AMC Networks Inc.
Form 10-Q
May 04, 2015

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

FORM 10-Q

(Mark One)
þ Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended March 31, 2015
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 þ 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 þ 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 þ	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 þ
The number of shares of common stock outstanding as of April 27, 2015:

Class A Common Stock par value $0.01 per share	60,797,296
Class B Common Stock par value $0.01 per share	11,484,408

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

	March 31, 2015	December 31, 2014
ASSETS		
Current Assets:		
Cash and cash equivalents	$194,307	$201,367
Accounts receivable, trade (less allowance for doubtful accounts of $4,059 and $4,276)	667,771	587,193
Amounts due from related parties, net	3,691	4,102
Current portion of program rights, net	428,529	437,302
Prepaid expenses and other current assets	70,569	74,294
Deferred tax asset, net	17,354	24,822
Total current assets	1,382,221	1,329,080
Property and equipment, net of accumulated depreciation of $194,873 and $186,242	134,852	133,844
Program rights, net	997,911	959,941
Deferred carriage fees, net	59,458	46,737
Intangible assets, net	565,425	590,824
Goodwill	704,955	734,356
Other assets	204,602	181,805
Total assets	$4,049,424	$3,976,587
LIABILITIES AND STOCKHOLDERS’ DEFICIENCY		
Current Liabilities:		
Accounts payable	$129,066	$101,866
Accrued liabilities	184,165	204,786
Current portion of program rights obligations	284,866	271,199
Deferred revenue	51,307	36,888
Promissory note payable	40,000	40,000
Current portion of long-term debt	92,500	74,000
Current portion of capital lease obligations	2,781	2,953
Total current liabilities	784,685	731,692
Program rights obligations	476,420	465,672
Long-term debt	2,649,182	2,685,566
Capital lease obligations	26,490	27,386
Deferred tax liability, net	129,391	128,066
Other liabilities	72,615	85,503
Total liabilities	4,138,783	4,123,885
Commitments and contingencies		
Redeemable noncontrolling interests	206,089	204,611
Stockholders’ deficiency:		
Class A Common Stock, $0.01 par value, 360,000,000 shares authorized, 62,007,567 and 61,762,944 shares issued and 60,797,296 and 60,552,673 shares outstanding, respectively	620	618
Class B Common Stock, $0.01 par value, 90,000,000 shares authorized, 11,484,408 shares issued and outstanding, respectively	115	115

Preferred stock, $0.01 par value, 45,000,000 shares authorized; none issued	—	—
Paid-in capital	98,885	100,642
Accumulated deficit	(220,969)	(341,889)
Treasury stock, at cost (1,210,271 shares Class A Common Stock, respectively)	(51,993)	(51,993)
Accumulated other comprehensive loss	(141,656)	(79,248)
Total AMC Networks stockholders' deficiency	(314,998)	(371,755)
Non-redeemable noncontrolling interests	19,550	19,846
Total stockholders' deficiency	(295,448)	(351,909)
Total liabilities and stockholders' deficiency	$4,049,424	$3,976,587

See accompanying notes to condensed consolidated financial statements.

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AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Three Months Ended March 31, 2015 and 2014
(In thousands, except per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2015	2014
Revenues, net (including revenues, net from related parties of $6,719 and $7,689, respectively)	$668,682	$524,554
Operating expenses:		
Technical and operating (excluding depreciation and amortization)	262,173	217,170
Selling, general and administrative (including charges from related parties of $949 and $659, respectively)	154,579	145,357
Restructuring expense	656	—
Depreciation and amortization	20,527	14,394
	437,935	376,921
Operating income	230,747	147,633
Other income (expense):		
Interest expense	(33,024)	(31,772)
Interest income	437	341
Miscellaneous, net	(10,230)	(5,110)
	(42,817)	(36,541)
Income from continuing operations before income taxes	187,930	111,092
Income tax expense	(61,254)	(39,105)
Income from continuing operations	126,676	71,987
Loss from discontinued operations, net of income taxes	—	(750)
Net income including noncontrolling interests	126,676	71,237
Net (income) loss attributable to noncontrolling interests	(5,756)	130
Net income attributable to AMC Networks' stockholders	$120,920	$71,367
Basic net income per share attributable to AMC Networks' stockholders:		
Income from continuing operations	$1.67	$1.00
Loss from discontinued operations	$—	$(0.01)
Net income	$1.67	$0.99
Diluted net income per share attributable to AMC Networks' stockholders:		
Income from continuing operations	$1.66	$0.99
Loss from discontinued operations	$—	$(0.01)
Net income	$1.66	$0.98
Weighted average common shares:		
Basic weighted average common shares	72,206	71,775
Diluted weighted average common shares	72,970	72,759

See accompanying notes to condensed consolidated financial statements.

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AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Three Months Ended March 31, 2015 and 2014
(Dollars in thousands)
(unaudited)

	Three Months Ended March 31,	
	2015	2014
Net income including noncontrolling interests	$126,676	$71,237
Other comprehensive (loss) income:		
Foreign currency translation adjustment	(60,825)	5,550
Unrealized gain on interest rate swaps	696	786
Other comprehensive (loss) income, before income taxes	(60,129)	6,336
Income tax expense	(2,279)	(290)
Other comprehensive (loss) income, net of income taxes	(62,408)	6,046
Comprehensive income	64,268	77,283
Comprehensive (income) loss attributable to noncontrolling interests	(4,332)	130
Comprehensive income attributable to AMC Networks' stockholders	$59,936	$77,413

See accompanying notes to condensed consolidated financial statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Three Months Ended March 31, 2015 and 2014
(Dollars in thousands)
(unaudited)

	Three Months Ended March 31, 2015	2014
Cash flows from operating activities:		
Net income including noncontrolling interests	$126,676	$71,237
Loss from discontinued operations	—	750
Adjustments to reconcile income from continuing operations to net cash from operating activities:		
Depreciation and amortization	20,527	14,394
Share-based compensation expense related to equity classified awards	7,288	5,080
Amortization and write-off of program rights	170,038	149,371
Amortization of deferred carriage fees	4,004	2,750
Unrealized foreign currency transaction loss	8,807	1,718
Unrealized gain on derivative contracts, net	(306)	(856)
Amortization of deferred financing costs and discounts on indebtedness	2,230	2,012
Recovery of doubtful accounts	(114)	(216)
Deferred income taxes	7,350	22,037
Excess tax benefits from share-based compensation arrangements	(3,672)	(4,520)
Other, net	2,427	—
Changes in assets and liabilities:		
Accounts receivable, trade	(98,392)	(16,326)
Amounts due from related parties, net	411	490
Prepaid expenses and other assets	(1,528)	25,384
Program rights and obligations, net	(178,203)	(185,447)
Income taxes payable	38,352	4,568
Deferred revenue	14,562	4,010
Deferred carriage fees, net	(16,817)	(3,050)
Accounts payable, accrued expenses and other liabilities	(23,445)	(18,787)
Net cash provided by operating activities	80,195	74,599
Cash flows from investing activities:		
Capital expenditures	(18,248)	(6,189)
Payments for acquisition of a business, net of cash acquired	(6,581)	(993,210)
Purchases of investments	(25,210)	—
Proceeds from insurance settlements	—	654
Net cash used in investing activities	(50,039)	(998,745)
Cash flows from financing activities:		
Proceeds from the issuance of long-term debt	—	600,000
Principal payments on long-term debt	(18,500)	—
Payments for financing costs	—	(9,036)
Deemed repurchases of restricted stock/units	(12,848)	(17,804)
Proceeds from stock option exercises	130	843
Excess tax benefits from share-based compensation arrangements	3,672	4,520
Principal payments on capital lease obligations	(1,420)	(414)
Net cash (used in) provided by financing activities	(28,966)	578,109
Net increase (decrease) in cash and cash equivalents from continuing operations	1,190	(346,037)
Cash flows from discontinued operations:		

Net cash used in operating activities	—	(485)
Net decrease in cash and cash equivalents from discontinued operations	—	(485)
Effect of exchange rate changes on cash and cash equivalents	(8,250)	(15,975)
Cash and cash equivalents at beginning of period	201,367	521,951
Cash and cash equivalents at end of period	$194,307	$159,454

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. The Company is comprised of two operating segments:

- National Networks: Principally includes five nationally distributed programming networks: AMC, WE tv, BBC AMERICA, 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, which primarily services most of the nationally distributed programming networks.
- International and Other: Principally includes AMC Networks International, the Company’s international programming businesses consisting of a portfolio of channels in Europe, Latin America, the Middle East and parts of Asia and Africa; IFC Films, the Company’s independent film distribution business; AMC Networks International - DMC, the broadcast solutions unit of certain networks of AMC Networks International and third party networks; and various developing on-line content distribution initiatives.

Basis of Presentation

Principles of Consolidation

These unaudited condensed consolidated financial statements include the accounts of AMC Networks, its majority owned or controlled subsidiaries. All intercompany transactions and balances have been eliminated in consolidation. Investments in business entities in which the Company lacks control but does have the ability to exercise significant influence over operating and financial policies are accounted for using the equity method.

Unaudited Interim Financial Statements

These condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information and Article 10 of Regulation S-X of the Securities and Exchange Commission (“SEC”), and should be read in conjunction with the Company's consolidated financial statements and notes thereto for the year ended December 31, 2014 contained in the Company's Annual Report on Form 10-K (“2014 Form 10-K”) filed with the SEC. The condensed consolidated financial statements as of March 31, 2015 and for the three months ended March 31, 2015 and 2014 presented in this Quarterly Report on Form 10-Q are unaudited; however, in the opinion of management, such financial statements reflect all adjustments, consisting solely of normal recurring adjustments, necessary for a fair presentation of the results for the interim periods presented.

The results of operations for interim periods are not necessarily indicative of the results that might be expected for future interim periods or for the full year ending December 31, 2015.

Program Rights

The Company periodically reviews the programming usefulness of its licensed and owned original program rights based on a series of factors, including expected future revenue generation from airings on the Company's networks and other exploitation opportunities, ratings, type and quality of program material, standards and practices, and fitness for exhibition through various forms of distribution. If it is determined that film or other program rights have no future programming usefulness, a write-off of the unamortized cost is recorded in technical and operating expense. Program rights write-offs of $9,596 and $3,603 were recorded for the three months ended March 31, 2015 and 2014, respectively.

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

Use of Estimates

These condensed consolidated financial statements have been prepared in accordance with GAAP. 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 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 intangible assets and income taxes.

Reclassifications

Certain reclassifications were made to the prior period amounts to conform to the current period presentation.

Recently Issued Accounting Pronouncements

In April 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-03, Simplifying the Presentation of Debt Issuance Costs. ASU 2015-03 requires debt issuance costs to be presented in the balance sheet as a direct deduction from the carrying value of the debt. ASU 2015-03 will be applied retrospectively and is effective for the fourth quarter of 2015. Early adoption is permitted for financial statements that have not been previously issued. The adoption of ASU 2015-03 is not expected to have a material effect on the Company's consolidated financial statements.

In February 2015, the FASB issued ASU No. 2015-02, Consolidation (Topic 810): Amendments to the Consolidation Analysis. ASU 2015-02 amends current GAAP principles relating to the requirements of the reporting entity to consolidate other legal entities, which will therefore require all reporting entities that hold variable interests in other legal entities to re-evaluate consolidation assessments and disclosures. The new standard states (i) limited partnerships will be VIEs, unless the limited partners have either substantive kick-out or participating rights, (ii) a reporting organization may no longer have to consolidate a legal entity in certain circumstances based solely on its fee arrangement, when certain criteria are met, (iii) less frequent performance of the related-party tiebreaker test (and mandatory consolidation by one of the related parties) than under current GAAP, and (iv) for entities other than limited partnerships, ASU 2015-02 clarifies how to determine whether the equity holders have power over the entity. ASU 2015-02 is effective for the fourth quarter of 2015 and early adoption is permitted. The Company is currently in the process of assessing the impact, if any, the adoption of ASU 2015-02 will have on its consolidated financial statements.

In May 2014, the FASB 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. In April 2015, the FASB proposed a one-year delay in the effective date of the standard to the first quarter of 2018, with an option that would permit companies to adopt the standard as early as the original effective date. A final decision on the effective date is expected in 2015. The Company is currently determining its implementation approach and assessing the impact the adoption of ASU 2014-09 will have on its consolidated financial statements.

Note 2. Acquisitions

BBC AMERICA

In October 2014, a subsidiary of AMC Networks entered into a membership interest purchase agreement with BBC Worldwide Americas, Inc. ("BBCWA"), pursuant to which such subsidiary acquired 49.9% of the limited liability company interests of New Video Channel America, L.L.C. ("New Video"), owner of the cable channel BBC AMERICA (the "Transaction"), for a purchase price of $200,000. The Company funded the purchase price with cash on hand and a $40,000 promissory note, which was paid on April 23, 2015. In addition to the purchase agreement, the Company entered into a Second Amended and Restated Limited Liability Company Agreement with BBCWA and one of its affiliates (the "Joint Venture Agreement") that sets forth certain rights and obligations of the parties, including certain put rights. The Company has operational control of New Video and the BBC AMERICA channel. The joint venture’s results are consolidated in the financial results of AMC Networks from the date of closing and included in the National Networks operating segment. The Company views this joint venture as an important addition to its overall channel portfolio and programming content strategy.

AMC NETWORKS INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Dollars in thousands, except per share amounts)
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The acquisition accounting for New Video as reflected in these 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 program rights and related obligations, intangible assets, other assets, accrued liabilities, and redeemable noncontrolling interests.

The following table summarizes the preliminary valuation of the tangible and identifiable intangible assets acquired and liabilities assumed.

Cash, net of cash acquired	$ 159,889
Promissory note	40,000
Total consideration transferred	199,889
Redeemable noncontrolling interest	200,000
	$ 399,889
Preliminary allocation:	
Prepaid expenses and other current assets	621
Accounts receivable, trade	32,241
Program rights	72,131
Deferred carriage fees	567
Property and equipment	111
Intangible assets	113,528
Other assets	46,000
Accounts payable and accrued liabilities	(5,218)
Program rights obligations	(30,461)
Deferred revenue	(3,378)
Other liabilities	(309)
Fair value of net assets acquired	225,833
Goodwill	174,056
	$ 399,889

Chellomedia

In January 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). AMC Networks funded the purchase price with cash on hand and also borrowed an additional $600 million under its Term Loan A Facility.

Unaudited Pro Forma Financial Information

The following unaudited pro forma financial information is based on (i) the historical consolidated financial statements of AMC Networks, (ii) the historical financial statements of New Video and (iii) the historical combined financial statements of Chellomedia and is intended to provide information about how the acquisitions and related financing may have affected the Company's historical consolidated financial statements if they had occurred as of January 1, 2014. 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, 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.

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

	Pro Forma Financial Information for the Three Months Ended March 31, 2014
Revenues, net	$593,272
Income from continuing operations, net of income taxes	$76,361
Net income per share, basic	$1.06
Net income per share, diluted	$1.05

Acquisition related costs of $14,031 (of which, $1,853 are included in the operating results of Chellomedia from the acquisition date to March 31, 2014) were incurred during the three months ended March 31, 2014 and are included in selling, general and administrative expense.

Other Acquisitions

In February 2015, a subsidiary of AMC Networks acquired the shares of a small international channel. This acquisition is included in the International and Other segment and builds on the Company's international expansion strategy and the potential to provide international long-term growth and value.

Pro forma financial information related to this acquisition is not provided as the impact was not material to our condensed consolidated financial statements.

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 March 31,	
	2015	2014
Basic weighted average common shares outstanding	72,206,000	71,775,000
Effect of dilution:		
Stock options	204,000	250,000
Restricted shares/units	560,000	734,000
Diluted weighted average common shares outstanding	72,970,000	72,759,000

For the three months ended March 31, 2015 and March 31, 2014, 312,252 and 327,023 restricted share units, respectively, have been excluded from diluted weighted average common shares outstanding since they would have been anti-dilutive. Approximately 125,000 and 122,000 restricted stock units for the three months ended March 31, 2015 and March 31, 2014, respectively, have been excluded from diluted weighted average common shares outstanding since the performance criteria on these awards was not probable of being achieved in each of the respective periods.

Note 4. 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, which was completed in 2014. The operating results of discontinued operations included revenues, net of $6,637 and a net loss of $750 for the three months ended March 31, 2014.

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

Note 5. Restructuring

The Company incurred restructuring expense primarily related to severance charges and other exit costs associated with the elimination of certain positions across the Company.

The following table summarizes the restructuring expense recognized by operating segment:

	Three Months Ended March 31, 2015
National Networks	$66
International & Other	590
Total restructuring expense	$656

The following table summarizes the accrued restructuring costs:

	Severance and employee-related costs	Other exit costs	Total
Balance at December 31, 2014	$ 6,525	$885	$7,410
Charges incurred	656	—	656
Cash payments	(4,904)	(156)	(5,060)
Non-cash adjustments	(13)	—	(13)
Currency translation	(100)	—	(100)
Balance at March 31, 2015	$ 2,164	$729	$2,893

Accrued liabilities for restructuring costs of $2,762 and $131 are included in accrued liabilities and other liabilities, respectively, in the condensed consolidated balance sheet at March 31, 2015. The Company expects that the restructuring will be substantially completed during 2015 and the majority of severance and other costs will be paid in 2015.

Note 6. Goodwill and Other Intangible Assets

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

	National Networks	International and Other	Total
December 31, 2014	$250,595	$483,761	$734,356
Additions and purchase accounting adjustments	(2,315)	3,637	1,322
Amortization of "second component" goodwill	(631)	—	(631)
Foreign currency translation	—	(30,092)	(30,092)
March 31, 2015	$247,649	$457,306	$704,955

The reduction of $631 in the carrying amount of goodwill for the National Networks is due to the realization of a tax benefit for the amortization of "second component" goodwill at SundanceTV. Second component goodwill is the amount of tax deductible goodwill in excess of goodwill for financial reporting purposes. In accordance with the authoritative guidance at the time of the SundanceTV acquisition, the tax benefits associated with this excess are applied to first reduce the amount of goodwill, and then other intangible assets for financial reporting purposes, if and when such tax benefits are realized in the Company's tax returns.

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

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

	March 31, 2015			
	Gross	Accumulated Amortization	Net	Estimated Useful Lives
Amortizable intangible assets:				
Affiliate and customer relationships	$542,166	$(87,056)	$455,110	17 to 25 years
Advertiser relationships	46,282	(1,835)	44,447	11 years
Trade names	48,504	(2,548)	45,956	20 years
Other amortizable intangible assets	14	(2)	12	
Total amortizable intangible assets	636,966	(91,441)	545,525	
Indefinite-lived intangible assets:				
Trademarks	19,900	—	19,900	
Total intangible assets	$656,866	$(91,441)	$565,425	

	December 31, 2014		
	Gross	Accumulated Amortization	Net
Amortizable intangible assets:			
Affiliate and customer relationships	$555,742	$(80,351)	$475,391
Advertiser relationships	45,827	(655)	45,172
Trade names	52,698	(2,351)	50,347
Other amortizable intangible assets	16	(2)	14
Total amortizable intangible assets	654,283	(83,359)	570,924
Indefinite-lived intangible assets:			
Trademarks	19,900	—	19,900
Total intangible assets	$674,183	$(83,359)	$590,824

Aggregate amortization expense for amortizable intangible assets for the three months ended March 31, 2015 and 2014 was $10,773 and $5,872, respectively. Estimated aggregate amortization expense for intangible assets subject to amortization for each of the following five years is:

Years Ending December 31,	
2015	$38,791
2016	37,390
2017	