

AMC NETWORKS INC.

FORM DEFA14A

(Additional Proxy Soliciting Materials (definitive))

Filed 02/26/18

Address	11 PENN PLAZA NEW YORK, NY, 10001
Telephone	(212) 324-8500
CIK	0001514991
Symbol	AMCX
SIC Code	4841 - Cable and Other Pay Television Services
Industry	Broadcasting
Sector	Consumer Cyclical
Fiscal Year	12/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 26, 2018

AMC NETWORKS INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

No. 1-35106
(Commission
File Number)

No. 27-5403694
(IRS Employer
Identification Number)

11 Penn Plaza
New York, NY
(Address of principal executive offices)

10001
(Zip Code)

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

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

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

Item 7.01 Regulation FD Disclosure

On February 26, 2018, AMC Networks Inc. (“[AMC Networks](#)”) delivered a letter (the “[Proposal Letter](#)”) to RLJ Entertainment, Inc. (“[RLJ Entertainment](#)”) pursuant to which AMC Networks proposed to acquire the outstanding shares of RLJ Entertainment not currently owned by AMC Networks or entities affiliated with Robert L. Johnson for a purchase price of \$4.25 per share in cash. Through this offer, AMC Networks intends for RLJ Entertainment to become a privately owned subsidiary of AMC Networks, with a minority stake held by Mr. Johnson. A copy of the Proposal Letter is attached as Exhibit 99.1 to this Form 8-K.

The information contained in Item 7.01 of this Form 8-K (including Exhibit 99.1 attached hereto) is being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “[Exchange Act](#)”), or otherwise subject to the liabilities under that section, and shall not be deemed to be incorporated by reference into any filing made by AMC Networks under the Exchange Act or the Securities Act of 1933, as amended (unless any such filing expressly states by specific reference that the information or exhibit in this particular Form 8-K is incorporated by reference).

Item 8.01 Other Events

On February 26, 2018, AMC Networks issued a press release announcing the proposal set forth in the Proposal Letter. A copy of the press release is attached as Exhibit 99.2 to this Form 8-K.

Item 9.01 Exhibits

(d) Exhibits

- 99.1 [Proposal Letter, dated February 26, 2018, from AMC Networks Inc. to RLJ Entertainment, Inc.](#)
- 99.2 [Press Release issued by AMC Networks Inc. on February 26, 2018.](#)

SIGNATURES

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

AMC NETWORKS INC.
(Registrant)

By: /s/ Anne G. Kelly
Name: Anne G. Kelly
Title: Senior Vice President and Secretary

Dated: February 26, 2018



RLJ Entertainment, Inc.
 8515 Georgia Avenue
 Suite 650
 Silver Spring, MD 20910
 February 26, 2018

Members of the Board (c/o Robert L. Johnson, Chairman):

We are pleased to offer to acquire the outstanding shares of common stock of RLJ Entertainment (“RLJE”) not currently owned by AMC or entities affiliated with Robert L. Johnson for a purchase price of \$4.25 per share in cash. Through this offer it is our intention that RLJE becomes a privately owned subsidiary of AMC that will have a minority stake held by Robert L. Johnson.

We believe that our offer is fair to and in the best interest of RLJE and its public shareholders. Although this transaction does not represent a change of control, this offer price represents a 10% premium to the closing share price on Friday, February 23, a 12% premium to the volume weighted average trading price over the last ten trading days and a 126% premium to the closing share price on the day prior to the announcement of AMC’s initial investment.

We believe our proposal makes great sense for RLJE and its future. The competitive demands of the industry, including the increasing competition for content and investment needed to scale, have convinced us that private ownership of this business is desirable and will assist RLJE in attaining its business objectives.

We expect that the Board of Directors of RLJE will form a special committee of independent directors to respond to our proposal on behalf of RLJE’s public shareholders. We also encourage the special committee to retain its own legal and financial advisors to assist in its review. We welcome the opportunity to present our proposal to the special committee as soon as possible. In order to complete this potential transaction, AMC will require certain due diligence items from RLJE management, including but not limited to the most recent long term financial plan. AMC’s entire team, including its legal and financial advisors at Sullivan & Cromwell LLP and Citigroup, look forward to working with the special committee and its legal and financial advisors to complete a mutually acceptable transaction. There will be no financing contingency associated with the offer.

In considering our proposal, you should be aware that we are interested only in acquiring the publicly held RLJE shares, and outstanding rights to acquire publicly held RLJE shares, and we will not sell our stake in RLJE or be part of any other process.

AMC will be issuing a press release and filing a Form 8-K this morning to disclose this offer letter. AMC will also be filing a 13-D amendment following the close of the trading market this afternoon.

Thank you for your consideration.

/s/ Josh Sapan

Josh Sapan
 President and CEO
 AMC Networks



AMC NETWORKS INC. ANNOUNCES PROPOSAL TO ACQUIRE RLJ ENTERTAINMENT, INC.

*RLJ Entertainment Would Become a Privately Owned Subsidiary of AMC Networks,
with a Minority Stake Held by Robert L. Johnson*

New York, NY – February 26, 2018 : AMC Networks Inc. (“AMC Networks” or the “Company”) (NASDAQ: AMCX) today announced that it is proposing to acquire the outstanding shares of RLJ Entertainment, Inc. (“RLJ Entertainment”) (NASDAQ: RLJE) not currently owned by AMC Networks or entities affiliated with Robert L. Johnson for a purchase price of \$4.25 per share in cash. RLJ Entertainment is a premium digital channel company which serves distinct audiences primarily through its OTT branded channels, Acorn TV (British TV) and UMC (Urban Movie Channel). Through this offer, AMC Networks intends for RLJ Entertainment to become a privately owned subsidiary of AMC Networks, with a minority stake held by Mr. Johnson.

The offer price represents a 10% premium to the closing price of the RLJ Entertainment common stock on Friday, February 23, a 12% premium to the volume weighted average trading price of the RLJ Entertainment common stock over the last ten trading days and a 126% premium to the closing price of the RLJ Entertainment common stock on the day prior to the announcement of AMC Networks’ initial investment.

In October 2016, AMC Networks and RLJE Entertainment formed a strategic partnership pursuant to which AMC Networks invested \$65 million in RLJ Entertainment in the form of loans (which loans have subsequently been increased to an aggregate of \$78 million) and AMC Networks received warrants which, if fully exercised, would provide AMC Networks with at least 50.1% of the outstanding RLJ Entertainment common stock on a fully diluted basis. AMC and Mr. Johnson currently own approximately 26% and 47% of the outstanding shares of RLJ Entertainment common stock, respectively.

AMC Networks has advised RLJ Entertainment that it is only interested in acquiring the shares of RLJ Entertainment not owned by AMC Networks or entities affiliated with Mr. Johnson and has no interest in disposing of its stake in RLJ Entertainment or participating in any other strategic process.

AMC Networks expects the Board of Directors of RLJ Entertainment to form a special committee of independent directors to consider the proposal with the assistance of an outside financial advisor and legal counsel and to negotiate the proposal with RLJ Entertainment. Mr. Johnson and the directors of RLJ Entertainment nominated by AMC Networks will not participate in the evaluation of the proposal. There can be no assurance that the proposal made by AMC Networks to RLJ Entertainment will result in a transaction or the terms upon which any transaction may occur.

Citigroup Global Markets Inc. is acting as financial advisor and Sullivan & Cromwell LLP is acting as legal counsel to AMC Networks in connection with the transaction.

Forward-Looking Statements

This press release may contain statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management’s current expectations and are subject to uncertainty and changes in circumstances. Investors are cautioned that any such forward-looking statements are not guarantees of future performance, results or events and involve risks and uncertainties, and that actual results or developments may differ materially from those in the forward-looking statements as a result of various factors, including financial community and rating agency perceptions of the Company and its business, operations, financial condition and the industries in which it operates, the risk that the proposal made by the Company to RLJ Entertainment may not result in a transaction, and the factors described in the Company’s filings with the Securities and Exchange Commission, including the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained therein. The Company disclaims any obligation to update any forward-looking statements contained herein.

Additional Information and Where to Find It

This communication may be deemed to be solicitation material with respect to AMC Networks' proposal to acquire RLJ Entertainment. In connection with this proposal, AMC Networks intends to file relevant materials with the SEC, including amended Schedule 13D filings and a transaction statement on Schedule 13E-3 with respect to RLJ Entertainment. RLJ Entertainment may also file relevant materials with the SEC, including a proxy statement on Schedule 14A if an agreement is reached with respect to a negotiated transaction. **STOCKHOLDERS OF RLJ ENTERTAINMENT ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING AMC NETWORKS' TRANSACTION STATEMENT AND RLJ ENTERTAINMENT'S PROXY STATEMENT, IF AND WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED ACQUISITION.** Investors and security holders will be able to obtain the documents, if and when they become available, free of charge at the SEC's web site, <http://www.sec.gov>, and RLJ Entertainment's stockholders will receive information at an appropriate time on how to obtain transaction-related documents, if and when they become available, free of charge from RLJ Entertainment. Such documents are not currently available.

Participants in Solicitation

This communication is neither a solicitation of a proxy nor a substitute for any transaction statement, proxy statement or other filings that may be made with the SEC. Nonetheless, AMC Networks and its directors and executive officers and Robert L. Johnson may be deemed to be participants in the solicitation of proxies from the holders of RLJ Entertainment's common stock in respect of the proposed acquisition. Information about the directors and executive officers of AMC Networks is set forth in the proxy statement for its 2017 Annual Meeting of Stockholders, which was filed with the SEC on April 27, 2017. Investors may obtain additional information regarding the interest of such participants by reading the SEC filings regarding the proposed acquisition if and when they become available.

About AMC Networks Inc.

AMC Networks owns and operates several of cable television's most recognized brands delivering high quality content to audiences and a valuable platform to distributors and advertisers. The Company manages its business through two operating segments: (i) National Networks, which principally includes AMC, WE tv, BBC AMERICA, IFC and SundanceTV; and AMC Studios, the Company's television production business; and (ii) International and Other, which principally includes AMC Networks International, the Company's international programming business; IFC Films, the Company's independent film distribution business; and the Company's owned subscription streaming services, Sundance Now and Shudder. For more information on AMC Networks, please visit the Company's website at <http://www.amcnetworks.com>.

AMC Contacts

Investor Relations

Seth Zaslow (646) 273-3766
seth.zaslow@amcnetworks.com

Corporate Communications

Georgia Juvelis (917) 542-6390
georgia.juvelis@amcnetworks.com