopted either retrospectively to each prior reporting period presented or as a cumulative-effect adjustment as of the date of adoption, with early application not permitted. The Company is currently determining its implementation approach and assessing the impact on the consolidated financial statements.

In June 2014, the FASB and IASB issued ASU No. 2014-12, Compensation-Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period. The ASU clarifies that entities should treat performance targets that can be met after the requisite service period of a share-based payment award as performance conditions that affect vesting.

Therefore, an entity would not record compensation expense (measured as of the grant date without taking into account the effect of the performance target) related to an award for which transfer to the employee is contingent on the entity's satisfaction of a performance target until it becomes probable that the performance target will be met. No new disclosures are required. ASU 2014-12 is effective in the first quarter of 2015 and early adoption is permitted. The adoption of ASU 2014-12 is not expected to have a material effect on the Company's consolidated financial statements.

Note 2. Acquisition of Chellomedia

On January 31, 2014, certain subsidiaries of AMC Networks purchased substantially all of Chellomedia (a combination of certain programming and content distribution subsidiaries and assets purchased from Liberty Global plc) for a purchase price of €750 million (approximately \$1.0 billion), subject to adjustments for working capital, cash, and indebtedness acquired and for the

AMC NETWORKS INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

(Dollars in thousands, except per share amounts)

(unaudited)

purchase of certain equity method investments. AMC Networks funded the purchase price with cash on hand and also borrowed an additional of \$600 million under its term loan A facility (see Note 8).

The acquisition provides AMC Networks with television channels that are distributed to more than 390 million subscribers in over 130 countries and span a wide range of programming genres, most notably movie and entertainment networks. The acquisition of Chellomedia's operating businesses include: Chello Central Europe, Chello Latin America, Chello Multicanal, Chello Zone, Chello DMC (the broadcast solutions unit), and Atmedia (the advertising sales unit). The acquisition provides the Company with the opportunity to accelerate and enhance its international expansion strategy. The Company views this international opportunity as one that has the potential to provide long-term growth and value.

We have accounted for the acquisition of Chellomedia using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets of Chellomedia based on assessments of their estimated respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to goodwill and represents primarily the potential economic benefits that the Company believes may arise from its international expansion strategy. The goodwill associated with the Chellomedia acquisition is generally not deductible for tax purposes.

The acquisition accounting for Chellomedia as reflected in these condensed consolidated financial statements is preliminary and based on current estimates and currently available information, and is subject to revision based on final determinations of fair value and final allocations of purchase price to the identifiable assets and liabilities acquired. The primary estimated fair values that are not yet finalized relate to the valuation of intangible assets, property and equipment, noncontrolling interests acquired and income taxes.

The following table summarizes the preliminary allocation of the purchase price to the tangible and identifiable intangible assets acquired and liabilities assumed. The excess of the purchase price over those fair values was allocated to goodwill.

Consideration Transferred ⁽¹⁾:

Cash, net of cash acquired	\$993,210
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Preliminary purchase price allocation:

Accounts receivable, trade	133,200	
Program rights	93,505	
Prepaid expenses and other current assets	27,634	
Deferred tax asset, net	25,318	
Property and equipment	42,852	
Intangible assets	296,300	
Assets held for sale	18,927	
Other assets	28,270	
Accounts payable	(21,627)
Accrued liabilities	(45,833)
Program rights obligations	(31,984)
Deferred tax liability, net	(24,590)
Liabilities held for sale	(18,130)
Other liabilities	(13,996)
Noncontrolling interests acquired	(30,873)
Fair value of net assets acquired	478,973	
Goodwill	514,237	
	\$993,210	

(1) The cash consideration transferred is subject to adjustments in future periods for working capital, net debt acquired and for certain equity method investments that were not acquired at the acquisition date.

The following unaudited pro forma financial information is based on the historical condensed consolidated financial statements of AMC Networks and the historical combined financial statements of Chellomedia and is intended to provide

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AMC NETWORKS INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

(Dollars in thousands, except per share amounts)

(unaudited)

information about how the acquisition of Chellomedia and related financing may have affected AMC Networks' historical condensed consolidated financial statements if they had closed as of January 1, 2013. The unaudited pro forma information has been prepared for comparative purposes only and includes adjustments for additional interest expense associated with the terms of the Company's amended and restated credit agreement (see Note 8), estimated additional depreciation and amortization expense as a result of tangible and identifiable intangible assets acquired, and the reclassification of the operating results of the Atmedia business to discontinued operations (see Note 4). The pro forma information is not necessarily indicative of the results of operations that would have been achieved had the acquisition taken place on the date indicated or that may result in the future.

	2014	2013	
	Pro Forma Financial	Pro Forma Financial	Pro Forma Financial
	Information for the Six	Information for the Three	Information for the Six
	Months Ended June 30,	Months Ended June 30,	Months Ended June 30,
Revenues, net	\$1,075,744	\$469,172	\$936,888
Income from continuing operations, net of income taxes	\$132,602	\$136,357	\$199,495
Net income per share, basic	\$1.84	\$1.91	\$2.79
Net income per share, diluted	\$1.83	\$1.88	\$2.75

Revenues and operating income attributable to Chellomedia of \$167,470 and \$21,858, respectively (excluding the discontinued operations of Chellomedia's advertising sales unit, Atmedia), are included in the condensed consolidated statement of income from the acquisition date, January 31, 2014 to June 30, 2014. Acquisition related costs of \$14,139 (of which, \$1,853 are included in the operating results of Chellomedia from the acquisition date to June 30, 2014) were incurred during the six months ended June 30, 2014 and are included in selling, general and administrative expense.

Note 3. Net Income per Share

The condensed 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		Six Months Ended June	
	30,	30,	30,	30,
	2014	2013	2014	2013
Basic weighted average common shares outstanding	72,043,000	71,568,000	71,910,000	71,430,000
Effect of dilution:				
Stock options	231,000	294,000	120,000	314,000
Restricted shares/units	528,000	781,000	313,000	869,000
Diluted weighted average common shares outstanding	72,802,000	72,643,000	72,343,000	72,613,000