ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

CABLEVISION SYSTEMS CORPORATION
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TABLE OF CONTENTS

			Page
PART I			
	Item 1.	Business	1
	Item 1A.	Risk Factors	1
	Item 2.	Properties	1
	Item 3.	Legal Proceedings	1
	Item 4.	Mine Safety Disclosures	1
PART II			
	Item 6.	Selected Financial Data	2
	Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	8
	Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	36
	Item 8.	Financial Statements and Supplementary Data	37
	Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	37
	Signature		37

PART I

This combined Annual Report is separately provided by Cablevision Systems Corporation and its consolidated subsidiaries ("Cablevision") and CSC Holdings, LLC and its consolidated subsidiaries ("CSC Holdings" and collectively with Cablevision, the "Company"). Cablevision is a Delaware corporation which was organized in 1997. Cablevision is a wholly owned subsidiary of Altice USA, Inc. Cablevision owns all of the outstanding membership interests in CSC Holdings LLC. Unless otherwise indicated or the context otherwise requires, the terms “we,” “us,” “our” or other similar terms refer to the Company.

We incorporate by reference information related to the Company from the Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) by our parent, Altice USA, Inc. which means that we can disclose information to you by referring you to those documents. Information related to other subsidiaries or businesses of Altice USA which is included in its Annual Report on Form 10-K is not incorporated by reference herein and should not be relied upon. The information that is incorporated by reference is considered to be part of this annual report. We incorporate by reference into this annual report the following:

Part I	Item 1.	Business
	Item 1A.	Risk Factors
	Item 2.	Properties
	Item 3.	Legal Proceedings
	Item 4.	Mine Safety Disclosures

Altice USA Inc.’s Annual Report on Form 10-K can be found through its investor relations section at web site, http://www.alticeusa.com or the SEC’s website, http://www.sec.gov.

PART II

ITEM 6. SELECTED FINANCIAL DATA

The operating and balance sheet data included in the following selected financial data have been derived from the consolidated financial statements of Cablevision and CSC Holdings. The selected financial data presented below should be read in conjunction with the audited consolidated financial statements of Cablevision and CSC Holdings and the notes thereto included in Item 8 of this Annual Report.

As a result of push down accounting in connection with the Cablevision Acquisition (see Note 3 of our consolidated financial statements), Cablevision's and CSC Holdings' financial statements are presented in two distinct periods to indicate the application of the different bases of accounting between the periods presented: (1) the periods up to the date of the Cablevision Acquisition, January 1, 2016 through June 20, 2016 and the years ended December 31, 2015, 2014, and 2013 labeled "Predecessor" and (2) the period from the Cablevision Acquisition date, June 21, 2016 through December 31, 2016 and for the year ended December 31, 2017 labeled "Successor". The Predecessor periods represent the financial information of the Company prior to the Cablevision Acquisition, while the Successor periods represent the financial information of the Company subsequent to the Cablevision Acquisition. The accompanying selected financial data includes a black line division to indicate the application of the bases of accounting utilized by the Predecessor and Successor reporting entities. As a result, the financial statements for the Predecessor periods and for the Successor periods are not comparable.

The selected historical results presented below are not necessarily indicative of the results to be expected for any future period. This information should be read in conjunction with the audited consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included herein.

Operating Data:

	Cablevision Systems Corporation					
	(dollars in thousands)					
	Successor		Predecessor			
	Year Ended December 31, 2017	June 21, 2016 to December 31, 2016 (a)	January 1, 2016 to June 20, 2016	Years Ended December 31, 2015	2014	2013
Revenue	$ 6,664,788	$ 3,444,052	$ 3,137,604	$ 6,545,545	$ 6,508,557	$ 6,287,383
Operating expenses	6,319,725	3,369,187	2,662,298	5,697,074	5,587,299	5,588,159
Operating income	345,063	74,865	475,306	848,471	921,258	699,224
Other income (expense):						
Interest expense, net	(1,101,463)	(606,347)	(285,508)	(584,839)	(575,580)	(600,637)
Gain (loss) on investments, net	237,354	141,896	129,990	(30,208)	129,659	313,167
Gain (loss) on equity derivative contracts, net	(138,920)	(53,696)	(36,283)	104,927	(45,055)	(198,688)
Loss on extinguishment of debt and write-off of deferred financing costs	(57,833)	(102,894)	—	(1,735)	(10,120)	(22,542)
Other (income) expense, net	(1,788)	4,329	4,855	6,045	4,988	2,436
Income (loss) from continuing operations before income taxes	(717,587)	(541,847)	288,360	342,661	425,150	192,960
Income tax benefit (expense) (b)	2,209,658	213,065	(124,848)	(154,872)	(115,768)	(65,635)
Income (loss) from continuing operations, net of income taxes	1,492,071	(328,782)	163,512	187,789	309,382	127,325
Income (loss) from discontinued operations, net of income taxes (c)	—	—	—	(12,541)	2,822	338,316
Net income (loss)	1,492,071	(328,782)	163,512	175,248	312,204	465,641
Net loss (income) attributable to noncontrolling interests	(1,587)	(551)	236	201	(765)	20
Net income (loss) attributable to Cablevision Systems Corporation stockholder(s)	$ 1,490,484	$ (329,333)	$ 163,748	$ 175,449	$ 311,439	$ 465,661

(a) Includes restructuring costs of $199,257 and loss on extinguishment of debt and write-off of deferred financing costs of $102,894.

(b) Pursuant to the enactment of the Tax Cuts & Jobs Act ("Tax Reform") on December 22, 2017, the Company recorded a noncash deferred tax benefit of $1,915,286 to remeasure the net deferred tax liability to adjust for the reduction in the corporate federal income tax rate from 35% to 21% which is effective on January 1, 2018.

(c) Loss from discontinued operations for 2015 primarily reflects an expense related to the decision in a case relating to Rainbow Media Holdings LLC, a business whose operations were previously discontinued. Income from discontinued operations for 2014 resulted primarily from the settlement of a contingency related to Montana property taxes related to Bresnan Cable. Income from discontinued operations for 2013 primarily relates to (i) the operating results and related gain on the sale of Bresnan Cable of $259,692, (ii) the operating results and related loss on the sale of Clearview Cinemas of $(25,012), and (iii) the proceeds and costs related to the settlement of litigation with DISH Network, LLC of $103,636.

	Cablevision Systems Corporation (dollars in thousands)					
	Successor		Predecessor			
	Year Ended December 31, 2017	June 21, 2016 to December 31, 2016 (a)	January 1, 2016 to June 20, 2016	Years Ended December 31, 2015	2014	2013
INCOME PER SHARE:						
Basic income (loss) per share attributable to Cablevision Systems Corporation stockholder(s):						
Income from continuing operations, net of income taxes .			$ 0.60	$ 0.70	$ 1.17	$ 0.49
Income (loss) from discontinued operations, net of income taxes .			$ —	$ (0.05)	$ 0.01	$ 1.30
Net income....................................			$ 0.60	$ 0.65	$ 1.18	$ 1.79
Basic weighted average common shares (in thousands)			272,035	269,388	264,623	260,763
Diluted income (loss) per share attributable to Cablevision Systems Corporation stockholder(s):						
Income from continuing operations, net of income taxes .			$ 0.58	$ 0.68	$ 1.14	$ 0.48
Income (loss) from discontinued operations, net of income taxes .			$ —	$ (0.05)	$ 0.01	$ 1.27
Net income....................................			$ 0.58	$ 0.63	$ 1.15	$ 1.75
Diluted weighted average common shares (in thousands) ..			280,199	276,339	270,703	265,935
Cash dividends declared and paid per common share			$ —	$ 0.450	$ 0.600	$ 0.600
Amounts attributable to Cablevision Systems Corporation stockholder(s):						
Income (loss) from continuing operations, net of income taxes .	$ 1,490,484	$ (329,333)	$ 163,748	$ 187,990	$ 308,617	$ 127,345
Income (loss) from discontinued operations, net of income taxes .	—	—	—	(12,541)	2,822	338,316
Net income (loss)..........................	$ 1,490,484	$ (329,333)	$ 163,748	$ 175,449	$ 311,439	$ 465,661

	CSC Holdings, LLC					
	(dollars in thousands)					
	Successor		Predecessor			
	Year Ended December 31, 2017	June 21, 2016 to December 31, 2016 (a)	January 1, 2016 to June 20, 2016	Years Ended December 31, 2015	2014	2013
Revenue	$ 6,664,788	$ 3,444,052	$ 3,137,604	$ 6,545,545	$ 6,508,557	$ 6,287,383
Operating expenses	6,319,725	3,369,187	2,662,298	5,697,074	5,587,299	5,588,159
Operating income	345,063	74,865	475,306	848,471	921,258	699,224
Other income (expense):						
Interest expense, net	(943,725)	(510,208)	(157,343)	(313,952)	(304,831)	(315,572)
Gain (loss) on investments, net	237,354	141,896	129,990	(30,208)	129,659	313,167
Gain (loss) on equity derivative contracts, net	(138,920)	(53,696)	(36,283)	104,927	(45,055)	(198,688)
Loss on extinguishment of debt and write-off of deferred financing costs	(51,533)	(102,894)	—	(1,735)	(9,618)	(23,144)
Other (income) expense, net	(1,788)	4,329	4,855	6,045	4,988	2,436
Income (loss) from continuing operations before income taxes	(553,549)	(445,708)	416,525	613,548	696,401	477,423
Income tax benefit (expense) (b)	2,233,716	170,440	(179,658)	(269,356)	(236,450)	(188,079)
Income (loss) from continuing operations, net of income taxes	1,680,167	(275,268)	236,867	344,192	459,951	289,344
Income (loss) from discontinued operations, net of income taxes (c)	—	—	—	(12,541)	2,822	330,711
Net income (loss)	1,680,167	(275,268)	236,867	331,651	462,773	620,055
Net loss (income) attributable to noncontrolling interests	(1,587)	(551)	236	201	(765)	20
Net income (loss) attributable to CSC Holdings, LLC's sole member	$ 1,678,580	$ (275,819)	$ 237,103	$ 331,852	$ 462,008	$ 620,075
Amounts attributable to CSC Holdings, LLC's sole member:						
Income from continuing operations, net of income taxes	$ 1,678,580	$ (275,819)	$ 237,103	$ 344,393	$ 459,186	$ 289,364
Income (loss) from discontinued operations, net of income taxes	—	—	—	(12,541)	2,822	330,711
Net income (loss)	$ 1,678,580	$ (275,819)	$ 237,103	$ 331,852	$ 462,008	$ 620,075

(a) Includes restructuring costs of $199,257 and loss on extinguishment of debt and write-off of deferred financing costs of $102,894.

(b) Pursuant to the enactment of the Tax Reform Bill on December 22, 2017, CSC Holdings recorded a noncash deferred tax benefit of $2,008,313 to remeasure the net deferred tax liability to adjust for the reduction in the corporate income tax rate from 35% to 21% which is effective on January 1, 2018.

(c) Loss from discontinued operations for 2015 primarily reflects an expense related to the decision in a case relating to Rainbow Media Holdings LLC, a business whose operations were previously discontinued. Income from discontinued operations for 2014 resulted primarily from the settlement of a contingency related to Montana property taxes related to Bresnan Cable. Income from discontinued operations for 2013 primarily relates to (i) the operating results and related gain on the sale of Bresnan Cable of $253,090, (ii) the operating results and related loss on the sale of Clearview Cinemas of $(25,012), and (iii) the proceeds and costs related to the settlement of litigation with DISH Network, LLC of $102,636.

Balance Sheet Data:

	Cablevision Systems Corporation				
	(Dollars in thousands)				
	Successor		Predecessor		
	December 31,		December 31,		
	2017	2016	2015	2014	2013
Total assets (a)	$ 24,993,817	$ 26,176,709	$ 6,800,174	$ 6,682,021	$ 6,500,967
Credit facility debt (a)	3,393,306	2,631,887	2,514,454	2,769,153	3,745,625
Collateralized indebtedness	1,349,474	1,286,069	1,191,324	986,183	817,950
Senior notes and debentures (a)	8,228,004	9,474,898	5,801,011	5,784,213	5,068,926
Senior guaranteed notes	2,291,185	2,289,494	—	—	—
Notes payable	56,956	13,726	14,544	23,911	5,334
Capital lease obligations	20,333	25,343	45,966	46,412	31,290
Total debt (a)	15,339,258	15,721,417	9,567,299	9,609,872	9,669,125
Redeemable equity	197,128	43,378	—	8,676	9,294
Stockholders' equity (deficiency)	3,779,545	2,289,027	(4,911,316)	(5,041,469)	(5,284,330)
Noncontrolling interest	1,539	287	(268)	779	786
Total equity (deficiency)	3,781,084	2,289,314	(4,911,584)	(5,040,690)	(5,283,544)

	CSC Holdings, LLC				
	(Dollars in thousands)				
	Successor		Predecessor		
	December 31,	December 31,	December 31,		
	2017	2016	2015	2014	2013
Total assets (a)	$ 24,993,535	$ 26,176,335	$ 6,775,441	$ 6,598,820	$ 6,400,438
Credit facility debt (a)	3,393,306	2,631,887	2,514,454	2,769,153	3,745,625
Collateralized indebtedness	1,349,474	1,286,069	1,191,324	986,183	817,950
Senior notes and debentures (a)	6,409,889	6,732,816	3,032,252	3,024,411	2,281,814
Senior guaranteed notes	2,291,185	2,289,494	—	—	—
Notes payable	56,956	13,726	14,544	23,911	5,334
Capital lease obligations	20,333	25,343	45,966	46,412	31,290
Total debt (a)	13,521,143	12,979,335	6,798,540	6,850,070	6,882,013
Redeemable equity	197,128	43,378	—	8,676	9,294
Member's equity (deficiency)	5,354,032	4,629,865	(2,451,224)	(2,528,298)	(2,644,072)
Noncontrolling interest	1,539	287	(268)	779	786
Total equity (deficiency)	5,355,571	4,630,152	(2,451,492)	(2,527,519)	(2,643,286)

(a) Amounts for years ended December 31, 2015, 2014 and 2013 have been restated to reflect the adoption of Accounting Standards Update ("ASU") 2015-03, *Simplifying the Presentation of Debt Issuance Costs*.

(b) The December 31, 2017 and 2016 amounts reflect the step up to fair value resulting from the Cablevision Acquisition and includes additional debt assumed in connection with the Cablevision Acquisition. See Note 3 of the accompanying consolidated financial statements.

The following table sets forth certain customer metrics (unaudited):

	Years Ended December 31,			Net Increase (Decrease)	
	2017	2016	2015	2017	2016
	(in thousands, except per customer amounts)				
Homes passed (a)	5,164	5,116	5,076	48	40
Total customers relationships (b)(c)	3,156	3,141	3,116	15	25
Residential	2,893	2,879	2,858	14	21
Small and medium-sized business ("SMB")	263	262	258	1	4
Residential customers:					
Pay TV	2,363	2,428	2,487	(65)	(59)
Broadband	2,670	2,619	2,562	51	57
Telephony	1,965	1,962	2,007	3	(45)
Residential triple product customers penetration (d)	64.2%	64.8%	67.6%		
Penetration of homes passed (e):	61.1%	61.4%	61.4%		
Average Monthly revenue per residential customer (“ARPU”) (f)	$ 155.82	$ 154.49	$ 150.61		

(a) Represents the estimated number of single residence homes, apartments and condominium units passed by the cable distribution network in areas serviceable without further extending the transmission lines. In addition, it includes commercial establishments that have connected to our cable distribution network.

(b) Represents number of households/businesses that receive at least one of the Company's services.

(c) Customers represent each customer account (set up and segregated by customer name and address), weighted equally and counted as one customer, regardless of size, revenue generated, or number of boxes, units, or outlets. In calculating the number of customers, we count all customers other than inactive/disconnected customers. Free accounts are included in the customer counts along with all active accounts, but they are limited to a prescribed group. Most of these accounts are also not entirely free, as they typically generate revenue through pay-per-view or other pay services. Free status is not granted to regular customers as a promotion. In counting bulk residential customers, such as an apartment building, we count each subscribing family unit within the building as one customer, but do not count the master account for the entire building as a customer. We count a bulk commercial customer, such as a hotel, as one customer, and do not count individual room units at that hotel.

(d) Represents the number of customers that subscribe to three of our services divided by total residential customer relationships.

(e) Represents the number of total customer relationships divided by homes passed.

(f) Calculated by dividing the average monthly revenue for the respective quarter (fourth quarter for annual periods) presented derived from the sale of broadband, pay television and telephony services to residential customers for the respective quarter by the average number of total residential customers for the same period.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Annual Report contains statements that constitute forward-looking information within the meaning of the Private Securities Litigation Reform Act of 1995. In this Annual Report 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, future financial performance and future events identify forward-looking statements. Investors are cautioned that 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 the forward-looking statements as a result of various factors.

We operate in a highly competitive, consumer and technology driven and rapidly changing business that is affected by government regulation and economic, strategic, technological, political and social conditions. Various factors could adversely affect our operations, business or financial results in the future and cause our actual results to differ materially from those contained in the forward‑looking statements. In addition, important factors that could cause our actual results to differ materially from those in our forward‑looking statements include:

- competition for broadband, pay television and telephony customers from existing competitors (such as broadband communications companies, direct broadcast satellite ("DBS") providers and Internet‑based providers) and new competitors entering our footprint;
- changes in consumer preferences, laws and regulations or technology that may cause us to change our operational strategies;
- increased difficulty negotiating programming agreements on favorable terms, if at all, resulting in increased costs to us and/or the loss of popular programming;
- increasing programming costs and delivery expenses related to our products and services;
- our ability to achieve anticipated customer and revenue growth, to successfully introduce new products and services and to implement our growth strategy;
- our ability to complete our capital investment plans on time and on budget, including our plan to build a fiber-to-the-home ("FTTH") network, and deploy Altice One, our new home communications hub;
- our ability to develop and deploy mobile voice and data services pursuant to the agreement entered into with Sprint in the fourth quarter of 2017;
- the effects of economic conditions or other factors which may negatively affect our customers' demand for our products and services;
- the effects of industry conditions;
- demand for advertising on our cable systems;
- our substantial indebtedness and debt service obligations;
- adverse changes in the credit market;
- changes as a result of any tax reforms that may affect our business;
- financial community and rating agency perceptions of our business, operations, financial condition and the industries in which we operate;
- the restrictions contained in our financing agreements;
- our ability to generate sufficient cash flow to meet our debt service obligations;
- fluctuations in interest rates which may cause our interest expense to vary from quarter to quarter;
- technical failures, equipment defects, physical or electronic break‑ins to our services, computer viruses and similar problems;

- the disruption or failure of our network, information systems or technologies as a result of computer hacking, computer viruses, “cyber‑attacks,” misappropriation of data, outages, natural disasters and other material events;
- our ability to obtain necessary hardware, software, communications equipment and services and other items from our vendors at reasonable costs;
- our ability to effectively integrate acquisitions and to maximize expected operating efficiencies from our acquisitions or as a result of transactions, if any;
- significant unanticipated increases in the use of bandwidth‑intensive Internet‑based services;
- the outcome of litigation, government investigations and other proceedings;
- our ability to successfully operate our business following the completion of the separation of our parent, Altice USA from its parent, Altice N.V., a public company with limited liability (naamloze vennootshcap) under Dutch law, and
- other risks and uncertainties inherent in our cable and other broadband communications businesses and our other businesses, including those listed under the caption “Risk Factors” and "Management's Discussion and Analysis of Financial Condition and Results of Operations" incorporated by reference or contained herein.

We disclaim any obligation to update or revise the forward-looking statements contained herein, whether a result of new information, future events, changes in our expectations or otherwise.

Certain numerical figures included in this annual report have been subject to rounding adjustments. Accordingly, such numerical figures shown as totals in various tables may not be arithmetic aggregations of the figures that precede them.

CABLEVISION SYSTEMS CORPORATION

All dollar amounts, except per customer and per share data, included in the following discussion under this Item 7, are presented in thousands.

Summary

Our future performance is dependent, to a large extent, on the impact of direct competition, general economic conditions (including capital and credit market conditions), our ability to manage our businesses effectively, and our relative strength and leverage in the marketplace, both with suppliers and customers. For more information see "Risk Factors," and "Business-Competition" incorporated by reference herein.

The Cablevision Acquisition

On June 21, 2016 (the "Cablevision Acquisition Date"), pursuant to the Agreement and Plan of Merger (the "Merger Agreement"), dated as of September 16, 2015, by and among Cablevision, Altice N.V. ("Altice N.V."), Neptune Merger Sub Corp., a wholly-owned subsidiary of Altice N.V. ("Merger Sub"), Merger Sub merged with and into Cablevision, with Cablevision surviving the merger (the "Cablevision Acquisition").

In connection with the Cablevision Acquisition, each outstanding share of the Cablevision NY Group Class A common stock, par value $0.01 per share ("CNYG Class A Shares"), and Cablevision NY Group Class B common stock, par value $0.01 per share ("CNYG Class B Shares", and together with the CNYG Class A Shares, the "Shares") other than (i) Shares owned by Cablevision, Altice N.V. or any of their respective wholly-owned subsidiaries, in each case not held on behalf of third parties in a fiduciary capacity, received $34.90 in cash without interest, less applicable tax withholdings (the "Cablevision Acquisition Consideration").

Pursuant to an agreement, dated December 21, 2015, by and among CVC 2 B.V., CIE Management IX Limited, for and on behalf of the limited partnerships BC European Capital IX-1 through 11 and Canada Pension Plan Investment Board, certain affiliates of BCP and CPPIB (the "Co-Investors") funded approximately $1,000,000 toward the payment of the aggregate Cablevision Acquisition Consideration, and indirectly acquired approximately 30% of the Shares of Cablevision.

Also in connection with the Cablevision Acquisition, outstanding equity-based awards granted under Cablevision's equity plans were cancelled and converted into cash based upon the $34.90 per Share Cablevision Acquisition price in accordance with the original terms of the awards. The total consideration for the outstanding CNYG Class A Shares, the outstanding CNYG Class B Shares, and the equity-based awards amounted to $9,958,323.

In October 2015, Neptune Finco Corp. ("Finco"), an indirect wholly-owned subsidiary of Altice N.V. formed to complete the financing described herein and the merger with CSC Holdings, borrowed an aggregate principal amount of $3,800,000 under a term loan facility (the "Term Credit Facility") and entered into revolving loan commitments in an aggregate principal amount of $2,000,000 (the "Revolving Credit Facility" and, together with the Term Credit Facility, the "Credit Facilities").

Finco also issued $1,800,000 aggregate principal amount of 10.125% senior notes due 2023 (the "2023 Notes"), $2,000,000 aggregate principal amount of 10.875% senior notes due 2025 (the "2025 Notes"), and $1,000,000 aggregate principal amount of 6.625% senior guaranteed notes due 2025 (the "2025 Guaranteed Notes") (collectively the "Cablevision Acquisition Notes").

On June 21, 2016, immediately following the Cablevision Acquisition, Finco merged with and into CSC Holdings, with CSC Holdings surviving the merger (the "CSC Holdings Merger"), and the Cablevision Acquisition Notes and the Credit Facilities became obligations of CSC Holdings. The 2025 Guaranteed Notes are guaranteed on a senior basis by each restricted subsidiary of CSC Holdings (other than CSC TKR, LLC and its subsidiaries, which own and operate the New Jersey cable television systems, Cablevision Lightpath, Inc. and any subsidiaries of CSC Holdings that are "Excluded Subsidiaries" under the indenture governing the 2025 Guaranteed Notes) (such subsidiaries, the "Initial Guarantors") and the obligations under the Credit Facilities are (i) guaranteed on a senior basis by each Initial Guarantor and (ii) secured on a first priority basis by capital stock held by CSC Holdings and the guarantors in certain subsidiaries of CSC Holdings, subject to certain exclusions and limitations.

Altice N.V. used the proceeds from the Term Credit Facility and the Cablevision Acquisition Notes, together with an equity contribution from Altice N.V. and its Co-Investors and existing cash at Cablevision, to (a) finance the Cablevision Acquisition, (b) refinance the credit agreement, dated as of April 17, 2013 (the "Previous Credit Facility"), among CSC Holdings, certain subsidiaries of CSC Holdings and the lenders party thereto, (c) repay the senior secured credit agreement, dated as of October 12, 2012, among Newsday LLC, CSC Holdings, and the lenders party thereto (the "Previous Newsday Credit Facility"), and (d) pay related fees and expenses.

Overview

Our Business

We deliver broadband, pay television, telephony services, proprietary content and advertising services to approximately 3.2 million residential and business customers. Our footprint extends across 4 states through a fiber-rich broadband network with approximately 5.2 million homes passed as of December 31, 2017. We provide broadband, pay television and telephony services to residential and business customers in and around the New York metropolitan area.

Key Factors Impacting Operating Results and Financial Condition

Our future performance is dependent, to a large extent, on the impact of direct competition, general economic conditions (including capital and credit market conditions), our ability to manage our businesses effectively, and our relative strength and leverage in the marketplace, both with suppliers and customers. For more information see “Risk Factors,” and “Business-Competition” incorporated by reference herein.

We derive revenue principally through monthly charges to residential customers of our pay television, broadband, and telephony services. We also derive revenue from equipment rental, digital video recorder ("DVR"), video-on-demand ("VOD"), pay-per-view, installation and home shopping commissions. Our residential pay television, broadband, and telephony services accounted for approximately 47%, 24% and 10%, respectively, of our consolidated revenue for the year ended December 31, 2017. We also derive revenue from the sale of a wide and growing variety of products and services to both large enterprise and small and medium-sized business ("SMB") customers, including broadband, telephony, networking and pay television services. For the year ended December 31, 2017, 14% of our consolidated revenue was derived from these business services. In addition, we derive revenues from the sale of advertising time available on the programming carried on our cable television systems, which accounted for approximately 5% of our consolidated revenue for the year ended December 31, 2017. Our other revenue for the year ended December 31, 2017 accounted for less than 1% of our consolidated revenue.

Revenue increases are derived from rate increases, increases in the number of customers to our services, including additional services sold to our existing customers, programming package upgrades by our pay television customers, speed tier upgrades by our broadband customers, and acquisitions of cable systems that result in the addition of new customers.

Our ability to increase the number of customers to our services is significantly related to our penetration rates.

We operate in a highly competitive consumer-driven industry and we compete against a variety of broadband, pay television and telephony providers and delivery systems, including broadband communications companies, wireless data and telephony providers, satellite-delivered video signals, Internet-delivered video content and broadcast television signals available to residential and business customers in our service areas. Consumers’ selection of an alternate source of service, whether due to economic constraints, technological advances or preference, negatively impacts the demand for our services.

For more information on our competitive landscape, see “Risk Factors” and “Business-Competition” incorporated by reference herein.

Our programming costs, which are the most significant component of our operating expenses, have increased and are expected to continue to increase primarily as a result of contractual rate increases and new channel launches. See “-Results of Operations” below for more information regarding our key factors impacting our revenues and operating expenses.

Historically, we have made substantial investments in our network and the development of new and innovative products and other service offerings for our customers as a way of differentiating ourselves from our competitors and may continue to do so in the future. We have commenced a plan to build a FTTH network, which will enable us to deliver more than

10 Gbps broadband speeds across our entire footprint. We may incur greater than anticipated capital expenditures in connection with this initiative, fail to realize anticipated benefits, experience delays and business disruptions or encounter other challenges to executing it as planned. See "-Liquidity and Capital Resources-Capital Expenditures" for additional information regarding our capital expenditures.

Certain Transactions

In addition to the Cablevision Acquisition, the following transactions occurred during the periods covered by this Management's Discussion and Analysis of Financial Condition and Results of Operations:

Newsday Transaction

In September 2015, the Company purchased the minority interest in Newsday Holdings LLC ("Newsday Holdings") held by Tribune Media Company ("Tribune") for approximately $8,300. As a result of this transaction, Newsday Holdings became a wholly-owned subsidiary of the Company.

In July 2016, the Company completed the sale of a 75% interest in Newsday LLC. The Company retained the remaining 25% ownership interest. Effective July 7, 2016, the operating results of Newsday are no longer consolidated with those of the Company and the Company's 25% interest in the operating results of Newsday is recorded on the equity basis.

Consolidated Results of Operations - Cablevision Systems Corporation

Basis of Presentation

As a result of push down accounting in connection with the Cablevision Acquisition, Cablevision's and CSC Holdings' financial statements are presented in two distinct periods to indicate the application of the different bases of accounting between the periods presented: (1) the period up to the Cablevision Acquisition date, January 1, 2016 through June 20, 2016 and the year ended December 31, 2015, labeled "Predecessor" and (2) the period from the Cablevision Acquisition date, June 21, 2016 through December 31, 2016 and the year ended December 31, 2017 labeled "Successor". The Predecessor periods represent the financial information of the Company prior to the Cablevision Acquisition, while the Successor periods represent the financial information of the Company subsequent to the Cablevision Acquisition. The accompanying selected financial data includes a black line division to indicate the application of the bases of accounting utilized by the Predecessor and Successor reporting entities. As a result, the financial information for the Predecessor periods and for the Successor periods are not comparable.

We are presenting the combined results for the 2016 period for discussion purposes as we believe the combined results of operations are more meaningful as it allows the results of operations to be analyzed to a comparable period in 2015. Exceptions to this include depreciation and amortization, interest expense, net, and income tax expense, which had significant impacts as a result of the application of push down accounting in connection with the Cablevision Acquisition, but are separately discussed below.

Certain reclassifications have been made in the 2015 and 2016 financial statements to conform to the 2017 presentation.

Non-GAAP Financial Measures

We define Adjusted EBITDA, which is a non-GAAP financial measure, as net income (loss) excluding income taxes, income (loss) from discontinued operations, non-operating other income or expenses, loss on extinguishment of debt and write-off of deferred financing costs, gain (loss) on equity derivative contracts, gain (loss) on investments, interest expense (including cash interest expense), interest income, depreciation and amortization (including impairments), share-based compensation expense or benefit, restructuring expense or credits and transaction expenses. We present Adjusted EBITDA as a measure of our ability to service our debt and make continuing investments, including in our capital infrastructure. We believe Adjusted EBITDA is an appropriate measure for evaluating the operating performance of the Company. Adjusted EBITDA and similar measures with similar titles are common performance measures used by investors, analysts and peers to compare performance in our industry. Internally, we use revenue and Adjusted EBITDA measures as the most important indicators of our business performance, and evaluate management's effectiveness with specific reference to these indicators. Adjusted EBITDA 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 U.S. generally accepted accounting principles ("GAAP"). Since Adjusted EBITDA 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. Each presentation of Adjusted EBITDA in this Annual Report includes a reconciliation of Adjusted EBITDA to net income (loss).

	Successor		Predecessor		Predecessor
	Year Ended December 31, 2017	June 21, 2016 to December 31, 2016	January 1, 2016 to June 20, 2016	Combined 2016 Period(a)	Year Ended December 31, 2015
Revenue:					
Residential:					
Pay TV	$ 3,113,238	$ 1,638,691	$ 1,468,006	$ 3,106,697	$ 3,142,991
Broadband	1,603,015	782,615	673,010	1,455,625	1,303,918
Telephony	693,478	376,034	342,142	718,176	748,181
Business services and wholesale	923,161	468,632	411,102	879,734	834,154
Advertising	321,149	163,678	125,419	289,097	263,839
Other	10,747	14,402	117,925	132,327	252,462
Total Revenue	6,664,788	3,444,052	3,137,604	6,581,656	6,545,545
Operating expenses:					
Programming and other direct costs	2,280,062	1,164,925	1,088,555	2,253,480	2,269,290
Other operating expenses	1,675,665	1,028,447	1,136,970	2,165,417	2,546,319
Restructuring and other expense	112,384	212,150	22,223	234,373	16,213
Depreciation and amortization (including impairments)	2,251,614	963,665	414,550	1,378,215	865,252
Operating income	345,063	74,865	475,306	550,171	848,471
Other income (expense):					
Interest expense, net	(1,101,463)	(606,347)	(285,508)	(891,855)	(584,839)
Gain (loss) on investments, net	237,354	141,896	129,990	271,886	(30,208)
Gain (loss) on equity derivative contracts, net	(138,920)	(53,696)	(36,283)	(89,979)	104,927
Loss on extinguishment of debt and write-off of deferred financing costs	(57,833)	(102,894)	—	(102,894)	(1,735)
Other income (expense), net	(1,788)	4,329	4,855	9,184	6,045
Income (loss) from continuing operations before income taxes	(717,587)	(541,847)	288,360	(253,487)	342,661
Income tax benefit (expense)	2,209,658	213,065	(124,848)	88,217	(154,872)
Income (loss) from continuing operations, net of income taxes	1,492,071	(328,782)	163,512	(165,270)	187,789
Loss from discontinued operations, net of income taxes	—	—	—	—	(12,541)
Net income (loss)	1,492,071	(328,782)	163,512	(165,270)	175,248
Net loss (income) attributable to noncontrolling interests	(1,587)	(551)	236	(315)	201
Net income (loss) attributable to Cablevision Systems Corporation stockholder(s)	$ 1,490,484	$ (329,333)	$ 163,748	$ (165,585)	$ 175,449

(a) The Combined 2016 Period results include the operating results for the period January 1, 2016 to June 20, 2016 (Predecessor period) and for the period June 21, 2016 through December 31, 2016 (Successor period).

The following is a reconciliation of net income (loss) to Adjusted EBITDA:

	Successor		Predecessor		Predecessor
	Year Ended December 31, 2017	June 21, 2016 to December 31, 2016	January 1, 2016 to June 20, 2016	Combined 2016 Period (a)	Year Ended December 31, 2015
Net income (loss)	$ 1,492,071	$ (328,782)	$ 163,512	$ (165,270)	$ 175,248
Loss from discontinued operations, net of income taxes	—	—	—	—	12,541
Income tax expense (benefit)	(2,209,658)	(213,065)	124,848	(88,217)	154,872
Other income (expense), net	1,788	(4,329)	(4,855)	(9,184)	(6,045)
Loss on extinguishment of debt and write-off of deferred financing costs	57,833	102,894	—	102,894	1,735
Loss (gain) on equity derivative contracts, net	138,920	53,696	36,283	89,979	(104,927)
Loss (gain) on investments, net	(237,354)	(141,896)	(129,990)	(271,886)	30,208
Interest expense, net	1,101,463	606,347	285,508	891,855	584,839
Depreciation and amortization (including impairments)	2,251,614	963,665	414,550	1,378,215	865,252
Restructuring and other expense (b)	112,384	212,150	22,223	234,373	16,213
Share-based compensation	42,060	9,164	25,231	34,395	65,286
Adjusted EBITDA	$ 2,751,121	$ 1,259,844	$ 937,310	$ 2,197,154	$ 1,795,222

(a) The Combined 2016 Period results include the operating results for the period January 1, 2016 to June 20, 2016 (Predecessor period) and for the period June 21, 2016 through December 31, 2016 (Successor period).

(b) Includes transaction costs of $2,343, $32,844 and $17,862 for 2017, combined 2016 and 2015, respectively.

	Years Ended December 31,			Net Increase (Decrease)	
	2017	2016	2015	2017	2016
	(in thousands, except per customer amounts)				
Homes passed (a)	5,164	5,116	5,076	48	40
Total customer relationships (b)(c)	3,156	3,141	3,116	15	25
Residential	2,893	2,879	2,858	14	21
SMB	263	262	258	1	4
Residential customers:					
Pay TV	2,363	2,428	2,487	(65)	(59)
Broadband	2,670	2,619	2,562	51	57
Telephony	1,965	1,962	2,007	3	(45)
Residential triple product customer penetration (d):	64.2%	64.8%	67.6%		
Penetration of homes passed (e):	61.1%	61.4%	61.4%		
ARPU(f)	$ 155.82	$ 154.49	$ 150.61		

(a) Represents the estimated number of single residence homes, apartments and condominium units passed by the cable distribution network in areas serviceable without further extending the transmission lines. In addition, it includes commercial establishments that have connected to our cable distribution network.

(b) Represents number of households/businesses that receive at least one of the Company's services.

(c) Customers represent each customer account (set up and segregated by customer name and address), weighted equally and counted as one customer, regardless of size, revenue generated, or number of boxes, units, or outlets. In calculating the number of customers, we count all customers other than inactive/disconnected customers. Free accounts are included in the customer counts along with all active accounts, but they are limited to a prescribed group. Most of these accounts are also not entirely free, as they typically generate revenue through pay-per-view or other pay services and certain equipment fees. Free status is not granted to regular customers as a promotion. In counting bulk residential customers, such as an apartment building, we count each subscribing family unit within the building as one customer, but do not count the master

account for the entire building as a customer. We count a bulk commercial customer, such as a hotel, as one customer, and do not count individual room units at that hotel.

(d) Represents the number of customers that subscribe to three of our services divided by total residential customer relationships.

(e) Represents the number of total customer relationships divided by homes passed.

(f) Calculated by dividing the average monthly revenue for the respective quarter (fourth quarter for annual periods) derived from the sale of broadband, pay television and telephony services to residential customers for the respective quarter by the average number of total residential customers for the same period.

Pay TV Revenue

Pay television revenue increased $6,541 in 2017 compared to the combined year ended December 31, 2016 due primarily to rate increases for certain video services implemented in the fourth quarter of 2016 and 2017, an increase in late fees and an increase in pay-per-view revenue. Partially offsetting these increases was a decrease in revenue as compared to the prior year due to a decline in pay television customers.

Pay television revenue decreased $36,294 (1%) for the combined year ended December 31, 2016 as compared to the prior year due primarily to a decline in video customers and a decrease due to a pay-per-view boxing event that took place in 2015. Partially offsetting these decreases were increases in revenue as compared to the prior year due primarily to rate increases for certain video services implemented during the first quarter of 2016 and an increase in fees charged to restore suspended services.

We believe our pay television customer declines noted in the table above are largely attributable to intense competition, particularly from Verizon, as well as competition from companies that deliver video content over the Internet directly to customers. These factors are expected to continue to impact our ability to maintain or increase our existing customers and revenue in the future.

Broadband Revenue

Broadband revenue increased $147,390 (10%) in 2017 compared to the combined year ended December 31, 2016 as a result of higher average recurring broadband revenue per broadband customer (driven by rate increases, the impact of service level changes, and an increase in late fees) and an increase in broadband customers.

Broadband revenue increased $151,707 (12%) for the combined year ended December 31, 2016 as compared to the prior year due to rate increases for certain broadband data services implemented during the first quarter of 2016, an increase in high-speed data customers, and an increase in fees charged to restore suspended services.

Telephony Revenue

Telephony revenue decreased $24,698 (3%) in 2017 compared to the combined year ended December 31, 2016 due primarily to lower average revenue per telephony customer and a decline in international calling.

Telephony revenue decreased $30,005 (4%) for the combined year ended December 31, 2016 as compared to the prior year due primarily to a decline in voice customers and a decline in international calling.

Business Services Revenue

Business services revenue increased $43,427 (5%) in 2017 compared to the combined year ended December 31, 2016 primarily due to higher average recurring telephony and broadband revenue per SMB customer and an increase in Ethernet revenue resulting from a larger number of services installed, partially offset by reduced traditional voice and data services for commercial customers.

Business services revenue increased $45,580 (5%) for the combined year ended December 31, 2016 as compared to the prior year primarily due to rate increases for certain high-speed data services implemented during the first quarter of 2016, an increase in high-speed data customers and an increase in Ethernet revenue from an increase in services installed, partially offset by reduced traditional voice and data services.

Advertising Revenue

Advertising revenue increased $32,052 (10%) in 2017 compared to the combined year ended December 31, 2016 due primarily to an increase in digital advertising revenue and an increase in data and analytics revenue, partially offset by a decrease in political advertising.

Advertising revenue increased $25,258 (6%) for the combined year ended December 31, 2016 as compared to the prior year due primarily to an increase in advertising sales to the political sector.

Other Revenue

Other revenue, which primarily includes revenue recognized by Newsday and affiliation fees paid by cable operators for carriage of our News 12 Networks, decreased $121,580 (92%) in 2017 compared to the combined year ended December 31, 2016 primarily due to the Company no longer consolidating the operating results of Newsday as a result of the sale of a 75% interest in Newsday, effective July 7, 2016 (the "Newsday Sale"). The Company's 25% interest in the operating results of Newsday is recorded on the equity basis.

Other revenue decreased $120,135 (48%) for the combined year ended December 31, 2016 as compared to 2015 primarily due to the Newsday Sale.

Programming and Other Direct Costs

Programming and other direct costs include cable programming costs, which are costs paid to programmers (net of amortization of any incentives received from programmers for carriage) for cable content (including costs of video-on-demand and pay-per-view) and are generally paid on a per-subscriber basis. These costs typically rise due to increases in contractual rates and new channel launches and are also impacted by changes in the number of customers receiving certain programming services. These costs also include interconnection, call completion, circuit and transport fees paid to other telecommunication companies for the transport and termination of voice and data services, which typically vary based on rate changes and the level of usage by our customers. These costs also include franchise fees which are payable to the state governments and local municipalities where we operate and are primarily based on a percentage of certain categories of revenue derived from the provision of cable television service over our cable systems, which vary by state and municipality. These costs change in relation to changes in such categories of revenues or rate changes. Through July 7, 2016, these costs also included content, production and distribution costs of the Newsday business.

Programming and other direct costs increased $26,582 (1%) in 2017 as compared to the combined year ended December 31, 2016 and decreased $15,810 (1%) for the combined year ended December 31, 2016 as compared to the year ended December 31, 2015. The net increase (decrease) is attributable to the following:

	2017
Increase in programming costs due primarily to contractual rate increases and an increase in pay-per-view costs primarily from an event in August 2017, partially offset by lower pay television customers and lower video-on-demand costs	$ 61,623
Increase in costs of digital media advertising spots for resale	23,601
Decrease in costs primarily related to the sale of Newsday in July 2016	(33,888)
Decrease in call completion and transport costs primarily due to lower level of activity	(17,881)
Decrease in cost of sales (which includes the bulk sale of handset inventory of $5,445 during the first quarter of 2016)	(9,945)
Other net increases	3,072
	$ 26,582

	Combined 2016
Decrease in costs primarily related to the sale of Newsday in July 2016	$ (54,133)
Decrease in call completion and transport costs primarily due to lower level of activity	(20,443)
Decrease in cost of sales (which includes a lower cost or market valuation adjustment of $17,382 related to wireless handset inventory from 2015, partially offset by the bulk of sale of handset inventory of $5,445 during the first quarter of 2016)	(10,238)
Increase in franchise and other fees due primarily to increases in rates in certain areas, partially offset by lower video customers	3,140
Increase in programming costs due primarily to contractual rate increases and a pay-per-view boxing event in 2015, partially offset by lower video customers	65,760
Other net increases	104
	$ (15,810)

Programming costs aggregated $1,923,535, $1,861,912, and $1,812,945 for the year ended December 31, 2017, the combined 2016 period, and the year ended December 31, 2015, respectively. Our programming costs increased 3% for the year ended December 31, 2017 and for the combined year ended December 31, 2016 due primarily to an increase in contractual programming rates, partially offset by a decrease in pay television customers. Our programming costs in 2018 will continue to be impacted by changes in programming rates, which we expect to increase by high single digits, and by changes in the number of pay television customers.

Other Operating Expenses

Other operating expenses include staff costs and employee benefits including salaries of company employees and related taxes, benefits and other employee related expenses. Other operating expenses also include network management and field service costs, which represent costs associated with the maintenance of our broadband network, including costs of certain customer connections and other costs associated with providing and maintaining services to our customers.

Customer installation and repair and maintenance costs may fluctuate as a result of changes in the level of activities and the utilization of contractors as compared to employees. Also, customer installation costs fluctuate as the portion of our expenses that we are able to capitalize changes. Costs associated with the initial deployment of new customer premise equipment ("CPE") necessary to provide broadband, pay television and telephony services are capitalized. Prior to the Cablevision Acquisition, the Company estimated the amount of capitalized installation costs based on whether or not the business or residence had been previously connected to the network. Network repair and maintenance and utility costs also fluctuate as capitalizable network upgrade and enhancement activity changes.

In connection with the execution of an agreement with Altice Technical Services US Corp. ("ATS") in the second quarter of 2017 (see Note 14 of our consolidated financial statements), our operating results reflect a reduction in employee related expenses due to certain employees becoming employed by ATS and an increase in contractor costs for services provided by ATS. See further details in the table below.

Other operating expenses also include costs related to the operation and maintenance of our call center facilities that handle customer inquiries and billing and collection activities and sales and marketing costs, which include advertising production and placement costs associated with acquiring and retaining customers. These costs vary period to period and certain of these costs, such as sales and marketing, may increase with intense competition. Additionally, other operating expenses include various other administrative costs, including legal fees, and product development costs.

Other operating expenses decreased $489,752 (23%) in 2017 as compared to the combined year ended December 31, 2016 and decreased $380,902 (15%) for the combined year ended December 31, 2016 as compared to the year ended December 31, 2015. The net decreases are attributable to the following:

	2017
Decrease primarily in employee related costs related to the elimination of certain positions (including the impact of the decline in headcount resulting from the ATS agreement), and lower net benefits, partially offset by merit increases	$ (457,528)
Decrease in costs primarily related to the sale of Newsday in July 2016	(95,262)
Decrease primarily related to maintenance agreements for equipment, as well as lower repairs and maintenance costs relating to our operations	(69,053)
Decrease in rent and insurance (including the impact of the ATS agreement)	(24,138)
Increase in contractor costs due primarily to the execution of the ATS agreement	114,519
Increase in sales and marketing costs	18,033
Increase in bad debt expense	10,325
Increase in Altice N.V. management fee (twelve months in 2017 compared to approximately six months in 2016)	9,444
Other net increases	3,908
	$ (489,752)

	Combined 2016
Decrease primarily in employee related costs related to the elimination of certain positions, lower net benefits and an increase in capitalizable activity, partially offset by merit increases	$ (190,274)
Decrease in costs primarily related to the sale of Newsday in July 2016	(73,650)
Decrease in expenses related to long-term incentive plan awards	(14,827)
Decrease in share-based compensation	(26,788)
Decrease in legal costs	(23,878)
Decrease in sales and marketing costs	(20,875)
Decrease in repairs and maintenance costs relating to our operations and facilities	(17,153)
Decrease in contractor costs due primarily to lower truck rolls	(10,611)
Settlement of a class action legal matter	(9,500)
Decrease in product development costs and product consulting fees	(4,215)
Increase in Altice N.V. management fee for certain executive services	10,556
Other net increases	313
	$ (380,902)

Restructuring and Other Expense

Restructuring and other expense for the year ended December 31, 2017 amounted to $112,384 and for the combined year ended December 31, 2016 amounted to $234,373, which include restructuring expense of $110,040 and $201,529, respectively, and transaction costs of $2,343 and $32,844, respectively. The restructuring expense is primarily related to severance and other employee related costs resulting from headcount reductions related to initiatives which commenced in the Successor period that are intended to simplify the Company's organizational structure. We currently anticipate that additional restructuring expenses will be recognized as we continue to analyze our organizational structure. The transactions costs in 2017 related to the acquisition of a business during the first quarter of 2017 and other transactions and the transaction costs for the combined year 2016 related to the Cablevision Acquisition.

The restructuring and other expense for 2015 of $16,213 includes merger related transaction costs of $17,862, net of adjustments related to prior restructuring plans of $1,649.

Depreciation and Amortization

Depreciation and amortization (including impairments) increased $873,399 (63%) for the year ended December 2017 and $512,963 (59%) for the combined year ended December 31, 2016. The net increase of $873,399 in 2017 is primarily

attributable to the acceleration of amortization of our trade name intangible asset in connection with the announcement by Altice N.V. on May 23, 2017, of the adoption of a global brand to replace the Optimum brand in the future, as well as depreciation on new asset additions. In December 2017, the Company made a decision to postpone the adoption of a global brand that would have replaced the Optimum brand, increasing the useful life of the Optimum trade name intangible asset to 5 years, which will reduce the future annual amortization expense related to the Optimum trade name.

The net increase in 2016 is primarily due to depreciation and amortization expense recorded during the Successor period related to the step-up in the carrying value of property, plant and equipment and amortizable intangible assets recorded in connection with the Cablevision Acquisition, partially offset by certain assets being retired or becoming fully depreciated.

Adjusted EBITDA

Adjusted EBITDA increased $553,967 (25%) for the year ended December 31, 2017 as compared to the combined year ended December 31, 2016 and $401,932 (22%) for the combined year ended December 31, 2016 as compared to the prior year. The increases were due primarily to an increase in revenue, and a decrease in operating expenses (excluding depreciation and amortization, restructuring and other expense and share-based compensation), as discussed above.

Interest Expense, net

Interest expense, net increased $209,608 (24%) for the year ended December 31, 2017 as compared to the combined year ended December 31, 2016 and $307,016 (52%) for the combined year ended December 31, 2016 as compared to the prior year. The net increases are attributable to the following:

	2017	Combined 2016
Increase due to change in average debt balances	$ 185,666	$ 237,119
Increase due to changes in average interest rates on our indebtedness	24,427	70,837
Lower (higher) interest income	2,089	(1,942)
Other net increases (decreases), primarily from the amortization of deferred financing costs	(2,574)	1,002
	$ 209,608	$ 307,016

See "Liquidity and Capital Resources" discussion below for a detail of our borrower groups.

Gain (Loss) on Investments, net

Gain (loss) on investments, net of $237,354 for the year ended December 31, 2017, $271,886 for the combined year ended December 31, 2016 and $(30,208) for the year ended December 31, 2015 consists primarily of the increase (decrease) in the fair value of Comcast common stock owned by the Company. The effects of these gains are partially offset by the losses on the related equity derivative contracts, net described below.

Gain (Loss) on Equity Derivative Contracts, net

Gain (loss) on equity derivative contracts, net of $(138,920) for the year ended December 31, 2017, $(89,979) for the combined year ended December 31, 2016 and $104,927 for the year ended December 31, 2015 consists of unrealized and realized gains (losses) due to the change in fair value of the Company's equity derivative contracts relating to the Comcast common stock owned by the Company. The effects of these gains (losses) are offset by the (losses) gains on investment securities pledged as collateral, which are included in gain (loss) on investments, net discussed above.

Loss on Extinguishment of Debt and Write-off of Deferred Financing Costs

Loss on extinguishment of debt and write-off of deferred financing costs amounted to $57,833 for the year ended December 31, 2017, $102,894 for the combined year ended December 31, 2016 and $1,735 for the year ended December 31, 2015. The 2017 amount includes $18,976 related to the CSC Holdings' Credit Facility Extension Amendment (see Note 9 to the consolidated financial statements) and the redemption of senior notes and $38,857 related to premiums paid upon the early repayment of certain senior notes outstanding. The 2016 amount includes the write-off of unamortized deferred financing costs and the unamortized discount related to the prepayment of $1,290,500 outstanding under the Term Credit Facility (see discussion below).

The 2015 amount includes the write-off of unamortized deferred financing costs and the unamortized discount related to the $200,000 repayment of CSC Holdings Term B loan facility.

Income Tax Expense

The Company recorded income tax benefit of $2,209,658 for the year ended December 31, 2017. Pursuant to the enactment of the Tax Cuts & Jobs Act ("Tax Reform") on December 22, 2017, the Company recorded a noncash deferred tax benefit of $1,915,286 to remeasure the net deferred tax liability to adjust for the reduction in the corporate federal income tax rate from 35% to 21% which is effective on January 1, 2018. Nondeductible share-based compensation expense for the year ended December 31, 2017 reduced income tax benefit by $16,799.

Income tax benefit (expense) amounted to $213,065 for the period from June 21, 2016 through December 31, 2016 and $(124,848) for the period from January 1, 2016 through June 20, 2016. In the Successor period, excluding the impact of the nondeductible share-based compensation related to the Company's carry unit plan of $3,208, the effective tax rate would have been 40%. In the Predecessor period, certain Cablevision Acquisition-related costs were determined to be nondeductible, resulting in additional deferred tax expense of $9,392. Absent this item, the effective tax rate would have been 40%.

Income tax expense of $154,872 for the year ended December 31, 2015, reflected an effective tax rate of 45%. In April 2015, corporate income tax changes were enacted for both New York State and the City of New York. Those changes included a provision whereby investment income will be subject to higher taxes. Accordingly, in the second quarter of 2015, Cablevision recorded deferred tax expense of $16,334 to remeasure the deferred tax liability for the investment in Comcast common stock and associated derivative securities. Also in 2015, Cablevision recorded tax benefit of $2,630 related to research credits. Absent these items, the effective tax rate for the year ended December 31, 2015 would have been 41%.

Loss From Discontinued Operations

Loss from discontinued operations for the year ended December 31, 2015 amounted to $12,541, net of income taxes, and primarily reflects an expense related to the decision in a case relating to Rainbow Media Holdings LLC, a business whose operations were previously discontinued.

CSC HOLDINGS, LLC

The consolidated statements of operations of CSC Holdings are essentially identical to the consolidated statements of operations of Cablevision, except for the following:

	Successor		Predecessor	Combined	Predecessor
	Year Ended December 31, 2017	June 21, 2016 through December 31, 2016	January 1, 2016 through June 20, 2016	Year ended December 31, 2016	Year ended December 31, 2015
Net income (loss) attributable to Cablevision Systems Corporation stockholders	$ 1,490,484	$ (329,333)	$ 163,748	$ (165,585)	$ 175,449
Interest expense relating to Cablevision senior notes included in Cablevision's consolidated statements of operations	157,738	94,805	105,492	200,297	222,861
Interest income related to cash held at Cablevision	—	(1)	(19)	(20)	(28)
Interest income included in CSC Holdings' consolidated statements of operations related to interest on Cablevision's senior notes held by Newsday Holdings, through the date of sale in July 2016 (this interest income is eliminated in the consolidated statements of operations of Cablevision)	—	1,335	22,692	24,027	48,054
Loss on extinguishment of debt relating to Cablevision senior notes	6,300	—	—	—	—
Income tax expense (benefit) included in Cablevision's consolidated statements of operations	24,058	(42,625)	(54,810)	(97,435)	(114,484)
Net income (loss) attributable to CSC Holdings, LLC's sole member	$ 1,678,580	$ (275,819)	$ 237,103	$ (38,716)	$ 331,852

Refer to Cablevision's Management's Discussion and Analysis of Financial Condition and Results of Operations herein.

LIQUIDITY AND CAPITAL RESOURCES

Cablevision

Cablevision has no operations independent of its subsidiaries. Cablevision's outstanding debt securities consist of $1,899,024 face value of senior notes and debentures, which are held by third party investors.

Funding for Our Debt Service Requirements

Funding for the debt service requirements of our debt securities has been provided by our subsidiaries' operations, principally CSC Holdings, as permitted by the covenants governing CSC Holdings' credit agreements and indentures. Funding for our subsidiaries has generally been provided by cash flow from operations, cash on hand and borrowings under the Restricted Group (as later defined) revolving credit facility, proceeds from the issuance of securities and borrowings under syndicated term loans in the capital markets. Our decision as to the use of cash generated from operating activities, cash on hand, borrowings under the Restricted Group revolving credit facility or accessing the capital markets has been based upon an ongoing review of the funding needs of the business, the optimal allocation of cash resources, the timing of cash flow generation and the cost of borrowing under the revolving credit facility, debt securities and syndicated term loans. We have accessed the debt markets for significant amounts of capital in the past (including in connection with the Cablevision Acquisition) and expect to do so in the future.

We expect to utilize free cash flow and availability under the Restricted Group revolving credit facility, as well as future refinancing transactions to further extend the maturities of, or reduce the principal on, our debt obligations. The timing and terms of any refinancing transactions will be subject to, among other factors, market conditions. Additionally, we may, from time to time, depending on market conditions and other factors, use cash on hand and the proceeds from other borrowings to repay the outstanding debt securities through open market purchases, privately negotiated purchases, tender offers, or redemption provisions.

We believe existing cash balances, operating cash flows and availability under the Restricted Group revolving credit facility will provide adequate funds to support our current operating plan, make planned capital expenditures and fulfill our debt service requirements for the next twelve months. However, our ability to fund our operations, make planned capital expenditures, make scheduled payments on our indebtedness and repay our indebtedness depends on our future operating performance and cash flows and our ability to access the capital markets, which, in turn, are subject to prevailing economic conditions and to financial, business and other factors, some of which are beyond our control. Our collateralized debt maturing in the next 12 months will be settled with proceeds from monetization contracts entered into pursuant to the Synthetic Monetization Closeout discussed below. However, competition, market disruptions or a deterioration in economic conditions could lead to lower demand for our products, as well as lower levels of advertising, and increased incidence of customers' inability to pay for the services we provide. These events would adversely impact our results of operations, cash flows and financial position. Although we currently believe that amounts available under the Restricted Group 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 or other conditions. The obligations of the financial institutions under the Restricted Group 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.

In the longer term, we do not expect to be able to generate sufficient cash from operations to fund anticipated capital expenditures, meet all existing future contractual payment obligations and repay our debt at maturity. As a result, we will be dependent upon our continued access to the capital and credit markets to issue additional debt or equity or refinance existing debt obligations. We will need to raise significant amounts of funding over the next several years to fund capital expenditures, repay existing obligations and meet other obligations, and the failure to do so successfully could adversely affect our business. If we are unable to do so, we will need to take other actions including deferring capital expenditures, selling assets, seeking strategic investments from third parties or reducing or eliminating discretionary uses of cash.

Debt Outstanding

The following table summarizes the carrying value of our outstanding debt, net of deferred financing costs, discounts and premiums (excluding accrued interest), as well as interest expense.

	As of December 31, 2017				
	Restricted Group	Other Entities	Total CSC Holdings	Cablevision	Total Cablevision
Debt Outstanding:					
Credit facility debt	$ 3,393,306	$ —	$ 3,393,306	$ —	$ 3,393,306
Senior guaranteed notes	2,291,185	—	2,291,185	—	2,291,185
Senior notes and debentures (a)	6,409,889	—	6,409,889	1,818,115	8,228,004
Capital lease obligations	20,333	—	20,333	—	20,333
Notes payable (includes $21,091 related to collateralized debt)	35,865	21,091	56,956	—	56,956
Subtotal	12,150,578	21,091	12,171,669	1,818,115	13,989,784
Collateralized indebtedness relating to stock monetizations (a)	—	1,349,474	1,349,474	—	1,349,474
Total debt	$ 12,150,578	$ 1,370,565	$ 13,521,143	$ 1,818,115	$ 15,339,258
Interest expense:					
Credit facility debt, senior notes, capital leases and notes payable	$ 873,998	$ —	$ 873,998	$ 157,738	1,031,736
Collateralized indebtedness and notes payable relating to stock monetizations (a)	—	70,505	70,505	—	70,505
Total interest expense	$ 873,998	$ 70,505	$ 944,503	$ 157,738	$ 1,102,241

(a) This indebtedness is collateralized by shares of Comcast common stock. We intend to settle this debt by (i) delivering shares of Comcast common stock and the related equity contracts, (ii) delivering cash from the net proceeds on new monetization contracts, or (iii) delivering cash from the proceeds of monetization contracts entered into pursuant to the Synthetic Monetization Closeout discussed below.

The following table provides details of our outstanding credit facility debt as of December 31, 2017:

	Maturity Date	Interest Rate	Principal	Carrying Value (a)
Revolving Credit Facility (b)	$20,000 on October 9, 2020, remaining balance on November 30, 2021	4.75%	$ 450,000	$ 425,488
Term Credit Facility	July 17, 2025	3.74%	2,985,000	2,967,818
			$ 3,435,000	$ 3,393,306

(a) Carrying amounts are net of unamortized discounts and deferred financing costs.
(b) At December 31, 2017, $115,973 of the revolving credit facility was restricted for certain letters of credit issued on behalf of the Company and $1,734,027 of the facility was undrawn and available, subject to covenant limitations.

The Company was in compliance with all of its financial covenants under CSC Holdings' credit facility agreement as of December 31, 2017.

Payment Obligations Related to Debt

As of December 31, 2017, total amounts payable by us in connection with our outstanding obligations, including related interest, as well as capital lease obligations, notes payable, and the value deliverable at maturity under monetization contracts are as follows:

	Cablevision	Restricted Group	Other Entities (a)	Total
2018	$ 857,193	$ 1,710,167	$ 33,101	$ 2,600,461
2019	78,130	1,332,621	33,101	1,443,852
2020	558,130	796,286	33,191	1,387,607
2021	38,130	2,205,274	1,475,743	3,719,147
2022	687,154	681,616	—	1,368,770
Thereafter	—	10,851,356	—	10,851,356
Total	$ 2,218,737	$ 17,577,320	$ 1,575,136	$ 21,371,193

(a) Represents the Company's collateralized indebtedness (including related interest). This indebtedness is collateralized by shares of Comcast common stock. We intend to settle this debt by (i) delivering shares of Comcast common stock and the related equity contracts, (ii) delivering cash from the net proceeds on new monetization contracts, or (iii) delivering cash from the proceeds of monetization contracts entered into pursuant to the Synthetic Monetization Closeout discussed below.

The amounts in the table above do not include the effects of the debt transactions discussed in Note 20.

CSC Holdings Restricted Group

CSC Holdings and those of its subsidiaries which conduct our broadband, pay television and telephony services operations, as well as Lightpath, which provides Ethernet-based data, Internet, voice and video transport and managed services to the business market, comprise the "Restricted Group" as they are subject to the covenants and restrictions of the credit facility and indentures governing the notes and debentures issued by CSC Holdings. In addition, the Restricted Group is also subject to the covenants of the debt issued by Cablevision.

Sources of cash for the Restricted Group include primarily cash flow from the operations of the businesses in the Restricted Group, borrowings under its credit facility and issuance of securities in the capital markets, contributions from its parent, and, from time to time, distributions or loans from its subsidiaries. The Restricted Group's principal uses of cash include: capital spending, in particular, the capital requirements associated with the upgrade of its digital broadband, pay television and telephony services, including costs to build a FTTH network and enhancements to its service offerings such as Wi-Fi; debt service, including distributions made to Cablevision to service interest expense and principal repayments on its debt securities; other corporate expenses and changes in working capital; and investments that it may fund from time to time.

Credit Facility

On October 9, 2015, Finco, which merged with and into CSC Holdings on June 21, 2016, entered into a senior secured credit facility, which currently provides U.S. dollar term loans currently in an aggregate principal amount of $3,000,000 ($2,985,000 outstanding at December 31, 2017) (the “CVC Term Loan Facility”, and the term loans extended under the CVC Term Loan Facility, the “CVC Term Loans”) and U.S. dollar revolving loan commitments in an aggregate principal amount of $2,300,000 (the “CVC Revolving Credit Facility” and, together with the CVC Term Loan Facility, the “CVC Credit Facilities”), which are governed by a credit facilities agreement entered into by, *inter alios*, CSC Holdings certain lenders party thereto and JPMorgan Chase Bank, N.A. as administrative agent and security agent (as amended, restated, supplemented or otherwise modified on June 20, 2016, June 21, 2016, July 21, 2016, September 9, 2016, December 9, 2016 and March 15, 2017, respectively, and as further amended, restated, supplemented or otherwise modified from time to time, the “CVC Credit Facilities Agreement”).

During the year ended December 31, 2017, CSC Holdings borrowed $1,350,000 under its revolving credit facility ($500,000 was used to make cash distributions to its stockholders) and made voluntary repayments aggregating $1,075,256 with cash on hand.

In January 2018, CSC Holdings borrowed $150,000 under its revolving credit facility and entered into a new $1,500,000 incremental term loan facility (the "Incremental Term Loan") under its existing Credit Facilities Agreement. The Incremental Term Loan was priced at 99.50% and will mature on January 25, 2026. The Incremental Term Loan is comprised of eurodollar borrowings or alternate base rate borrowings, and bears interest at a rate per annum equal to

the adjusted LIBO rate or the alternate base rate, as applicable, plus the applicable margin, where the applicable margin is (i) with respect to any alternate base rate loan, 1.50% per annum and (ii) with respect to any eurodollar loan, 2.50% per annum. See discussion below regarding use of proceeds from the Incremental Term Loan.

Senior Notes

Cablevision Notes

On September 23, 2009, Cablevision issued $900,000 aggregate principal amount of its 8 5/8% Senior Notes due 2017 and 8 5/8% Series B Senior Notes due 2017 (together, the "Cablevision 2017 Senior Notes"). In April 2017, Cablevision redeemed $500,000 aggregate principal amount of its Cablevision 2017 Senior Notes with certain of the proceeds of the term loans incurred under the CVC Credit Facilities Agreement, and in September 2017, Cablevision repaid the remaining $400,000 from borrowings under its revolving credit facility.

On April 15, 2010, Cablevision issued $750,000 aggregate principal amount of its 7 3/4% Senior Notes due 2018 (see discussion below regarding the repayment in February 2018) and $500,000 aggregate principal amount of its 8% Senior Notes due 2020. On September 27, 2012, Cablevision issued $750,000 aggregate principal amount of its 5 7/8% Senior Notes due 2022 ($649,024 outstanding at December 31, 2017).

As of December 31, 2017, Cablevision was in compliance with all of its financial covenants under the indentures under which the Cablevision Notes were issued.

CSC Holdings Notes

CSC Holdings Senior Guaranteed Notes

On October 9, 2015, Finco issued $1,000,000 aggregate principal amount of its 6 5/8% Senior Guaranteed Notes due 2025 (the "CSC 2025 Senior Guaranteed Notes"). CSC Holdings assumed the obligations as issuer of the CSC 2025 Senior Guaranteed Notes upon the merger of Finco and CSC Holdings on June 21, 2016. On September 23, 2016, CSC Holdings issued $1,310,000 aggregate principal amount of its 5 1/2% Senior Guaranteed Notes due 2027.

In January 2018, CSC Holdings issued $1,000,000 aggregate principal amount of 5 3/8% senior guaranteed notes due February 1, 2028 (the "2028 Guaranteed Notes"). The 2028 Guaranteed Notes are senior unsecured obligations and rank pari passu in right of payment with all of the existing and future senior indebtedness, including the existing senior notes and the Credit Facilities and rank senior in right of payment to all of existing and future subordinated indebtedness. The proceeds from the 2028 Guaranteed Notes, together with proceeds from the Incremental Term Loan, borrowings under CSC Holdings' revolving credit facility and cash on hand, were used in February 2018 to repay certain senior notes ($300,000 principal amount of CSC Holdings' senior notes due in February 2018 and $750,000 principal amount of Cablevision senior notes due in April 2018) and will be used to make a distribution of $1,500,000 to Altice USA, which it will use to fund a dividend to its shareholders immediately prior to and in connection with the separation of Altice USA from Altice N.V.

As of December 31, 2017, CSC Holdings was in compliance with all of its financial covenants under the indentures under which the CSC Holdings senior guaranteed notes were issued.

CSC Holdings Senior Notes

On February 6, 1998, CSC Holdings issued $300,000 aggregate principal amount of its 7 7/8% Senior Debentures which matured and were repaid on February 15, 2018. On July 21, 1998, CSC Holdings issued $500,000 aggregate principal amount of its 7 5/8% Senior Debentures due 2018. On February 12, 2009, CSC Holdings issued $526,000 aggregate principal amount of its 8 5/8% Senior Notes due 2019 and 8 5/8% Series B Senior Notes due 2019. On November 15, 2011, CSC Holdings issued $1,000,000 aggregate principal amount of its 6 3/4% Senior Notes due 2021 and 6 3/4% Series B Senior Notes due 2021. On May 23, 2014, CSC Holdings issued $750,000 aggregate principal amount of its 5 1/4% Senior Notes due 2024 and 5 1/4% Series B Senior Notes due 2024.

On October 9, 2015, Finco issued $1,800,000 aggregate principal amount of its 10 1/8% Senior Notes due 2023 (the "CSC 2023 Senior Notes") and $2,000,000 10 7/8% Senior Notes due 2025 (the "CSC 2025 Senior Notes). CSC Holdings assumed the obligations as issuer of the CSC 2023 Senior Notes and the CSC 2025 Senior Notes upon the merger of Finco and CSC Holdings on June 21, 2016. In July 2017, the Company used approximately $350,120 of the proceeds from Altice USA's IPO discussed above to fund the redemption of $315,779 principal amount of the CSC 2025 Senior

Notes and the related call premium of approximately $34,341. See Note 9 of our consolidated financial statements for further details.

As of December 31, 2017, CSC Holdings was in compliance with all of its financial covenants under the indentures under which the CSC Holdings senior notes were issued.

Capital Expenditures

The following table provides details of the Company's capital expenditures:

	Successor		Predecessor	
	Year Ended December 31, 2017	June 21, 2016 to December 31, 2016	January 1, 2016 to June 20, 2016	Combined Year Ended December 31, 2016
Customer premise equipment	$ 187,765	$ 77,536	$ 68,418	$ 145,954
Network infrastructure	263,080	91,952	149,252	241,204
Support and other	156,716	83,153	68,324	151,477
Business services	103,871	45,716	44,137	89,853
Capital purchases (cash basis)	$ 711,432	$ 298,357	$ 330,131	$ 628,488
Capital purchases (including accrued not paid) (a)	$ 724,130	$ 348,852	$ 334,863	$ 683,715

(a) The 2017 amount excludes advance payments aggregating $16,363 made to ATS for the FTTH project.

Customer premise equipment includes expenditures for set-top boxes, cable modems and other equipment that is placed in a customer's home, as well as equipment installation costs. Network infrastructure includes: (i) scalable infrastructure, such as headend equipment, (ii) line extensions, such as fiber/coaxial cable, amplifiers, electronic equipment, make-ready and design engineering, and (iii) upgrade and rebuild, including costs to modify or replace existing fiber/coaxial cable networks, including enhancements. Support and other capital expenditures includes costs associated with the replacement or enhancement of non-network assets, such as office equipment, buildings and vehicles. Business services capital expenditures include primarily equipment, installation, support, and other costs related to our fiber based telecommunications business.

Capital expenditures for 2017 increased $82,944 (13%) as compared to the Combined 2016 period. This increase was primarily related to higher spending on customer premise equipment, construction parts and electronics, and facility upgrades, as well as spending to upgrade network infrastructure.

CASH FLOW DISCUSSION

Continuing Operations - Cablevision Systems Corporation

Operating Activities

Net cash provided by operating activities amounted to $1,371,409 for the year ended December 31, 2017 compared to $940,557 for the year ended December 31, 2016. The 2017 cash provided by operating activities resulted from $3,743,685 of income before depreciation and amortization, partially offset by $2,249,013 of non-cash items, $79,613 resulting from an increase in current and other assets and $43,650 as a result of a decrease in accounts payable and other liabilities. The increase in cash provided by operating activities of $430,852 in 2017 as compared to 2016 resulted from an increase in income before depreciation and amortization and other non-cash items of $404,604 and an increase of $26,248 resulting from changes in working capital, including the timing of payments and collections of accounts receivable, among other items.

Net cash provided by operating activities amounted to $940,557 for the combined year ended December 31, 2016 compared to $1,259,687 for the year ended December 31, 2015. The 2016 cash provided by operating activities resulted from $1,212,945 of income before depreciation and amortization, partially offset by $122,877 of non-cash items, $6,940 resulting from an increase in current and other assets and $142,571 as a result of a decrease in accounts payable and other liabilities. The decrease in cash provided by operating activities of $319,130 in 2016 as compared to 2015 resulted from a decrease in income before depreciation and amortization and other non-cash items of $141,400 and a decrease

of $177,730 resulting from changes in working capital, including the timing of payments and collections of accounts receivable, among other items.

The 2015 cash provided by operating activities resulted from $1,053,041 of income before depreciation and amortization and $178,427 of non-cash items. In addition to these increases were increases in cash of $16,665 resulting from a decrease in current and other assets and $11,554 as a result of an increase in accounts payable and other liabilities.

Investing Activities

Net cash used in investing activities for the year ended December 31, 2017 was $755,489 compared to $614,707 for the year ended December 31, 2016. The 2017 investing activities consisted primarily of $711,432 of capital expenditures, payment for acquisition, net of cash acquired of $46,703, net payments related to other investments of $4,773, and additions to other intangible assets of $1,707, partially offset by other net cash receipts of $9,126.

Net cash used in investing activities for the combined year ended December 31, 2016 was $614,707 compared to $827,803 for the year ended December 31, 2015. The 2016 investing activities consisted primarily of $628,488 of capital expenditures, net payments related to other investments of $3,998, and additions to other intangible assets of $1,815, partially offset by other net cash receipts of $19,594, including $13,825 from the sale of an affiliate interest.

Net cash used in investing activities for the year ended December 31, 2015 was $827,803. The 2015 investing activities consisted primarily of $816,396 of capital expenditures, net payments related to other investments of $7,779, and additions to other intangible assets of $8,035, partially offset by other net cash receipts of $4,407.

Financing Activities

Net cash used in financing activities amounted to $662,775 for the year ended December 31, 2017 compared to $89,646 for the combined year ended December 31, 2016. In 2017, the Company's financing activities consisted of redemption and repurchase of senior notes, including premiums and fees of $1,265,055, payments of collateralized indebtedness and related derivative contracts of $831,059, dividend distributions to Altice USA of $925,262, principal payments on capital lease obligations of $14,395, payments of deferred financing costs of $5,256 and distributions to noncontrolling interests of $335. Partially offsetting these decreases were proceeds from collateralized indebtedness of $838,794, net proceeds from credit facility debt of $744,744, contributions from Altice USA of $761,316 and proceeds from notes payable of $33,733.

Net cash used in financing activities amounted to $89,646 for the combined year ended December 31, 2016 compared to $276,904 for the year ended December 31, 2015. In 2016, the Company's financing activities consisted of net repayments of credit facility debt of $1,246,203, payments of collateralized indebtedness and related derivative contracts of $424,696, payments of deferred financing costs of $186,927, payments related to the net share settlement of restricted stock awards of $41,469, principal payments on capital lease obligations of $20,261, tax withholding associated with shares issued for equity-based compensation of $6,034, payment of accrued dividends of $4,066, and repayments of notes payable of $1,291. Partially offsetting these decreases were proceeds of $1,310,000 from the issuance of notes, proceeds from collateralized indebtedness of $516,537, net proceeds from stock option exercises of $14,411, contributions from noncontrolling interests of $240 and an excess tax benefit related to share-based awards of $113.

Net cash used in financing activities amounted to $276,904 for the year ended December 31, 2015. In 2015, the Company's financing activities consisted primarily of payments of collateralized indebtedness and related derivative contracts of $639,237, repayments of credit facility debt of $260,321, dividend distributions to common stockholders of $125,170, principal payments on capital lease obligations of $20,250, payments related to the net share settlement of restricted stock awards of $19,141, payment for the acquisition of the noncontrolling interest in Newsday of $8,300, repayments of notes payable of $2,458, distributions to noncontrolling interests of $901 and payments of debt financing costs of $250, partially offset by proceeds from collateralized indebtedness of $774,703, proceeds from stock option exercises of $18,727 and an excess tax benefit related to share-based awards of $5,694.

Continuing Operations - CSC Holdings, LLC

Operating Activities

Net cash provided by operating activities amounted to $1,244,030 for the year ended December 31, 2017 compared to $1,161,738 for the year ended December 31, 2016. The 2017 cash provided by operating activities resulted from $3,931,781 of income before depreciation and amortization, partially offset by $2,283,175 of non-cash items, $324,892

as a result of a decrease in accounts payable and other liabilities and $79,684 resulting from an increase in current and other assets. The increase in cash provided by operating activities of $82,292 in 2017 as compared to 2016 resulted from an increase in income before depreciation and amortization and other non-cash items of $347,737, partially offset by changes in working capital, including the timing of payments and collections of accounts receivable, among other items of $265,445.

Net cash provided by operating activities amounted to $1,161,738 for the combined year ended December 31, 2016 compared to $1,498,356 for the year ended December 31, 2015. The 2016 cash provided by operating activities resulted from $1,339,814 of income before depreciation and amortization, partially offset by $38,945 of non-cash items, $136,395 as a result of a decrease in accounts payable and other liabilities and $2,736 resulting from an increase in current and other assets. The decrease in cash provided by operating activities of $336,618 in 2016 as compared to 2015 resulted from a decrease of $321,520 resulting from changes in working capital, including the timing of payments and collections of accounts receivable, among other items and a decrease in income before depreciation and amortization and other non-cash items of $15,098.

Net cash provided by operating activities amounted to $1,498,356 for the year ended December 31, 2015. The 2015 cash provided by operating activities resulted from $1,209,444 of income before depreciation and amortization and non-cash items of $106,523. In addition, cash increased $151,712 as a result of an increase in accounts payable and other liabilities and increased $30,677 as a result of a decrease in current and other assets.

Investing Activities

Net cash used in investing activities for the year ended December 31, 2017 was $755,489 compared to $614,707 for the year ended December 31, 2016. The 2017 investing activities consisted primarily of $711,432 of capital expenditures, payment for acquisition, net of cash acquired of $46,703, net payments related to other investments of $4,773, and additions to other intangible assets of $1,707, partially offset by other net cash receipts of $9,126.

Net cash used in investing activities for the combined year ended December 31, 2016 was $614,707 compared to $827,803 for the year ended December 31, 2015. The 2016 investing activities consisted primarily of $628,488 of capital expenditures, net payments related to other investments of $3,998, and additions to other intangible assets of $1,815, partially offset by other net cash receipts of $19,594, including $13,825 from the sale of an affiliate interest.

Net cash used in investing activities for the year ended December 31, 2015 was $827,803. The 2015 investing activities consisted primarily of $816,396 of capital expenditures, net payments related to other investments of $7,779, and additions to other intangible assets of $8,035, partially offset by other net cash receipts of $4,407.

Financing Activities

Net cash used in financing activities amounted to $535,375 for the year ended December 31, 2017 compared to $303,860 for the combined year ended December 31, 2016. In 2017, the Company's financing activities consisted primarily of dividend distributions to Cablevision of $1,712,797, payments of collateralized indebtedness and related derivative contracts of $831,059, redemption and repurchase of senior notes, including premiums and fees of $350,120, principal payments on capital lease obligations of $14,395, payments of deferred financing costs of $5,256 and distributions to noncontrolling interests of $335. Partially offsetting these decreases were proceeds from collateralized indebtedness of $838,794, net proceeds from credit facility debt of $744,744, contributions from Cablevision of $761,316 and proceeds from notes payable of $33,733.

Net cash used in financing activities amounted to $303,860 for the combined year ended December 31, 2016 compared to $486,008 for the year ended December 31, 2015. In 2016, the Company's financing activities consisted of net repayments of credit facility debt of $1,246,203, payments of collateralized indebtedness and related derivative contracts of $424,696, distributions to Cablevision of $251,259, payments of deferred financing costs of $186,927, principal payments on capital lease obligations of $20,261 and repayments of notes payable of $1,291, partially offset by proceeds of $1,310,000 from the issuance of notes, proceeds from collateralized indebtedness of $516,537, and contributions from noncontrolling interests of $240.

Net cash used in financing activities amounted to $486,008 for the year ended December 31, 2015. In 2015, the Company's financing activities consisted primarily of payments of collateralized indebtedness and related derivative contracts of $639,237, distributions to Cablevision of $343,164, repayments of credit facility debt of $260,321, principal payments on capital lease obligations of $20,250, payment for the acquisition of the noncontrolling interest in Newsday

of $8,300, repayments of notes payable of $2,458, distributions to noncontrolling interests of $901 and payments of debt financing costs of $250, partially offset by proceeds from collateralized indebtedness of $774,703 and an excess tax benefit related to share-based awards of $14,170.

Discontinued Operations - Cablevision Systems Corporation and CSC Holdings, LLC

The net effect of discontinued operations on cash and cash equivalents amounted to a cash outflow of $21,000 for the combined year ended December 31, 2016 and a cash outflow of $514 for the year ended December 31, 2015.

Operating Activities

Net cash used in operating activities from discontinued operations amounted to $21,000 and $484 for the combined year ended December 31, 2016 and for the year ended December 31, 2015, respectively.

Investing Activities

Net cash used in investing activities from discontinued operations amounted to $30 for the year ended December 31, 2015.

Settlements of Collateralized Indebtedness

The following table summarizes the settlement of the Company's collateralized indebtedness relating to Comcast shares that was settled by delivering cash equal to the collateralized loan value, net of the value of the related equity derivative contracts during the year ended December 31, 2017:

Number of shares (a)	26,815,368
Collateralized indebtedness settled	$ (774,703)
Derivative contracts settled	(56,356)
	(831,059)
Proceeds from new monetization contracts	838,794
Net cash received	$ 7,735

(a) Share amounts are adjusted for the 2 for 1 stock split in February 2017.

The cash to settle the collateralized indebtedness was obtained from the proceeds of new monetization contracts covering an equivalent number of Comcast shares. The terms of the new contracts allow the Company to retain upside participation in Comcast shares up to each respective contract's upside appreciation limit with downside exposure limited to the respective hedge price.

In April 2017, the Company entered into new monetization contracts related to 32,153,118 shares of Comcast common stock held by Cablevision, which synthetically reversed the existing contracts related to these shares (the "Synthetic Monetization Closeout"). As the existing collateralized debt matures, the Company will settle the contracts with proceeds received from the new monetization contracts. The new monetization contracts mature on April 28, 2021. The new monetization contracts provide the Company with downside protection below the hedge price of $35.47 and upside benefit of stock price appreciation up to $44.72 per share. In connection with the execution of these contracts, the Company recorded (i) the fair value of the equity derivative contracts of $53,316 (in a net asset position), (ii) notes payable of $111,657, representing the fair value of the existing equity derivative contracts, in a liability position, and (iii) a discount on debt of $58,341.

Contractual Obligations and Off Balance Sheet Commitments

Our contractual obligations as of December 31, 2017, which consist primarily of our debt obligations and the effect such obligations are expected to have on our liquidity and cash flow in future periods, are summarized in the following table:

	Payments Due by Period					
	Total	Year 1	Years 2-3	Years 4-5	More than 5 years	Other
Off balance sheet arrangements:						
Purchase obligations (a)	$ 6,081,059	$ 2,155,445	$ 3,115,204	$ 764,015	$ 46,395	$ —
Operating lease obligations (b)	370,801	56,962	105,791	85,694	122,354	—
Guarantees (c)	19,796	18,288	1,508	—	—	—
Letters of credit (d)	115,973	200	120	115,653	—	—
	6,587,629	2,230,895	3,222,623	965,362	168,749	—
Contractual obligations reflected on the balance sheet:						
Debt obligations (e)	21,349,423	2,590,797	2,824,242	5,084,345	10,850,039	—
Capital lease obligations (f)	21,770	9,664	7,217	3,572	1,317	—
Taxes (g)	8,479	—	—	—	—	8,479
	21,379,672	2,600,461	2,831,459	5,087,917	10,851,356	8,479
Total	$ 27,967,301	$ 4,831,356	$ 6,054,082	$ 6,053,279	$ 11,020,105	$ 8,479

(a) Purchase obligations primarily include contractual commitments with various programming vendors to provide video services to our customers and minimum purchase obligations to purchase goods or services. Future fees payable under contracts with programming vendors are based on numerous factors, including the number of customers receiving the programming. Amounts reflected above related to programming agreements are based on the number of customers receiving the programming as of December 31, 2017 multiplied by the per customer rates or the stated annual fee, as applicable, contained in the executed agreements in effect as of December 31, 2017. See Note 15 to our consolidated financial statements for a discussion of our program rights obligations.

(b) Operating lease obligations represent primarily future minimum payment commitments on various long-term, noncancelable leases, at rates now in force, for office, production and storage space, and rental space on utility poles. See Note 7 to our consolidated financial statements for a discussion of our operating leases.

(c) Includes franchise and performance surety bonds primarily for our cable television systems. Also includes outstanding guarantees primarily by CSC Holdings in favor of certain financial institutions in respect of ongoing interest expense obligations in connection with the monetization of our holdings of shares of Comcast common stock. Payments due by period for these arrangements represent the year in which the commitment expires.

(d) Consists primarily of letters of credit obtained by CSC Holdings in favor of insurance providers and certain governmental authorities. Payments due by period for these arrangements represent the year in which the commitment expires.

(e) Includes interest and principal payments due on our (i) credit facility debt, (ii) senior guaranteed notes and senior notes and debentures, (iii) notes payable and (iv) collateralized indebtedness. See Notes 9 and 10 to our consolidated financial statements for a discussion of our long-term debt. These amounts do not include the effects of the debt transactions discussed in Note 20.

(f) Reflects the principal amount of capital lease obligations, including related interest.

(g) Represents tax liabilities, including accrued interest, relating to uncertain tax positions. See Note 12 to our consolidated financial statements for a discussion of our income taxes.

The table above does not include obligations for payments required to be made under multi-year franchise agreements based on a percentage of revenues generated from video service per year. For the year ended December 31, 2017 (Successor), for the period June 21, 2016 through December 31, 2016 (Successor), for the period January 1, 2016 through

June 20, 2016 (Predecessor), and for the year ended December 31, 2015 (Predecessor), the amount of franchise fees and certain other taxes and fees included as a component of revenue aggregated $212,081, $106,213, $95,432, and $199,701, respectively.

Dividends and Distributions

Cablevision made cash distributions of $925,262 to Altice USA during the year ended December 31, 2017, $500,000 of which were funded with proceeds from borrowings under CSC Holdings' revolving credit facility.

Pursuant to the terms of the Cablevision Acquisition Agreement, Cablevision was not permitted to declare and pay dividends or repurchase stock, in each case, without the prior written consent of Altice. In accordance with these terms, Cablevision did not declare dividends during the period January 1, 2016 through June 20, 2016 (Predecessor).

During the period January 1, 2016 through June 20, 2016 (Predecessor), Cablevision paid $4,066 related to restricted shares that vested in respect of dividends declared and accrued on the CNYG common stock in prior periods. In addition, on June 21, 2016, approximately $3,773 of accrued dividends were paid on restricted shares and performance restricted stock units that vested in connection with the Cablevision Acquisition.

CSC Holdings made cash equity distribution payments to Cablevision aggregating $106,941 and $144,318, respectively, during the 2016 Successor period and 2016 Predecessor period, respectively. These distribution payments were funded from cash on hand. The proceeds were used to fund:

- Cablevision's interest payments on its senior notes (Predecessor and Successor periods);
- Cablevision's payments in respect of dividends declared and accrued in prior periods related to restricted shares that vested (Predecessor period only); and
- Cablevision's payments for the acquisition of treasury shares related to statutory minimum tax withholding obligations upon the vesting of certain restricted shares (Predecessor period only).

These amounts do not include the effects of the debt transactions discussed in Note 20.

Managing our Interest Rate and Equity Price Risk

Interest Rate Risk

Interest rate risk is primarily a result of exposures to changes in the level, slope and curvature of the yield curve, the volatility of interest rates and credit spreads. Our exposure to interest rate risk results from changes in short-term interest rates. Interest rate risk exists primarily with respect to our credit facility debt, which bears interest at variable rates. The carrying value of our outstanding credit facility debt at December 31, 2017 amounted to $3,393,306.

To manage interest rate risk, we have from time to time entered into interest rate swap contracts to adjust the proportion of total debt that is subject to variable and fixed interest rates. Such contracts effectively fix the borrowing rates on floating rate debt to provide an economic hedge against the risk of rising rates and/or effectively convert fixed rate borrowings to variable rates to permit the Company to realize lower interest expense in a declining interest rate environment. We did not have any interest swap contracts in place at December 31, 2017. We monitor the financial institutions that are counterparties to our interest rate swap contracts and we only enter into interest rate swap contracts with financial institutions that are rated investment grade. We do not hold or issue derivative instruments for trading or speculative purposes.

See discussion above for further details of our credit facility debt and See "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" below for a discussion regarding the fair value of our debt.

Equity Price Risk

We have entered into derivative contracts to hedge our equity price risk and monetize the value of our shares of common stock of Comcast. These contracts, at maturity, are expected to offset declines in the fair value of these securities below the hedge price per share while allowing us to retain upside appreciation from the hedge price per share to the relevant cap price. If any one of these contracts is terminated prior to its scheduled maturity date due to the occurrence of an event specified in the contract, we would be obligated to repay the fair value of the collateralized indebtedness less the sum of the fair values of the underlying stock and equity collar, calculated at the termination date. As of December 31, 2017 we did not have an early termination shortfall relating to any of these contracts. The underlying stock and the equity collars are carried at fair value in our consolidated balance sheets and the collateralized indebtedness is carried

at its principal value, net of discounts and the unamortized fair value adjustment for contracts that existed at the date of the Cablevision Acquisition. See "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" for information on how we participate in changes in the market price of the stocks underlying these derivative contracts.

All of our monetization transactions are obligations of our wholly-owned subsidiaries that are not part of the Restricted Group; however, CSC Holdings provides guarantees of the subsidiaries' ongoing contract payment expense obligations and potential payments that could be due as a result of an early termination event (as defined in the agreements). The guarantee exposure approximates the net sum of the fair value of the collateralized indebtedness less the sum of the fair values of the underlying stock and the equity collar. All of our equity derivative contracts are carried at their current fair value in our consolidated balance sheets with changes in value reflected in our consolidated statements of operations, and all of the counterparties to such transactions currently carry investment grade credit ratings.

Critical Accounting Policies

In preparing its financial statements, the Company is required to make certain estimates, judgments and assumptions that it believes are reasonable based upon the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented.

The significant accounting policies, which we believe are the most critical to aid in fully understanding and evaluating our reported financial results, include the following:

Business Combinations

The Company applied business combination accounting for the Cablevision Acquisition. Business combination accounting requires that the assets acquired and liabilities assumed be recorded at their respective estimated fair values at the date of acquisition. The excess purchase price over fair value of the net assets acquired is recorded as goodwill. In determining estimated fair values, we are required to make estimates and assumptions that affect the recorded amounts, including, but not limited to, expected future cash flows, discount rates, remaining useful lives of long-lived assets, useful lives of identified intangible assets, replacement or reproduction costs of property and equipment and the amounts to be recovered in future periods from acquired net operating losses and other deferred tax assets. Our estimates in this area impact, among other items, the amount of depreciation and amortization, impairment charges in certain instances if the asset becomes impaired, and income tax expense or benefit that we report. Our estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain. See Note 3 for a summary of the application of business combination accounting.

Impairment of Long-Lived and Indefinite-Lived Assets

The Company's long-lived and indefinite-lived assets at December 31, 2017 include goodwill of $5,843,019, other intangible assets of $12,555,590 ($8,113,575 of which are indefinite-lived intangible assets), and $4,177,658 of property, plant and equipment. Such assets accounted for approximately 90% of the Company's consolidated total assets. Goodwill and identifiable indefinite-lived intangible assets, which primarily represent the Company's cable television franchises are tested annually for impairment during the fourth quarter ("annual impairment test date") and upon the occurrence of certain events or substantive changes in circumstances.

The Company is operated as three reporting units for the goodwill impairment test and two units of accounting for the indefinite-lived asset impairment test. We assess qualitative factors and other relevant events and circumstances that affect the fair value of the reporting unit and its identifiable indefinite-lived intangible assets, such as:

- macroeconomic conditions;
- industry and market conditions;
- cost factors;
- overall financial performance;
- changes in management, strategy or customers;
- relevant specific events such as a change in the carrying amount of net assets, a more-likely-than-not expectation of selling or disposing all, or a portion, of a reporting unit or unit of accounting; and
- sustained decrease in share price, as applicable.

The Company assesses these qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. This quantitative test is required only if the Company concludes that it is more likely than not that the reporting unit's fair value is less than its carrying amount.

When the qualitative assessment is not used, or if the qualitative assessment is not conclusive, the Company is required to determine goodwill impairment using a two-step process. The first step of the goodwill impairment test is used to identify potential impairment by comparing the fair value of the reporting unit with its carrying amount, including goodwill utilizing an enterprise-value based premise approach. If the carrying amount of the reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss, if any. The second step of the goodwill impairment test 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.

The Company assesses the qualitative factors discussed above to determine whether it is necessary to perform the one-step quantitative identifiable indefinite-lived intangible assets impairment test. This quantitative test is required only if the Company concludes that it is more likely than not that a unit of accounting's fair value is less than its carrying amount. When the qualitative assessment is not used, or if the qualitative assessment is not conclusive, the impairment test for identifiable indefinite-lived intangible assets requires a comparison of the estimated fair value of the intangible asset with its carrying value. If the carrying value of the intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. At December 31, 2017 the Company had indefinite-lived cable television franchises of $8,113,575, reflecting agreements we have with state and local governments that allow us to construct and operate a cable business within a specified geographic area and allow us to solicit and service potential customers in the service areas defined by the franchise rights currently held by the Company.

For other long-lived assets, including intangible assets that are amortized such as customer relationships and trade names, the Company evaluates assets for recoverability when there is an indication of potential impairment. If the undiscounted cash flows from a group of assets being evaluated is less than the carrying value of that group of assets, the fair value of the asset group is determined and the carrying value of the asset group is written down to fair value.

In assessing the recoverability of the Company's 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, determination of appropriate market comparables and determination of whether a premium or discount should be applied to comparables. These valuations also include assumptions for average annual revenue per customer, number of homes passed, operating margin and market penetration as a percentage of homes passed, among other assumptions. Further, the projected cash flow assumptions consider contractual relationships, customer attrition, eventual development of new technologies and market competition. If these estimates or material related assumptions change in the future, the Company may be required to record impairment charges related to its long-lived assets.

During the fourth quarter of 2017, the Company assessed the qualitative factors described above to determine whether it was necessary to perform the two-step quantitative goodwill impairment test and concluded that it was not more likely than not that the reporting unit's fair value was less than its carrying amount. The Company also assessed these qualitative factors to determine whether it was necessary to perform the one-step quantitative identifiable indefinite-lived intangible assets impairment test and concluded that it was not more likely than not that the unit of accounting's fair value was less than its carrying amount.

Plant and Equipment

Costs incurred in the construction of the Company's cable systems, including line extensions to, and upgrade of, the Company's hybrid fiber-coaxial infrastructure, initial placement of the feeder cable to connect a customer that had not

been previously connected, and headend facilities are capitalized. These costs consist of materials, subcontractor labor, direct consulting fees, and internal labor and related costs associated with the construction activities. The internal costs that are capitalized consist of salaries and benefits of the Company's employees and the portion of facility costs, including rent, taxes, insurance and utilities, that supports the construction activities. These costs are depreciated over the estimated life of the plant (10 to 25 years) and headend facilities (4 to 25 years). Costs of operating the plant and the technical facilities, including repairs and maintenance, are expensed as incurred.

Costs associated with the initial deployment of new customer premise equipment necessary to provide broadband, pay television and telephony services are also capitalized. These costs include materials, subcontractor labor, internal labor, and other related costs associated with the connection activities. The departmental activities supporting the connection process are tracked through specific metrics, and the portion of departmental costs that is capitalized is determined through a time weighted activity allocation of costs incurred based on time studies used to estimate the average time spent on each activity. These installation costs are amortized over the estimated useful lives of the CPE necessary to provide broadband, pay television and telephony services. Prior to the Cablevision Acquisition, the Company estimated the amount of capitalized installation costs based on whether or not the business or residence had been previously connected to the network. These installation costs are depreciated over their estimated useful life of 3-5 years. The portion of departmental costs related to disconnecting services and removing CPE from a customer, costs related to connecting CPE that has been previously connected to the network, and repair and maintenance are expensed as incurred.

The estimated useful lives assigned to our property, plant and equipment are reviewed on an annual basis or more frequently if circumstances warrant and such lives are revised to the extent necessary due to changing facts and circumstances. Any changes in estimated useful lives are reflected prospectively.

Refer to Note 2 to our consolidated financial statements for a discussion of our accounting policies.

Equity Awards

Certain employees of the Company received awards of units in a carry unit plan of an entity which has an indirect ownership interest in the Company. The Company measures the cost of employee services received in exchange for carry units based on the fair value of the award at grant date. In addition these units are presented as temporary equity on our consolidated balance sheet at fair value. For carry unit awards granted in 2016, an option pricing model was used which requires subjective assumptions for which changes in these assumptions could materially affect the fair value of the carry units outstanding. The time to liquidity event assumption was based on management's judgment. The equity volatility assumption was estimated using the historical weekly volatility of publicly traded comparable companies. The risk-free rate assumed was based on the U.S. Constant Maturity Treasury Rates for a period matching the expected time to liquidity event. The discount for lack of marketability was based on Finnerty's (2012) average-strike put option model.

For carry unit awards granted in the first and second quarter of 2017, the Company estimated the grant date fair value based on the value established in Altice USA's IPO.

Recently Issued But Not Yet Adopted Accounting Pronouncements

In February 2018, the FASB issued ASU No. 2018-02, Income Statement—Reporting Comprehensive Income (Topic 220) Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income. The primary provision of ASU No. 2018-02 allows for the reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act. ASU 2018-02 also requires certain disclosures about stranded tax effects. ASU No. 2018‑02 is effective for the Company on January 1, 2019, with early adoption permitted and will be applied either in the period of adoption or retrospectively to each period (or periods) in which the effect of the change in the U.S. federal corporate income tax rate in the Tax Cuts and Jobs Act is recognized.

In May 2017, the FASB issued ASU No. 2017‑09, Compensation- Stock Compensation (Topic 718). ASU No. 2017‑09 provides clarity and guidance on which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718. ASU No. 2017‑09 is effective for the Company on January 1, 2018 and will be applied prospectively.

In March 2017, the FASB issued ASU No. 2017‑07 Compensation-Retirement Benefits (Topic 715). ASU No. 2017‑07 requires that an employer disaggregate the service cost component from the other components of net benefit cost. It also provides guidance on how to present the service cost component and the other components of net benefit cost in the income statement and what component of net benefit cost is eligible for capitalization. ASU No. 2017‑07 is effective

for the Company on January 1, 2018 and will be applied retrospectively. In connection with the adoption of ASU 2017-07, the Company will reclassify the non-service cost components of the Company's pension expense from primarily "Other operating expenses" to "Miscellaneous income (expense), net" on its consolidated statements of operations. The Company has elected to apply the practical expedient which allows it to reclassify amounts disclosed previously in the benefits plan note (Note 17 of the consolidated financial statements) as the basis for applying retrospective presentation for comparative periods, as the Company determined it was impracticable to disaggregate the cost components for amounts capitalized and amortized in those periods.

In January 2017, the FASB issued ASU No. 2017-04, Intangibles-Goodwill and Other (Topic 350). ASU No. 2017-04 simplifies the subsequent measurement of goodwill by removing the second step of the two-step impairment test. The amendment requires an entity to perform its annual, or interim goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity still has the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. ASU No. 2017-04 becomes effective for the Company on January 1, 2020 with early adoption permitted and will be applied prospectively.

In January 2017, the FASB issued ASU No. 2017-01, Business Combinations (Topic 805), Clarifying the Definition of a Business, which amends Topic 805 to interpret the definition of a business by adding guidance to assist in evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The new guidance is effective for the Company on January 1, 2018 and will be applied prospectively.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments which clarifies how entities should classify certain cash receipts and cash payments on the statement of cash flows. ASU No. 2016-15 also clarifies how the predominance principle should be applied when cash receipts and cash payments have aspects of more than one class of cash flows. The new guidance is effective for the Company on January 1, 2018 and will be applied retrospectively. The Company does not believe that the adoption of ASU No. 2016-15 will have a material effect on its consolidated statements of cash flows.

In February 2016, the FASB issued ASU No. 2016-02, Leases*,* which increases transparency and comparability by recognizing a lessee’s rights and obligations resulting from leases by recording them on the balance sheet as lease assets and lease liabilities. The new guidance becomes effective for the Company on January 1, 2019 with early adoption permitted and will be applied using the modified retrospective method. The Company has not yet completed the evaluation of the effect that ASU No. 2016-02 will have on its consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, Financial Instruments - Overall (Subtopic 825-10), Recognition and Measurement of Financial Assets and Financial Liabilities. ASU No. 2016-01 modifies how entities measure certain equity investments and also modifies the recognition of changes in the fair value of financial liabilities measured under the fair value option. Entities will be required to measure equity investments that do not result in consolidation and are not accounted for under the equity method at fair value and recognize any changes in fair value in net income. For financial liabilities measured using the fair value option, entities will be required to record changes in fair value caused by a change in instrument-specific credit risk (own credit risk) separately in other comprehensive income. ASU No. 2016-01 is effective for the Company on January 1, 2018. The Company does expect the adoption of ASU No. 2016-01 to have any effect on its consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU No. 2014-09 will replace most existing revenue recognition guidance in GAAP. In August 2015, the FASB issued ASU No. 2015-14 that approved deferring the effective date by one year so that ASU No. 2014-09 is effective for the Company on January 1, 2018.

In December 2016, the FASB issued ASU No. 2016-20, Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers, in order to clarify the Codification and to correct any unintended application of the guidance. The amendments in this update affect the guidance in ASU No. 2014-09. The Company will adopt ASU No. 2014-09 on January 1, 2018 and will transition to the standard retrospectively. The adoption of ASU No. 2014-09 will not have a material impact on the Company’s financial position or results of operations. The adoption will, however, result in the deferral of certain installation revenue and the deferral of certain commission expenses. Additionally, the Company anticipates changes in the composition of revenue resulting from the allocation of value related to bundled services sold at a discount to residential customers.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

All dollar amounts, except per share data, included in the following discussion under this Item 7A are presented in thousands.

Equity Price Risk

We are exposed to market risks from changes in certain equity security prices. Our exposure to changes in equity security prices stems primarily from the shares of Comcast common stock we hold. We have entered into equity derivative contracts consisting of a collateralized loan and an equity collar to hedge our equity price risk and to monetize the value of these securities. These contracts, at maturity, are expected to offset declines in the fair value of these securities below the hedge price per share while allowing us to retain upside appreciation from the hedge price per share to the relevant cap price. The contracts' actual hedge prices per share vary depending on average stock prices in effect at the time the contracts were executed. The contracts' actual cap prices vary depending on the maturity and terms of each contract, among other factors. If any one of these contracts is terminated prior to its scheduled maturity date due to the occurrence of an event specified in the contract, we would be obligated to repay the fair value of the collateralized indebtedness less the sum of the fair values of the underlying stock and equity collar, calculated at the termination date. As of December 31, 2017, we did not have an early termination shortfall relating to any of these contracts.

The underlying stock and the equity collars are carried at fair value on our consolidated balance sheet and the collateralized indebtedness is carried at its principal value, net of discounts and the unamortized fair value adjustment for contracts that existed at the date of the Cablevision Acquisition. The fair value adjustment is being amortized over the term of the related indebtedness. The carrying value of our collateralized indebtedness amounted to $1,349,474 at December 31, 2017. At maturity, the contracts provide for the option to deliver cash or shares of Comcast common stock, with a value determined by reference to the applicable stock price at maturity.

As of December 31, 2017, the fair value and the carrying value of our holdings of Comcast common stock aggregated $1,720,357. Assuming a 10% change in price, the potential change in the fair value of these investments would be approximately $172,036. As of December 31, 2017, the net fair value and the carrying value of the equity collar component of the equity derivative contracts entered into to partially hedge the equity price risk of our holdings of Comcast common stock aggregated $109,504, a net liability position. For the year ended December 31, 2017, we recorded a net loss of $138,920 related to our outstanding equity derivative contracts and recorded an unrealized gain of $237,328 related to the Comcast common stock that we held.

Fair Value of Equity Derivative Contracts	
Fair value as of December 31, 2016, net liability position	$ (2,202)
Fair value of new equity derivative contracts	31,618
Change in fair value, net	(138,920)
Fair value as of December 31, 2017, net liability position	$ (109,504)

The maturity, number of shares deliverable at the relevant maturity, hedge price per share, and the lowest and highest cap prices received for the Comcast common stock monetized via an equity derivative prepaid forward contract are summarized in the following table:

# of Shares Deliverable (a)	Maturity	Hedge Price per Share (a)	Cap Price (b) Low	Cap Price (b) High
16,139,868	2018	$30.84-$33.61	$ 37.00	$ 40.33
26,815,368	2021	$29.25- $35.47	$ 43.88	$ 44.80

(a) Represents the price below which we are provided with downside protection and above which we retain upside appreciation. Also represents the price used in determining the cash proceeds payable to us at inception of the contracts.

(b) Represents the price up to which we receive the benefit of stock price appreciation.

Fair Value of Debt

At December 31, 2017, the fair value of our fixed rate debt of $12,934,306 was higher than its carrying value of $11,925,619 by $1,008,687. The fair value of these financial instruments is estimated based on reference to quoted market prices for these or comparable securities. Our floating rate borrowings bear interest in reference to current LIBOR-based market rates and thus their principal values approximate fair value. The effect of a hypothetical 100 basis point decrease in interest rates prevailing at December 31, 2017 would increase the estimated fair value of our fixed rate debt by $314,310 to $13,248,616. This estimate is based on the assumption of an immediate and parallel shift in interest rates across all maturities.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

For information required by Item 8, refer to the Index to Financial Statements on page 38.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

SIGNATURE

Cablevision and CSC Holdings have duly caused this Annual Report to be signed on their behalf by the undersigned, thereunto duly authorized on the 30th day of April, 2018.

CABLEVISION SYSTEMS CORPORATION
CSC HOLDINGS, LLC

By: /s/ Charles Stewart

Name: Charles Stewart

Title: Co-President and Chief Financial Officer of Cablevision Systems Corporation and CSC Holdings, LLC

INDEX TO FINANCIAL STATEMENTS

	Page
Independent Auditor's Reports	F-1
CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES	
Consolidated Financial Statements	
Consolidated Balance Sheets - December 31, 2017 and 2016 (Successor)	F-3
Consolidated Statements of Operations - year ended December 31, 2017 (Successor); periods ended June 21, 2016 to December 31, 2016 (Successor); January 1, 2016 to June 20, 2016 (Predecessor) and year ended December 31, 2015 (Predecessor)	F-5
Consolidated Statements of Comprehensive Income (Loss) - year ended December 31, 2017 (Successor); periods ended June 21, 2016 to December 31, 2016 (Successor); January 1, 2016 to June 20, 2016 (Predecessor) and year ended December 31, 2015 (Predecessor)	F-6
Consolidated Statements of Stockholders' Equity (Deficiency) - year ended December 31, 2017 (Successor); periods ended June 21, 2016 to December 31, 2016 (Successor); January 1, 2016 to June 20, 2016 (Predecessor) and year ended December 31, 2015 (Predecessor)	F-7
Consolidated Statements of Cash Flows - year ended December 31, 2017 (Successor); periods ended June 21, 2016 to December 31, 2016 (Successor); January 1, 2016 to June 20, 2016 (Predecessor) and year ended December 31, 2015 (Predecessor)	F-10
CSC HOLDINGS, LLC AND SUBSIDIARIES	
Consolidated Financial Statements	
Consolidated Balance Sheets - December 31, 2017 and 2016 (Successor)	F-12
Consolidated Statements of Operations - year ended December 31, 2017 (Successor); periods ended June 21, 2016 to December 31, 2016 (Successor); January 1, 2016 to June 20, 2016 (Predecessor) and year ended December 31, 2015 (Predecessor)	F-14
Consolidated Statements of Comprehensive Income (Loss) - year ended December 31, 2017 (Successor); periods ended June 21, 2016 to December 31, 2016 (Successor); January 1, 2016 to June 20, 2016 (Predecessor) and year ended December 31, 2015 (Predecessor)	F-15
Consolidated Statements of Changes in Total Members' Equity (Deficiency) - year ended December 31, 2017 (Successor); periods ended June 21, 2016 to December 31, 2016 (Successor); January 1, 2016 to June 20, 2016 (Predecessor) and year ended December 31, 2015 (Predecessor)	F-16
Consolidated Statements of Cash Flows - year ended December 31, 2017 (Successor); periods ended June 21, 2016 to December 31, 2016 (Successor); January 1, 2016 to June 20, 2016 (Predecessor) and year ended December 31, 2015 (Predecessor)	F-18
Combined Notes to Consolidated Financial Statements	F-20

Independent Auditors' Report

The Board of Directors
Cablevision Systems Corporation:

We have audited the accompanying consolidated financial statements of Cablevision Systems Corporation and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2017 and 2016 (Successor) and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity (deficiency), and cash flows for the year ended December 31, 2017 (Successor), for the period from June 21, 2016 to December 31, 2016 (Successor), for the period from January 1, 2016 to June 20, 2016 (Predecessor), and for the year ended December 31, 2015 (Predecessor), and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cablevision Systems Corporation and its subsidiaries as of December 31, 2017 and 2016 (Successor), and the results of their operations and their cash flows for the year ended December 31, 2017 (Successor), for the period from June 21, 2016 to December 31, 2016 (Successor), for the period from January 1, 2016 to June 20, 2016 (Predecessor), and for the year ended December 31, 2015 (Predecessor), in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, effective June 21, 2016, Altice N.V. acquired approximately 70% of the outstanding shares of Cablevision Systems Corporation in a business combination accounted for as a purchase. As a result of the acquisition, the consolidated financial information for the periods after the acquisition is presented on a different cost basis than that for the periods before the acquisition and, therefore, is not comparable.

/s/ KPMG LLP

New York, New York
April 30, 2018

Independent Auditors' Report

The Board of Directors
CSC Holdings, LLC:

We have audited the accompanying consolidated financial statements of CSC Holdings, LLC and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2017 and 2016 (Successor) and the related consolidated statements of operations, comprehensive income (loss), changes in total members' equity (deficiency), and cash flows for the year ended December 31, 2017 (Successor), for the period from June 21, 2016 to December 31, 2016 (Successor), for the period from January 1, 2016 to June 20, 2016 (Predecessor), and for the year ended December 31, 2015 (Predecessor), and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CSC Holdings, LLC and its subsidiaries as of December 31, 2017 and 2016 (Successor), and the results of their operations and their cash flows for the year ended December 31, 2017 (Successor), for the period from June 21, 2016 to December 31, 2016 (Successor), for the period from January 1, 2016 to June 20, 2016 (Predecessor), and for the year ended December 31, 2015 (Predecessor), in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, effective June 21, 2016, Altice N.V. acquired approximately 70% of the outstanding shares of Cablevision Systems Corporation in a business combination accounted for as a purchase. As a result of the acquisition, the consolidated financial information for the periods after the acquisition is presented on a different cost basis than that for the periods before the acquisition and, therefore, is not comparable.

/s/ KPMG LLP

New York, New York
April 30, 2018

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2017 and 2016
(In thousands)
(See Note 3)

	December 31, 2017	December 31, 2016
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 185,819	$ 216,625
Restricted cash	252	16,301
Accounts receivable, trade (less allowance for doubtful accounts of $7,857 and $4,952)	285,870	266,701
Prepaid expenses and other current assets (including a prepayment to an affiliate of $11,228 in 2017) (See Note 14)	93,037	70,272
Amounts due from affiliates	36,161	10,634
Investment securities pledged as collateral	—	741,515
Derivative contracts	52,545	352
Total current assets	653,684	1,322,400
Property, plant and equipment, net of accumulated depreciation of $1,679,639 and $562,739	4,177,658	4,605,418
Investment in affiliates	930	5,606
Investment securities pledged as collateral	1,720,357	741,515
Derivative contracts	—	10,604
Other assets (including a prepayment to an affiliate of $6,539 in 2017) (See Note 14)	42,579	37,609
Amortizable customer relationships, net of accumulated amortization of $955,332 and $335,459	3,939,668	4,514,541
Amortizable trade names, net of accumulated amortization of $531,761 and $44,422	478,539	965,578
Other amortizable intangibles, net of accumulated amortization of $9,896 and $2,483	23,808	20,904
Indefinite-lived cable television franchises	8,113,575	8,113,575
Goodwill	5,843,019	5,838,959
Total assets	$ 24,993,817	$ 26,176,709

See accompanying notes to consolidated financial statements.

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (continued)
December 31, 2017 and 2016
(In thousands, except share and per share amounts)

	December 31, 2017	December 31, 2016
LIABILITIES AND STOCKHOLDER'S DEFICIENCY		
Current Liabilities:		
Accounts payable	$ 602,008	$ 560,863
Accrued liabilities:		
Interest	315,304	378,245
Employee related costs	99,869	185,890
Other accrued expenses	278,102	239,534
Amounts due to affiliates	131,132	73,087
Deferred revenue	53,743	47,829
Liabilities under derivative contracts	52,545	13,158
Credit facility debt	30,000	25,000
Collateralized indebtedness	—	622,332
Senior notes and debentures	507,744	926,045
Capital lease obligations	9,136	14,050
Notes payable	29,958	5,427
Total current liabilities	2,109,541	3,091,460
Defined benefit plan obligations	103,163	84,106
Liabilities under derivative contracts	109,504	—
Other liabilities	119,688	110,248
Deferred tax liability	3,807,710	6,429,640
Credit facility debt	3,363,306	2,606,887
Collateralized indebtedness	1,349,474	663,737
Senior guaranteed notes	2,291,185	2,289,494
Senior notes and debentures	7,720,260	8,548,853
Capital lease obligations	11,197	11,293
Notes payable	26,998	8,299
Deficit investments in affiliates	3,579	—
Total liabilities	21,015,605	23,844,017
Commitments and contingencies		
Redeemable equity	197,128	43,378
Stockholder's Equity		
Common Stock, $.01 par value, 1,000 shares authorized, 100 shares issued and outstanding	—	—
Paid-in capital	2,622,007	2,920,743
Retained earnings (accumulated deficit)	1,167,560	(633,695)
	3,789,567	2,287,048
Accumulated other comprehensive income (loss)	(10,022)	1,979
Total stockholder's equity	3,779,545	2,289,027
Noncontrolling interest	1,539	287
Total equity	3,781,084	2,289,314
	$ 24,993,817	$ 26,176,709

See accompanying notes to consolidated financial statements.

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(See Note 3)

	Successor		Predecessor	
	Year ended December 31, 2017	June 21, 2016 to December 31, 2016	January 1, 2016 to June 20, 2016	Year ended December 31, 2015
Revenue (including revenue from affiliates of $4,886, $1,086, $2,088 and $5,343, respectively) (See Note 14)	$ 6,664,788	$ 3,444,052	$ 3,137,604	$ 6,545,545
Operating expenses:				
Programming and other direct costs (including charges from affiliates of $4,261, $1,947, $84,636 and $176,909, respectively) (See Note 14)	2,280,062	1,164,925	1,088,555	2,269,290
Other operating expenses (including charges from affiliates of $89,381, $8,793, $2,182 and $5,372, respectively) (See Note 14)	1,675,665	1,028,447	1,136,970	2,546,319
Restructuring and other expense	112,384	212,150	22,223	16,213
Depreciation and amortization (including impairments)	2,251,614	963,665	414,550	865,252
	6,319,725	3,369,187	2,662,298	5,697,074
Operating income	345,063	74,865	475,306	848,471
Other income (expense):				
Interest expense	(1,102,241)	(607,624)	(287,098)	(585,764)
Interest income	778	1,277	1,590	925
Gain (loss) on investments, net	237,354	141,896	129,990	(30,208)
Gain (loss) on equity derivative contracts, net	(138,920)	(53,696)	(36,283)	104,927
Loss on extinguishment of debt and write-off of deferred financing costs	(57,833)	(102,894)	—	(1,735)
Other income (expense), net	(1,788)	4,329	4,855	6,045
	(1,062,650)	(616,712)	(186,946)	(505,810)
Income (loss) from continuing operations before income taxes	(717,587)	(541,847)	288,360	342,661
Income tax benefit (expense)	2,209,658	213,065	(124,848)	(154,872)
Income (loss) from continuing operations, net of income taxes	1,492,071	(328,782)	163,512	187,789
Loss from discontinued operations, net of income taxes	—	—	—	(12,541)
Net income (loss)	1,492,071	(328,782)	163,512	175,248
Net loss (income) attributable to noncontrolling interests	(1,587)	(551)	236	201
Net income (loss) attributable to Cablevision Systems Corporation stockholders	$ 1,490,484	$ (329,333)	$ 163,748	$ 175,449
INCOME PER SHARE:				
Basic income (loss) per share attributable to Cablevision Systems Corporation stockholder(s):				
Income from continuing operations, net of income taxes			$ 0.60	$ 0.70
Loss from discontinued operations, net of income taxes			$ —	$ (0.05)
Net income			$ 0.60	$ 0.65
Basic weighted average common shares (in thousands)			272,035	269,388
Diluted income (loss) per share attributable to Cablevision Systems Corporation stockholder(s):				
Income from continuing operations, net of income taxes			$ 0.58	$ 0.68
Income (loss) from discontinued operations, net of income taxes			$ —	$ (0.05)
Net income			$ 0.58	$ 0.63
Diluted weighted average common shares (in thousands)			280,199	276,339
Amounts attributable to Cablevision Systems Corporation stockholder(s):				
Income (loss) from continuing operations, net of income taxes	$ 1,490,484	$ (329,333)	$ 163,748	$ 187,990
Loss from discontinued operations, net of income taxes	—	—	—	(12,541)
Net income (loss)	$ 1,490,484	$ (329,333)	$ 163,748	$ 175,449
Cash dividends declared and paid per share of common stock	$ —	$ —	$ —	$ 0.45

See accompanying notes to consolidated financial statements.

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)
(See Note 3)

	Successor		Predecessor	
	Year ended December 31, 2017	June 21, 2016 to December 31, 2016	January 1, 2016 to June 20, 2016	Year ended December 31, 2015
Net income (loss)	$ 1,492,071	$ (328,782)	$ 163,512	$ 175,248
Other comprehensive income (loss):				
Defined benefit pension and postretirement plans (see Note 17):				
Unrecognized actuarial gain (loss)	(18,632)	3,452	68	2,694
Applicable income taxes	7,441	(1,381)	(28)	(1,106)
Unrecognized gain (loss) arising during period, net of income taxes	(11,191)	2,071	40	1,588
Amortization of actuarial losses, net included in net periodic benefit cost	—	—	929	1,224
Applicable income taxes	—	—	(388)	(502)
Amortization of actuarial losses, net included in net periodic benefit cost, net of income taxes	—	—	541	722
Settlement losses included in net periodic benefit cost, net of curtailment loss of $3,195 in 2017	(1,350)	(154)	1,655	3,822
Applicable income taxes	540	62	(679)	(1,569)
Settlement losses included in net periodic benefit cost, net of curtailment loss, net of income taxes	(810)	(92)	976	2,253
Other comprehensive gain (loss)	(12,001)	1,979	1,557	4,563
Comprehensive income (loss)	1,480,070	(326,803)	165,069	179,811
Comprehensive loss (income) attributable to noncontrolling interests	(1,587)	(551)	236	201
Comprehensive income (loss) attributable to Cablevision Systems Corporation stockholder(s)	$ 1,478,483	$ (327,354)	$ 165,305	$ 180,012

See accompanying notes to consolidated financial statements.

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIENCY)
(In thousands)
(See Note 3)

	CNYG Class A Common Stock	CNYG Class B Common Stock	Paid-in Capital	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity (Deficiency)	Non-controlling Interest	Total Equity (Deficiency)
Predecessor:									
Balance at January 1, 2015	$ 3,003	$ 541	$ 823,103	$ (4,234,860)	$ (1,591,021)	$ (42,235)	$ (5,041,469)	$ 779	$ (5,040,690)
Net income attributable to Cablevision Systems Corporation stockholders	—	—	—	175,449	—	—	175,449	—	175,449
Net loss attributable to noncontrolling interests	—	—	—	—	—	—	—	(146)	(146)
Pension and postretirement plan liability adjustments, net of income taxes	—	—	—	—	—	4,563	4,563	—	4,563
Proceeds from exercise of options and issuance of restricted shares	39	—	18,648	—	—	—	18,687	—	18,687
Share-based compensation expense	—	—	60,817	—	—	—	60,817	—	60,817
Treasury stock acquired from forfeiture and acquisition of restricted shares	—	—	5	—	(19,146)	—	(19,141)	—	(19,141)
Excess tax benefit on share-based awards	—	—	5,694	—	—	—	5,694	—	5,694
Dividends on CNYG Class A and CNYG Class B common stock	—	—	(124,752)	—	—	—	(124,752)	—	(124,752)
Adjustments to noncontrolling interests	—	—	8,836	—	—	—	8,836	(901)	7,935
Balance at December 31, 2015	$ 3,042	$ 541	$ 792,351	$ (4,059,411)	$ (1,610,167)	$ (37,672)	$ (4,911,316)	$ (268)	$ (4,911,584)

See accompanying notes to consolidated financial statements.

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIENCY) (continued)
(In thousands)
(See Note 3)

	CNYG Class A Common Stock	CNYG Class B Common Stock	Paid-in Capital	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity (Deficiency)	Non-controlling Interest	Total Equity (Deficiency)
Balance at January 1, 2016	$ 3,042	$ 541	$ 792,351	$ (4,059,411)	$ (1,610,167)	$ (37,672)	$ (4,911,316)	$ (268)	$ (4,911,584)
Net income attributable to Cablevision Systems Corporation stockholders	—	—	—	163,748	—	—	163,748	—	163,748
Net loss attributable to noncontrolling interests	—	—	—	—	—	—	—	(236)	(236)
Pension and postretirement plan liability adjustments, net of income taxes	—	—	—	—	—	1,557	1,557	—	1,557
Proceeds from exercise of options and issuance of restricted shares	15	—	14,544	—	—	—	14,559	—	14,559
Share-based compensation expense	—	—	24,997	—	—	—	24,997	—	24,997
Treasury stock acquired from forfeiture and acquisition of restricted shares	—	—	1	—	(41,470)	—	(41,469)	—	(41,469)
Tax withholding associated with shares issued for equity-based	(4)	—	(6,030)	—	—	—	(6,034)	—	(6,034)
Excess tax benefit on share-based awards	—	—	82	—	—	—	82	—	82
Contributions from noncontrolling interests	—	—	—	—	—	—	—	240	240
Balance at June 20, 2016	$ 3,053	$ 541	$ 825,945	$ (3,895,663)	$ (1,651,637)	$ (36,115)	$ (4,753,876)	$ (264)	$ (4,754,140)

See accompanying notes to consolidated financial statements.

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIENCY) (continued)
(In thousands)
(See Note 3)

	Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity (Deficiency)	Non-controlling Interest	Total Equity (Deficiency)
Successor:						
Balance at June 21, 2016	$2,950,974	$ (304,362)	$ —	$ 2,646,612	$ (264)	$ 2,646,348
Net loss attributable to stockholder	—	(329,333)	—	(329,333)	—	(329,333)
Net income attributable to noncontrolling interests	—	—	—	—	551	551
Pension liability adjustments, net of income taxes	—	—	1,979	1,979	—	1,979
Share-based compensation expense	9,164	—	—	9,164	—	9,164
Change in fair value of redeemable equity	(43,378)	—	—	(43,378)	—	(43,378)
Excess tax benefit on share-based awards	31	—	—	31	—	31
Tax impact related to the Newsday Holdings, LLC transactions	3,952	—	—	3,952	—	3,952
Balance at December 31, 2016	$2,920,743	$ (633,695)	$ 1,979	$ 2,289,027	$ 287	$ 2,289,314
Net income attributable to stockholder	—	1,490,484	—	1,490,484	—	1,490,484
Net income attributable to noncontrolling interests	—	—	—	—	1,587	1,587
Pension liability adjustments, net of income taxes	—	—	(12,001)	(12,001)	—	(12,001)
Share-based compensation expense	42,060	—	—	42,060	—	42,060
Change in redeemable equity	(153,749)	—	—	(153,749)	—	(153,749)
Contributions from Altice USA	761,316	—	—	761,316	—	761,316
Cash distributions	(925,262)	—	—	(925,262)	—	(925,262)
Distributions to non-controlling interest	—	—	—	—	(335)	(335)
Transfer of goodwill	(23,101)	—	—	(23,101)	—	(23,101)
Recognition of previously unrealized excess tax benefits related to share-based awards in connection with the adoption ASU No. 2016-09	—	310,771	—	310,771	—	310,771
Balance at December 31, 2017	$ 2,622,007	$ 1,167,560	$ (10,022)	$ 3,779,545	$ 1,539	$ 3,781,084

See accompanying notes to consolidated financial statements.

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(See Note 3)

	Successor		Predecessor	
	Year ended December 31, 2017	June 21, 2016 to December 31, 2016	January 1, 2016 to June 20, 2016	Year ended December 31, 2015
Cash flows from operating activities:				
Net income (loss)	$ 1,492,071	$ (328,782)	$ 163,512	$ 175,248
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Loss from discontinued operations, net of income taxes	—	—	—	12,541
Depreciation and amortization (including impairments)	2,251,614	963,665	414,550	865,252
Impairment of assets included in restructuring charges	—	2,445	—	—
Equity in net loss of affiliates	10,040	1,132	—	—
Gain on sale of affiliate interests	—	(206)	—	—
Loss (gain) on investments, net	(237,354)	(141,896)	(129,990)	30,208
Loss (gain) on derivative contracts, net	138,920	53,696	36,283	(104,927)
Loss on extinguishment of debt and write-off of deferred financing costs	57,833	102,894	—	1,735
Amortization of deferred financing costs and discounts (premiums) on indebtedness	(6,232)	(10,233)	11,673	23,764
Share-based compensation expense	42,060	9,164	24,778	60,321
Settlement loss related to pension and postretirement plans	1,845	3,298	1,655	3,822
Deferred income taxes	(2,301,371)	(238,646)	116,150	133,396
Provision for doubtful accounts	45,246	21,799	13,240	35,802
Excess tax benefits related to share-based awards	—	(31)	(82)	(5,694)
Change in assets and liabilities, net of effects of acquisitions and dispositions:				
Accounts receivable, trade	(58,776)	(37,396)	(18,162)	(24,760)
Other receivables	(10,637)	9,413	4,411	4,193
Prepaid expenses and other assets	(10,985)	48,711	(5,255)	36,267
Amounts due from and due to affiliates, net	58,830	64,320	(5,082)	1,043
Accounts payable	55,140	(23,868)	36,147	6,896
Accrued liabilities	(162,059)	(60,396)	(160,008)	2,424
Deferred revenue	5,224	7,380	(9,726)	2,156
Net cash provided by operating activities	1,371,409	446,463	494,094	1,259,687
Cash flows from investing activities:				
Capital expenditures	(711,432)	(298,357)	(330,131)	(816,396)
Payment for acquisition, net of cash acquired	(46,703)	—	—	—
Proceeds related to sale of equipment, including costs of disposal	9,126	4,663	1,106	4,407
Proceeds from sale of affiliate interests	—	13,825	—	—
Decrease (increase) in other investments	(4,773)	(4,608)	610	(7,779)
Additions to other intangible assets	(1,707)	(106)	(1,709)	(8,035)
Net cash used in investing activities	(755,489)	(284,583)	(330,124)	(827,803)

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(In thousands)
(See Note 3)

	Successor		Predecessor	
	Year ended December 31, 2017	June 21, 2016 to December 31, 2016	January 1, 2016 to June 20, 2016	Year ended December 31, 2015
Cash flows from financing activities:				
Proceeds from credit facility debt	$ 4,335,000	$ 3,095,000	$ —	$ —
Repayment of credit facility debt	(3,590,256)	(4,326,250)	(14,953)	(260,321)
Issuance of senior notes	—	1,310,000	—	—
Proceeds from collateralized indebtedness	838,794	179,388	337,149	774,703
Repayment of collateralized indebtedness and related derivative contracts	(831,059)	(143,102)	(281,594)	(639,237)
Repayment of senior notes, including premiums and fees	(1,265,055)	—	—	—
Proceeds from notes payable	33,733	—	(1,291)	(2,458)
Proceeds from stock option exercises	—	—	14,411	18,727
Tax withholding associated with shares issued for equity-based awards	—	—	(6,034)	—
Dividend distributions to Altice USA in 2017 and common stockholders in 2016 and 2015	(925,262)	—	(4,066)	(125,170)
Principal payments on capital lease obligations	(14,395)	(8,709)	(11,552)	(20,250)
Deemed repurchases of restricted stock	—	—	(41,469)	(19,141)
Additions to deferred financing costs	(5,256)	(186,927)	—	(250)
Contribution from Altice USA	761,316	—	—	—
Payment for purchase of noncontrolling interest	—	—	—	(8,300)
Contributions from (distributions to) noncontrolling interests, net	(335)	—	240	(901)
Excess tax benefit related to share-based awards	—	31	82	5,694
Net cash used in financing activities	(662,775)	(80,569)	(9,077)	(276,904)
Net increase (decrease) in cash and cash equivalents from continuing operations	(46,855)	81,311	154,893	154,980
Cash flows of discontinued operations:				
Net cash used in operating activities	—	—	(21,000)	(484)
Net cash used in investing activities	—	—	—	(30)
Net decrease in cash and cash equivalents from discontinued operations	—	—	(21,000)	(514)
Cash, cash equivalents and restricted cash at beginning of period	232,926	151,615	1,004,879	850,413
Cash, cash equivalents and restricted cash at end of period	$ 186,071	$ 232,926	$ 1,138,772	$ 1,004,879

See accompanying notes to consolidated financial statements.

CSC HOLDINGS, LLC AND SUBSIDIARIES
(a wholly-owned subsidiary of Cablevision Systems Corporation)
CONSOLIDATED BALANCE SHEETS
December 31, 2017 and 2016
(In thousands)
(See Note 3)

	December 31, 2017	December 31, 2016
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 185,355	$ 216,140
Restricted cash	252	16,301
Accounts receivable, trade (less allowance for doubtful accounts of $7,857 and $4,952)	285,870	266,701
Prepaid expenses and other current assets (including a prepayment to an affiliate of $11,228 in 2017) (See Note 14)	93,219	70,383
Amounts due from affiliates	36,161	10,634
Investment securities pledged as collateral	—	741,515
Derivative contracts	52,545	352
Total current assets	653,402	1,322,026
Property, plant and equipment, net of accumulated depreciation of $1,679,639 and $562,739	4,177,658	4,605,418
Investment in affiliates	930	5,606
Investment securities pledged as collateral	1,720,357	741,515
Derivative contracts	—	10,604
Other assets (including a prepayment to an affiliate of $6,539 in 2017) (See Note 14)	42,579	37,609
Amortizable customer relationships, net of accumulated amortization of $955,332 and $335,459	3,939,668	4,514,541
Amortizable trade names, net of accumulated amortization of $531,761 and $44,422	478,539	965,578
Other amortizable intangibles, net of accumulated amortization of $9,896 and $2,483	23,808	20,904
Indefinite-lived cable television franchises	8,113,575	8,113,575
Goodwill	5,843,019	5,838,959
Total assets	$ 24,993,535	$ 26,176,335

See accompanying notes to consolidated financial statements.

CSC HOLDINGS, LLC AND SUBSIDIARIES
(a wholly-owned subsidiary of Cablevision Systems Corporation)
CONSOLIDATED BALANCE SHEETS (continued)
December 31, 2017 and 2016
(In thousands, except share amounts)
(See Note 3)

	December 31, 2017	December 31, 2016
LIABILITIES AND MEMBER DEFICIENCY		
Current Liabilities:		
Accounts payable	$ 602,008	$ 560,863
Accrued liabilities:		
Interest	283,362	323,446
Employee related costs	99,869	185,890
Other accrued expenses	278,282	239,624
Amounts due to affiliates	103,271	349,347
Deferred revenue	53,743	47,829
Liabilities under derivative contracts	52,545	13,158
Credit facility debt	30,000	25,000
Collateralized indebtedness	—	622,332
Senior notes and debentures	507,744	—
Capital lease obligations	9,136	14,050
Notes payable	29,958	5,427
Total current liabilities	2,049,918	2,386,966
Defined benefit plan obligations	103,163	84,106
Other liabilities	119,688	110,248
Deferred tax liability	4,110,679	6,608,959
Liabilities under derivative contracts	109,504	—
Credit facility debt	3,363,306	2,606,887
Collateralized indebtedness	1,349,474	663,737
Senior guaranteed notes	2,291,185	2,289,494
Senior notes and debentures	5,902,145	6,732,816
Capital lease obligations	11,197	11,293
Notes payable	26,998	8,299
Deficit investments in affiliates	3,579	—
Total liabilities	19,440,836	21,502,805
Commitments and contingencies		
Redeemable equity	197,128	43,378
Member's Equity:		
Retained earnings (accumulated deficit)	1,242,258	(580,181)
Other member's equity (100 membership units issued and outstanding)	4,121,796	5,208,067
	5,364,054	4,627,886
Accumulated other comprehensive income (loss)	(10,022)	1,979
Total member's equity	5,354,032	4,629,865
Noncontrolling interest	1,539	287
Total equity	5,355,571	4,630,152
	$ 24,993,535	$ 26,176,335

See accompanying notes to consolidated financial statements.

CSC HOLDINGS, LLC AND SUBSIDIARIES
(a wholly-owned subsidiary of Cablevision Systems Corporation)
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)
(See Note 3)

	Successor		Predecessor	
	Year ended December 31, 2017	June 21, 2016 to December 31, 2016	January 1, 2016 to June 20, 2016	Year ended December 31, 2015
Revenue (including revenue from affiliates of $4,886, $1,086, $2,088 and $5,343, respectively) (See Note 14)	$ 6,664,788	$ 3,444,052	$ 3,137,604	$ 6,545,545
Operating expenses:				
Programming and other direct costs (including charges from affiliates of $4,261, $1,947, $84,636 and $176,909, respectively) (See Note 14)	2,280,062	1,164,925	1,088,555	2,269,290
Other operating expenses (including charges from affiliates of $89,381, $8,793, $2,182 and $5,372, respectively) (See Note 14)	1,675,665	1,028,447	1,136,970	2,546,319
Restructuring and other expense	112,384	212,150	22,223	16,213
Depreciation and amortization (including impairments)	2,251,614	963,665	414,550	865,252
	6,319,725	3,369,187	2,662,298	5,697,074
Operating income	345,063	74,865	475,306	848,471
Other income (expense):				
Interest expense	(944,503)	(512,819)	(181,606)	(362,903)
Interest income	778	2,611	24,263	48,951
Gain (loss) on investments, net	237,354	141,896	129,990	(30,208)
Gain (loss) on equity derivative contracts, net	(138,920)	(53,696)	(36,283)	104,927
Loss on extinguishment of debt and write-off of deferred financing costs	(51,533)	(102,894)	—	(1,735)
Other income (expense), net	(1,788)	4,329	4,855	6,045
	(898,612)	(520,573)	(58,781)	(234,923)
Income (loss) from continuing operations before income taxes	(553,549)	(445,708)	416,525	613,548
Income tax benefit (expense)	2,233,716	170,440	(179,658)	(269,356)
Income (loss) from continuing operations, net of income taxes	1,680,167	(275,268)	236,867	344,192
Loss from discontinued operations, net of income taxes	—	—	—	(12,541)
Net income (loss)	1,680,167	(275,268)	236,867	331,651
Net loss (income) attributable to noncontrolling interests	(1,587)	(551)	236	201
Net income (loss) attributable to CSC Holdings, LLC's sole member	$ 1,678,580	$ (275,819)	$ 237,103	$ 331,852
Amounts attributable to CSC Holdings, LLC's sole member:				
Income (loss) from continuing operations, net of income taxes	$ 1,678,580	$ (275,819)	$ 237,103	$ 344,393
Loss from discontinued operations, net of income taxes	—	—	—	(12,541)
Net income (loss)	$ 1,678,580	$ (275,819)	$ 237,103	$ 331,852

See accompanying notes to consolidated financial statements.

CSC HOLDINGS, LLC AND SUBSIDIARIES
(a wholly-owned subsidiary of Cablevision Systems Corporation)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)
(See Note 3)

	Successor		Predecessor	
	Year ended December 31, 2017	June 21, 2016 to December 31, 2016	January 1, 2016 to June 20, 2016	Year ended December 31, 2015
Net income (loss)	$ 1,680,167	$ (275,268)	$ 236,867	$ 331,651
Other comprehensive income (loss):				
Defined benefit pension plans and postretirement plans (see Note 17):				
Unrecognized actuarial gain (loss)	(18,632)	3,452	68	2,694
Applicable income taxes	7,441	(1,381)	(28)	(1,106)
Unrecognized gain (loss) arising during period, net of income taxes	(11,191)	2,071	40	1,588
Amortization of actuarial losses, net included in net periodic benefit cost	—	—	929	1,224
Applicable income taxes	—	—	(388)	(502)
Amortization of actuarial losses, net included in net periodic benefit cost, net of income taxes	—	—	541	722
Settlement losses included in net periodic benefit cost, net of curtailment loss of $3,195 in 2017	(1,350)	(154)	1,655	3,822
Applicable income taxes	540	62	(679)	(1,569)
Settlement losses included in net periodic benefit cost, net of curtailment loss, net of income taxes	(810)	(92)	976	2,253
Other comprehensive gain (loss)	(12,001)	1,979	1,557	4,563
Comprehensive income (loss)	1,668,166	(273,289)	238,424	336,214
Comprehensive loss (income) attributable to noncontrolling interests	(1,587)	(551)	236	201
Comprehensive income (loss) attributable to CSC Holdings, LLC's sole member	$ 1,666,579	$ (273,840)	$ 238,660	$ 336,415

See accompanying notes to consolidated financial statements.

CSC HOLDINGS, LLC AND SUBSIDIARIES
(a wholly-owned subsidiary of Cablevision Systems Corporation)
CONSOLIDATED STATEMENTS OF CHANGES IN TOTAL MEMBERS' EQUITY (DEFICIENCY)
(In thousands)
(See Note 3)

	Accumulated Deficit	Senior Notes due from Cablevision	Other Member's Equity	Accumulated Other Comprehensive Equity (Loss)	Total Member's Equity (Deficiency)	Noncontrolling Interests	Total Equity (Deficiency)
Predecessor:							
Balance at January 1, 2015	$ (2,024,065)	$ (611,455)	$ 149,457	$ (42,235)	$ (2,528,298)	$ 779	$ (2,527,519)
Net income attributable to CSC Holdings' sole member	331,852	—	—	—	331,852	—	331,852
Net income attributable to noncontrolling interests	—	—	—	—	—	(146)	(146)
Pension and postretirement plan liability adjustments, net of income taxes	—	—	—	4,563	4,563	—	4,563
Share-based compensation expense	—	—	60,817	—	60,817	—	60,817
Distributions to Cablevision	(125,618)	—	(217,546)	—	(343,164)	—	(343,164)
Excess tax benefit on share-based awards	—	—	14,170	—	14,170	—	14,170
Adjustments to noncontrolling interests	—	—	8,836	—	8,836	(901)	7,935
Balance at December 31, 2015	$ (1,817,831)	$ (611,455)	$ 15,734	$ (37,672)	$ (2,451,224)	$ (268)	$ (2,451,492)
Net income attributable to CSC Holdings' sole member	237,103	—	—	—	237,103	—	237,103
Net income attributable to noncontrolling interests	—	—	—	—	—	(236)	(236)
Pension and postretirement plan liability adjustments, net of income taxes	—	—	—	1,557	1,557	—	1,557
Share-based compensation expense	—	—	24,997	—	24,997	—	24,997
Distributions to Cablevision	(82,283)	—	(62,035)	—	(144,318)	—	(144,318)
Excess tax benefit on share-based awards	—	—	50,288	—	50,288	—	50,288
Adjustments to noncontrolling interests	—	—	—	—	—	240	240
Balance at June 20, 2016	$ (1,663,011)	$ (611,455)	$ 28,984	$ (36,115)	$ (2,281,597)	$ (264)	$ (2,281,861)

See accompanying notes to consolidated financial statements.

CSC HOLDINGS, LLC AND SUBSIDIARIES
(a wholly-owned subsidiary of Cablevision Systems Corporation)
CONSOLIDATED STATEMENTS OF CHANGES IN TOTAL MEMBERS' EQUITY (DEFICIENCY) (continued)
(In thousands)
(See Note 3)

	Accumulated Deficit	Senior Notes due from Cablevision	Other Member's Equity	Accumulated Other Comprehensive Equity (Loss)	Total Member's Equity (Deficiency)	Noncontrolling Interests	Total Equity (Deficiency)
Successor:							
Balance at June 21, 2016	$ (304,362)	$ (611,455)	$ 6,026,861	$ —	$ 5,111,044	$ (264)	$ 5,110,780
Net loss attributable to CSC Holdings' sole member	(275,819)	—	—	—	(275,819)	—	(275,819)
Net income attributable to noncontrolling interests	—	—	—	—	—	551	551
Pension and postretirement plan liability adjustments, net of income taxes	—	—	—	1,979	1,979	—	1,979
Share-based compensation expense	—	—	9,164	—	9,164	—	9,164
Change in fair value of redeemable equity	—	—	(43,378)	—	(43,378)	—	(43,378)
Distributions to Cablevision	—	—	(106,941)	—	(106,941)	—	(106,941)
Excess tax benefit on share-based awards	—	—	(50,288)	—	(50,288)	—	(50,288)
Distribution of notes and accrued interest to Cablevision	—	611,455	(621,600)	—	(10,145)	—	(10,145)
Tax impact related to the Newsday Holdings, LLC transactions	—	—	(5,751)	—	(5,751)	—	(5,751)
Balance at December 31, 2016	$ (580,181)	$ —	$ 5,208,067	$ 1,979	$ 4,629,865	$ 287	$ 4,630,152
Net income attributable to CSC Holdings' sole member	1,678,580	—	—	—	1,678,580	—	1,678,580
Net income attributable to noncontrolling interests	—	—	—	—	—	1,587	1,587
Pension liability adjustments, net of income taxes	—	—	—	(12,001)	(12,001)	—	(12,001)
Share-based compensation expense	—	—	42,060	—	42,060	—	42,060
Change in redeemable equity	—	—	(153,749)	—	(153,749)	—	(153,749)
Contributions from Cablevision	—	—	761,316	—	761,316	—	761,316
Cash distributions to Cablevision	—	—	(1,712,797)	—	(1,712,797)	—	(1,712,797)
Distributions to non-controlling interest	—	—	—	—	—	(335)	(335)
Transfer of goodwill	—	—	(23,101)	—	(23,101)	—	(23,101)
Recognition of previously unrealized excess tax benefits related to share-based awards in connection with the adoption ASU 2016-09	143,859	—	—	—	143,859	—	143,859
Balance at December 31, 2017	$ 1,242,258	$ —	$ 4,121,796	$ (10,022)	$ 5,354,032	$ 1,539	$ 5,355,571

See accompanying notes to consolidated financial statements.

CSC HOLDINGS, LLC AND SUBSIDIARIES
(a wholly-owned subsidiary of Cablevision Systems Corporation)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(See Note 3)

	Successor		Predecessor	
	Year ended December 31, 2017	June 21, 2016 to December 31, 2016	January 1, 2016 to June 20, 2016	Year ended December 31, 2015
Cash flows from operating activities:				
Net income (loss)	$ 1,680,167	$ (275,268)	$ 236,867	$ 331,651
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Loss from discontinued operations, net of income taxes	—	—	—	12,541
Depreciation and amortization (including impairments)	2,251,614	963,665	414,550	865,252
Impairment of assets included in restructuring charges	—	2,445	—	—
Equity in net loss of affiliates	10,040	1,132	—	—
Gain on sale of affiliate interests	—	(206)	—	—
Loss (gain) on investments, net	(237,354)	(141,896)	(129,990)	30,208
Loss (gain) on derivative contracts, net	138,920	53,696	36,283	(104,927)
Loss on extinguishment of debt and write-off of deferred financing costs	51,533	102,894	—	1,735
Amortization of deferred financing costs and discounts (premiums) on indebtedness	9,099	7,853	7,189	14,807
Share-based compensation expense related to Cablevision equity classified awards	42,060	9,164	24,778	60,321
Settlement loss related to pension and postretirement plans	1,845	3,298	1,655	3,822
Deferred income taxes	(2,344,564)	(169,109)	116,830	78,925
Provision for doubtful accounts	45,246	21,799	13,240	35,802
Excess tax benefit related to share-based awards	—	50,288	(50,288)	(14,170)
Change in assets and liabilities, net of effects of acquisitions and dispositions:				
Accounts receivable, trade	(58,776)	(37,396)	(18,162)	(24,760)
Other receivables	(10,708)	5,235	4,227	3,966
Prepaid expenses and other assets	(10,985)	49,654	(5,254)	36,267
Amounts due from and due to affiliates, net	(245,291)	45,880	39,859	166,661
Accounts payable	55,140	(23,868)	36,147	6,896
Accrued liabilities	(139,180)	(72,939)	(160,168)	(8,797)
Deferred revenue	5,224	7,380	(9,726)	2,156
Net cash provided by operating activities	1,244,030	603,701	558,037	1,498,356
Cash flows from investing activities:				
Capital expenditures	(711,432)	(298,357)	(330,131)	(816,396)
Payment for acquisition, net of cash acquired	(46,703)	—	—	—
Proceeds related to sale of equipment, including costs of disposal	9,126	4,663	1,106	4,407
Proceeds from sale of affiliate interests	—	13,825	—	—
Decrease (increase) in other investments	(4,773)	(4,608)	610	(7,779)
Additions to other intangible assets	(1,707)	(106)	(1,709)	(8,035)
Net cash used in investing activities	(755,489)	(284,583)	(330,124)	(827,803)

CSC HOLDINGS, LLC AND SUBSIDIARIES
(a wholly-owned subsidiary of Cablevision Systems Corporation)
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(In thousands)

	Successor		Predecessor	
	Year ended December 31, 2017	June 21, 2016 to December 31, 2016	January 1, 2016 to June 20, 2016	Year ended December 31, 2015
Cash flows from financing activities:				
Proceeds from credit facility debt	$ 4,335,000	$ 3,095,000	$ —	$ —
Repayment of credit facility debt	(3,590,256)	(4,326,250)	(14,953)	(260,321)
Issuance of senior notes	—	1,310,000	—	—
Repayment of senior notes, including premiums and fees	(350,120)	—	—	—
Proceeds from collateralized indebtedness	838,794	179,388	337,149	774,703
Repayment of collateralized indebtedness and related derivative contracts	(831,059)	(143,102)	(281,594)	(639,237)
Distributions to Cablevision	(1,712,797)	(106,941)	(144,318)	(343,164)
Contribution from Cablevision	761,316	—	—	—
Proceeds from (repayment of) notes payable	33,733	—	(1,291)	(2,458)
Principal payments on capital lease obligations	(14,395)	(8,709)	(11,552)	(20,250)
Additions to deferred financing costs	(5,256)	(186,927)	—	(250)
Payment for purchase of noncontrolling interest	—	—	—	(8,300)
Distributions to noncontrolling interests, net	(335)	—	240	(901)
Excess tax benefit related to share-based awards	—	(50,288)	50,288	14,170
Net cash used in financing activities	(535,375)	(237,829)	(66,031)	(486,008)
Net increase (decrease) in cash and cash equivalents from continuing operations	(46,834)	81,289	161,882	184,545
Cash flows of discontinued operations:				
Net cash used in operating activities	—	—	(21,000)	(484)
Net cash used in investing activities	—	—	—	(30)
Net decrease in cash and cash equivalents from discontinued operations	—	—	(21,000)	(514)
Cash, cash equivalents and restricted cash at beginning of period	232,441	151,152	997,427	813,396
Cash, cash equivalents and restricted cash at end of period	$ 185,607	$ 232,441	$ 1,138,309	$ 997,427

See accompanying notes to consolidated financial statements.

NOTE 1. DESCRIPTION OF BUSINESS, RELATED MATTERS AND BASIS OF PRESENTATION

The Company and Related Matters

Cablevision Systems Corporation ("Cablevision"), through its wholly-owned subsidiary CSC Holdings, LLC and its consolidated subsidiaries ("CSC Holdings," and collectively with Cablevision, the "Company"), owns and operates cable systems and owns companies that provide regional news, local programming and advertising sales services for the cable television industry and Ethernet-based data, Internet, voice and video transport and managed services to the business market. Cablevision is a wholly owned subsidiary of Altice USA, Inc. The Company operates and reports financial information in one segment. Prior to the sale of a 75% interest in Newsday LLC ("Newsday") on July 7, 2016, the Company consolidated the operating results of Newsday. Effective July 7, 2016, the operating results of Newsday are no longer consolidated with those of the Company and the Company's 25% interest in the operating results of Newsday is recorded on the equity basis (see Note 14).

Cablevision Acquisition

On June 21, 2016 (the "Cablevision Acquisition Date"), pursuant to the Agreement and Plan of Merger (the "Merger Agreement"), dated as of September 16, 2015, by and among Cablevision, Altice N.V. ("Altice N.V."), Neptune Merger Sub Corp., a wholly-owned subsidiary of Altice N.V. ("Merger Sub"), Merger Sub merged with and into Cablevision, with Cablevision surviving the merger (the "Cablevision Acquisition").

In connection with the Cablevision Acquisition, each outstanding share of the Cablevision NY Group Class A common stock, par value $0.01 per share ("CNYG Class A Shares"), and Cablevision NY Group Class B common stock, par value $0.01 per share ("CNYG Class B Shares", and together with the CNYG Class A Shares, the "Shares") other than (i) Shares owned by Cablevision, Altice or any of their respective wholly-owned subsidiaries, in each case not held on behalf of third parties in a fiduciary capacity, received $34.90 in cash without interest, less applicable tax withholdings (the "Cablevision Acquisition Consideration").

Pursuant to an agreement, dated December 21, 2015, by and among CVC 2 B.V., CIE Management IX Limited, for and on behalf of the limited partnerships BC European Capital IX-1 through 11 and Canada Pension Plan Investment Board, certain affiliates of BCP and CPPIB (the "Co-Investors") funded approximately $1,000,000 toward the payment of the aggregate Cablevision Acquisition Consideration, and indirectly acquired approximately 30% of the Shares of Cablevision.

Also in connection with the Cablevision Acquisition, outstanding equity-based awards granted under Cablevision's equity plans were cancelled and converted into cash based upon the $34.90 per Share Cablevision Acquisition price in accordance with the original terms of the awards. The total consideration for the outstanding CNYG Class A Shares, the outstanding CNYG Class B Shares, and the equity-based awards amounted to $9,958,323.

In connection with the Cablevision Acquisition, in October 2015, Neptune Finco Corp. ("Finco"), an indirect wholly-owned subsidiary of Altice N.V. formed to complete the financing described herein and the merger with CSC Holdings, borrowed an aggregate principal amount of $3,800,000 under a term loan facility (the "Term Credit Facility") and entered into revolving loan commitments in an aggregate principal amount of $2,000,000 (the "Revolving Credit Facility" and, together with the Term Credit Facility, the "Credit Facilities").

Finco also issued $1,800,000 aggregate principal amount of 10.125% senior notes due 2023 (the "2023 Notes"), $2,000,000 aggregate principal amount of 10.875% senior notes due 2025 (the "2025 Notes"), and $1,000,000 aggregate principal amount of 6.625% senior guaranteed notes due 2025 (the "2025 Guaranteed Notes") (collectively the "Cablevision Acquisition Notes").

On June 21, 2016, immediately following the Cablevision Acquisition, Finco merged with and into CSC Holdings, with CSC Holdings surviving the merger (the "CSC Holdings Merger"), and the Cablevision Acquisition Notes and the Credit Facilities became obligations of CSC Holdings. In connection with the CSC Holdings Merger, the Company recorded $304,362 to accumulated deficit representing the results of operations, net of income taxes, of Finco for the period prior to the Cablevision Acquisition.

Acquisition of Altice Technical Services US Corp

In January 2018, the Company acquired 70% of the equity interests in Altice Technical Services US Corp. ("ATS") for $1.00 (the "ATS Acquisition") and the Company became the owner of 100% of the equity interests in ATS in March 2018. ATS was previously owned by Altice N.V. and a member of ATS's management through a holding company. As a result of the ATS Acquisition, the operations of ATS will be combined with the Company's operations in 2018. As the acquisition is a combination of businesses under common control, the Company will retroactively combine the results of operations and related assets and liabilities of ATS for all periods. The following reflects the retroactive combination of ATS's revenue, operating expenses and operating income for the year ended December 31, 2017 for Cablevision and CSC Holdings:

Revenue	$	6,670,376
Operating expenses		(6,348,043)
Operating income	$	322,333

In connection with the ATS Acquisition, the Company will record goodwill of $23,101, representing the amount previously transferred to ATS. See Note 14 regarding the Company's activities with ATS in 2017.

Basis of Presentation

Principles of Consolidation

In the accompanying consolidated balance sheets of Cablevision and CSC Holdings, the consideration paid by Altice N.V. and the Co- Investors in connection with the Cablevision Acquisition has been "pushed down" to Cablevision and CSC Holdings and has been allocated to the assets acquired and liabilities assumed based on their estimated fair values in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic ("ASC") 805, *Business Combinations*. Due to the impact of push down accounting, Cablevision's and CSC Holdings' financial statements are presented in two distinct periods to indicate the application of the different bases of accounting between the periods presented: (1) the periods up to the Cablevision Acquisition date, January 1, 2016 through June 20, 2016 and the year ended December 31, 2015, labeled "Predecessor" and (2) the period from the Cablevision Acquisition date, June 21, 2016 through December 31, 2016 and the year ended December 31, 2017, labeled "Successor". The Predecessor periods represent the financial information of the Company prior to the Cablevision Acquisition, while the Successor periods represents the financial information of the Company subsequent to the Cablevision Acquisition. The accompanying financial statements include a black line division to indicate the application of the bases of accounting utilized by the Predecessor and Successor reporting entities. As a result, the financial statements for the Predecessor periods and for the Successor periods are not comparable.

The accompanying consolidated financial statements of Cablevision include the accounts of Cablevision and its majority-owned subsidiaries and the accompanying consolidated financial statements of CSC Holdings include the accounts of CSC Holdings and its majority-owned subsidiaries. Cablevision has no business operations independent of its CSC Holdings subsidiary, whose operating results and financial position are consolidated into Cablevision. The consolidated balance sheets and statements of operations of Cablevision are essentially identical to the consolidated balance sheets and statements of operations of CSC Holdings, with the following significant exceptions: Cablevision has $1,899,024 of senior notes outstanding at December 31, 2017 that were issued to third party investors, cash, accrued interest related to its senior notes, and deferred taxes on its balance sheet. In addition, CSC Holdings and its subsidiaries have certain intercompany receivables from and payables to Cablevision. Differences between Cablevision's results of operations and those of CSC Holdings primarily include incremental interest expense, interest income, loss on extinguishment of debt, the write-off of deferred financing costs, and income tax expense or benefit. CSC Holdings' results of operations include incremental interest income from the Cablevision senior notes held by Newsday Holdings through July 7, 2016 (see Note 14), which has been eliminated in Cablevision's results of operations.

The combined notes to the consolidated financial statements relate to the Company, which, except as noted, are essentially identical for Cablevision and CSC Holdings. All significant intercompany transactions and balances between Cablevision and CSC Holdings and their respective consolidated subsidiaries are eliminated in both sets of consolidated financial statements. Intercompany transactions between Cablevision and CSC Holdings are not eliminated in the CSC Holdings consolidated financial statements, but are eliminated in the Cablevision consolidated financial statements.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("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 reporting period. Actual results could differ from those estimates. See Note 11 for a discussion of fair value estimates.

Reclassifications

Certain reclassifications have been made in the 2015 and 2016 financial statements to conform to the 2017 presentation.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

Revenue Recognition

The Company recognizes pay television, broadband, and telephony services revenues as the services are provided to customers. Revenue received from customers who purchase bundled services at a discounted rate is allocated to each product in a pro-rata manner based on the individual product's selling price (generally, the price at which the product is regularly sold on a standalone basis). Installation revenue for the Company's pay television, broadband and telephony services is recognized as installations are completed, as direct selling costs have exceeded this revenue in all periods reported. Advertising revenues are recognized when commercials are aired.

Revenues derived from other sources are recognized when services are provided or events occur.

Multiple-Element Transactions

In the normal course of business, the Company may enter into multiple-element transactions where it is simultaneously both a customer and a vendor with the same counterparty or in which it purchases multiple products and/or services, or settles outstanding items contemporaneously with the purchase of a product or service, from a single counterparty. The Company's policy for accounting for each transaction negotiated contemporaneously is to record each deliverable of the transaction based on its best estimate of selling price in a manner consistent with that used to determine the price to sell each deliverable on a standalone basis. In determining the fair value of the respective deliverable, the Company will utilize quoted market prices (as available), historical transactions or comparable transactions.

Gross Versus Net Revenue Recognition

In the normal course of business, the Company is assessed non-income related taxes by governmental authorities, including franchising authorities (generally under multi-year agreements), and collects such taxes from its customers. The Company's policy is that, in instances where the tax is being assessed directly on the Company, amounts paid to the governmental authorities and amounts received from the customers are recorded on a gross basis. That is, amounts paid to the governmental authorities are recorded as programming and other direct costs and amounts received from the customer are recorded as revenue. For the year ended December 31, 2017 (Successor) and period June 21, 2016 through December 31, 2016 (Successor), period January 1, 2016 through June 20, 2016 (Predecessor), and for the year ended December 31, 2015 (Predecessor), the amount of franchise fees and certain other taxes and fees included as a component of revenue aggregated $212,081, $106,213, $95,432, and $199,701, respectively.

Technical and Operating Expenses

Costs of revenue related to sales of services are classified as "programming and other direct costs" in the accompanying consolidated statements of operations.

Programming Costs

Programming expenses related to the Company's pay television service represent fees paid to programming distributors to license the programming distributed to customers. This programming is acquired generally under multi-year distribution agreements, with rates usually based on the number of customers that receive the programming. If there are periods when an existing distribution agreement has expired and the parties have not finalized negotiations of either a renewal of that agreement or a new agreement for certain periods of time, the Company continues to carry and pay for these services until execution of definitive replacement agreements or renewals. The amount of programming expense

recorded during the interim period is based on the Company's estimates of the ultimate contractual agreement expected to be reached, which is based on several factors, including previous contractual rates, customary rate increases and the current status of negotiations. Such estimates are adjusted as negotiations progress until new programming terms are finalized.

In addition, the Company has received, or may receive, incentives from programming distributors for carriage of the distributors' programming. The Company generally recognizes these incentives as a reduction of programming costs in "programming and other direct costs", generally over the term of the distribution agreement.

Advertising Expenses

Advertising costs are charged to expense when incurred and are reflected in "other operating expenses" in the accompanying consolidated statements of operations. Advertising costs amounted to $157,642, $78,659, $62,760, and $160,671 for the year ended December 31, 2017 (Successor), period June 21, 2016 through December 31, 2016 (Successor), period January 1, 2016 through June 20, 2016 (Predecessor), and year ended December 31, 2015 (Predecessor), respectively.

Share-Based Compensation

Share-based compensation expense is based on the fair value of the portion of share-based payment awards that are ultimately expected to vest. Share-based compensation cost relates to awards of units in a carried unit plan and options.

For carried interest units, the Company measures share-based compensation cost at the grant date fair value and recognizes the expense over the requisite service period or when it is probable any related performance condition will be met. For carried interest units with graded vesting requirement, compensation cost is recognized on an accelerated method under the graded vesting method over the requisite service period for the carried interest unit. Carried interest units that vest entirely at the end of the vesting requirement are expensed on a straight-line basis.

The Company estimated the fair value of carried interest units using an option pricing model. Key inputs that were used in applying the option pricing method were total equity value, equity volatility, risk free rate and time to liquidity event. The estimate of total equity value was determined using a combination of the income approach, which incorporated cash flow projections that were discounted at an appropriate rate, and the market approach, which involved applying a market multiple to the Company’s projected operating results. The Company estimated volatility based on the historical equity volatility of comparable publicly-traded companies. Subsequent to Altice USA's initial public offering ("IPO") in June 2017, such subjective valuations and estimates were no longer necessary as the Company relied on the market price of the Company’s common stock to determine the fair value of share-based compensation awards. See Note 13 to the consolidated financial statements for additional information about our share-based compensation.

For stock option awards, the Company recognizes compensation expense based on the estimated grant date fair value using the Black-Scholes valuation model. For options not subject to performance based vesting conditions, the Company recognizes the compensation expense using a straight-line amortization method.

For restricted shares granted prior to the Cablevision Acquisition, the Company recognized compensation expense using a straight-line amortization method based on the grant date price of CNYG Class A common stock over the vesting period. For restricted stock units granted to non-employee director which vested 100% on the date of grant, compensation expense was recognized on the date of grant based on the grant date price of CNYG Class A common stock.

For performance based restricted stock units ("PSUs") granted prior to the Cablevision Acquisition, which cliff vested in three years, the Company recognized compensation expense on a straight-line basis over the vesting period based on the estimated number of shares of CNYG Class A common stock expected to be issued.

For CSC Holdings, share-based compensation expense during the Predecessor periods was recognized in its statements of operations based on allocations from Cablevision.

Income Taxes

The Company's provision for income taxes is based on current period income, changes in deferred tax assets and liabilities and changes in estimates with regard to uncertain tax positions. Deferred tax assets are subject to an ongoing assessment of realizability. The Company provides deferred taxes for the outside basis difference of its investment in partnerships.

Cash and Cash Equivalents

The Company's cash investments are placed with money market funds and financial institutions that are investment grade as rated by Standard & Poor's and Moody's Investors Service. The Company selects money market funds that predominantly invest in marketable, direct obligations issued or guaranteed by the United States government or its agencies, commercial paper, fully collateralized repurchase agreements, certificates of deposit, and time deposits.

The Company considers the balance of its investment in funds that substantially hold securities that mature within three months or less from the date the fund purchases these securities to be cash equivalents. The carrying amount of cash and cash equivalents either approximates fair value due to the short-term maturity of these instruments or are at fair value.

Accounts Receivable

Accounts receivable are recorded at net realizable value. The Company periodically assesses the adequacy of valuation allowances for uncollectible accounts receivable by evaluating the collectability of outstanding receivables and general factors such as historical collection experience, length of time individual receivables are past due, and the economic and competitive environment.

Investments

Investment securities and investment securities pledged as collateral are classified as trading securities and are stated at fair value with realized and unrealized holding gains and losses included in net income.

Long-Lived Assets and Amortizable Intangible Assets

Property, plant and equipment, including construction materials, are carried at cost, and include all direct costs and certain indirect costs associated with the construction of cable systems, and the costs of new equipment installations. Equipment under capital leases is recorded at the present value of the total minimum lease payments. Depreciation on equipment is calculated on the straight-line basis over the estimated useful lives of the assets or, with respect to equipment under capital leases and leasehold improvements, amortized over the shorter of the lease term or the assets' useful lives and reported in depreciation and amortization (including impairments) in the consolidated statements of operations.

The Company capitalizes certain internal and external costs incurred to acquire or develop internal-use software. Capitalized software costs are amortized over the estimated useful life of the software and reported in depreciation and amortization.

Customer relationships, trade names and other intangibles established in connection with acquisitions that are finite-lived are amortized in a manner that reflects the pattern in which the projected net cash inflows to the Company are expected to occur, such as the sum of the years' digits method, or when such pattern does not exist, using the straight-line basis over their respective estimated useful lives.

The Company reviews its long-lived assets (property, plant and equipment, and intangible assets subject to amortization that arose from acquisitions) for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of the expected cash flows, undiscounted and without interest, is less than the carrying amount of the asset, an impairment loss is recognized as the amount by which the carrying amount of the asset exceeds its fair value.

Goodwill and Indefinite-Lived Intangible Assets

Goodwill and the value of franchises acquired in purchase business combinations which have indefinite useful lives are not amortized. Rather, such assets are tested for impairment annually or upon the occurrence of a triggering event.

The Company assesses qualitative factors for its reporting units that carry goodwill. If the qualitative assessment results in a conclusion that it is more likely than not that the fair value of a reporting unit exceeds the carrying value, then no further testing is performed for that reporting unit.

When the qualitative assessment is not used, or if the qualitative assessment is not conclusive and it is necessary to calculate the fair value of a reporting unit, then the impairment analysis for goodwill is performed at the reporting unit level using a two-step approach. The first step of the goodwill impairment test is used to identify potential impairment by comparing the fair value of the reporting unit with its carrying amount, including goodwill utilizing an enterprise-

value based premise approach. If the carrying amount of the reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of goodwill impairment loss, if any. The second step of the goodwill impairment test 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 which would be recognized in a business combination.

The Company assesses qualitative factors to determine whether it is necessary to perform the one-step quantitative identifiable indefinite-lived intangible assets impairment test. This quantitative test is required only if the Company concludes that it is more likely than not that a unit of accounting's fair value is less than its carrying amount. When the qualitative assessment is not used, or if the qualitative assessment is not conclusive, the impairment test for other intangible assets not subject to amortization requires a comparison of the fair value of the intangible asset with its carrying value. If the carrying value of the indefinite-lived intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess.

Deferred Financing Costs

Deferred financing costs are being amortized to interest expense using the effective interest method over the terms of the related debt.

Derivative Financial Instruments

The Company accounts for derivative financial instruments as either assets or liabilities measured at fair value. The Company uses derivative instruments to manage its exposure to market risks from changes in certain equity prices and interest rates and does not hold or issue derivative instruments for speculative or trading purposes. These derivative instruments are not designated as hedges, and changes in the fair values of these derivatives are recognized in the statements of operations as gains (losses) on derivative contracts.

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when the Company believes it is probable that a liability has been incurred and the amount of the contingency can be reasonably estimated.

Recently Adopted Accounting Pronouncement

In March 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-09, Compensation—Stock Compensation: Improvements to Employee Share-Based Payment Accounting, which provides simplification of income tax accounting for share-based payment awards. The new guidance became effective for the Company on January 1, 2017. Amendments related to the timing of when excess tax benefits are recognized, minimum statutory withholding requirements, forfeitures, and intrinsic value were applied using the modified retrospective transition method. Amendments requiring recognition of excess tax benefits and tax deficiencies in the income statement and the practical expedient for estimating expected term were applied prospectively. The Company elected to apply the amendments related to the presentation of excess tax benefits on the statement of cash flows using the prospective transition method. In connection with the adoption on January 1, 2017, a deferred tax asset of approximately $310,771 for previously unrealized excess tax benefits was recognized with the offset recorded to accumulated deficit.

Recently Issued But Not Yet Adopted Accounting Pronouncements

In February 2018, the FASB issued ASU No. 2018-02, Income Statement—Reporting Comprehensive Income (Topic 220) Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income. The primary provision of ASU No. 2018-02 allows for the reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act. ASU 2018-02 also requires certain disclosures about stranded tax effects. ASU No. 2018‑02 is effective for the Company on January 1, 2019, with early adoption permitted and will be applied either in the period of adoption or retrospectively to each period (or periods) in which the effect of the change in the U.S. federal corporate income tax rate in the Tax Cuts and Jobs Act is recognized.

In May 2017, the FASB issued ASU No. 2017‑09, Compensation- Stock Compensation (Topic 718). ASU No. 2017‑09 provides clarity and guidance on which changes to the terms or conditions of a share-based payment award require an

entity to apply modification accounting in Topic 718. ASU No. 2017‑09 is effective for the Company on January 1, 2018 and will be applied prospectively.

In March 2017, the FASB issued ASU No. 2017‑07 Compensation-Retirement Benefits (Topic 715). ASU No. 2017‑07 requires that an employer disaggregate the service cost component from the other components of net benefit cost. It also provides guidance on how to present the service cost component and the other components of net benefit cost in the income statement and what component of net benefit cost is eligible for capitalization. ASU No. 2017‑07 is effective for the Company on January 1, 2018 and will be applied retrospectively. In connection with the adoption of ASU 2017-07, the Company will reclassify the non-service cost components of the Company's pension expense from primarily "Other operating expenses" to "Miscellaneous income (expense), net" on its consolidated statements of operations. The Company has elected to apply the practical expedient which allows it to reclassify amounts disclosed previously in the benefits plan note (Note 17 of the consolidated financial statements) as the basis for applying retrospective presentation for comparative periods, as the Company determined it was impracticable to disaggregate the cost components for amounts capitalized and amortized in those periods.

In January 2017, the FASB issued ASU No. 2017‑04, Intangibles-Goodwill and Other (Topic 350). ASU No. 2017‑04 simplifies the subsequent measurement of goodwill by removing the second step of the two‑step impairment test. The amendment requires an entity to perform its annual, or interim goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity still has the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. ASU No. 2017‑04 becomes effective for the Company on January 1, 2020 with early adoption permitted and will be applied prospectively.

In January 2017, the FASB issued ASU No. 2017‑01, Business Combinations (Topic 805), Clarifying the Definition of a Business, which amends Topic 805 to interpret the definition of a business by adding guidance to assist in evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The new guidance is effective for the Company on January 1, 2018 and will be applied prospectively.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments which clarifies how entities should classify certain cash receipts and cash payments on the statement of cash flows. ASU No. 2016-15 also clarifies how the predominance principle should be applied when cash receipts and cash payments have aspects of more than one class of cash flows. The new guidance is effective for the Company on January 1, 2018 and will be applied retrospectively. The Company does not believe that the adoption of ASU No. 2016-15 will have a material effect on its consolidated statements of cash flows.

In February 2016, the FASB issued ASU No. 2016-02, Leases*,* which increases transparency and comparability by recognizing a lessee’s rights and obligations resulting from leases by recording them on the balance sheet as lease assets and lease liabilities. The new guidance becomes effective for the Company on January 1, 2019 with early adoption permitted and will be applied using the modified retrospective method. The Company has not yet completed the evaluation of the effect that ASU No. 2016-02 will have on its consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, Financial Instruments - Overall (Subtopic 825-10), Recognition and Measurement of Financial Assets and Financial Liabilities. ASU No. 2016-01 modifies how entities measure certain equity investments and also modifies the recognition of changes in the fair value of financial liabilities measured under the fair value option. Entities will be required to measure equity investments that do not result in consolidation and are not accounted for under the equity method at fair value and recognize any changes in fair value in net income. For financial liabilities measured using the fair value option, entities will be required to record changes in fair value caused by a change in instrument-specific credit risk (own credit risk) separately in other comprehensive income. ASU No. 2016-01 is effective for the Company on January 1, 2018. The Company does expect the adoption of ASU No. 2016-01 to have any effect on its consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU No. 2014-09 will replace most existing revenue recognition guidance in GAAP. In August 2015, the FASB issued ASU No. 2015-14 that approved deferring the effective date by one year so that ASU No. 2014-09 is effective for the Company on January 1, 2018.

In December 2016, the FASB issued ASU No. 2016-20, Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers, in order to clarify the Codification and to correct any unintended application of the

guidance. The amendments in this update affect the guidance in ASU No. 2014-09. The Company will adopt ASU No. 2014-09 on January 1, 2018 and will transition to the standard retrospectively. The adoption of ASU No. 2014-09 will not have a material impact on the Company's financial position or results of operations. The adoption will, however, result in the deferral of certain installation revenue and the deferral of certain commission expenses. Additionally, the Company anticipates changes in the composition of revenue resulting from the allocation of value related to bundled services sold at a discount to residential customers.

Common Stock of Cablevision

At December 31, 2017 and 2016, the Cablevision had 1,000 shares of common stock with a par value of $0.01 authorized and 100 shares issued and outstanding, which are all owned by Altice USA, its sole owner.

CSC Holdings Membership Interests

As of December 31, 2017 and 2016, CSC Holdings had 100 membership units issued and outstanding, which are all owned by Cablevision, its sole owner.

Dividends

The Company made cash distributions of $925,262 to Altice USA during the year ended December 31, 2017, $500,000 of which were funded with proceeds from borrowings under CSC Holdings' revolving credit facility.

Pursuant to the terms of the Merger Agreement, Cablevision was not permitted to declare and pay dividends or repurchase stock, in each case, without the prior written consent of Altice N.V. In accordance with these terms, Cablevision did not declare dividends during the period January 1, 2016 through June 20, 2016 (Predecessor).

During the period January 1, 2016 through June 20, 2016 (Predecessor), Cablevision paid $4,066 related to restricted shares that vested in respect of dividends declared and accrued on the CNYG common stock in prior periods. In addition, on June 21, 2016 approximately $3,773 of accrued dividends were paid on restricted shares and performance restricted stock units that vested in connection with the Cablevision Acquisition.

Prior to the Cablevision Acquisition, the Board of Directors of Cablevision had declared and paid the following cash dividends to stockholders of record on both its CNYG Class A common stock and CNYG Class B common stock:

Declaration Date	Dividend per Share	Record Date	Payment Date
August 6, 2015	$0.15	August 21, 2015	September 10, 2015
May 1, 2015	$0.15	May 22, 2015	June 12, 2015
February 24, 2015	$0.15	March 16, 2015	April 3, 2015

Cablevision paid dividends aggregating $125,170 during the year ended December 31, 2015, including accrued dividends on vested restricted shares of $3,935, primarily from the proceeds of equity distribution payments from CSC Holdings.

CSC Holdings made cash equity distribution payments to Cablevision aggregating $1,712,797, $106,941 and $144.318, respectively, during the year ended December 31, 2017, 2016 Successor period and 2016 Predecessor period, respectively. During the year ended December 31, 2015 (Predecessor period), CSC Holdings made cash equity distribution payments to Cablevision aggregating $343,164. These distribution payments were funded from cash on hand. The proceeds were used to fund:

- Cablevision distributions to Altice USA (Successor period only);
- Cablevision's principal and interest payments on its senior notes (Predecessor and Successor periods);
- Cablevision's payments in respect of dividends declared and accrued in prior periods related to restricted shares that vested (Predecessor periods only); and
- Cablevision's payments for the acquisition of treasury shares related to statutory minimum tax withholding obligations upon the vesting of certain restricted shares (Predecessor periods only).

Cablevision's and CSC Holdings' indentures and CSC Holdings' credit agreement restrict the amount of dividends and distributions in respect of any equity interest that can be made.

Income (Loss) Per Share

Net income (loss) per share for Cablevision for the year ended December 31, 2017 and for the 2016 Successor period is not presented since Cablevision's common stock is no longer publicly traded. For the periods prior to the Cablevision Acquisition, basic income per common share attributable to Cablevision stockholders was computed by dividing net income attributable to Cablevision stockholders by the weighted average number of common shares outstanding during the period. Diluted income per common share attributable to Cablevision stockholders reflected the dilutive effects of stock options, restricted stock and restricted stock units. For such awards that were performance based, the diluted effect was reflected upon the achievement of the performance criteria.

The following table presents a reconciliation of weighted average shares used in the calculations of the basic and diluted net income per share attributable to Cablevision stockholders:

	Predecessor	
	January 1, 2016 to June 20, 2016	Year Ended December 31, 2015
Basic weighted average shares outstanding	272,035	269,388
Effect of dilution:		
Stock options	4,444	3,532
Restricted stock	3,720	3,419
Diluted weighted average shares outstanding	280,199	276,339

Anti-dilutive shares (options whose exercise price exceeds the average market price of Cablevision's common stock during the period and certain restricted shares) totaling approximately 1,160,000 shares, were excluded from diluted weighted average shares outstanding for the year ended 2015. There were no anti-dilutive shares excluded from diluted weighted average shares outstanding for the period January 1, 2016 to June 20, 2016. In addition, approximately 1,772,000 performance based restricted stock units for the year ended December 31, 2015, issued pursuant to the Company's former employee stock plan, were also excluded from the diluted weighted average shares outstanding as the performance criteria on these awards had not yet been satisfied for the respective period.

Net income (loss) per membership unit for CSC Holdings is not presented since CSC Holdings is a limited liability company and a wholly-owned subsidiary of Cablevision.

Concentrations of Credit Risk

Financial instruments that may potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents and trade account receivables. 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. Management believes that no significant concentration of credit risk exists with respect to its cash and cash equivalents balances because of its assessment of the creditworthiness and financial viability of the respective financial institutions.

The Company did not have a single customer that represented 10% or more of its consolidated revenues for the year ended December 31, 2017 (Successor), period June 21, 2016 through December 31, 2016 (Successor), January 1, 2016 through June 20, 2016 (Predecessor), and year ended December 31, 2015 (Predecessor), or 10% or more of its consolidated net trade receivables at December 31, 2017 and December 31, 2016 (Successor).

NOTE 3. BUSINESS COMBINATION

Cablevision Acquisition

As discussed in Note 1, the Company completed the Cablevision Acquisition on June 21, 2016. The acquisition was accounted for as a business combination in accordance with ASC Topic 805. Accordingly, the Successor financial statements reflect a new basis of accounting based on the fair value of the assets and liabilities of the Company on the Cablevision Acquisition Date and therefore are not comparable to the financial statements of the Predecessor period.

The following table provides the allocation of the total purchase price of $9,958,323 to the identifiable tangible and intangible assets and liabilities of Cablevision based on their respective fair values. The remaining useful lives represent the period over which acquired tangible and intangible assets with a finite life are being depreciated or amortized.

	Fair Values	Estimated Useful Lives
Current assets	$ 1,923,071	
Accounts receivable	271,305	
Property, plant and equipment	4,864,621	2-18 years
Goodwill	5,842,172	
Indefinite-lived cable television franchises	8,113,575	Indefinite-lived
Customer relationships	4,850,000	8 to 18 years
Trade names (a)	1,010,000	12 years
Amortizable intangible assets	23,296	1-15 years
Other non-current assets	748,998	
Current liabilities	(2,311,201)	
Long-term debt	(8,355,386)	
Deferred income taxes.	(6,832,773)	
Other non-current liabilities	(189,355)	
Total	$ 9,958,323	

(a) See Note 8 for additional information regarding a change in the remaining estimated useful lives of the Company's trade names.

Transaction costs that were contingent upon the consummation of the Cablevision Acquisition aggregating $34,227 ($7,633 was paid to a related party) were recorded on the black line and therefore are not reflected in either the Predecessor or Successor periods. See Note 5 for a discussion of transaction costs that were expensed in the Predecessor and Successor periods. In addition, unrecognized actuarial losses, net of taxes, related to the Company's employee benefit plans included in accumulated other comprehensive loss on the balance sheet of approximately $36,115 were reset to zero in connection with the Cablevision Acquisition.

The fair value of customer relationships and cable television franchises were valued using derivations of the "income" approach. The future expected earnings from these assets were discounted to their present value equivalent.

Trade names were valued using the relief from royalty method, which is based on the present value of the royalty payments avoided as a result of the company owning the intangible asset.

The basis for the valuation methods was the Company's projections. These projections were based on management's assumptions including among others, penetration rates for pay television, broadband, and telephony; revenue growth rates; operating margins; and capital expenditures. The assumptions are derived based on the Company's and its peers' historical operating performance adjusted for current and expected competitive and economic factors surrounding the cable industry. 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 asset. The value is highly dependent on the achievement of the future financial results contemplated in the projections. The estimates and assumptions made in the valuation are inherently subject to significant uncertainties, many of which are beyond the Company's control, and there is no assurance that these results can be achieved. The primary assumptions for which there is a reasonable possibility of the occurrence of a variation that would have significantly affected the value include the assumptions regarding revenue growth, programming expense growth rates, the amount and timing of capital expenditures and the discount rate utilized.

In establishing fair value for the vast majority of the acquired property, plant and equipment, the cost approach was utilized. The cost approach considers the amount required to replace an asset by constructing or purchasing a new asset with similar utility, then adjusts the value in consideration of physical depreciation, and functional and economic obsolescence as of the appraisal date. The cost approach relies on management's assumptions regarding current material and labor costs required to rebuild and repurchase significant components of property, plant and equipment along with assumptions regarding the age and estimated useful lives of property, plant and equipment.

The estimates of expected useful lives take into consideration the effects of contractual relationships, customer attrition, eventual development of new technologies and market competition.

Long-term debt assumed was valued using quoted market prices (Level 2). The carrying value of most other assets and liabilities approximated fair value as of the acquisition date.

As a result of applying business combination accounting, the Company recorded goodwill, which represented the excess of organization value over amounts assigned to the other identifiable tangible and intangible assets arising from expectations of future operational performance and cash generation.

The unaudited pro forma revenue, loss from continuing operations and net loss for the years ended December 31, 2016 and 2015, as if the Cablevision Acquisition had occurred on January 1, 2015, are as follows:

	Years Ended December 31,	
	2016	2015
Cablevision:		
Revenue	$ 6,581,656	$ 6,545,545
Loss from continuing operations	$ (588,071)	$ (740,115)
Net loss	$ (588,071)	$ (752,656)
CSC Holdings:		
Revenue	$ 6,581,656	$ 6,545,545
Loss from continuing operations	$ (482,779)	$ (619,775)
Net loss	$ (482,779)	$ (632,316)

The pro forma results presented above include the impact of additional amortization expense related to the identifiable intangible assets recorded in connection with the Cablevision Acquisition, additional depreciation expense related to the fair value adjustment to property, plant and equipment and the incremental interest resulting from the issuance of debt to fund the Cablevision Acquisition, net of the reversal of interest and amortization of deferred financing costs related to credit facilities that were repaid on the date of the Cablevision Acquisition and the accretion/amortization of fair value adjustments associated with the long-term debt acquired.

Other Acquisitions

In connection with certain acquisitions completed in the first and fourth quarters of 2017, the Company recorded amortizable intangibles of $45,000 relating to customer relationships and $9,400 relating to other amortizable intangibles. The Company recorded goodwill of $23,948, which represents the excess of the estimated purchase price of approximately $80,000 (based on current probability of contingent consideration) over the net book value of assets acquired. These values are based on preliminary fair value information currently available, which is subject to change within the measurement period (up to one year from the acquisition date).

NOTE 4. SUPPLEMENTAL CASH FLOW INFORMATION

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

	Successor		Predecessor	
	Year Ended December 31, 2017	June 21, 2016 to December 31, 2016	January 1, 2016 to June 20, 2016	Year Ended December 31, 2015
Non-Cash Investing and Financing Activities of Cablevision and CSC Holdings:				
Continuing Operations:				
Property and equipment accrued but unpaid	$ 105,177	$ 118,681	$ 68,356	$ 63,843
Leasehold improvements paid by landlord	1,999	—	—	—
Notes payable to vendor	31,185	12,449	—	8,318
Capital lease obligations	9,385	—	—	19,987
Intangible asset obligations	—	—	290	1,121
Deferred financing costs accrued but unpaid	—	2,570	—	—
Non-Cash Investing and Financing Activities of Cablevision:				
Dividends payable on unvested restricted share awards	—	—	—	3,517
Supplemental Data:				
Continuing Operations - Cablevision:				
Cash interest paid	1,185,099	715,247	258,940	560,361
Income taxes paid (refunded), net	5,068	(3,794)	7,082	3,849
Continuing Operations - CSC Holdings:				
Cash interest paid	989,172	608,298	151,991	346,457
Income taxes paid (refunded), net	328,379	(3,794)	7,082	3,849

NOTE 5. RESTRUCTURING AND OTHER EXPENSE

Restructuring

Subsequent to the Cablevision Acquisition, the Company commenced its restructuring initiatives (the "2016 Restructuring Plan") that are intended to simplify the Company's organizational structure. Such costs are classified as restructuring and other expense in the Company's consolidated statements of operations.

The following table summarizes the activity for the 2016 Restructuring Plan:

	Severance and Other Employee Related Costs	**Facility Realignment and Other Costs**	**Total**
Restructuring charges	$ 188,847	$ 10,410	$ 199,257
Payments and other	(103,518)	(2,456)	(105,974)
Accrual balance at December 31, 2016	85,329	7,954	93,283
Restructuring charges	106,477	3,563	110,040
Payments and other	(108,090)	(4,977)	(113,067)
Accrual balance at December 31, 2017	$ 83,716	$ 6,540	$ 90,256

In addition to the charges included in the table above, the Company recorded net restructuring expense (credits) of $(27), $2,299 and $(1,649), for the period June 21, 2016 through December 31, 2016 (Successor), January 1, 2016 through June 20, 2016 (Predecessor), and for the year ended December 31, 2015 (Predecessor), respectively. These restructuring

expenses (credits) primarily related to changes to the Company's previous estimates recorded in connection with the Company's prior restructuring plans.

Cumulative costs to date relating to the 2016 Restructuring Plan amounted to $309,297.

Transaction Costs

For the year ended December 31, 2017, the Company incurred transaction costs of $2,343 related to the acquisition of a business during the first quarter of 2017 and other transactions.

In connection with the Cablevision Acquisition, the Company incurred transaction costs of $12,920, $19,924, and $17,862 for the period June 21, 2016 through December 31, 2016 (Successor), January 1, 2016 through June 20, 2016 (Predecessor), and for the year ended December 31, 2015 (Predecessor), respectively, which are reflected in restructuring and other expense in the consolidated statements of operations.

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

Costs incurred in the construction of the Company's cable systems, including line extensions to, and upgrade of, the Company's hybrid fiber/coaxial infrastructure, initial placement of the feeder cable to connect a customer that had not been previously connected, and headend facilities are capitalized. These costs consist of materials, subcontractor labor, direct consulting fees, and internal labor and related costs associated with the construction activities. The internal costs that are capitalized consist of salaries and benefits of the Company's employees and the portion of facility costs, including rent, taxes, insurance and utilities, that supports the construction activities. These costs are depreciated over the estimated life of the plant (10 to 25 years) and headend facilities (4 to 25 years). Costs of operating the plant and the technical facilities, including repairs and maintenance, are expensed as incurred.

Installation costs associated with the initial deployment of new customer premise equipment (“CPE”) necessary to provide pay television, broadband or telephony services are also capitalized. These costs include materials, subcontractor labor, internal labor, and other related costs associated with the connection activities. The departmental activities supporting the connection process are tracked through specific metrics, and the portion of departmental costs that is capitalized is determined through a time weighted activity allocation of costs incurred based on time studies used to estimate the average time spent on each activity. These installation costs are amortized over the estimated useful lives of the CPE necessary to provide pay television, broadband or telephony services. Prior to the Cablevision Acquisition, the Company estimated the amount of capitalized installation costs based on whether or not the business or residence had been previously connected to the network. These installation costs were depreciated over their estimated useful life of 3-5 years. The portion of departmental costs related to disconnecting services and removing CPE from a customer, costs related to connecting CPE that has been previously connected to the network and repair and maintenance are expensed as incurred.

The estimated useful lives assigned to our property, plant and equipment are reviewed on an annual basis or more frequently if circumstances warrant and such lives are revised to the extent necessary due to changing facts and circumstances. Any changes in estimated useful lives are reflected prospectively.

Property, plant and equipment (including equipment under capital leases) consist of the following assets, which are depreciated or amortized on a straight-line basis over the estimated useful lives shown below:

	December 31, 2017	December 31, 2016	Estimated Useful Lives
Customer equipment	$ 612,629	$ 439,582	3 to 5 years
Headends and related equipment	1,363,679	1,273,823	4 to 25 years
Infrastructure	2,366,124	2,218,445	3 to 25 years
Equipment and software	746,131	629,992	3 to 10 years
Construction in progress (including materials and supplies)	225,299	83,590	
Furniture and fixtures	38,918	32,728	5 to 12 years
Transportation equipment	84,954	79,638	5 to 10 years
Buildings and building improvements	304,780	301,853	10 to 40 years
Leasehold improvements	92,425	85,997	Term of lease
Land	22,358	22,509	
	5,857,297	5,168,157	
Less accumulated depreciation and amortization	(1,679,639)	(562,739)	
	$ 4,177,658	$ 4,605,418	

During the year ended December 31, 2017 (Successor), period June 21, 2016 through December 31, 2016 (Successor), January 1, 2016 through June 20, 2016 (Predecessor), and year ended December 31, 2015 (Predecessor), the Company capitalized certain costs aggregating $126,904, $66,991, $58,409, and $144,349, respectively, related to the acquisition and development of internal use software, which are included in the table above.

Depreciation expense on property, plant and equipment (including capital leases) for the year ended December 31, 2017 (Successor), period June 21, 2016 through December 31, 2016 (Successor), January 1, 2016 through June 20, 2016 (Predecessor), and year ended December 31, 2015 (Predecessor) amounted to $1,136,989, $581,286, $404,234, and $857,440, respectively.

At December 31, 2017 and 2016 (Successor), the gross amount of equipment and related accumulated depreciation recorded under capital leases were as follows:

	December 31, 2017	December 31, 2016
Equipment	$ 45,200	$ 50,089
Less accumulated depreciation	(11,230)	(5,400)
	$ 33,970	$ 44,689

NOTE 7. OPERATING LEASES

The Company leases certain office, production, and transmission facilities under terms of leases expiring at various dates through 2035. The leases generally provide for escalating rentals over the term of the lease plus certain real estate taxes and other costs or credits. Costs associated with such operating leases are recognized on a straight-line basis over the initial lease term. The difference between rent expense and rent paid is recorded as deferred rent. In addition, the Company rents space on utility poles for its operations. The Company's pole rental agreements are for varying terms, and management anticipates renewals as they expire. Rent expense, including pole rentals, for the year ended December 31, 2017 (Successor), period June 21, 2016 through December 31, 2016 (Successor), January 1, 2016 through June 20, 2016 (Predecessor), and year ended December 31, 2015 (Predecessor) amounted to $72,566, $44,340, $41,573 and $82,704, respectively.

The minimum future annual payments for all operating leases (with initial or remaining terms in excess of one year) during the next five years and thereafter, including pole rentals from January 1, 2018 through December 31, 2022, at rates now in force are as follows:

2018	$ 56,962
2019	53,639
2020	52,152
2021	46,987
2022	38,707
Thereafter	122,354

NOTE 8. INTANGIBLE ASSETS

The following table summarizes information relating to the Company's acquired intangible assets:

	December 31, 2017			December 31, 2016			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Estimated Useful Lives
Customer relationships	$ 4,895,000	$ (955,332)	$3,939,668	$ 4,850,000	$ (335,459)	$4,514,541	8 to 18 years
Trade names (a)	1,010,300	(531,761)	478,539	1,010,000	(44,422)	965,578	5 years
Other amortizable intangibles	33,704	(9,896)	23,808	23,387	(2,483)	20,904	1 to 15 years
	$ 5,939,004	$ (1,496,989)	$4,442,015	$ 5,883,387	$ (382,364)	$5,501,023	

(a) On May 23, 2017, Altice N.V. announced the adoption of a global brand to replace the Company's brands in the future, reducing the remaining useful lives of these trade name intangibles to three years from the date of the adoption, which reflected one year as an in-use asset and two years as a defensive asset. In December 2017, the Company made a decision to postpone the adoption of a global brand that would have replaced the Optimum brand, increasing the useful life of the Optimum trade name intangible asset to 5 years.

Amortization expense for the year ended December 31, 2017 (Successor), period June 21, 2016 through December 31, 2016 (Successor), January 1, 2016 through June 20, 2016 (Predecessor), and the year ended December 31, 2015 (Predecessor) amounted to $1,114,625, $382,379, $10,316, and $7,812, respectively.

The following table sets forth the estimated amortization expense on intangible assets for the periods presented:

Estimated amortization expense	
Year Ending December 31, 2018	$ 694,264
Year Ending December 31, 2019	628,913
Year Ending December 31, 2020	577,244
Year Ending December 31, 2021	527,658
Year Ending December 31, 2022	477,976

The following table summarizes information relating to the Company's acquired indefinite-lived intangible assets:

	Indefinite-Lived Intangible Assets	
	December 31, 2017	December 31, 2016
Cable television franchises	$ 8,113,575	$ 8,113,575
Goodwill	5,843,019	5,838,959
Total	$ 13,956,594	$ 13,952,534

The carrying amount of goodwill is presented below:

Goodwill recorded in connection with Cablevision Acquisition	$ 5,838,959
Accumulated impairment losses	—
Net goodwill as of December 31, 2016	5,838,959
Goodwill recorded in connection with acquisitions in the first and fourth quarters of 2017	23,948
Adjustments relating to purchase accounting	3,213
Transfer of goodwill related to Altice Technical Services US Corp. (See Note 14 for further details)	(23,101)
Net goodwill as of December 31, 2017	$ 5,843,019

NOTE 9. DEBT

In connection with the Cablevision Acquisition, in October 2015, Finco, an indirect wholly-owned subsidiary of Altice N.V., which merged with and into CSC Holdings on June 21, 2016, entered into a senior secured credit facility, which provides U.S. dollar term loans currently in an aggregate principal amount of $3,000,000 ($2,985,000 outstanding at December 31, 2017) (the "Term Loan Facility", and the term loans extended under the Term Loan Facility, the "CSC Holdings Term Loans") and U.S. dollar revolving loan commitments in an aggregate principal amount of $2,300,000 (the "Revolving Credit Facility" and, together with the Term Loan Facility, the "Credit Facilities"), which are governed by a credit facilities agreement entered into by, *inter alios*, CSC Holdings, certain lenders party thereto and JPMorgan Chase Bank, N.A. as administrative agent and security agent (as amended, restated, supplemented or otherwise modified on June 20, 2016, June 21, 2016, July 21, 2016, September 9, 2016, December 9, 2016 and March 15, 2017, respectively, and as further amended, restated, supplemented or otherwise modified from time to time, the "Credit Facilities Agreement").

The amendment to the CSC Holdings Credit Facilities Agreement entered into on September 9, 2016, extended the maturity date of the Term Loan Facility to October 11, 2024. In October 2016, CSC Holdings used the net proceeds from the sale of $1,310,000 aggregate principal amount of 5.5% senior guaranteed notes due 2027 (the ''2027 Guaranteed Notes'') (after the deduction of fees and expenses) to prepay outstanding loans under the CSC Holdings Term Credit Facility that were not extended pursuant to this amendment. In connection with the prepayment of the Term Credit Facility, the Company wrote-off the deferred financing costs and the unamortized discount related to the existing term loan aggregating $102,894. Additionally, the Company recorded deferred financing costs and an original issue discount of $7,249 and $6,250, respectively, which are both being amortized to interest expense over the term of the Term Loan Facility.

The amendment to the CSC Holdings Credit Facilities Agreement entered into on March 15, 2017 ("Extension Amendment") increased the Term Loan by $500,000 to $3,000,000 and the maturity date for this facility was extended to July 17, 2025. The closing of the Extension Amendment occurred in April 2017 and the proceeds were used to refinance the entire $2,493,750 principal amount of existing Term Loans and redeem $500,000 of the 8.625% Senior Notes due September 2017 issued by Cablevision. In connection with the Extension Amendment and the redemption of the senior notes, the Company recorded a loss on extinguishment of debt and write-off of deferred financing costs aggregating $18,976.

During the year ended December 31, 2017, CSC Holdings borrowed $1,350,000 under its revolving credit facility ($500,000 was used to make cash distributions to its stockholders) and made voluntary repayments aggregating $1,075,256 with cash on hand.

Under the Extension Amendment, the Company is required to make scheduled quarterly payments equal to 0.25% (or $7,500) of the principal amount of the Term Loan, beginning with the fiscal quarter ended September 30, 2017, with the remaining balance scheduled to be paid on July 17, 2025.

The Credit Facilities permit CSC Holdings to request revolving loans, swing line loans or letters of credit from the revolving lenders, swingline lenders or issuing banks, as applicable, thereunder, from time to time prior to November 30, 2021, unless the commitments under the Revolving Credit Facility have been previously terminated.

Loans comprising each eurodollar borrowing or alternate base rate borrowing, as applicable, bear interest at a rate per annum equal to the adjusted LIBO rate or the alternate base rate, as applicable, plus the applicable margin, where the applicable margin is:

- in respect of the Term Loans, (i) with respect to any alternate base rate loan, 1.25% per annum and (ii) with respect to any eurodollar loan, 2.25% per annum, and
- in respect of the Revolving Credit Facility loans (i) with respect to any alternate base rate loan, 2.25% per annum and (ii) with respect to any eurodollar loan, 3.25% per annum.

The Credit Facilities Agreement requires the prepayment of outstanding Term Loans, subject to certain exceptions and deductions, with (i) 100% of the net cash proceeds of certain asset sales, subject to reinvestment rights and certain other exceptions; and (ii) commencing with the fiscal year ending December 31, 2017, a pari ratable share (based on the outstanding principal amount of the Term Loans divided by the sum of the outstanding principal amount of all pari passu indebtedness and the Term Loans) of 50% of annual excess cash flow, which will be reduced to 0% if the consolidated net senior secured leverage ratio of CSC Holdings is less than or equal to 4.5 to 1.

The obligations under the Credit Facilities are guaranteed by each restricted subsidiary of CSC Holdings (other than CSC TKR, LLC and its subsidiaries and certain excluded subsidiaries) (the “Initial Guarantors”) and, subject to certain limitations, will be guaranteed by each future material wholly-owned restricted subsidiary of CSC Holdings. The obligations under the Credit Facilities (including any guarantees thereof) are secured on a first priority basis, subject to any liens permitted by the Credit Facilities, by capital stock held by CSC Holdings or any guarantor in certain subsidiaries of CSC Holdings, subject to certain exclusions and limitations.

The Credit Facilities Agreement includes certain negative covenants which, among other things and subject to certain significant exceptions and qualifications, limit CSC Holdings' ability and the ability of its restricted subsidiaries to: (i) incur or guarantee additional indebtedness, (ii) make investments, (iii) create liens, (iv) sell assets and subsidiary stock, (v) pay dividends or make other distributions or repurchase or redeem our capital stock or subordinated debt, (vi) engage in certain transactions with affiliates, (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances; and (viii) engage in mergers or consolidations. In addition, the Revolving Credit Facility includes a financial maintenance covenant solely for the benefit of the lenders under the Revolving Credit Facility consisting of a maximum consolidated net senior secured leverage ratio of CSC Holdings and its restricted subsidiaries of 5.0 to 1.0. The financial covenant will be tested on the last day of any fiscal quarter, but only if on such day there are outstanding borrowings under the Revolving Credit Facility (including swingline loans but excluding any cash collateralized letters of credit and undrawn letters of credit not to exceed $15,000).

The Credit Facilities Agreement also contains certain customary representations and warranties, affirmative covenants and events of default (including, among others, an event of default upon a change of control). If an event of default occurs, the lenders under the Credit Facilities will be entitled to take various actions, including the acceleration of amounts due under the Credit Facilities and all actions permitted to be taken by a secured creditor.

CSC Holdings was in compliance with all of its financial covenants under the Credit Facilities as of December 31, 2017.

Predecessor Restricted Group Credit Facility

Prior to the Cablevision Acquisition, CSC Holdings and certain of its subsidiaries (the "Restricted Subsidiaries") had a credit agreement (the "Previous Credit Facility") that provided for (1) a revolving credit facility of $1,500,000, (2) a Term A facility of $958,510, and (3) a Term B facility of $1,200,000.

Loans under the Previous Credit Facility bore interest as follows:

- Revolving credit loans and Term A loans, either (i) the Eurodollar rate (as defined) plus a spread ranging from 1.50% to 2.25% based on the cash flow ratio (as defined), or (ii) the base rate (as defined) plus a spread ranging from 0.50% to 1.25% based on the cash flow ratio;
- Term B loans, either (i) the Eurodollar rate plus a spread of 2.50% or (ii) the base rate plus a spread of 1.50%.

There was a commitment fee of 0.30% on undrawn amounts under the revolving credit facility in connection with the Previous Credit Facility.

Repayment of Restricted Group Credit Facility Debt

In April 2015, CSC Holdings made a repayment of $200,000 on its outstanding Term B loan facility with cash on hand. In connection with the repayment, the Company recognized a loss on extinguishment of debt of $731 and wrote-off unamortized deferred financing costs related to this loan facility of $1,004 for the year ended December 31, 2015.

In connection with the Cablevision Acquisition, the Previous Credit Facility was repaid (see discussion above).

Newsday LLC Credit Facility

Newsday LLC ("Newsday") had a senior secured credit agreement (the "Newsday Credit Agreement"), which consisted of a $480,000 floating rate term loan. Interest under the Newsday Credit Agreement was calculated, at the election of Newsday, at either the Eurodollar rate or the base rate, plus 3.50% or 2.50%, respectively, as specified in the Newsday Credit Agreement. Borrowings under the Newsday Credit Agreement were guaranteed by CSC Holdings on a senior unsecured basis and certain of its subsidiaries that own interests in Newsday on a senior secured basis. The Newsday Credit Agreement was secured by a lien on the assets of Newsday and Cablevision senior notes with an aggregate principal amount of $611,455 owned by Newsday Holdings.

On June 21, 2016, in connection with the Cablevision Acquisition, Newsday LLC repaid its outstanding indebtedness under the Newsday Credit Agreement (see discussion above).

The following table provides details of the Company's outstanding credit facility debt:

				Carrying Amount (a)	
	Maturity Date	Interest Rate	Principal	December 31, 2017	December 31, 2016
Restricted Group:					
Revolving Credit Facility (b)	$20,000 on October 9, 2020, remaining balance on November 30, 2021	4.75%	$ 450,000	$ 425,488	$ 145,013
Term Loan Facility	July 17, 2025	3.74%	2,985,000	2,967,818	2,486,874
			$ 3,435,000	3,393,306	2,631,887
Less: Current portion				30,000	25,000
Long-term debt				$ 3,363,306	$ 2,606,887

(a) The carrying amount is net of the unamortized deferred financing costs and/or discounts.

(b) At December 31, 2017, $115,973 of the revolving credit facility was restricted for certain letters of credit issued on behalf of the Company and $1,734,027 of the facility was undrawn and available, subject to covenant limitations.

Senior Guaranteed Notes and Senior Notes and Debentures

The following table summarizes the Company's senior guaranteed notes and senior notes and debentures:

					Carrying Amount (a)	
Issuer	Date Issued	Maturity Date	Interest Rate	Principal Amount	December 31, 2017	December 31, 2016
Senior notes:						
CSC Holdings (b)(e)(i)	February 6, 1998	February 15, 2018	7.875%	$ 300,000	$ 301,184	$ 310,334
CSC Holdings (b)(e)	July 21, 1998	July 15, 2018	7.625%	500,000	507,744	521,654
CSC Holdings (c)(e)	February 12, 2009	February 15, 2019	8.625%	526,000	541,165	553,804
CSC Holdings (c)(e)	November 15, 2011	November 15, 2021	6.750%	1,000,000	960,146	951,702
CSC Holdings (c)(e)	May 23, 2014	June 1, 2024	5.250%	750,000	660,601	650,193
CSC Holdings (d)	October 9, 2015	January 15, 2023	10.125%	1,800,000	1,777,914	1,774,750
CSC Holdings (d)(h)	October 9, 2015	October 15, 2025	10.875%	1,684,221	1,661,135	1,970,379
Senior guaranteed notes:						
CSC Holdings (d)	October 9, 2015	October 15, 2025	6.625%	1,000,000	986,717	985,469
CSC Holdings (f)	September 23, 2016	April 15, 2027	5.500%	1,310,000	1,304,468	1,304,025
Senior notes:						
Cablevision (g)(j)	September 23, 2009	September 15, 2017	8.625%	—	—	926,045
Cablevision (c)(e)(i)(j)	April 15, 2010	April 15, 2018	7.750%	750,000	754,035	767,545
Cablevision (c)(e)(j)	April 15, 2010	April 15, 2020	8.000%	500,000	492,009	488,992
Cablevision (c)(e)(j)	September 27, 2012	September 15, 2022	5.875%	649,024	572,071	559,500
				$10,769,245	10,519,189	11,764,392
Less: Current portion					507,744	926,045
Long-term debt					$ 10,011,445	$ 10,838,347

(a) The carrying amount is net of the unamortized deferred financing costs and/or discounts/premiums.

(b) The debentures are not redeemable by CSC Holdings prior to maturity.

(c) Notes are redeemable at any time at a specified "make-whole" price plus accrued and unpaid interest to the redemption date.

(d) The Company may redeem some or all of the 2023 Notes at any time on or after January 15, 2019, and some or all of the 2025 Notes and 2025 Guaranteed Notes at any time on or after October 15, 2020, at the redemption prices set forth in the relevant indenture, plus accrued and unpaid interest, if any. The Company may also redeem up to 40% of each series of these notes using the proceeds of certain equity offerings before October 15, 2018, at a redemption price equal to 110.125% for the 2023 Notes, 110.875% for the 2025 Notes and 106.625% for the 2025 Guaranteed Notes, in each case plus accrued and unpaid interest. In addition, at any time prior to January 15, 2019, CSC Holdings may redeem some or all of the 2023 Notes, and at any time prior to October 15, 2020, the Company may redeem some or all of the 2025 Notes and the 2025 Guaranteed Notes, at a price equal to 100% of the principal amount thereof, plus a “make whole” premium specified in the relevant indenture plus accrued and unpaid interest.

(e) The carrying value of the notes was adjusted to reflect their fair value on the Cablevision Acquisition Date (aggregate reduction of $52,788).

(f) The 2027 Guaranteed Notes are redeemable at any time on or after April 15, 2022 at the redemption prices set forth in the indenture, plus accrued and unpaid interest, if any. In addition, up to 40% may be redeemed for each series of the 2027 Guaranteed Notes using the proceeds of certain equity offerings before October 15, 2019, at a redemption price equal to 105.500%, plus accrued and unpaid interest.

(g) In April 2017, the Company redeemed $500,000 of the senior notes from proceeds from the Term Loan facility. In September 2017, these senior notes matured and the Company repaid the remaining principal balance of $400,000.

(h) In July 2017, the Company used approximately $350,120 of contributions from Altice USA (which it obtained from proceeds of its IPO) to fund the redemption of $315,779 principal amount of CSC Holdings senior notes due October 2025 and the related call premium of approximately $34,341 which was recorded as a loss on extinguishment of debt. The Company also recorded a write-off of deferred financings costs in connection with this redemption aggregating $4,516.

(i) As a result of the repayment of these notes in February 2018, discussed in Note 20, the carrying amount of these Notes has been classified as long-term indebtedness.

(j) The issuers of these notes have no ability to service interest or principal on the notes, other than through any dividends or distributions received from CSC Holdings. CSC Holdings is restricted, in certain circumstances, from paying dividends or distributions to the issuers by the terms of the Credit Facilities Agreement.

The indentures under which the senior notes and debentures were issued contain various covenants. The Company was in compliance with all of its financial covenants under these indentures as of December 31, 2017.

CSC Holdings 5.5% Senior Guaranteed Notes due 2027

In September 2016, CSC Holdings issued $1,310,000 aggregate principal amount of 5.50% senior guaranteed notes due April 15, 2027. The 2027 Guaranteed Notes are senior unsecured obligations and rank pari passu in right of payment with all of the existing and future senior indebtedness, including the existing senior notes and the Credit Facilities and rank senior in right of payment to all of existing and future subordinated indebtedness.

As discussed above, in October 2016, CSC Holdings used the proceeds from the issuance of the 2027 Guaranteed Notes (after the deduction of fees and expenses) to prepay the outstanding loans under the Term Credit Facility that were not extended pursuant to the extension amendment on September 9, 2016. In connection with the issuance of the 2027 Guaranteed Notes, the Company incurred deferred financing costs of approximately $5,575, which are being amortized to interest expense over the term of the 2027 Guaranteed Notes.

Cablevision Acquisition Notes

The $1,000,000 principal amount of the 2025 Guaranteed Notes bear interest at a rate of 6.625% per annum and were issued at a price of 100.00%. Interest on the 2025 Guaranteed Notes is payable semi-annually on January 15 and July 15, commencing on July 15, 2016. These 2025 Guaranteed Notes are guaranteed on a senior basis by the Initial Guarantors.

The $1,800,000 principal amount of the 2023 Notes and $2,000,000 principal amount of the 2025 Notes, bear interest at a rate of 10.125% and 10.875%, respectively, per annum and were issued at prices of 100.00%. Interest on the 2023 Notes and 2025 Notes is payable semi-annually on January 15 and July 15, which began on July 15, 2016.

Deferred financing costs of approximately $76,579 incurred in connection with the issuance of the Cablevision Acquisition Notes are being amortized to interest expense over the term of the Cablevision Acquisition Notes.

The indentures under which the Cablevision and CSC Holdings Senior Guaranteed Notes and Senior Notes and Debentures were issued contain certain covenants and agreements with respect to investment grade debt securities, including limitations on the ability of CSC Holdings and its restricted subsidiaries to (i) incur or guarantee additional indebtedness, (ii) make investments or other restricted payments, (iii) create liens, (iv) sell assets and subsidiary stock, (v) pay dividends or make other distributions or repurchase or redeem our capital stock or subordinated debt, (vi) engage in certain transactions with affiliates, (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances, and (viii) engage in mergers or consolidations, in each case subject to certain exceptions. The indentures also contain certain customary events of default. If an event of default occurs, the obligations under the Cablevision Acquisition Notes may be accelerated.

Summary of Debt Maturities

Total amounts payable by the Company under its various debt obligations outstanding as of December 31, 2017, including notes payable, collateralized indebtedness (see Note 10), and capital leases, during the next five years and thereafter, are as follows:

Years Ending December 31,	Cablevision	CSC Holdings
2018	$ 1,619,094	869,094
2019	565,604	565,604
2020	552,902	52,902
2021	2,921,269	2,921,269
2022	680,700	31,676
Thereafter	9,380,513	9,380,513

The amounts in the table above do not include the effects of the debt transactions discussed in Note 20.

NOTE 10. DERIVATIVE CONTRACTS AND COLLATERALIZED INDEBTEDNESS

Prepaid Forward Contracts

The Company has entered into various transactions to limit the exposure against equity price risk on its shares of Comcast Corporation ("Comcast") common stock. The Company has monetized all of its stock holdings in Comcast through the execution of prepaid forward contracts, collateralized by an equivalent amount of the respective underlying stock. At maturity, the contracts provide for the option to deliver cash or shares of Comcast stock with a value determined by reference to the applicable stock price at maturity. These contracts, at maturity, are expected to offset declines in the fair value of these securities below the hedge price per share while allowing the Company to retain upside appreciation from the hedge price per share to the relevant cap price.

The Company received cash proceeds upon execution of the prepaid forward contracts discussed above which has been reflected as collateralized indebtedness in the accompanying consolidated balance sheets. In addition, the Company separately accounts for the equity derivative component of the prepaid forward contracts. These equity derivatives have not been designated as hedges for accounting purposes. Therefore, the net fair values of the equity derivatives have been reflected in the accompanying consolidated balance sheets as an asset or liability and the net increases or decreases in the fair value of the equity derivative component of the prepaid forward contracts are included in gain (loss) on derivative contracts in the accompanying consolidated statements of operations.

All of the Company's monetization transactions are obligations of its wholly-owned subsidiaries that are not part of CSC Holdings' Restricted Group; however, CSC Holdings has provided guarantees of the subsidiaries' ongoing contract payment expense obligations and potential payments that could be due as a result of an early termination event (as defined in the agreements). If any one of these contracts were terminated prior to its scheduled maturity date, the Company would be obligated to repay the fair value of the collateralized indebtedness less the sum of the fair values of the underlying stock and equity collar, calculated at the termination date. As of December 31, 2017, the Company did not have an early termination shortfall relating to any of these contracts.

The Company monitors the financial institutions that are counterparties to its equity derivative contracts. All of the counterparties to such transactions carry investment grade credit ratings as of December 31, 2017.

The following represents the location of the assets and liabilities associated with the Company's derivative instruments within the consolidated balance sheets:

		Asset Derivatives		Liability Derivatives	
Derivatives Not Designated as Hedging Instruments	Balance Sheet Location	Fair Value at December 31, 2017	Fair Value at December 31, 2016	Fair Value at December 31, 2017	Fair Value at December 31, 2016
Prepaid forward contracts	Derivative contracts, current	$ 52,545	$ 352	$ (52,545)	$ (13,158)
Prepaid forward contracts	Derivative contracts, long-term	—	10,604	(109,504)	—
		$ 52,545	$ 10,956	$ (162,049)	$ (13,158)

Gain (loss) related to the Company's derivative contracts related to the Comcast common stock for the year ended December 31, 2017 (Successor), the period June 21, 2016 through December 31, 2016 (Successor), January 1, 2016 through June 20, 2016 (Predecessor), and the year ended December 31, 2015 (Predecessor) of $(138,920), $(53,696), $(36,283) and $104,927, respectively, are reflected in gain (loss) on derivative contracts, net in the Company's consolidated statements of operations.

For the year ended December 31, 2017 (Successor), the period June 21, 2016 through December 31, 2016 (Successor), January 1, 2016 through June 20, 2016 (Predecessor), and the year ended December 31, 2015 (Predecessor), the Company recorded a gain (loss) on investments of $237,354, $141,896, $129,990, and $(30,208), respectively, primarily representing the net increase in the fair values of the investment securities pledged as collateral.

Settlements of Collateralized Indebtedness

The following table summarizes the settlement of the Company's collateralized indebtedness relating to Comcast shares that were settled by delivering cash equal to the collateralized loan value, net of the value of the related equity derivative contracts:

	Successor		Predecessor
	Year Ended December 31, 2017	June 21, 2016 to December 31, 2016	January 1 to June 20, 2016
Number of shares (a)	26,815,368	5,337,750	10,802,118
Collateralized indebtedness settled	$ (774,703)	$ (143,102)	$ (273,519)
Derivative contracts settled	(56,356)	—	(8,075)
	(831,059)	(143,102)	(281,594)
Proceeds from new monetization contracts	838,794	179,388	337,149
Net cash proceeds	$ 7,735	$ 36,286	$ 55,555

(a) Share amounts are adjusted for the 2 for 1 stock split in February 2017.

The cash to settle the collateralized indebtedness was obtained from the proceeds of new monetization contracts covering an equivalent number of Comcast shares. The terms of the new contracts allow the Company to retain upside participation in Comcast shares up to each respective contract's upside appreciation limit with downside exposure limited to the respective hedge price.

In April 2017, the Company entered into new monetization contracts related to 32,153,118 shares of Comcast common stock held by Cablevision, which synthetically reversed the existing contracts related to these shares (the "Synthetic Monetization Closeout"). As the existing collateralized debt matures, the Company will settle the contracts with proceeds received from the new monetization contracts. The new monetization contracts mature on April 28, 2021. The new monetization contracts provide the Company with downside protection below the hedge price of $35.47 and upside

benefit of stock price appreciation up to $44.72 per share. In connection with the execution of these contracts, the Company recorded (i) the fair value of the equity derivative contracts of $53,316 (in a net asset position), (ii) notes payable of $111,657, representing the fair value of the existing equity derivative contracts, in a liability position, and (iii) a discount on notes payable of $58,341.

NOTE 11. FAIR VALUE MEASUREMENT

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

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

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

	Fair Value Hierarchy	December 31, 2017	December 31, 2016
Assets:			
Money market funds (of which $14,700 is classified as restricted cash as of December 31, 2016)	Level I	$ 5,949	$ 100,139
Investment securities pledged as collateral	Level I	1,720,357	1,483,030
Prepaid forward contracts	Level II	52,545	10,956
Liabilities:			
Prepaid forward contracts	Level II	162,049	13,158
Contingent consideration related to 2017 acquisitions	Level III	32,233	—

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

The Company's derivative contracts and liabilities under derivative contracts on the Company's balance sheets are valued using market-based inputs to valuation models. These valuation models require a variety of inputs, including contractual terms, market prices, yield curves, and measures of volatility. When appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit risk considerations. Such adjustments are generally based on available market evidence. Since model inputs can generally be verified and do not involve significant management judgment, the Company has concluded that these instruments should be classified within Level II of the fair value hierarchy.

The fair value of the contingent consideration related to acquisitions in the first and fourth quarters of 2017 of $30,000 and $2,233, respectively, was estimated based on a probability assessment of attaining the targets. The estimated amount recorded as of December 31, 2017 is the full contractual amount for the first quarter acquisition and approximately 51% of the contractual amount for the acquisition that occurred in the fourth quarter.

Fair Value of Financial Instruments

The following methods and assumptions were used to estimate fair value of each class of financial instruments for which it is practicable to estimate:

Credit Facility Debt, Collateralized Indebtedness, Senior Notes and Debentures, Senior Guaranteed Notes and Notes Payable

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 fair value of notes payable is based primarily on the present value of the remaining payments discounted at the borrowing cost.

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

		December 31, 2017		December 31, 2016	
	Fair Value Hierarchy	Carrying Amount (a)	Estimated Fair Value	Carrying Amount (a)	Estimated Fair Value
Debt instruments:					
Credit facility debt	Level II	$ 3,393,306	$ 3,435,000	$ 2,631,887	$ 2,675,256
Collateralized indebtedness	Level II	1,349,474	1,305,932	1,286,069	1,280,048
Senior guaranteed notes	Level II	2,291,185	2,420,000	2,289,494	2,416,375
Senior notes and debentures	Level II	6,409,889	7,221,846	6,732,816	7,731,150
Notes payable	Level II	56,956	55,289	13,726	13,260
CSC Holdings debt instruments		13,500,810	14,438,067	12,953,992	14,116,089
Cablevision senior notes	Level II	1,818,115	1,931,239	2,742,082	2,920,056
Cablevision total debt instruments		$ 15,318,925	$ 16,369,306	$ 15,696,074	$ 17,036,145

(a) Amounts are net of unamortized deferred financing costs and discounts/premiums.

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

NOTE 12. INCOME TAXES

Cablevision

In connection with the Cablevision Acquisition, Cablevision joined the federal consolidated and certain state combined income tax returns filed by Altice USA. For all post-Cablevision Acquisition periods the income tax provision of Cablevision is determined on a stand-alone basis as if Cablevision filed separate income tax returns. In the fourth quarter of 2016, Cablevision, CSC Holdings, and Altice USA entered into an income tax sharing agreement under which Cablevision will have an obligation to Altice USA for current income taxes on a stand-alone basis. In connection with this agreement, Cablevision has an intercompany payable to Altice USA as of December 31, 2017 of approximately $115,000.

Income tax (benefit) expense attributable to Cablevision's continuing operations consists of the following components:

	Successor		Predecessor	
	Year Ended December 31, 2017	June 21 to December 31, 2016	January 1 to June 20, 2016	Year Ended December 31, 2015
Current expense:				
Federal	$ 85,760	$ 23,425	$ 6,474	$ 4,844
State	5,942	2,162	1,917	15,869
	91,702	25,587	8,391	20,713
Deferred (benefit) expense:				
Federal	(1,662,171)	(187,858)	93,252	97,927
State	(639,200)	(50,788)	22,897	35,469
	(2,301,371)	(238,646)	116,149	133,396
Tax expense (benefit) relating to uncertain tax positions	11	(6)	308	763
Income tax expense (benefit)	$ (2,209,658)	$ (213,065)	$ 124,848	$ 154,872

Income tax benefit attributable to discontinued operations for the year ended December 31, 2015 of $8,731 is comprised of current and deferred income tax benefit of $111 and $8,620, respectively.

The income tax (benefit) expense attributable to Cablevision's continuing operations differs from the amount derived by applying the statutory federal rate to pretax income principally due to the effect of the following items:

	Successor		Predecessor	
	Year Ended December 31, 2017	June 21 to December 31, 2016	January 1 to June 20, 2016	Year Ended December 31, 2015
Federal tax expense (benefit) at statutory rate	$ (251,155)	$ (189,646)	$ 100,926	$ 119,931
State income taxes, net of federal impact	(51,503)	(29,463)	14,825	18,874
Changes in the valuation allowance	—	297	86	(902)
Changes in the state rates used to measure deferred taxes, net of federal impact	(9,794)	(421)	—	(1,006)
Impact of Federal Tax Reform	(1,915,286)	—	—	—
Tax expense (benefit) relating to uncertain tax positions	(253)	(120)	178	574
New York tax reform	—	—	—	16,334
Non-deductible officers' compensation	350	—	462	846
Non-deductible share-based compensation related to the carry unit plan	14,721	3,208	—	—
Non-deductible merger transaction costs	—	4,457	9,392	—
Other non-deductible expenses	2,344	851	1,337	3,099
Research credit	—	(400)	(850)	(2,630)
Adjustment to prior year tax expense	1,300	(1,695)	—	(515)
Other, net	(382)	(133)	(1,508)	267
Income tax expense (benefit)	$ (2,209,658)	$ (213,065)	$ 124,848	$ 154,872

Pursuant to the enactment of the Tax Cuts & Jobs Act ("Tax Reform") on December 22, 2017, the Company recorded a noncash deferred tax benefit of $1,915,286 to remeasure the net deferred tax liability to adjust for the reduction in the corporate federal income tax rate from 35% to 21% which is effective on January 1, 2018. This adjustment results primarily from a decrease in the deferred tax liabilities with regard to fixed assets and intangibles, partially offset by a decrease in the deferred tax asset for the federal net operating loss carry forward ("NOL"). The noncash deferred tax benefit is provisional. Revised estimates and additional guidance regarding application of Tax Reform may require adjustments during the allowable measurement period.

Overall, Tax Reform will to have a favorable impact on the Company's income tax profile. Additional first-year depreciation deductions represent a significant timing benefit. Since Tax Reform only limits the deduction for NOLs arising in years beginning after December 31, 2017, the timing of the Company's deductions with regard to its existing NOLs is largely unaffected. The Company will be subject to Tax Reform limitation on interest deductibility which is based on a limit calculated without regard to depreciation or amortization through 2021. The resulting interest deduction that is deferred, and can be carried forward indefinitely, is expected to fully reverse. However, as is the case with any future deductible temporary difference, management will evaluate realizability to determine whether a valuation allowance is required. Management does not expect that a valuation allowance will be required based on its preliminary estimate of the current facts and circumstances.

For Cablevision, the tax effects of temporary differences which give rise to significant portions of deferred tax assets or liabilities and the corresponding valuation allowance at December 31, 2017 and 2016 are as follows:

Deferred Tax Asset (Liability)	December 31, 2017	December 31, 2016
NOLs and tax credit carry forwards	$ 354,882	$ 304,978
Compensation and benefit plans	44,450	84,731
Partnership investments	68,054	113,473
Restructuring liability	24,379	37,393
Other liabilities	32,414	31,784
Other	4,516	6,639
Deferred tax asset	528,695	578,998
Valuation allowance	(1,812)	(1,842)
Net deferred tax asset	526,883	577,156
Fixed assets and intangibles	(4,166,995)	(6,761,499)
Investments	(113,628)	(187,795)
Prepaid expenses	(8,007)	(10,172)
Fair value adjustment relating to debt and deferred financing costs	(40,215)	(37,906)
Other	(5,748)	(9,424)
Deferred tax liability	(4,334,593)	(7,006,796)
Net deferred tax liability	$ (3,807,710)	$ (6,429,640)

On January 1, 2017, the Company adopted ASU 2016-09 using the prospective transition method with respect to the presentation of excess tax benefits in the statement of cash flows. In connection with the adoption, a deferred tax asset of $310,771 for previously unrealized excess tax benefits related to share-based payment awards was recognized with the offset recorded to accumulated deficit.

The Cablevision Acquisition resulted in an ownership change under the Internal Revenue Code and certain state taxing authorities whereby Cablevision's NOLs immediately prior to the Cablevision Acquisition of $863,776 will be subject to certain limitations. Cablevision does not expect such limitations to impact the ability to utilize the NOLs prior to their expiration.

As described in Note 10, in October 2015, Finco incurred aggregate debt of approximately $8,600,000. From October 2015 through June 20, 2016, the NOL with regard to the accrued interest and amortization of deferred financing costs on such debt was $468,249. In connection with the CSC Holdings Cablevision Acquisition on June 21, 2016 a deferred tax asset of $163,887 for the Finco NOL was recorded at CSC Holdings as an adjustment to accumulated deficit.

At December 31, 2017, Cablevision had consolidated federal NOLs of approximately $902,000 expiring on various dates from 2035 through 2036, including the Finco NOL of $468,249.

As of December 31, 2017, Cablevision had $49,604 of alternative minimum tax credits which do not expire and $17,422 of research credits, expiring in varying amounts from 2023 through 2036.

CSC Holdings

CSC Holdings and its subsidiaries are included in the consolidated federal income tax returns of Altice USA. The income tax provision for CSC Holdings is determined on a stand-alone basis for all periods presented as if CSC Holdings filed separate consolidated income tax returns.

Income tax (benefit) expense attributable to continuing operations consists of the following components:

	Successor		Predecessor	
	Year Ended December 31, 2017	June 21 to December 31, 2016	January 1 to June 20, 2016	Year Ended December 31, 2015
Current (benefit) expense:				
Federal	$ 90,664	$ (11,771)	$ 49,007	$ 169,459
State	20,173	10,446	13,514	20,209
	110,837	(1,325)	62,521	189,668
Deferred (benefit) expense:				
Federal	(1,682,724)	(123,845)	91,126	17,555
State	(661,840)	(45,264)	25,703	61,370
	(2,344,564)	(169,109)	116,829	78,925
Tax (benefit) expense relating to uncertain tax positions	11	(6)	308	763
Income tax expense (benefit)	$(2,233,716)	$ (170,440)	$ 179,658	$ 269,356

Income tax benefit attributable to discontinued operations for the year ended December 31, 2015 of $8,731 is comprised of current and deferred income tax benefit of $111 and $8,620, respectively.

During 2017, CSC Holdings decreased the affiliate payable due to Cablevision by approximately $216,000.

In accordance with the historical tax allocation policy effective through June 20, 2016 and the tax sharing agreement effective starting on June 21, 2016 between CSC Holdings and Cablevision, CSC Holdings is liable for its stand alone current tax liability as if it filed separate income tax returns. During 2016, CSC Holdings increased the affiliate payable due to Cablevision by $56,178.

The income tax (benefit) expense attributable to CSC Holdings' continuing operations differs from the amount derived by applying the statutory federal rate to pretax income principally due to the effect of the following items:

	Successor		Predecessor	
	Year Ended December 31, 2017	June 21 to December 31, 2016	January 1 to June 20, 2016	Year Ended December 31, 2015
Federal tax expense (benefit) at statutory rate	$ (193,742)	$ (155,998)	$ 145,784	$ 214,742
State income taxes, net of federal impact	(39,970)	(21,775)	24,187	38,311
Changes in the valuation allowance	—	297	86	(902)
Changes in the state rates used to measure deferred taxes, net of federal impact	(9,772)	(421)	—	(581)
Impact of Federal Tax Reform	(2,008,313)	—	—	—
Tax expense (benefit) relating to uncertain tax positions	(253)	(120)	178	574
New York tax reform	—	—	—	16,334
Non-deductible officers' compensation	350	—	462	846
Non-deductible share-based compensation related to the carry unit plan	14,721	3,208	—	—
Non-deductible merger transaction costs	—	4,457	9,392	—
Other non-deductible expenses	2,344	851	1,420	3,099
Research credit	—	(400)	(850)	(2,630)
Adjustment to prior year tax expense	1,300	(408)	—	(504)
Other, net	(381)	(131)	(1,001)	67
Income tax expense (benefit)	$ (2,233,716)	$ (170,440)	$ 179,658	$ 269,356

Pursuant to the enactment of the Tax Reform Bill on December 22, 2017, CSC Holdings recorded a noncash deferred tax benefit of $2,008,313 to remeasure the net deferred tax liability to adjust for the reduction in the corporate income tax rate from 35% to 21% which is effective on January 1, 2018. This adjustment results primarily from a decrease in the deferred tax liabilities with regard to fixed assets and intangibles, partially offset by a decrease in the deferred tax asset for the federal NOL.

For CSC Holdings, the tax effects of temporary differences which give rise to significant portions of deferred tax assets or liabilities and the corresponding valuation allowance at December 31, 2017 and 2016 are as follows:

Deferred Tax Asset (Liability)	December 31, 2017	December 31, 2016
NOLs and tax credit carry forwards	$ 33,271	$ 111,051
Compensation and benefit plans	44,450	84,731
Partnership investments	68,054	113,473
Restructuring liability	24,379	37,393
Other liabilities	32,414	31,784
Other	4,516	6,639
Deferred tax asset	207,084	385,071
Valuation allowance	(1,812)	(1,791)
Net deferred tax asset	205,272	383,280
Fixed assets and intangibles	(4,166,995)	(6,761,499)
Investments	(113,628)	(187,795)
Prepaid expenses	(8,007)	(10,172)
Fair value adjustment relating to debt and deferred financing costs	(21,517)	(23,349)
Other	(5,804)	(9,424)
Deferred tax liability	(4,315,951)	(6,992,239)
Net deferred tax liability	(4,110,679)	(6,608,959)

On January 1, 2017, CSC Holdings adopted ASU 2016-09 using the prospective transition method with respect to the presentation of excess tax benefits in the statement of cash flows. In connection with the adoption, a deferred tax asset of $143,859 for previously unrealized excess tax benefits related to share-based payment awards was recognized with the offset recorded to accumulated deficit.

As described in Note 10, in October 2015, Finco incurred aggregate debt of $8,600,000. From October 2015 through June 20, 2016, the NOL with regard to the accrued interest and amortization of deferred financing costs on such debt was $468,249. In connection with the CSC Holdings Merger on June 21, 2016 a deferred tax asset of $163,887 for the Finco NOL was recorded at CSC Holdings as an adjustment to accumulated deficit.

The Company

Deferred tax assets have resulted primarily from the Company's future deductible temporary differences and NOLs. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax asset will not be realized. The Company's ability to realize its deferred tax assets depends upon the generation of sufficient future taxable income and tax planning strategies to allow for the utilization of its NOLs and deductible temporary differences. If such estimates and related assumptions change in the future, the Company may be required to record additional valuation allowances against its deferred tax assets, resulting in additional income tax expense in the Company's consolidated statements of income. Management evaluates the realizability of the deferred tax assets and the need for additional valuation allowances quarterly. At this time, based on current facts and circumstances, management believes that it is more likely than not that the Company will realize benefit for its gross deferred tax assets, except those deferred tax assets against which a valuation allowance has been recorded which relate to certain state NOLs.

In the normal course of business, the Company engages in transactions in which the income tax consequences may be uncertain. The Company's income tax returns are filed based on interpretation of tax laws and regulations. Such income tax returns are subject to examination by taxing authorities. For financial statement purposes, the Company only recognizes tax positions that it believes are more likely than not of being sustained. There is considerable judgment involved in determining whether positions taken or expected to be taken on the tax return are more likely than not of being sustained.

A reconciliation of the beginning and ending amount of unrecognized tax benefits associated with uncertain tax positions, excluding associated deferred tax benefits and accrued interest, is as follows:

Balance at January 1, 2017	$	4,025
Increases related to current year tax positions		11
Balance at December 31, 2017	$	4,036

As of December 31, 2017, if all uncertain tax positions were sustained at the amounts reported or expected to be reported in the Company's tax returns, the elimination of the Company's unrecognized tax benefits, net of the deferred tax impact, would decrease income tax expense by $5,585.

In the second quarter of 2016, the Company changed its accounting policy on a prospective basis to present interest expense relating to uncertain tax positions as additional interest expense. For the year ended December 31, 2017, $659 of interest expense relating to uncertain tax position was recorded to interest expense.

The most significant jurisdictions in which the Company is required to file income tax returns include the states of New York, New Jersey, Connecticut and the City of New York. The State of New York is presently auditing income tax returns for years 2009 through 2011. The State of New Jersey is presently auditing income tax returns for years 2013 through 2015.

Management does not believe that the resolution of the ongoing income tax examination described above will have a material adverse impact on the financial position of the Company. Changes in the liabilities for uncertain tax positions will be recognized in the interim period in which the positions are effectively settled or there is a change in factual circumstances.

NOTE 13. SHARE BASED COMPENSATION

Cablevision's Equity Plans

Successor

Carry Unit Plan

Certain employees of the Company and its affiliates received awards of units in a carry unit plan of Neptune Management LP, an entity which has an ownership interest in the Company's parent, Altice USA. The awards generally vest as follows: 50% on the second anniversary of June 21, 2016 ("Base Date"), 25% on the third anniversary of the Base Date, and 25% on the fourth anniversary of the Base Date. Neptune Holding US GP LLC, the general partner of Neptune Management LP, has the right to repurchase (or to assign to an affiliate, including the Company, the right to repurchase) vested awards held by employees for sixty days following their termination. For performance-based awards under the plan, vesting occurs upon achievement or satisfaction of a specified performance condition. The Company considered the probability of achieving the established performance targets in determining the share-based compensation with respect to these awards at the end of each reporting period. The carry unit plan has 259,442,785 units authorized for issuance, of which 181,325,001 have been issued to employees of the Company and 41,645,834 have been issued to employees of Altice N.V. and affiliated companies as of December 31, 2017.

Beginning on the fourth anniversary of the Base Date, the holders of carry units have an annual opportunity (a sixty day period determined by the administrator of the plan) to sell their units back to Neptune Holding US GP LLC (or affiliate, including the Company, designated by Neptune Holding US GP LLC). Accordingly, the carry units are presented as temporary equity on the consolidated balance sheets at fair value. Adjustments to fair value at each reporting period are recorded in paid-in capital.

The right of Neptune Holding US GP LLC to assign to an affiliate, including the Company, the right to repurchase an employee's vested units during the sixty-day period following termination, or to satisfy its obligation to repurchase an employee's vested units during annual 60 day periods following the fourth anniversary of the Base Date, may be exercised by Neptune Holding US GP LLC in its discretion at the time a repurchase right or obligation arises. The carry unit plan requires the purchase price payable to the employee or former employee, as the case may be, to be paid in cash, a promissory note (with a term of not more than 3 years and bearing interest at the long-term applicable federal rate under Section 1274(d) of the Internal Revenue Code) or combination thereof, in each case as determined by Neptune Holding US GP LLC in its discretion at the time of the repurchase. Neptune Holding US GP LLC expects that vested units will be redeemed for shares of the Company's Class A common stock upon vesting.

The Company measures the cost of employee services received in exchange for carry units based on the fair value of the award at grant date. In addition these units are presented as temporary equity on our consolidated balance sheet at fair value. For carry unit awards granted in 2016, an option pricing model was used which requires subjective assumptions for which changes in these assumptions could materially affect the fair value of the carry units outstanding. The time to liquidity event assumption was based on management's judgment. The equity volatility assumption was estimated using the historical weekly volatility of publicly traded comparable companies. The risk-free rate assumed was based on the U.S. Constant Maturity Treasury Rates for a period matching the expected time to liquidity event. The discount for lack of marketability was based on Finnerty's (2012) average-strike put option model.

For carry unit awards granted in the first and second quarter of 2017, the Company estimated the grant date fair value based on the value established in Altice USA's initial public offering of securities.

The following table summarizes activity relating to carry units:

	Number of Time Vesting Awards	Number of Performance Based Vesting Awards	Weighted Average Grant Date Fair Value
Balance, December 31, 2016	146,550,000	10,000,000	$ 0.37
Granted	28,025,000	—	3.14
Forfeited	(3,250,000)	—	0.37
Vested	(22,275,000)	—	0.37
Balance, December 31, 2017	149,050,000	10,000,000	0.80

The weighted average fair value per unit was $1.76 and $2.46 as of December 31, 2016 and December 31, 2017, respectively. For the years ended December 31, 2017 and 2016, the Company recognized an expense of $42,060 and $9,164, respectively, related to the push down of share-based compensation related to the carry unit plan of which approximately $40,611 and $6,145 related to units granted to employees of the Company and $1,449 and $3,019 related to employees of Altice N.V. allocated to the Company.

Stock Option Awards

On December 30, 2017, certain employees of the Company were granted 3,896,200 nonqualified stock options under the Altice USA 2017 Long Term Incentive Plan. The stock options were granted with an exercise price of $19.48, equal to the 30 day volume weighted average of the closing price of Altice USA Class A common stock as of the grant date. Certain nonqualified stock options (1,894,212 awards) will vest 100% on December 21, 2020 and 2,001,988 awards will vest 50% on the second anniversary, 25% on the third anniversary and 25% on the fourth anniversary of the date of grant, generally subject to continued employment with the Company or any of its affiliates, and expire ten years from the date of grant.

The fair value of each option award on the date of grant of $8.77 was calculated using the Black-Scholes valuation model. The computation of expected life of 6.44 years was determined based on the simplified method (the average of the vesting period and option term) due to the lack of recent historical data for similar awards. The interest rate for periods within the contractual life of the stock option of 2.3% was based on interest yields for U.S. Treasury instruments in effect at the time of grant. The computation of expected volatility of 33.95% was based on historical volatility of

Altice USA common stock and the expected volatility of comparable publicly-traded companies who granted options that had similar expected lives.

The Company receives an allocation of share-based compensation from Altice USA related to employees of the Company, as well as employees of Altice USA who provide services to the Company. Such amounts will be included in other operating expense in the accompanying consolidated statements of operations.

Predecessor

In connection with the Cablevision Acquisition, outstanding equity-based awards granted under Cablevision's equity plans were cancelled and converted into a right to receive cash based upon the $34.90 per Share Cablevision Acquisition price in accordance with the original terms of the awards. On the Cablevision Acquisition Date, the Company had 11,880,700 stock options, 3,769,485 restricted shares, 1,724,940 restricted stock units issued to employees and 466,283 restricted stock units issued to non-employee directors outstanding. The aggregate payment was $439,167 and represents a portion of the merger consideration. Approximately $63,484 of compensation costs related to the acceleration of the vesting of these awards in connection with the Cablevision Acquisition and the related employer payroll taxes of $7,929 were recorded on the black line and therefore are not reflected in either the Predecessor or Successor periods.

In March 2015, Cablevision's Board of Directors approved the Cablevision Systems Corporation 2015 Employee Stock Plan ("2015 Plan"), which was approved by Cablevision's stockholders at its annual stockholders meeting on May 21, 2015. Under the 2015 Plan, Cablevision was authorized to grant stock options, restricted shares, restricted stock units, stock appreciation rights, and other equity-based awards. As of December 31, 2015, 79,780 equity based awards had been granted under the 2015 Plan.

Cablevision also had an employee stock plan ("2006 Plan") under which it was authorized to grant incentive stock options, nonqualified stock options, restricted shares, restricted stock units, stock appreciation rights and other equity-based awards and a 2006 Stock Plan for Non-Employee Directors, whereby Cablevision was authorized to grant nonqualified stock options, restricted stock units and other equity-based awards. In 2015, Cablevision granted its non-employee directors an aggregate of 73,056 restricted stock units. Total non-employee director restricted stock units outstanding as of December 31, 2015 were 466,283.

Since share-based compensation expense is based on awards that are ultimately expected to vest, such compensation expense for the years ended December 31, 2016 and 2015 was reduced for estimated forfeitures. Forfeitures were estimated based primarily on historical experience.

The following table presents the share-based compensation expense recognized by the Company as other operating expenses:

	Predecessor	
	January 1, 2016 to June 20, 2016	Year ended December 31, 2015
Stock options	$ 3,848	$ 9,159
Restricted shares and restricted stock units	20,930	51,162
Share-based compensation related to equity classified awards	24,778	60,321
Other share-based compensation	453	4,965
Total share-based compensation	$ 25,231	$ 65,286

An income tax benefit of $10,357 and $26,718 was recognized in continuing operations resulting from share-based compensation expense for the period from January 1, 2016 through June 20, 2016 and year ended December 31, 2015, respectively.

Cash received from stock option exercises for the period January 1, 2016 through June 20, 2016 and year ended December 31, 2015 was $14,411 and $18,727, respectively.

Valuation Assumptions - Stock Options

Cablevision calculated the fair value of each option award on the date of grant. Cablevision's computation of expected life was determined based on historical experience of similar awards, giving consideration to the contractual terms of the share-based awards and vesting schedules, or by using the simplified method (the average of the vesting period and option term), if applicable. The interest rate for periods within the contractual life of the stock option was based on interest yields for U.S. Treasury instruments in effect at the time of grant. Cablevision's computation of expected volatility was based on historical volatility of its common stock.

The following assumptions were used to calculate the fair value of stock option awards granted in the first quarter of 2015:

	2015
Risk-free interest rate	1.82%
Expected life (in years)	8
Dividend yield	3.63%
Volatility	39.98%
Grant date fair value	$ 5.45

Share-Based Payment Award Activity

The following table summarizes activity relating to Company employees who held Cablevision stock options for the year ended December 31, 2016:

	Shares Under Option		Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (a)
	Time Vesting Options	Performance Based Vesting Options			
Balance, December 31, 2015	6,744,000	6,609,217	$ 15.28	6.80	$ 221,900
Exercised	(744,000)	(728,517)	13.97		
Shares redeemed in connection with Cablevision Acquisition	(6,000,000)	(5,880,700)	15.45		
Balance, December 31, 2016	—	—			

(a) The aggregate intrinsic value is calculated as the difference between (i) the exercise price of the underlying award and (ii) the quoted price of CNYG Class A common stock on December 31, 2015, as indicated.

Restricted Stock Award Activity

The following table summarizes activity relating to Company employees who held Cablevision restricted shares and restricted stock units for the year ended December 31, 2016:

	Number of Restricted Shares	Number of Performance Restricted Shares	Number of Performance Based Restricted Stock Units ("PSU") (a)	Weighted Average Fair Value Per Share at Date of Grant
Unvested award balance, December 31, 2015	4,967,748	1,880,100	1,772,430	$ 17.53
Vested	(2,239,167)	(753,296)	—	15.35
Awards forfeited	(85,900)	—	(47,490)	18.38
Shares redeemed in connection with Cablevision Acquisition	(2,642,681)	(1,126,804)	(1,724,940)	18.69
Unvested award balance, December 31, 2016	—	—	—	

(a) The PSUs entitled the employee to shares of CNYG common stock up to 150% of the number of PSUs granted depending on the level of achievement of the specified performance criteria. If the minimum performance threshold was not met, no shares were issued. Accrued dividends were paid to the extent that a PSU vested and the related stock was issued.

During the first quarter of 2016, 2,992,463 Cablevision restricted shares issued to employees of the Company vested. To fulfill the employees' statutory minimum tax withholding obligations for the applicable income and other employment taxes, 1,248,875 of these shares, with an aggregate value of $41,469, were surrendered to the Company. During the year ended December 31, 2015, 2,337,963 Cablevision restricted shares issued to employees of the Company vested. To fulfill the employees' statutory minimum tax withholding obligations for the applicable income and other employment taxes, 1,004,950 of these shares, with an aggregate value of $19,141 were surrendered to the Company. These acquired shares had been classified as treasury stock.

Long-Term Incentive Plan Awards

Predecessor

In March 2011, Cablevision's Board of Directors approved the Cablevision Systems Corporation 2011 Cash Incentive Plan, which was approved by Cablevision's stockholders at its annual stockholders meeting in May 2011. The Company recorded expenses of $9,169 and $27,170 for the period January 1, 2016 through June 20, 2016 and year ended December 31, 2015, respectively, related to this plan.

In connection with the Cablevision Acquisition, each long-term incentive award outstanding vested at the target level of performance as provided in the applicable award agreements. Long-term incentive awards with a performance period ending on December 31, 2017 were paid based on the actual performance in accordance with their terms (which was 100.0% of the target level). Long-term incentive awards with a performance period ending on December 31, 2016 were paid based on the actual performance level through June 30, 2015 (which was 136.2% of the target level). On the Cablevision Acquisition Date, the Company paid approximately $45,938 related to the long-term incentive awards, less applicable tax withholdings. Approximately $40,459 of the aggregate award payment was accrued for prior to the Cablevision Acquisition date and the remaining $6,300 was recorded on the black line and therefore is not reflected in either the Predecessor or Successor periods.

NOTE 14. AFFILIATE AND RELATED PARTY TRANSACTIONS

Equity Method Investments

In September 2015, the Company purchased the minority interest in Newsday Holdings LLC ("Newsday Holdings") held by Tribune Media Company ("Tribune") for approximately $8,300. As a result of this transaction, Newsday Holdings became a wholly-owned subsidiary of the Company. In addition, the indemnity provided by the Company to Tribune for certain taxes incurred by Tribune if Newsday Holdings or its subsidiary sold or otherwise disposed of Newsday assets in a taxable transaction or failed to maintain specified minimum outstanding indebtedness, was amended so that the restriction period lapsed on September 2, 2015.

In July 2016, the Company completed the sale of a 75% interest in Newsday LLC to an employee of the Company. The Company retained the remaining 25% ownership interest. Effective July 7, 2016, the operating results of Newsday are no longer consolidated with those of the Company and the Company's 25% interest in the operating results of Newsday is recorded on the equity method.

At December 31, 2017 and 2016, the Company's 25% investment in Newsday and its 25% interest in i24NEWS, Altice N.V.'s 24/7 international news and current affairs channel aggregated $(2,649) and $5,606, respectively, and is included in investments in affiliates on our consolidated balance sheets. The operating results of Newsday and i24NEWS are recorded on the equity basis. For the year ended December 31, 2017 and for the period July 8, 2016 to December 31, 2016, the Company recorded equity in net loss of Newsday of $7,219 and $1,132, respectively, and equity in net loss of i24NEWS of $2,821 and $0 for the years ended December 31, 2017 and 2016, respectively.

Affiliate and Related Party Transactions

As the transactions discussed below were conducted between subsidiaries of Altice N.V. under common control and equity method investees, amounts charged for certain services may not have represented amounts that might have been received or incurred if the transactions were based upon arm's length negotiations.

ATS

As discussed in Note 1 the Company became the owner of 100% of the equity interests in ATS in March 2018. ATS was previously owned by Altice N.V. and a member of ATS's management through a holding company. As a result of the ATS Acquisition, the Company will combine the operations of ATS with Cablevision in 2018. See Note 1 for a summary of the impact that the ATS Acquisition will have on the Company's previously reported revenue, operating expenses and operating income.

ATS was formed to provide network construction and maintenance services and commercial and residential installations, disconnections, and maintenance. In the second quarter of 2017, the Company entered into an Independent Contractor Agreement with ATS that governs the terms of the services described above. The Company believes the services it receives from ATS will be of higher quality and at a lower cost than the Company could achieve without ATS, including for the construction of our new fiber-to-the home ("FTTH") network. The Company also entered into a Transition Services Agreement for the use of the Company's resources to provide various overhead functions to ATS, including accounting, legal and human resources and for the use of certain facilities, vehicles and technician tools during a transitional period that generally ended on December 31, 2017, although the term can be extended on a service-by-service basis. The Transition Services Agreement requires ATS to reimburse the Company for its cost to provide such services.

During the second quarter of 2017, a substantial portion of the Company's technical workforce either accepted employment with ATS or became employees of ATS and ATS commenced operations and began to perform services for the Company. For the year ended December 31, 2017, the Company's operating results reflect a reduction in employee related expenses due to certain employees becoming employed by ATS and an increase in contractor costs for services provided by ATS.

From the formation of ATS and up until an equity contribution was made by its parent in June 2017, ATS met the definition of a variable interest entity in accordance with ASC 810-10-15-14. The Company evaluated whether its arrangement under the terms of the Independent Contractor Agreement is a variable interest, whether the Company is the primary beneficiary and whether the Company should consolidate ATS. The Company concluded that it is not the primary beneficiary of ATS because ATS is controlled by its parent, which in turn is controlled by Altice N.V. who has the power to direct the most significant activities of ATS.

As of December 31, 2017, the Company had a prepayment balance of $11,228 primarily related to ATS which is reflected in prepaid expenses and other current assets and $6,539 which is reflected in other long-term assets on the Company's balance sheet.

The Company reduced goodwill to reflect the preliminary estimate of the historical value of the goodwill associated with the transfer to ATS described above of $23,101, that has been recorded as a reduction to stockholders' equity.

Successor

The following table summarizes the revenue and charges related to services provided to or received from subsidiaries of Altice and Newsday:

	Year Ended December 31, 2017	Period June 21, 2016 through December 31, 2016
Revenue	$ 4,886	$ 1,086
Operating expenses:		
Programming and other direct costs	$ (4,261)	$ (1,947)
Other operating expenses	(89,381)	(8,793)
Operating expenses, net	(93,642)	(10,740)
Net charges	$ (88,756)	$ (9,654)
Capital Expenditures	$ 132,178	$ 42,231

Revenue

The Company recognized revenue in connection with the sale of pay television, broadband and telephony services to ATS and the sale of advertising to Newsday.

Programming and other direct costs

Programming and other direct costs include costs incurred by the Company for the transport and termination of voice and data services provided by a subsidiary of Altice N.V.

Other operating expenses

Other operating expenses include charges of $67,218 from ATS for the year ended December 31, 2017, pursuant to the Independent Contractor Agreement, net of charges to ATS pursuant to the TSA, discussed above.

A subsidiary of Altice N.V. provides certain executive services, as well as consulting, advisory and other services, including, prior to the Altice USA IPO, CEO, CFO and COO services, to the Company. Compensation under the terms of the agreement is an annual fee of $20,000 to be paid by the Company. Fees associated with this agreement recorded by the Company amounted to approximately $20,000 for the year ended December 31, 2017 and $10,556 for the period June 21, 2016 through December 31, 2016 (Successor). As of June 20, 2017, the CEO, CFO and COO became employees of Altice USA and the agreement was assigned to Altice N.V. by a subsidiary of Altice N.V. This agreement will be terminated upon the completion of the separation of Altice USA from Altice N.V.

Other operating expenses includes advertising purchased from Newsday and charges for services provided by other subsidiaries of Altice N.V. aggregating $2,163, net of a credit of $300 related to transition services provided to Newsday for the year ended December 31, 2017. For the period June 21, 2016 through December 31, 2016, other operating expenses includes advertising purchased from Newsday of $705 and IT consulting services of $121 provided by an Altice N.V. subsidiary, partially offset by a credit of $2,589 for transition services provided to Newsday.

Capital expenditures

Capital expenditures for the year ended December 31, 2017 include $111,351 (including advance payments related to the FTTH project of $16,363) for installation and construction activities performed by ATS, $17,014 of equipment purchased from Altice Labs S.A., $3,812 of software development services, that were capitalized, from Altice Management International and other Altice N.V. subsidiaries.

In 2016, the Company purchased equipment of $41,575 from Altice Management International and $656 from another Altice subsidiary.

Aggregate amounts that were due from and due to related parties are summarized below:

	December 31, 2017		December 31, 2016	
	Cablevision	CSC Holdings	Cablevision	CSC Holdings
Due from:				
Cequel (a) (b)	$ 19,482	$ 19,482	$ 2,796	$ 2,796
Altice USA (c)	8,274	8,274		
Newsday (a)	2,713	2,713	6,114	6,114
Altice Management Americas (a)	33	33	1,724	1,724
i24NEWS (a)	4,036	4,036	—	—
Other Altice N.V. subsidiaries (b)	1,623	1,623	—	—
	$ 36,161	$ 36,161	$ 10,634	$ 10,634
Due to:				
Altice USA (c)	$ 120,392	$ 100	$ 28,704	$ —
Altice Management International (d)	—	—	41,575	41,575
ATS (a)	121	121	—	—
Newsday (a)	33	33	275	275
Other Altice subsidiaries (a)	10,586	10,585	2,533	2,533
Cablevision (e)	—	92,432	—	304,964
	$ 131,132	$ 103,271	$ 73,087	$ 349,347

(a) Represents amounts paid by the Company on behalf of the respective related party and/or the net amounts due from the related party for services provided. Amounts due from Cequel Corporation ("Cequel") include $14,511 for assets that were transferred from the Company to Cequel during 2017.

(b) Cequel was contributed to Altice USA in June 2016 which is also the parent company of Cablevision.

(c) Reflects primarily amounts due pursuant to the tax sharing agreement effective June 21, 2016 between Cablevision and Altice USA.

(d) Represents amounts due for equipment purchases discussed above.

(e) Reflects primarily amounts due pursuant to the historical tax allocation policy and the tax sharing agreement effective June 21, 2016 between CSC Holdings and Cablevision.

Predecessor

Prior to the Cablevision Acquisition, Cablevision was controlled by Charles F. Dolan, certain members of his immediate family and certain family related entities (collectively the “Dolan Family”). Members of the Dolan Family are also the controlling stockholders of AMC Networks, The Madison Square Garden Company and MSG Networks Inc. ("MSG Networks").

The following table summarizes the revenue and charges (credits) related to services provided to or received from AMC Networks, Madison Square Garden Company and MSG Networks for the Predecessor periods:

	Predecessor	
	January 1, 2016 to June 20, 2016	Year Ended December 31, 2015
Revenue	$ 2,088	$ 5,343
Operating expenses:		
Programming and other direct costs, net of credits	$ (84,636)	$ (176,909)
Other operating expenses, net of credits	(2,182)	(5,372)
Operating expenses, net	(86,818)	(182,281)
Net charges	$ (84,730)	$ (176,938)

Revenue

The Company recognized revenue in connection with television advertisements and print advertising, as well as certain telecommunication services charged by its subsidiaries to AMC Networks, Madison Square Garden and MSG Networks. The Company and its subsidiaries, together with AMC Networks, Madison Square Garden and MSG Networks may have entered into agreements with third parties in which the amounts paid/received by AMC Networks, Madison Square Garden and MSG Networks, their subsidiaries, or the Company may have differed from the amounts that would have been paid/received if such arrangements were negotiated separately. Where subsidiaries of the Company have incurred a cost incremental to fair value and AMC Networks, Madison Square Garden and MSG Networks have received a benefit incremental to fair value from these negotiations, the Company and its subsidiaries charged AMC Networks, Madison Square Garden and MSG Networks for the incremental amount.

Programming and other direct costs

Programming and other direct costs included costs incurred by the Company for the carriage of AMC, WE tv, IFC, Sundance Channel and BBC America (2015 period only) on the Company's cable systems. The Company also purchased certain programming signal transmission and production services from AMC Networks.

Other operating expenses (credits)

The Company, AMC Networks, Madison Square Garden and MSG Networks routinely entered into transactions with each other in the ordinary course of business. Such transactions included, but were not limited to, sponsorship agreements and cross-promotion arrangements. Additionally, amounts reflected in the tables were net of allocations to AMC Networks, Madison Square Garden and MSG Networks for services performed by the Company on their behalf. Amounts also included charges to the Company for services performed or paid by the affiliate on the Company's behalf.

Subsequent to the Cablevision Acquisition, the Company continues to receive or provide services to these entities, but these entities are no longer related parties.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Commitments

Future cash payments and commitments required under arrangements pursuant to contracts entered into by the Company in the normal course of business as of December 31, 2017 are as follows:

	Payments Due by Period				
	Total	Year 1	Years 2-3	Years 4-5	More than 5 years
Off balance sheet arrangements:					
Purchase obligations (a)	$ 6,081,059	$ 2,155,445	$ 3,115,204	$ 764,015	$ 46,395
Guarantees (b)	19,796	18,288	1,508	—	—
Letters of credit (c)	115,973	200	120	115,653	—
Total	$ 6,216,828	$ 2,173,933	$ 3,116,832	$ 879,668	$ 46,395

(a) Purchase obligations primarily include contractual commitments with various programming vendors to provide video services to customers and minimum purchase obligations to purchase goods or services. Future fees payable under contracts with programming vendors are based on numerous factors, including the number of customers receiving the programming. Amounts reflected above related to programming agreements are based on the number of customers receiving the programming as of December 31, 2017 multiplied by the per customer rates or the stated annual fee, as applicable, contained in the executed agreements in effect as of December 31, 2017.

(b) Includes franchise and performance surety bonds primarily for the Company's cable television systems.

(c) Represent letters of credit guaranteeing performance to municipalities and public utilities and payment of insurance premiums. Payments due by period for these arrangements represent the year in which the commitment expires although payments under these arrangements are required only in the event of nonperformance.

The table above does not include obligations for payments required to be made under multi-year franchise agreements based on a percentage of revenues generated from video service per year.

Many of the Company's franchise agreements and utility pole leases require the Company to remove its cable wires and other equipment upon termination of the respective agreements. The Company has concluded that the fair value of these asset retirement obligations cannot be reasonably estimated since the range of potential settlement dates is not determinable.

Legal Matters

Cable Operations Litigation

In re Cablevision Consumer Litigation:

Following expiration of the affiliation agreements for carriage of certain Fox broadcast stations and cable networks on October 16, 2010, News Corporation terminated delivery of the programming feeds to Cablevision, and as a result, those stations and networks were unavailable on Cablevision's cable television systems. On October 30, 2010, Cablevision and Fox reached an agreement on new affiliation agreements for these stations and networks, and carriage was restored. Several purported class action lawsuits alleging breach of contract, unjust enrichment, and consumer fraud and seeking unspecified compensatory damages, punitive damages and attorneys' fees were subsequently filed on behalf of Cablevision's customers seeking recovery for the lack of Fox programming. Those lawsuits were consolidated in an action before the U. S. District Court for the Eastern District of New York, and a consolidated complaint was filed in that court on February 22, 2011. On March 28, 2012, in ruling on Cablevision's motion to dismiss, the Court dismissed all of plaintiffs' claims, except for breach of contract. On March 30, 2014, the Court granted plaintiffs' motion for class certification. The parties have entered into a settlement agreement. The Court granted preliminary approval of the settlement agreement on January 8, 2018, and set a hearing for final approval on May 17, 2018. As of December 31, 2016, the Company had an estimated liability associated with a potential settlement totaling $5,200. During the year ended December 31, 2017, the Company recorded an additional liability of $800. The amount ultimately paid in connection with the proposed settlement could exceed the amount recorded.

In October 2015, the New York Attorney General began an investigation into whether the major Internet Service Providers in New York State deliver advertised Internet speeds. The Company is cooperating with this investigation and is currently in discussions with the New York Attorney General about resolving the investigation as to the Company, which resolution may involve operational and/or financial components. While the Company is unable to predict the outcome of the investigation or these discussions, at this time it does not expect that the outcome will have a material adverse effect on its operations, financial conditions or cash flows.

The Company receives notices from third parties and, in some cases, is named as a defendant in certain lawsuits claiming infringement of various patents relating to various aspects of the Company's businesses. In certain of these cases other industry participants are also defendants. In certain of these cases the Company expects that any potential liability would be the responsibility of the Company's equipment vendors pursuant to applicable contractual indemnification provisions. The Company believes that the claims are without merit and intends to defend the actions vigorously, but is unable to predict the outcome of these matters or reasonably estimate a range of possible loss.

In addition to the matters discussed above, the Company is party to various lawsuits, some involving claims for substantial damages. Although the outcome of these other matters cannot be predicted 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 other lawsuits 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 16. DISCONTINUED OPERATIONS

Loss from discontinued operations for the year ended December 31, 2015 (Predecessor) amounted to $21,272 ($12,541, net of income taxes) and primarily reflects an expense of $21,000 ($12,380, net of income taxes) related to the decision in a case relating to Rainbow Media Holdings LLC, a business whose operations were previously discontinued.

NOTE 17. BENEFIT PLANS

Qualified and Non-qualified Defined Benefit Plans

Cablevision Retirement Plans (collectively, the "Defined Benefit Plans")

The Company sponsors a non-contributory qualified defined benefit cash balance retirement plan (the "Pension Plan") for the benefit of non-union employees, as well as certain employees covered by a collective bargaining agreement in Brooklyn.

The Company maintains an unfunded non-contributory non-qualified defined benefit excess cash balance plan ("Excess Cash Balance Plan") covering certain current and former employees of the Company who participate in the Pension Plan. The Company also maintained an additional unfunded non-contributory, non-qualified defined benefit plan ("CSC Supplemental Benefit Plan") for the benefit of certain former officers and employees of the Company which provided that, upon retiring on or after normal retirement age, a participant receives a benefit equal to a specified percentage of the participant's average compensation, as defined. All participants were 100% vested in the CSC Supplemental Benefit Plan. The benefits related to the CSC Supplemental Plan were paid to participants in January 2017 and the plan was terminated.

The Pension Plan and the Excess Cash Balance Plan are frozen and no employee of the Company who was not already a participant could participate in the plans and no further annual Pay Credits (a certain percentage of employees' eligible pay) are made. Existing account balances under the plans continue to be credited with monthly interest in accordance with the terms of the plans.

Plan Results for Defined Benefit Plans

Summarized below is the funded status and the amounts recorded on the Company's consolidated balance sheets for all of the Company's Defined Benefit Plans at December 31, 2017 and 2016:

	December 31,	
	2017	2016
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	$ 382,517	$ 403,963
Interest cost	11,786	14,077
Actuarial loss (gain)	13,171	(11,429)
Curtailments	6,332	3,968
Settlements	6,910	—
Benefits paid	(121,650)	(28,062)
Projected benefit obligation at end of year	299,066	382,517
Change in plan assets:		
Fair value of plan assets at beginning of year	284,118	297,846
Actual return on plan assets, net	6,356	5,829
Employer contributions	26,944	8,505
Benefits paid	(121,650)	(28,062)
Fair value of plan assets at end of year	195,768	284,118
Unfunded status at end of year	$ (103,298)	$ (98,399)

The accumulated benefit obligation for the Company's Defined Benefit Plans aggregated $299,066 and $382,517 at December 31, 2017 and 2016.

The Company's net funded status relating to its Defined Benefit Plans at December 31, 2017 and 2016, is as follows:

	December 31,	
	2017	2016
Defined Benefit Plans	$ (103,298)	$ (98,399)
Less: Current portion related to nonqualified plans	135	14,293
Long-term defined benefit plan obligations	$ (103,163)	$ (84,106)

Components of the net periodic benefit cost, recorded in other operating expenses, for the Defined Benefit Plans for the years ended December 31, 2017, 2016 and 2015, is as follows:

	Successor		Predecessor	
	Year ended December 31, 2017	June 21, 2016 to December 31, 2016	January 1, 2016 to June 20, 2016	Year ended December 31, 2015
Service cost	$ —	$ —	$ —	$ 344
Interest cost	11,786	6,946	7,130	15,523
Expected return on plan assets, net	(4,907)	(4,022)	(3,565)	(8,297)
Recognized actuarial loss (reclassified from accumulated other comprehensive loss)		—	(1,446)	1,294
Curtailment loss	3,137	231	—	—
Settlement loss (income) (reclassified from accumulated other comprehensive loss) (a)	1,845	(154)	1,655	3,822
Net periodic benefit cost	$ 11,861	$ 3,001	$ 3,774	$ 12,686

(a) As a result of benefit payments to terminated or retired individuals exceeding the service and interest costs for the Pension Plan and the Excess Cash Balance Pension Plan for the year ended December 31, 2017. During the periods June 21, 2016 through December 31, 2016 and January 1, 2016 through June 20, 2016, the Company recognized a non-cash settlement

loss that represented the acceleration of the recognition of a portion of the previously unrecognized actuarial losses recorded in accumulated other comprehensive loss on the Company's consolidated balance sheet relating to these plans.

Plan Assumptions for Defined Benefit Plans

Weighted-average assumptions used to determine net periodic cost (made at the beginning of the year) and benefit obligations (made at the end of the year) for the Defined Benefit Plans are as follows:

	Net Periodic Benefit Cost				Benefit Obligations at December 31,	
	Successor		Predecessor			
	Year ended December 31, 2017	June 21, 2016 to December 31, 2016	January 1, 2016 to June 20, 2016	Year ended December 31, 2015	2017	2016
Discount rate (a)	3.69%	3.53%	3.76%	3.83%	3.50%	3.81%
Rate of increase in future compensation levels	—%	—%	—%	—%	—%	—%
Expected rate of return on plan assets (Pension Plan only)	3.90%	3.97%	3.97%	4.03%	N/A	N/A

(a) The discount rates of 3.69%. 3.53%, 3.76% and 3.83% for the year ended December 31, 2017 (Successor), the period June 21, 2016 through December 31, 2016 (Successor), the period January 1, 2016 to June 20, 2016 (Predecessor) and the year ended December 31, 2015, represent the average of the quarterly discount rates used to remeasure the Company's projected benefit obligation and net periodic benefit cost in connection with the recognition of settlement losses discussed above.

The discount rate used by the Company in calculating the net periodic benefit cost for the Cash Balance Plan and the Excess Cash Balance Plan was determined based on the expected future benefit payments for the plans and from the Towers Watson U.S. Rate Link: 40-90 Discount Rate Model. The model was developed by examining the yields on selected highly rated corporate bonds.

The Company's expected long-term return on Pension Plan assets is based on a periodic review and modeling of the plan's asset allocation structure over a long-term horizon. Expectations of returns and risk for each asset class are the most important of the assumptions used in the review and modeling and are based on comprehensive reviews of historical data, forward looking economic outlook, and economic/financial market theory. The expected long-term rate of return was chosen as a best estimate and was determined by (a) historical real returns, net of inflation, for the asset classes covered by the investment policy, and (b) projections of inflation over the long-term period during which benefits are payable to plan participants.

Pension Plan Assets and Investment Policy

The weighted average asset allocations of the Pension Plan at December 31, 2017 and 2016 were as follows:

	Plan Assets at December 31,	
	2017	2016
Asset Class:		
Mutual funds	32%	43%
Fixed income securities	66	55
Cash equivalents and other	2	2
	100%	100%

The Pension Plan's investment objectives reflect an overall low risk tolerance to stock market volatility. This strategy allows for the Pension Plan to invest in portfolios that would obtain a rate of return throughout economic cycles, commensurate with the investment risk and cash flow needs of the Pension Plan. The investments held in the Pension Plan are readily marketable and can be sold to fund benefit payment obligations of the plan as they become payable.

Investment allocation decisions are formally made by the Company's Benefit Committee, which takes into account investment advice provided by its external investment consultant. The investment consultant takes into account expected

long-term risk, return, correlation, and other prudent investment assumptions when recommending asset classes and investment managers to the Company's Benefit Committee. The major categories of the Pension Plan assets are cash equivalents and bonds which are marked-to-market on a daily basis. Due to the Pension Plan's significant holdings in long-term government and non-government fixed income securities, the Pension Plan's assets are subjected to interest rate risk; specifically, a rising interest rate environment. Consequently, an increase in interest rates may cause a decrease to the overall liability of the Pension Plan thus creating a hedge against rising interest rates. In addition, a portion of the Pension Plan's bond portfolio is invested in foreign debt securities where there could be foreign currency risks associated with them, as well as in non-government securities which are subject to credit risk of the bond issuer defaulting on interest and/or principal payments.

Investments at Estimated Fair Value

The fair values of the assets of the Pension Plan at December 31, 2017 by asset class are as follows:

Asset Class	Level I	Level II	Level III	Total
Mutual funds	$ 61,833	$ —	$ —	$ 61,833
Fixed income securities held in a portfolio:				
Foreign issued corporate debt	—	10,721	—	10,721
U.S. corporate debt	—	39,992	—	39,992
Government debt	—	4,645	—	4,645
U.S. Treasury securities	—	62,601	—	62,601
Asset-backed securities	—	10,978	—	10,978
Other	—	—	—	—
Cash equivalents (a)	6,691	2,782	—	9,473
Total (b)	$ 68,524	$ 131,719	$ —	$ 200,243

(a) A significant portion represents an investment in a short-term investment fund that invests primarily in securities of high quality and low risk.
(b) Excludes cash and net payables relating to the purchase of securities that were not settled as of December 31, 2017.

The fair values of the assets of the Pension Plan at December 31, 2016 by asset class are as follows:

Asset Class	Level I	Level II	Level III	Total
Mutual funds	$ 121,356	$ —	$ —	$ 121,356
Fixed income securities held in a portfolio:				
Foreign issued corporate debt	—	13,583	—	13,583
U.S. corporate debt	—	48,046	—	48,046
Government debt	—	4,810	—	4,810
U.S. Treasury securities	—	77,285	—	77,285
Asset-backed securities	—	14,065	—	14,065
Other	—	247	—	247
Cash equivalents (a)	2,593	3,089	—	5,682
Total (b)	$ 123,949	$ 161,125	$ —	$ 285,074

(a) A significant portion represents an investment in a short-term investment fund that invests primarily in securities of high quality and low risk.
(b) Excludes cash and net payables relating to the purchase of securities that were not settled as of December 31, 2016.

The fair values of mutual funds and cash equivalents were derived from quoted market prices that the Pension Plan administrator has the ability to access.

The fair values of corporate and government debt, treasury securities and asset-back securities were derived from bids received from a vendor or broker not available in an active market that the Pension Plan administrator has the ability to access.

Benefit Payments and Contributions for Defined Benefit Plans

The following benefit payments are expected to be paid during the periods indicated:

2018	$ 96,482
2019	18,960
2020	14,052
2021	13,282
2022	13,792
2023-2027	69,369

The Company currently expects to contribute approximately $18,000 to the Pension Plan in 2018.

Defined Contribution Plans

The Company maintains the Cablevision 401(k) Savings Plan, a contributory qualified defined contribution plan for the benefit of non-union employees of the Company. Participants can contribute a percentage of eligible annual compensation and the Company will make a matching cash contribution or discretionary contribution, as defined in the plan. In addition, the Company maintains an unfunded non-qualified excess savings plan which was frozen on January 1, 2017 for which the Company provided a matching contribution similar to the Cablevision 401(k) Savings Plan. Applicable employees of the Company were eligible for an enhanced employer matching contribution, as well as a year-end employer discretionary contribution to the Cablevision 401(k) Savings Plan and the Cablevision Excess Savings Plan. During the fourth quarter of 2017, the plan was renamed the Altice USA 401(k) Savings Plan.

The cost associated with these plans (including the enhanced employer matching and discretionary contributions in 2016 and 2015) was $21,289, $22,014, $26,964, and $61,343 for the year ended December 31, 2017 (Successor), the period June 21, 2016 through December 31, 2016 (Successor), January 1, 2016 through June 20, 2016 (Predecessor), and the year ended December 31, 2015 (Predecessor), respectively.

NOTE 18. ALLOWANCE FOR DOUBTFUL ACCOUNTS

Activity related to the Company's allowance for doubtful accounts:

	Cablevision Systems Corporation			
	Balance at Beginning of Period	Provision for Bad Debt	Deductions/ Write-Offs and Other Charges	Balance at End of Period
Year Ended December 31, 2017 (Successor)				
Allowance for doubtful accounts	$ 4,952	$ 45,246	$ (42,341)	$ 7,857
Period from June 21, 2016 through December 31, 2016 (Successor)				
Allowance for doubtful accounts	$ —	$ 21,682	$ (16,730)	$ 4,952
Period from January 1, 2016 through June 20, 2016 (Predecessor)				
Allowance for doubtful accounts	$ 6,039	$ 13,240	$ (12,378)	$ 6,901
Year Ended December 31, 2015 (Predecessor)				
Allowance for doubtful accounts	$ 12,112	$ 35,802	$ (41,875)	$ 6,039

	CSC Holdings, LLC			
	Balance at Beginning of Period	Provision for Bad Debt	Deductions/ Write-Offs and Other Charges	Balance at End of Period
Year Ended December 31, 2017 (Successor)				
Allowance for doubtful accounts	$ 4,952	$ 45,246	$ (42,341)	$ 7,857
Period from June 21, 2016 through December 31, 2016 (Successor)				
Allowance for doubtful accounts	$ —	$ 21,682	$ (16,730)	$ 4,952
Period from January 1, 2016 through June 20, 2016 (Predecessor)				
Allowance for doubtful accounts	$ 6,039	$ 13,240	$ (12,378)	$ 6,901
Year Ended December 31, 2015 (Predecessor)				
Allowance for doubtful accounts	$ 12,112	$ 35,802	$ (41,875)	$ 6,039

NOTE 19. INTERIM FINANCIAL INFORMATION (Unaudited)

The following is a summary of the Company's selected quarterly financial data for the years ended December 31, 2017 and 2016:

	Cablevision				
2017:	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017 (a)	Total 2017
Revenues, net	$ 1,644,801	$ 1,664,422	$ 1,664,319	$ 1,691,246	$ 6,664,788
Operating expenses	(1,524,633)	(1,551,110)	(1,653,134)	(1,590,848)	(6,319,725)
Operating income	$ 120,168	$ 113,312	$ 11,185	$ 100,398	$ 345,063
Net income (loss)	$ (60,571)	$ (134,770)	$ (155,910)	$ 1,843,322	$ 1,492,071
Net income attributable to noncontrolling interests	(237)	(365)	(135)	(850)	(1,587)
Net income (loss) attributable to Cablevision Systems Corporation stockholders	$ (60,808)	$ (135,135)	$ (156,045)	$ 1,842,472	$ 1,490,484

(a) Pursuant to the enactment of the Tax Reform on December 22, 2017, the Company recorded a noncash deferred tax benefit of $1,915,286 to remeasure the net deferred tax liability to adjust for the reduction in the corporate federal income tax rate 35% to 21% which is effective on January 1, 2018.

	CSC Holdings				
2017:	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017 (a)	Total 2017
Revenues, net	$ 1,644,801	$ 1,664,422	$ 1,664,319	$ 1,691,246	$ 6,664,788
Operating expenses	(1,524,633)	(1,551,110)	(1,653,134)	(1,590,848)	(6,319,725)
Operating income	$ 120,168	$ 113,312	$ 11,185	$ 100,398	$ 345,063
Net income (loss)	$ (34,970)	$ (122,227)	$ (115,968)	$ 1,953,332	$ 1,680,167
Net income attributable to noncontrolling interests	(237)	(365)	(135)	(850)	(1,587)
Net income (loss) attributable to CSC Holdings, LLC sole member	$ (35,207)	$ (122,592)	$ (116,103)	$ 1,952,482	$ 1,678,580

(a) Pursuant to the enactment of the Tax Reform on December 22, 2017, the Company recorded a noncash deferred tax benefit of $2,008,313 to remeasure the net deferred tax liability to adjust for the reduction in the corporate federal income tax rate 35% to 21% which is effective on January 1, 2018.

	Cablevision					
	Predecessor		Successor			
2016:	March 31, 2016	April 1 to June 20, 2016	June 21 to June 30, 2016	September 30, 2016	December 31, 2016	Combined Total 2016
Revenue	$ 1,645,890	$ 1,491,714	$ 183,860	$ 1,614,699	$ 1,645,493	$ 6,581,656
Operating expenses	(1,394,635)	(1,267,663)	(246,461)	(1,571,840)	(1,550,886)	(6,031,485)
Operating income	$ 251,255	$ 224,051	$ (62,601)	$ 42,859	$ 94,607	$ 550,171
Income from continuing operations, net of income taxes	$ 94,311	$ 69,201	$ (35,548)	$ (132,392)	$ (160,842)	$ (165,270)
Loss from discontinued operations, net of income taxes	—	—	—	—	—	—
Net income (loss)	94,311	69,201	(35,548)	(132,392)	(160,842)	(165,270)
Net loss (income) attributable to noncontrolling interests	66	170	364	(256)	(659)	(315)
Net income attributable to Cablevision Systems Corporation stockholders	$ 94,377	$ 69,371	$ (35,184)	$ (132,648)	$ (161,501)	$ (165,585)
Basic income (loss) per share attributable to Cablevision Systems Corporation stockholders:						
Income from continuing operations, net of income taxes	$ 0.35	$ 0.25				
Loss from discontinued operations, net of income taxes	$ —	$ —				
Net income	$ 0.35	$ 0.25				
Diluted income (loss) per share attributable to Cablevision Systems Corporation stockholders:						
Income from continuing operations, net of income taxes	$ 0.34	$ 0.25				
Loss from discontinued operations, net of income taxes	$ —	$ —				
Net income	$ 0.34	$ 0.25				
Amounts attributable to Cablevision Systems Corporation stockholders:						
Income from continuing operations, net of income taxes	$ 94,377	$ 69,371	$ (35,184)	$ (132,648)	$ (161,501)	$ (165,585)
Loss from discontinued operations, net of income taxes	—	—	—	—	—	—
Net income	$ 94,377	$ 69,371	$ (35,184)	$ (132,648)	$ (161,501)	$ (165,585)

	CSC Holdings					
	Predecessor		Successor			
2016:	March 31, 2016	April 1 to June 20, 2016	June 21 to June 30, 2016	September 30, 2016	December 31, 2016	Total 2016
Revenue	$ 1,645,890	$ 1,491,714	$ 183,860	$ 1,614,699	$ 1,645,493	$ 6,581,656
Operating expenses	(1,394,635)	(1,267,663)	(246,461)	(1,571,840)	(1,550,886)	(6,031,485)
Operating income	$ 251,255	$ 224,051	$ (62,601)	$ 42,859	$ 94,607	$ 550,171
Income from continuing operations, net of income taxes	$ 132,750	$ 104,117	$ (31,685)	$ (105,465)	$ (138,118)	$ (38,401)
Loss from discontinued operations, net of income taxes	—	—	—	—	—	—
Net income	132,750	104,117	(31,685)	(105,465)	(138,118)	(38,401)
Net loss (income) attributable to noncontrolling interests	66	170	364	(256)	(659)	(315)
Net income attributable to CSC Holdings, LLC sole member	$ 132,816	$ 104,287	$ (31,321)	$ (105,721)	$ (138,777)	$ (38,716)
Amounts attributable to CSC Holdings, LLC sole member:						
Income from continuing operations, net of income taxes	$ 132,816	$ 104,287	$ (31,321)	$ (105,721)	$ (138,777)	$ (38,716)
Loss from discontinued operations, net of income taxes	—	—	—	—	—	—
Net income	$ 132,816	$ 104,287	$ (31,321)	$ (105,721)	$ (138,777)	$ (38,716)

NOTE 20. SUBSEQUENT EVENTS

The Company has updated its review of subsequent events as of April 30, 2018 (the date available for issuance) noting no events (other than what is discussed below) that require disclosure.

In January 2018, CSC Holdings borrowed $150,000 under its revolving credit facility and entered into a new $1,500,000 incremental term loan facility (the "Incremental Term Loan") under its existing Credit Facilities Agreement. The Incremental Term Loan was priced at 99.5% and will mature on January 25, 2026. The Incremental Term Loan is comprised of eurodollar borrowings or alternate base rate borrowings, and bears interest at a rate per annum equal to the adjusted LIBO rate or the alternate base rate, as applicable, plus the applicable margin, where the applicable margin is (i) with respect to any alternate base rate loan, 1.50% per annum and (ii) with respect to any eurodollar loan, 2.50% per annum.

In January 2018, CSC Holdings issued $1,000,000 aggregate principal amount of 5.375% senior guaranteed notes due February 1, 2028 (the "2028 Guaranteed Notes"). The 2028 Guaranteed Notes are senior unsecured obligations and rank pari passu in right of payment with all of the existing and future senior indebtedness, including the existing senior notes and the Credit Facilities and rank senior in right of payment to all of existing and future subordinated indebtedness.

The proceeds from the 2028 Guaranteed Notes, together with proceeds from the Incremental Term Loan, borrowings under the revolving credit facility and cash on hand, were used in February 2018 to repay certain senior notes ($300,000 principal amount of CSC Holdings' senior notes due in February 2018 and $750,000 principal amount of Cablevision senior notes due in April 2018) and will be used to make a distribution of $1,500,000 to Altice USA, which it will use to fund a dividend to its shareholders immediately prior to and in connection with the separation of Altice USA from Altice N.V.